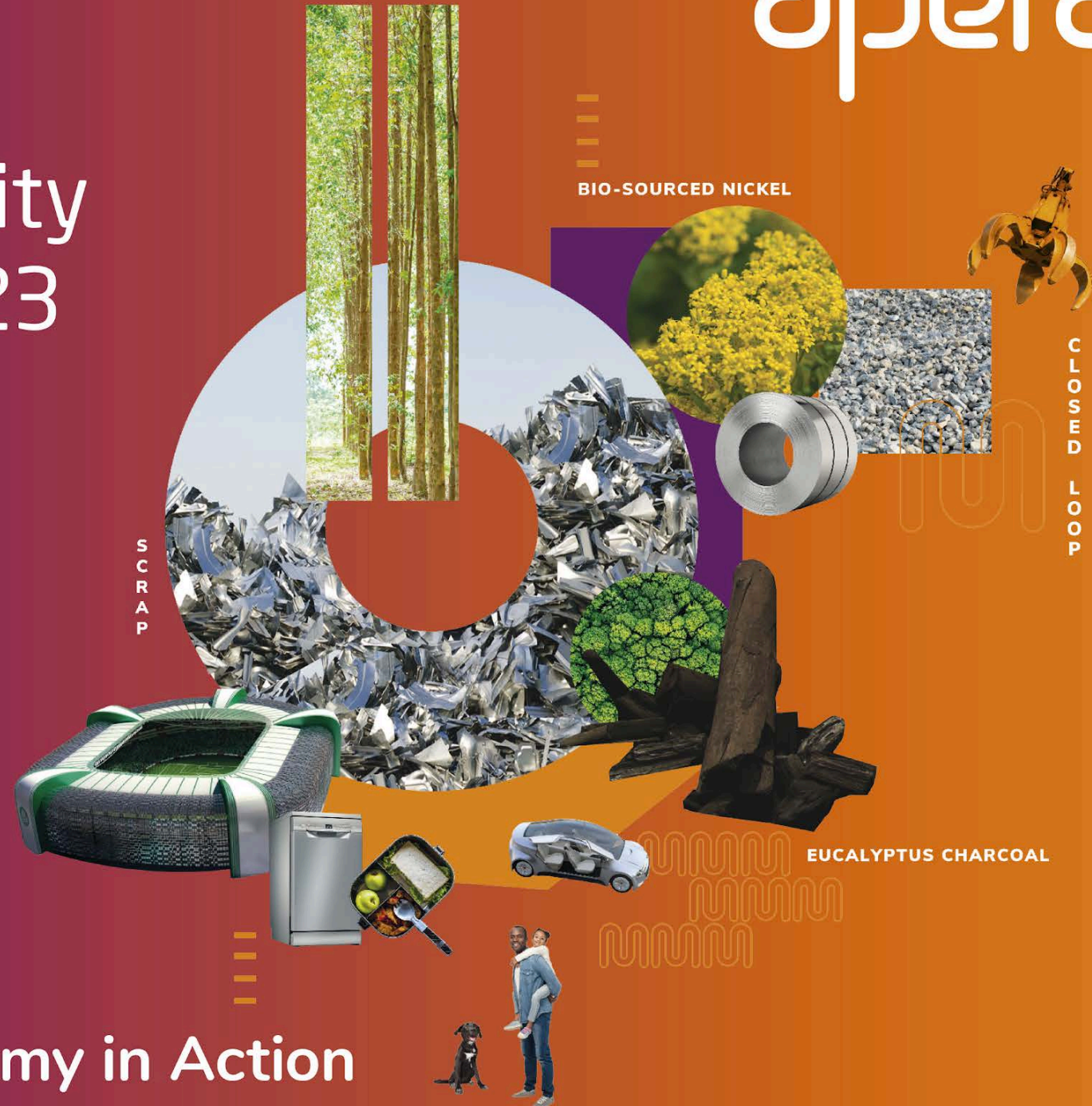


Sustainability Report 2023



Circular Economy in Action

External Assurance

We declare this report with reference to Global Reporting Initiative 2021.

Material aspects and indicators are shown on p. 11-12. Detailed Disclosures on Management of Material Topics (MMT) can be found in the online supplement 'C'. The scope of the information and data in this report covers global operations from January to December 2023.

Aperam's production capacity is focused on:

- > 6 production sites in Brazil (Timóteo), Belgium (Châtelet, Genk), and France (Gueugnon, Imphy, Isbergues/Recyco),
- > 14 Steel Service Centers (SSC), part of our Services & Solutions segment,
- > 10 transformation facilities: 4 in the Services & Solutions segment; Pont-de-Roide in the Stainless & Electrical Steel segment, BioEnergia in the Aperam Aperam Recycling & Renewables segment; and Rescal, Amilly, Imhua and ICS in Alloys & Specialties,
- > 50 scrap yard sites in North America, Europe, Asia, Australia and South Africa, for the trading, processing and recycling of secondary raw materials within the Aperam Recycling (former ELG) segment,
- > 15 sales offices for the Services & Solutions segment,
- > Registered office: 24-26 Boulevard d'Avranches, L-1160 Luxembourg.

The report does not cover any joint venture operations or activities of or with partner organizations.

- Safety data covers Services & Solutions and Alloys & Specialties, as well as on-site contractors.
- Human resources data exclude contractors.
- Subject to the exclusions indicated below, environmental data covers all the main industrial sites, SSCs and corporate offices.

Environmental information is compiled locally and aggregated centrally. The CO₂ emissions data relates to Scopes 1 and 2, unless otherwise mentioned.

The following exclusions apply to the environmental data:

- (1) Raw material data excludes packaging and miscellaneous parts ;
- (2) Scope 3 indirect emissions (partial estimates).

This report, published on April 24th 2024, also represents our Communication on Progress relating to United Nations Global Compact (UNGC) membership (see Supplement 'A').

The scope of the report is identical to the consolidated financial report.

ELG is fully consolidated into the Aperam Group from that date as part of the new Recycling & Renewables Division, unless otherwise mentioned.

Please note that this report has been updated with corrected data, on 31 October 2024. Corrections have been made as follows: six data in page 34, one in page 41 and eight lines and a footnote of a table in page 54, and are highlighted with this light blue.

None of these corrections affect comments , interpretation or other figures throughout the report nor were they part of the KPIs having received limited assurance.

Independent Assurance Statement

The 'Made for Life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ending 31 December 2023.

The Report is composed of five items: the 'Made for Life Report' and four Supplements – A, B, C and D. Our 2023 Report can be found on our website (www.aperam.com/sustainability), together with the four supplements. The summary report has been prepared "with reference to the GRI Standards".

The summary should be read with its accompanying Supplements to constitute the complete Report.

PricewaterhouseCoopers, Société Coopérative (PwC) has been engaged to carry out a limited assurance engagement under International Standard on Assurance Engagements ("ISAE") 3000 to issue an assurance report in respect of certain information disclosed in the "Made for Life" 2023 (the "Sustainability Report") as set out in the table of the Scope section (the "Selected Information Table") of the opinion (p. 69) in accordance with certain Assessment Criteria.

These Assessment Criteria have been derived from certain sections of the Global Reporting Initiative (« GRI ») framework and by applying additional methodology defined by company policies that management considers as relevant for the purpose of the Company's business and for the ultimate users of the 2023 "Made for life" report (refer to Supplements Online for more details).

Selected information is marked in the Report with a '**'

Contents



About Aperam

Opening words From our Chief Executive Officer.

Company profile A global leader in Stainless and Specialty Steel serving multiple markets ; Our Offering ; Our Main Sites.

Business Model: Sustainability is fully embedded within our Business operations.

Sustainability strategy: How Aperam's roadmap and reporting comply with GRI principles.



Social: Our People

With safety as our top priority, Aperam aims to be a sustainable and profitable company with our efficient and passionate workforce as our main asset.

> See how our approach ensures the safety, development and well-being of our people.



Environment: Our Planet

As part of an energy-intensive industry consuming metallic ores and other raw materials, Aperam takes environmental stewardship seriously.

> Read about the many ways we are becoming a more sustainable company by reducing our industrial footprint and working to raise awareness about environmental issues.



Governance: Our Stakeholders

From the support of our subcontractors on-site to the strong partnerships built with our suppliers and customers and up to local infrastructures - our success is dependent on the communities we operate in. Our Corporate Governance is based on the highest standards and complies with the most rigorous business ethics. As a certified member of the ResponsibleSteel™ initiative, we are committed to taking stakeholder engagement and responsibility to a new level.

> See how we continually strive to develop in a way that benefits the public at large.



About this Report

GRI Index and Disclosures on Management Approach

Methodology Supplements: United Nations' Global Compact reference (A); Materiality Process at Aperam (B) ; GRI Index / Disclosure on Management of Material Topics (C); Methodological Approach (D) and EU Taxonomy Alignment (E).

Country Supplements: For stakeholders and available in the local languages of our three main countries of operation (Belgium, Brazil, France) - to be released later.



About Aperam

Opening Words from our CEO

While 2023 could only have been a typical, low cycle year, greater forces were at play. Geopolitical tensions, natural disasters, and increased hardships, to name only a few of the challenges that directly impacted populations, resulted in higher costs, especially on the energy side, and sluggish demand for Aperam.

Continuing to promote Sustainable

Development within this context requires a strong commitment.

Thanks to agility being one of our key values and sustainability our differentiation strategy, in 2023, we remained committed to our social, environmental and societal responsibilities, evidence of which you will see in this Sustainability Report.

► Aperam puts people and their health and safety first.

All our safety indicators improved compared to last year, ending with a LTFR of 2.3, a TRIR below 6, and a Severity Rate of 0.14. These good safety results are further boosted by fewer accidents within our new Aperam Recycling perimeter and an increase in potential serious injury situations being reported - to be mitigated - before any inconvenience occurs.

Although there is room for improvement, we are in line with our target of reaching a TRIR of below 3 by 2026, improving the well-being of our employees, and becoming a 'zero-accident' company. Our roadmap, supported by a comprehensive 'JustCulture' approach, should bring us to the next level of performance. For instance, significant initiatives were achieved in 2023: a European-centric Health@Work survey to drill down on specific areas of improvement that lie there, compared to Brazil, and a two-day 'Wellbeing at

Work & Resilience' training for Aperam's top management, which will be further rolled out in 2024 as part of our focus on Mental Health.

Our culture and focus on our people has always been key and, in 2023, it played a major role in the successful integration of the nearly 1,000 Aperam Recycling staff and 800 Brazilian colleagues who were onboarded as part of our strategic focus on forestry.

To drive and constantly adjust our Human Resources program, we use regular Engagement Surveys. Last year, almost 8 out of 10 employees showed their trust and sense of belonging in Aperam by participating in the latest survey. Of course, this study is all the more instrumental in times of economic austerity, when we need to restrain our costs while increasing our teams' efficiency, as we must now do in Europe. The latest results highlight some areas of improvement, but we're glad to have earned solid recognition for our efforts to value people, promote diversity and stand as the responsible and attractive employer we aim to be.

► In line with the expectations of both our employees and our external stakeholders, Aperam keeps its environmental responsibility high.

2023 also saw a continuation of our multi-year improvement plans and our decarbonization roadmap. As this Report will show, our commitment is visible in our objectives, our actions, and our performance. It can also be seen the honesty with which we report on our strengths and our weaknesses.

One of our strengths definitely remains our superior carbon footprint, which, at 0.28*CO₂e/ton of crude steel¹, is far ahead of the sector's 0.9 sector's average as established by the International Stainless Steel Forum. This good performance is strengthened by our optimized use of steel scrap, which is made possible by the integration of former ELG.

The repeat A- rating we received from CDP Climate confirms the consistency of our approach.

¹ Scopes 1+2, including the sequestration effect of our Brazilian forests.

On top of our virtuous production modes, which uses charcoal in our Brazilian blast furnaces and scrap in our European Electric Arc Furnaces, we also have our Recyco unit recovering the metallic content from production wastes and our Botanickel joint-venture aiming to 'farm' nickel in a responsible way². In 2023, we went even further, with our BioEnergia unit developing two new innovative methods for reclaiming by-products. One of those methods turns liquified residues into a new, fossil-free fuel (bio-oil) that can be used for transportation purposes. The second method involves the launch of a careful and fully audited start-up in the field of carbon credits. The credits correspond to the sequestration of carbon into our own fields for third-parties (impacting their GHG footprint) and involves spreading biochar that will also improve the soil for our future agroforestry purposes.

► **Aperam continuously improves its management system, based on strong ethics, engagement and corporate citizenship.**

For Aperam, maintaining strong partnerships with our business partners and the communities around our main operations is paramount. Such partnerships are traditionally reflected by local programmes (Open Days, 'Territoires d'Industrie') and, more importantly, by our Foundation's work in Brazil, with over 118,000 beneficiaries recorded in 2023. However, in 2023, we initiated several new, innovative and promising bonds with our stakeholders.

On the buy-side, we built a forestry joint-venture with a Brazilian raw materials supplier who will use our charcoal to support their energy transition. On the sell-side, we co-constructed a specific offer with our infiniteTM low-carbon portfolio to accelerate one customer's decarbonization strategy. On a business side that merges both sell and buy, we strengthened a 100% closed loop titanium and nickel supply chain with a major actor servicing the aviation and aerospace industry.

Furthermore, on the community-side, our 1,600-people BioEnergia unit initiated a new agreement to allow local farmers to use our land and cultivate their own substance agricultural crops, like beans and corn, between the rows of eucalyptus. Thanks to our agricultural know-how, this framework produces a win-win partnership that benefits our soil together with the local farmers - and fills us with joy.

² See page 48.

This holistic approach to what is often referred to as 'ESG' is assessed by rating agencies, who gave Aperam excellent grades (see page 50). The same approach is also defined specifically for our sector by the hundreds of requirements set by ResponsibleSteelTM. After having become the first Stainless Steel player to receive ResponsibleSteelTM certification in Europe³, in 2023, we confirmed our leading position in sustainability by being granted the same certification for our Brazilian plant and successfully passing the surveillance audit in Europe.

For 2024, we are prepared to operate in yet another exceptionally challenging environment, but Aperam will remain focused on resilience and flexibility aiming at creating both financial and social value.

To do so, we will combine our Sustainability strategy and our Leadership Journey®, and one of our forte is definitely our Renewable and Recycling Division. Still, I trust that our greatest asset, our 11,000+ employees, will be instrumental to continue unwrapping new sustainable business models and to further build on the strong bounds woven with our stakeholders - who count on us. We will not disappoint them.

Sincerely yours,

Tim Di Maulo

Chief Executive Officer

³ 2021, for our Stainless Europe operations

Company Profile

Aperam is a public limited company listed on the Luxembourg stock exchange and on Euronext Amsterdam, Brussels and Paris.



> 6 main plants

> 4 melting shops: Timóteo (Brazil), Châtelet and Genk (Belgium), Imphy (France)

> 5 main cold rolling sites: Timóteo (Brazil), Genk (Belgium), Gueugnon, Isbergues and Imphy (France)

> 1 FSC®-certified BioEnergia eucalyptus plantation and charcoal production facility (Brazil)

> 1 Recycling network (Worldwide - 50 sites)

> 1 Distribution network (Worldwide - 15 sites)

EUR millions unless otherwise stated ⁽¹⁾	2023	2022	2021	2020	2019
Crude Steel ('000 metric tons)	1,820	1,931	2,169	1,959	1,985
Shipments ('000 metric tons)	2,198	2,309	1,819	1,677	1,786
Revenues	6,724	8,221	5,144	3,656	4,287
Operating costs ⁽²⁾	5,685	6,418	3,393	2,799	3,378
Employee wages & benefits	676	675	534	481	517
Payments to providers of capital ⁽³⁾	150	342	249	146	240
Payments to government	59	130	136	80	37
Community investments	1.08	0.7	0.6	0.4	0.3
EBITDA	293	1076	1186	343	357
Economic value retained	158	655	831	150	210
Direct economic value generated	6,724	8,221	5,144	3,656	4,287
Economic value distributed	6,567	7,566	4,313	3,506	4,077

¹ Differences between "Global Aperam" and the sum of the different regions and segments (next page) are due to all operations other than those in clear, together with inter-segment elimination and/or non-operational items that are not segmented. For Full-Time Equivalent Employees (see next page), it is related to Headquarters and 'transversal functions' (HR, IT, etc.).

² Operating costs include R&D costs of EUR 24 million for Aperam Group for 2023.

³ Payments to capital providers = Net Cash Interest and dividends paid to capital providers and shares repurchased through share buyback programmes during the year, in line with an amount of interest paid (net) of EUR 5 million, EUR (3) million, EUR 4 million, EUR 7 million and EUR 5 million, dividends paid of EUR 145 million, EUR 151 million, EUR 140 million, EUR 139 million and EUR 142 million, and shares repurchased for nil, EUR 194 million, EUR 105 million, nil and EUR 93 million stated in the cash flow statements of the 2023, 2022, 2021, 2020 and 2019 Annual Reports respectively.

About Aperam

Our Offering



RECYCLING & RENEWABLES

Scrap is our key raw material, Charcoal our major energy

- > ELG is a global leader in the trading, processing and recycling of scrap for the stainless steel industry & market leader in the recycling of high performance materials such as superalloys and titanium mainly for aerospace
- > BioEnergia produces wood and charcoal from FSC® certified eucalyptus forests (~126,000 ha)
- > Recyco recycles metal from dust, mud, residues, ashes, etc.



STAINLESS & ELECTRICAL

Amongst the largest producers of stainless steel globally

Europe:

- > 2 Electric Arc Furnaces (EAF) use scrap as major input material
- > Stainless steel flat product output

South America:

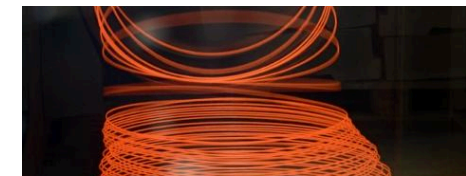
- > 2 Blast Furnaces (BF) use iron ore and charcoal produced from own forests
- > 2 EAF use recycled scrap
- > Stainless flat products & electrical steel



SERVICES & SOLUTIONS

Aperam's distribution arm

- > Services & Solutions (S&S) provides value added and customized solutions through further processing according to specific customer requirements. S&S core activities:
- > Direct sales of Aperam products to end users
- > Distribution of Aperam and third party material
- > Transformation services, according to specific customer requirements



ALLOYS & SPECIALTIES

Top 3 producer of nickel alloys globally

- > Aperam specializes in nickel alloys and specific stainless steels
- > Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades
- > High value items that are often sold on a kg basis

Aperam Performance by Division GRI-201-1

			Stainless & Electrical Steel		Services & Solutions	Alloys & Specialties	Recycling & Renewables
Aspect	Indicator ¹	Unit	<u>Europe:</u> Genk, Châtelet, Gueugnon, Isbergues, Precision	<u>South America:</u> Timóteo	<u>Worldwide:</u> 14 service centers 4 transformation units 15 sales offices	<u>Worldwide:</u> Imphy, Amilly, Rescal Imhua (PRC), Indore - ICS (IN)	<u>Worldwide:</u> Aperam Recycling, Recyco, Bioenergía
People	Own Staff (End of Period)	FTE	2,718	2,317	1,552	1,223	2,724
Shipments	Shipments	kt	979	571	647	33	1,373
Economic Contribution	Revenues	m€	3,210	1,140	2,261	890	1,971
	Wages & Benefits		302	75	90	75	117
	Payments to Capital Providers ³		-70	69	14	0	0
	Community Investments		0.09	0.46	0.04	0.02	0.47
	Payments to Government		15	8	10	6	13
	EBITDA		-52	133	24	49	156
	Economic Value Distributed		3,113	1,071	2,229	842	1,819



Aperam's CEO, Head of Strategy, CFO and Board of Directors' Members (BM), from left: Sandeep Jalan (BM), Ros Rivaz (BM), Lakshmi N. Mittal (Chairman), Vanisha Mittal Bhatia (Aperam Chief Strategy Officer), Tim di Maulo (Aperam CEO), Bernadette Baudier (BM), Aditya Mittal (BM), Roberte Kesteman (BM), Sud Sivaji (Aperam CFO), Alain Kinsch (BM)

¹ All footnotes are the same available on the previous page.

About Aperam

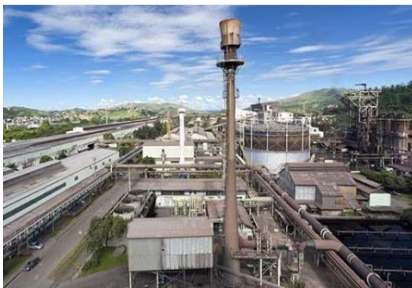
Our Main Sites



Châtelet (Belgium)
Melt shop and hot-rolling mill



Genk (Belgium)
Melt shop, Cold-rolling and finishing



Timóteo (Brazil)
Melt shop, Cold-rolling and finishing



Isbergues (France)
Cold-rolling mill and finishing + Recyco



Gueugnon (France)
Cold-rolling mill and finishing facilities



Imphy (France)
Melt shop, Cold-rolling and finishing

Our Values



Leadership

By being a bold, creative and courageous market player, we will lead the way in promoting sustainable solutions.



Agility

While changing market conditions require us to move quickly and adapt, we must remain flexible enough to meet our customer's specific requirements.



Ingenuity

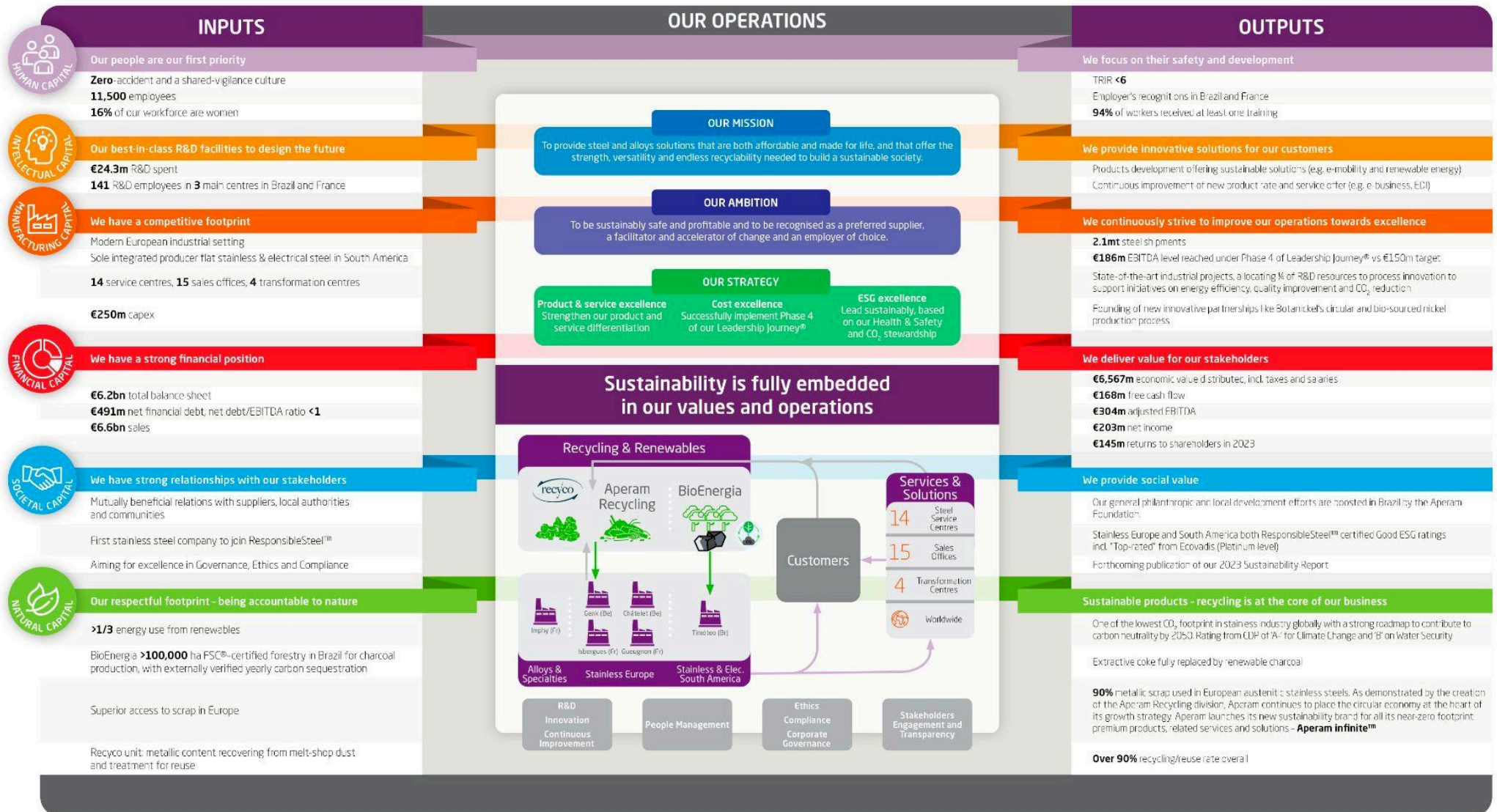
Our people are skilled, imaginative and innovative and have a passion for sharing their skills. This ingenuity leads to new ideas and new solutions.

Sites Certifications		ISO			IATF	Others
Division	Site	45001	14001	9001	50001	16949
<u>Stainless & Electrical Steel:</u>	Châtelet	x	x	x		ResponsibleSteel™
	Genk	x	x	x		ResponsibleSteel™
	Gueugnon	x	x	x	x	ResponsibleSteel™
	Isbergues	x	x	x	x	ResponsibleSteel™
	Pont de Roide	x	x	x	x	x
South America	Timóteo	x	x	x		x ResponsibleSteel™
<u>Alloys & Specialties</u>	Imphy	x	x	x		x
	Amilly	x	x	x		x
	Rescal	x	x	x		
	Imhua (PRC)	x		x		x
	Indore (IN)	x	x	x		
<u>Services & Solutions</u>	18 units (S&S and transformation)	18/18	14/18	18/18	4/18	4/18
<u>Recycling & Renewables</u>	10 main /50 (former ELG) yards	7/10	7/10	9/10		
	Recyco	x	x			ResponsibleSteel™
	BioEnergia	x	x			FSC® CoC & M

Other specific certificates and approvals can be found at <https://www.aperam.com/documentation>.

About Aperam

Our Business Model



Sustainability Strategy



While our comprehensive ESG approach brings us recognition, supported by the launch of a new “ESG Transformation” program aiming at an in-depth mindset revolution, the success of our Circular Economy strategy now acts as a booster.

Aperam’s Renewables & Recycling division played a paramount role in last year’s financial performance. Beyond our objective to grow Aperam Recycling, BioEnergia and Recyco organically, we uncovered new axes of development that we call ‘Sustainable Business Models’. For example, on top of the introduction of Aperam infinite™ (our new near-zero CO₂ premium products⁴), Aperam developed a partnership with IperionX around 100% recycled titanium and nickel supply chains in the United States. Our Brazilian units unveiled several new offers, one based on a charcoal by-product turned into a bio-oil and another used as a fertilizer and carbon “sequestration”, opening the door to carbon credits. Looking towards the future, new opportunities will continue to be explored while keeping our long-term view and three-pillar sustainability roadmap in line with the Global Compact and Sustainable Development Goals.

⁴ Scopes 1+2+3 upstream

> **People and their health & safety will always come first.** Beyond the constant attention we give to Health & Safety, we also commit to creating a work environment that encourages our employees to thrive and develop the innovative ideas that will propel our company to the forefront of our sector. We do this by engaging with our employees, for instance through our All-Employee Engagement Surveys, and working together to find the right personalized training, operating mode and development opportunities.

This is not only to keep them motivated and performing, but also to nurture a sense of being a part of the Aperam family, which is all the more important as we look to fully integrate our former ELG colleagues (within Aperam recycling division), and re-invent our future together.

> **As to the environment, our sector’s responsibility is greater than most and Aperam intends to pave the way towards the most sustainable practices in steelmaking.** We need - and have - solid roadmaps to further reduce our CO₂ and air emissions, as well as our energy and water intake by 2030, with more stringent Paris-aligned targets by 2050. With these initiatives, recognized again in 2023 by an A- and B rating from the CDP on climate change and water respectively, and by our taxonomy alignment, we aim to minimize our environmental impacts today while also adapting to the many challenges posed by climate change.

But while we continue with our environmental roadmap, we are also keen to leverage the expertise of our new Aperam Recycling & Renewables division to further optimize scrap usage and look for alternative renewable sources of materials, like the biofuel sold by BioEnergia based on charcoal by-products or Botanickel crops that will allow us to “farm” nickel.

> Whether in our relations with our stakeholders or our corporate decision-making process, **our governance is guided by our high ethical standards.** All our stakeholders have legitimate needs.

We are a signatory of the United Nations’ Global Compact and supporter of the United Nations’ Sustainable Development Goals (particularly those highlighted to the left). As such, we aim to address their needs by being a fair, transparent and trustful partner to our customers, lenders and suppliers, to act responsibly with authorities and local communities, proactively address concerns, and contribute to the general good.

Part of this means chasing the best practices and challenging ourselves with undisputable certification such as those from the FSC® or ResponsibleSteel™, the later of which we have obtained for 5 out of our 6 main sites thanks to the certification of Aperam South America at the beginning of 2023.

Sustainability Governance in 2023

➤ **Members of the Board of Directors:** in charge of the overall management of the Company, they decide on the direction taken based on proposals from the Leadership Team (LT, Aperam's Management Committee), a group of eight senior executives headed by our CEO, Mr. Timoteo Di Mauro. The Board of Directors has two committees, the Audit and Risk Management Committee and the Remuneration, Nomination and Corporate Governance Committee.

At the Board level, sustainability topics are covered on a quarterly basis, firstly within the Audit & Risk Management Committee, which is responsible for ensuring that all risks are appropriately addressed, and at Board level too.

➤ **CEO:** responsible for Aperam's sustainability performance and compliance.

➤ **LT reviews:** on top of H&S weekly and monthly meetings, we used to have quarterly slots on the environment completed with ESG meetings. The latter were involving at least the CEO and the CTO, and other functions, depending on the topics covered and they happened regularly (monthly in 2021-2022). Starting 2023, on top of that, a dedicated ESG slot has been added at the beginning of the monthly LT meetings in order to have all functions and divisions' systematically on board.

➤ **Chief Technical and Sustainability Officer,** Head of Sustainability, Health & Safety, Environment, Industrial Risk & Innovation and Purchasing: responsible for steering the Sustainability Strategy, based on discussions with the rest of the LT and other stakeholders.

Collaborating at sector-level through ResponsibleSteel™

In 2019, Aperam was the very first stainless steel company to join the newly established ResponsibleSteel™ association. This initiative represents a milestone for sustainability in our industry, defining the best practices into a framework to be used for external audits with the aim to give (end) customers confidence in a steel company's commitment to responsibility. Aperam actively participated in the creation of the first site-specific standard, in cooperation with the association's other members, including steelmakers, NGOs specialized in environmental or social topics, suppliers from the extractive industry, and customers. In 2020, Aperam continued to participate in the building of the product-level standard while also preparing to start the certification process for its first sites in Europe. In 2021, we had four sites in Belgium and France certified as per this framework and we continued to discuss a product-level standard with more detailed requirements regarding responsible sourcing and GHG emissions. In 2022, we underwent the ResponsibleSteel™ audit at our Brazilian site of Timóteo, leading to the granting of the certification in February 2023 after the holiday season. In 2023, we passed the Surveillance audit at our four European sites, successfully. We will continue on this path with the recertification of the European sites and the surveillance audit of the Timóteo site in 2024.

Embedding a Sustainability State-of-Mind into All Processes

Incorporating our sustainability roadmap into everyday decisions and ensuring perfect alignment across the organization requires more than just awareness-raising actions. It also takes prioritization and incentivization.

Since 2018, company-wide objectives have been cascaded into the individual objectives of all employees across the organization, starting by our CEO, whose first objective chapter is entitled "Health, Safety and Sustainability" and encompasses such topics as "Health" and "Sustainable Industry with a long term objective of zero impact on the environment". Other CEO objectives cover the topics of "Compliance and Company reputation" and includes business ethics, and "Diversity", which starts with a clear focus on gender.

Since 2019, these objectives have been incorporated into MyHR and, since 2020, for the 2021 exercise, we have introduced the categorisation of all our internal objectives according to our GRI analysis and subsequent 'material aspects' (see below and appendices).

In 2021, a new step was taken with the preparation of a revolving credit facility including two ESG-driven indicators. This Sustainability-Linked loan, finalized in February 2022, aims at leveraging Aperam's sustainability profile, as a borrower, by aligning the loan terms to our sustainability performance against predetermined indicators picked up to reflect our commitment and key focus, namely our H&S performances (adding TRIR indicator) and CO₂ improvements, which are reviewed under limited assurance by an external party. This means that reaching our objectives will trigger a reduction in our financing costs (1.5bp by indicator), but failing to do so will generate an increase in the same proportion. Any such "bonus" fostered by this framework will be entirely allocated to the financing of more projects in the area, meaning in relation with our people, Well-being and Human Rights, on the one hand, and on Climate Change mitigation, recycling and Environmental care, on the other. This is a new token of our commitment to Sustainability.

Strategic directions

➤ In 2021, Aperam decided to reflect its strategic orientation towards a responsible usage of resources and full circularity by the conclusion of the acquisition of ELG, a global leader in stainless steel and superalloys recycling.

As a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, former ELG constitutes an integral part of the stainless steel and superalloys value chain, forming the link between industrial customers, local scrap handlers and mills & melt shops that purchase globally. With ~1,100 FTEs in 50 locations globally, Aperam Recycling continuously contributes to reducing the stream of metal waste: 1.37 million tonnes of recycled raw material were shipped in 2023 (1.4m ton in 2022), to be transformed into new products.

Investing in sustainable recycling will further improve Aperam's leading environmental footprint and support the company's CO₂ reduction targets. The acquisition does enable Aperam to improve its input mix and to expand into the supply of recycled raw materials. The upstream value chain extension through the combination with ELG is a transformational

addition to Aperam's business model. This will also be expressed in Aperam's operating segments. As from the 2022 financial statements onward, ELG has been reported, together with Recyco and ASB Recycling, as part of a new operating segment "Recycling & Renewables". Our newest segment includes all recycling and renewable energy activities: (i) Aperam Recycling (formerly ELG), a global leader in the trading, processing and recycling of raw materials for the stainless steel industry, as well as high performance materials such as superalloys and titanium; (ii) Recyco, our electric arc furnace recycling facility that retrieves and recycles dust and sludge, with the aim of using it to produce stainless steel raw materials while also reducing waste; and Annual Report 2023 12 (iii) Aperam BioEnergia, which produces wood and charcoal (biomass) from cultivated eucalyptus forests in Brazil that is then used as a substitute for coke at our Timóteo (Brazil) production facility.

This expresses the importance that the circular economy has to Aperam.

Working and Reporting on the Right Topics

Since 2013, we have used GRI standard principles (Global Reporting Initiative's sustainability reporting guidelines) to define our most material sustainability issues and their impact, based on both our business and our stakeholders' views, and have structured our reporting accordingly.

The matrix ranking all topics from minor to most critical is updated annually, and progressively enhanced for a greater relevance. See the main steps below, knowing that all details related to the materiality matrix evolution can be found in the Supplement B - attached to the extensive report:

- > 2013 and 2014: materiality matrix based on our six major sites.
- > 2015: update based on a survey of Aperam's employees.
- > 2016: update on a broader scope to cover 11 major sites and 85% of our staff.
- > 2017: systematic assessment of all the topics in the existing matrices with local authorities at each of our main sites. This resulted in the addition of a few new topics: "Urban Integration", "Industrial Risk" and "Noise".
- > 2018: update on an identical scope and method and integration of key takeaways from

our all-Employee Global Climate Survey.

- > 2019: update based on the discussions held in the ResponsibleSteel™ forum, leading to the integration of information on decommissioning and biodiversity.
- > 2020: update on an identical scope and method and integration of the analysis of our CTO and Head of Sustainability.
- > 2021: update of the matrix based on the same 11 major sites, and methodology, complemented by the feedback of our CTO in charge of Sustainability, and cross-checked in view of the most recent Employee Global Survey (70% of the workforce).
- > 2022: update of the matrix based on the usual 11 major sites, and cross-checked in view of our latest Employee Global Survey, recording a 77% response rate on our workforce.

We also consulted three different former ELG, now Aperam Recycling units, which lead us to include a topic called 'Product Safety/Quality (Radioactivity)'.

> **2023:** Updated based on a multifaceted methodology, on top of our internal review, run as part of our enlarged Risk Management approach (see p. 56), we have incorporated insights from the Sustainability Accounting Standards Board (SASB) framework to align with industry-specific standards. Additionally, we conducted a specific impact assessment on our recently acquired ELG scope (Aperam Recycling Units) and carried out interviews with key local mayors in European sites, among other stakeholders, to understand the local perspective.

This comprehensive approach ensures the identification and prioritization of sustainability issues resonant with both Aperam's operational context and broader industry considerations. It aligns with global standards, internal perspectives, local community priorities, and continuous stakeholder feedback to dynamically shape our sustainability strategy in the evolving landscape, and in preparation of being compliant with the CSRD (Corporate Sustainability Reporting Directive).

Beyond this, no major change in our materiality exercise is to be reported in 2023. For full details on our final 'GRI Materiality' consolidated matrix and its variations, please see our online methodology appendices.

Our People

Our top priority is the health and safety of our people. As a core value, Health and Safety guides all our actions. While we work on programmes to improve the safety, health and well-being of our employees, we also invest in employee development programmes.

Our business strategy heavily relies on the acquisition, development and retention of key technical competencies.

Health & Safety

Organization

2023 saw the full integration of (former) ELG into Aperam Recycling and Renewables. As a result, ELG's H&S performance is now fully accounted for within Aperam's overall performance, with a single figure covering the entire Group's Lost Time Frequency Rate (LTFR) and Total Recordable Incident Rate (TRIR).

With the introduction of our revised H&S paradigm in 2023 (for more details, see section on Health & Safety Roadmap 2024) and the creation of the Divisional Lead functions, which focus on transversal steering and the implementation of the Global H&S Roadmap, Aperam took another important step in our journey of becoming a sustainable and safe company.

A company-wide H&S 2023 Action Plan detailing the annual focus points for all sites has been established. It consists of both lagging indicators (i.e., TRIR) and leading indicators related to the improvement actions that all sites must take on Health and Safety topics. Validation of the targeted achievement will be done annually via the H&S Divisional Leads during Q1 of the following year.

Stainless Steel Industry Safety Awards 2023

Every year, the association awards good practices and novel ideas.

Our project "Safety, respect, equality and well-being at work!" was recognised with a Silver Safety Award, showing that the importance of sanitary facilities such as toilets and changing/shower rooms is more than a simple hygiene and safety concern. It is a way of showing the importance of the people working on our sites.

With this project, Aperam wants to provide adequate facilities to ensure the well-being of our employees at any workplace and demonstrates the importance the company attaches to the quality of healthy and welfare facilities.

Voice



"Health and Safety are Core Values of our company, which makes them embedded in every decision we make. This mindset will lead us to become a Sustainable Safe Company."

Hans Vanhorebeek
Head of Aperam Health & Safety

Health & Safety briefing at Imphy (France).



Voices

"From an economic and financial perspective, 2023 has been one of our most challenging years ever. This led us to consciously slow down our external hiring while at the same time putting all our energy and focus on internal job mobility. The roll-out of our new MyHR Recruitment Platform and our promotion campaign around 'Your Career, Your Choice' are the best illustrations of this.

At the same time, we continued the integration of our newly acquired workforce: Aperam Recycling staff, that went for the first time through our annual performance and development cycle, and almost 800 workers, as part of the insourcing of external services like Logistics and Maintenance for BioEnergia in Brazil, towards the end of the year. The Aperam Family continues to grow. "



At a glance (GRI 403-1,5,9, GRI 404-1,3)

Indicator	Unit	2023 ⁽³⁾	2022	2021	2020	2019
Employee		11 497	10 736	9 522	9 381	9 612
Joiners	FTE	1,753	819	623	393	514
Leavers		911	703	431	583	664
Turnover Rate	%	7.91	7.4	4.6	6.1	6.9
Women	% staff	16,2	14.7	13.5	12.6	12.3
	% exempts	22,9	22.8	22.4	21.4	20.4
Fatalities - All		0	1	0	0	0
Fatalities - Employees ⁽¹⁾	#	0	0	0	0	0
Fatalities - Contractors		0	1	0	0	0
TRIR - All		5.95*	7.01*	-	-	-
TRIR - Employees ⁽¹⁾		6.42*	7.8*	-	-	-
TRIR - Contractors	/1,000,000 hours	5.03*	5.24*	-	-	-
LTIFR - All		2.29*	2.45*	2.22*	1.52*	1.7*
LTIFR - Employees ⁽¹⁾		2.82*	2.89*	3*	1.58*	1.6*
LTIFR - Contractors		1.26*	1.48*	1.6*	1.39*	1.9*
Severity Rate - All	/1,000 hours	0.14*	0.17*	0.12	0.14	0.09*
Training Hours - Total	hours/FTE	36.1	27.3	30.8	19.6	35.5
Total People Trained	#	10 367	8 924	8 699	7 898	8 950
Absenteeism	%	3,00	3.2	2.7	3.4	2.7
Employee satisfaction ⁽²⁾	%	77	81	83	n/a	n/a

* ** externally certified data.

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



(1) Including interim workers.
(2) Employees that would recommend Aperam as a good employer (All employees survey).
(3) Now including former ELG - all data

“Our commitment to the Health and Safety of all employees and stakeholders is a clear component of our brand promise “made for life”. Our target is to become one of the best-in-class steel manufacturers in Health and Safety and ultimately a sustainable safe company.”

Timoteo di Maulo
CEO of Aperam

Safety Performance (GRI 403-2/3/9, 404-1) - Excluding the former ELG units of Aperam Recycling.

By Geography	Unit	Belgium	Brazil	France	Worldwide
Plants, Division	sites	Châtelet, Genk, ASB Recycling from <u>Stainless Europe</u>	Timóteo, BioEnergia from <u>Stainless & Electrical Steel South America</u>	Imphy, Amilly, Rescal from Alloys; Gueugnon, Isbergues, Pont-de-Roide from <u>Stainless Europe</u>	Imhua (PRC), ICS (IN) from <u>Alloys & Specialties</u> Rodange (LU), Usti (CZ) from <u>S&S Tubes</u>
Service Centres		Genk (BeNeLux).	Campinas, Ribeirão Pires, Viracopos, Caxias do Sul	Isbergues	Germany, Italy, Poland, Iberica, USA, Argentina, Turkey
Main Offices		(Genk)	Belo Horizonte and São Paulo	Saint-Denis	Luxembourg HQ and Sales Offices ⁽¹⁾
Employees incl. Blue Collars	FTE (End of Period)	1,998	4,651	2,509	2,339
LTFR - All	per 1 million hours worked	4.54	0.19	4.17	0.37
LTFR - Employees ⁽²⁾		3.76	0.35	4.6	0.4
LTFR - Contractors		5.73	0	2.21	0
Severity rate - All	per 1 thousand hours worked	0.45	0.02	0.13	0.05
Severity - Employees ⁽²⁾		0.57	0	0.13	0.05
Severity - Contractors		0.27	0.03	0.1	0
TRIR - All	per 1 million hours worked	14.45	1.72	7.74	1.12
TRIR - Employees ⁽²⁾		12.31	1.87	8.23	1.19
TRIR - Contractors		17.71	1.55	5.51	0
Absenteeism	%	5,69	1,41	3,75	2,01
Training	hours	66,981	244,752	65,256	38,298

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom. (2) Including Interim workers.

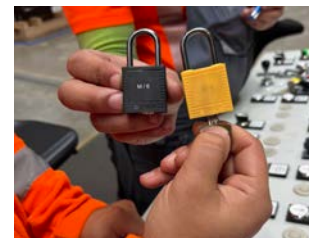
Understanding Our 2023 Performance

All lagging indicators commented on below merge both Aperam's former scope and the new Aperam Recycling division into a single figure.

> When looking at our lagging indicators, we clearly see an improvement year-over-year. Our Lost Time Injury Frequency Rate (LTIFR), which measures the time lost due to injuries, dropped from 2.45 in 2022 to 2.29 in 2023. Our TRIR (Total Recordable Injury rate) looks at the number of total recordable incidents and compares it to the total number of 2023. In this case, a recordable incident is any work-related injury or illness that results in either death, loss of consciousness, days away from work, restricted work activity, transfer to another job, or medical treatment beyond first aid. Our TRIR went from 7.01 in 2022 to 5.95 in 2023. Improvement is the most visible in our S&S and Alloys and Specialties divisions, both of which have cut their incident rates in half over the course of 2023. Our sites in South America also posted an outstanding performance.

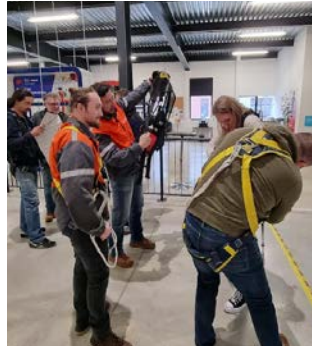
> The Severity rate of accidents decreased to 0.14 in 2023, compared to 0.17 in 2022, mainly driven by a lower rate of our contractor employees. These results show that our decision to install strict H&S protocols, consistently implement our standards and focus on our culture and well-being as our leading indicator set is the right path to follow. Our 2024 target on TRIR remains unchanged at 4.5 for the whole Group. 2023 saw many best practices and ideas for improving Health & Safety be implemented across all Aperam sites. These are grouped around the four pillars of the H&S paradigm. Some examples include:

> In the 'Ability to fail safely' pillar, actions were taken to, for example, improve machinery safety. This was done via a machinery safety training program for managers and via extensive machinery safety audits by Dekra. We also created a new Life Saving Standard on functional safety.



> Within the same pillar, a working at heights training path was defined and is now part of the corresponding Life Saving Standard.

> In our 'Towards a learning culture on errors' pillar, Aperam Pont de Roide, France used an H&S event to deploy a self-developed game on risk management for their slitting machine.



Voice

"After the effort done to eradicate fall, slip & trip hazards in our S&S perimeter, an important Safety campaign on hands has been implemented to attack the major contributor of our incidents. The risk of contact with metal is permanently present in the workshop.

Via hazard identification by our operators, over reduction of exposure of the hands to the metal and a wider use of anti-cut gloves, we have seen a strong decrease of hand injuries. Reinforced by the good practice sharing within the S&S's H&S network, the hand prevention campaign has become an important part of the cultural change started within the S&S division over the last 2 years.

Congratulations to all sites for their strong involvement, enthusiasm and dynamic to become a sustainable safe Industry!

Frédéric Sawko

Division Lead H&S Services & Solutions



Health and Safety Roadmap 2024

Based on our commitment to becoming one of the best-in-class steel manufacturers in Health and Safety and, ultimately, a sustainably safe company, we continue pursuing our ambitious Health and Safety Roadmap. In particular, we keep our focus on our People and their Personal Contribution and their wellbeing, as well as on Occupational Safety, on Standards and Rules, and on Learning and Culture. All this aims to achieve a TRIR lower than three by 2026 and, as a result, prevent harm to our employees and stakeholders.

Doing so would result in a solid H&S Action Plan for 2024 in which all Site Action Plans subscribe and contribute to ensuring that a sustainable result is achieved, both on Lagging and Leading indicators.

Target

aim for best-in-class performance

2026 TRIR <3

- 1. Just Culture:** A Just Culture inside our company, meeting the need to rigorously apply standards and ensuring the ability to fail safely.
- 2. No Repeat:** A "No Repeat" policy that fosters a learning organization.
- 3. Workers' Involvement:** Involving everyone. People are the solution.
- 4. Workers Well-being:** The physical and mental well-being of our people.

The key elements of our 2024 Safety Action Plan, linked to the above paradigm, are:

- Pillar 1 - Continue our focus on the sustainable implementation of our 'Life Saving Standards on Isolation', 'Functional Safety', 'Working at Height' and 'Contractor Management' to ensure a fail safe environment.
- Pillar 2 - Full use of our 'Just Report' tool for incident reporting, investigation and action tracking and increase the REX (Return of Experience) diffusion and lessons learned, including a process to look for transversalities at the site level.
- Pillar 3 - Strengthening our 'Safety Culture' via the deployment of a dedicated training package developed in-house on Leadership and Coaching Skills (immersion) for all our hierarchical line functions.

Our 2024 Health Action Plan focuses on the wellbeing of our employees via Pillar 4 of our new paradigm and is a continuation of our Health Roadmap 2022 - 2026. It includes a reinforced action plan for 2024 covering:

- Change management, employee assistance program, dedicated training, well being at work and resilience.
- Define best practices on how to prepare for a return to work after a long absence and on the promotion of a healthy lifestyle.
- Risk prevention (cardiovascular, etc.), dedicated communication plan about mental health awareness, promoting a stigma-free and supportive work environment.
- Physical health and promotion of a healthy lifestyle via standards and awareness campaigns.

Employees Survey

75%

"I think that Aperam promotes a culture where I can learn from my errors"

2023 Recognitions

Employee care is a long-term priority for Aperam!

> In Europe, for the sixth year in a row, Aperam was ranked amongst the best employers (6th place) within Heavy Industry and Materials by French Capital Magazine.

> In Brazil, Aperam BioEnergia won the fourth title in the "Incredible Places to Work" 2023 award among Agribusiness companies, and, in the Steel and Mining sector, Aperam South America came in second place with a consistent result, as in 2022.

Voice

"Fueling progress through industrial innovative solutions is my passion. Whether it's enhancing operators' safety or reducing physical strain through automation, I believe in fostering positive transformations that significantly contribute to the well-being of our workforce. Witnessing the contentment of operators, who express reduced stress with the additional assurance of tools like screen-displayed cameras and AI (artificial intelligence) powered algorithms, is truly rewarding. Beyond individual well-being, our innovations extend to delivering substantial business value - enabling improved yields and a reduced carbon footprint. Embracing these advancements not only elevates workplace satisfaction but also contributes to the overall success and sustainability of the company."

Kun Liu

Team Leader Industrial Innovation, Genk (Belgium)



Exercise at Aperam Siemianowice, Poland (Working at height), during the Safety Week 2023.



Health@work Survey

In 2023, we deployed an inaugural questionnaire dedicated to health@work in Europe. The aim was to better understand the Employee Engagement Survey results that specifically relate to mental and physical health at work.

One of the main goals of the survey is to provide us with a tool for approaching Health-related issues in a systematic way. To do this, the survey highlights areas for improvement, which feed into actions that can be integrated into the global H&S roadmap (p. 16) or dealt with at the sites or, depending on the specificity of the results, at team level. With a 57% participation rate, the survey helps Aperam Europe advance in its journey of becoming a sustainable, safe and healthy company.

Overall, Aperam acknowledges the need to improve in various aspects, and the key priorities identified through these discussions will guide our 2024 performance goals for the management teams. Each manager has direct access to their team's results (subject to a minimum number of respondents to guarantee confidentiality). Managers will then share the results with their teams, encourage discussion, listen to feedback and define local actions, all of which are in addition to the actions included in the global roadmap.

At the site level, a detailed action plan must tackle both site transversal and departmental actions and involve employee representatives, the local health circle, occupational health services, and the Health & Safety (H&S) and Human Resources teams.

7.5/10

Consider their work is meaningful and important



7.4/10

Say they can take the initiative at work



7.3/10

Feel they can use their skills and strengths at work



7.7/10

Think that they can discuss with their direct manager if they have a work issue/problem



6.9/10

See their work as challenging and engaging



Results of the health@work survey 2023.

Voice

"For me, Health and Safety are the most important things while doing my job at Aperam Recycling in Taiwan."

The safety training as well as Aperam's guidelines and lifesaving rules have a great impact on our team.

We act and feel safer after a routine training session. Learning lessons from other sites also play a big role: We are instructed about incidents and accidents that have happened elsewhere to learn and avoid the risk during our work."



M.S. Lee

ELG Metals, Taiwan

H&S Event 2023: Digital Detox Workshop

Every year we organize a Health & Safety event to celebrate Aperam's H&S culture. Based on the new H&S paradigm defined this year, the event is an occasion to train, learn and act together in order to build a sustainably healthy and safe company for everyone.

From April 28 to June 15, all 115 Aperam sites worldwide participated in training, awareness sessions, workshops, etc. around the theme of 'Enabling a Healthy and Safe Working Environment'. A particular emphasis was put on global themes of Aperam's new Life Saving Rules and 'Take a Digital Break, with many more activities proposed locally!

In line with our commitment to employee well-being, the 'Take a Digital Break' project encourages employees to monitor their screen time, understand the risk of digital addiction, establish healthier digital habits, and disconnect from their devices to reconnect with the surrounding world. The project aims to foster a balanced and fulfilling lifestyle in the digital age.



Digital detox workshop - Saint Denis, France.

My Coach:

Launched in April 2022, myCo@ch is an individual support program for employee wellbeing and health. The application is available to all our employees in Belgium, France and Luxembourg.

The innovative app uses a blend of e- and personal coaching presented via learning modules and video call sessions. It is designed to provide the user with the knowledge, techniques and tools they need to boost their physical and mental wellbeing and to promote professional and personal development.

The app is 100% online and available 24/7. It is also completely personalized, with the program based on the results of an initial assessment. All data and information is kept confidential.

At the end of 2023, more than 420 employees were actively using the app!

We will continue to promote this tool in 2024, and even plan to expand its scope.

Stress Management: Purchasing Team Training

In November and December 2023, a specific training about stress management (one day per employee) was implemented for the purchasing teams from Brazil to Europe.

About 20 people participated and learned about assessing stress levels and stress factors, understanding stress management techniques, and increasing resistance to stress. Based on the feedback from trainees, this training should be deployed across Aperam.

Voice



“Following the result of our yearly climate survey, we have identified four dimensions to work on in our Purchasing Platform.

One is related to the efficiency of our process and managing stress.

On top of working to better reduce the root causes of stress, we also decided to work on the negative effects that stress can have”

Johan Leseux

Category Manager Industrial Products and By-Products Europe
Global Purchasing Platform



Training Internal Facilitators on Well-being and Resilience at Work:

After training the top 100 on well-being and resilience at work, in 2023 we conducted our first training for internal facilitators, with the goal of implementing this training internally for the entire management line in Europe.

This training course aims to help managers:

- Understand the impact work has on well-being and mental health
- Identify techniques for improving personal well-being at work
- Identify actions likely to improve team/site well-being
- Improve their ability to promote well-being within their team as a manager

At the end of 2023, Châtelet and Imphy began training their first managers. Feedback has been very positive, and there is a strong demand to roll the program out to all managers. Local actions have also been defined as a result of this training. A second group of new internal trainers will be trained in January 2024.

A Highly Competent and Engaged Workforce

Diversity of Talent

Our Workforce at a Glance

At the end of 2023, Aperam's workforce consisted of 11,497 employees (FTE), of which 11% are exempt and 66% blue collar (stable percentages compared to 2022). Our workforce was predominantly made of permanent and full-time employees - 98% in total (GRI 2-7).

Our staff is mostly composed of employees based in Brazil (40%), France (22%) and Belgium (17%), with these three countries representing 79% of our total workforce.

See Tables (1) and (2) for further information.

Aperam Workforce (1) (GRI 2-7)

2023	Gender	Permanent	Fixed-Term	TOTAL	Full-Time	Part-Time
Blue Collars	Female	775	20	795	787	8
	Male	6,621	191	6,812	6,751	61
White Collars	Female	758	25	783	696	87
	Male	1,855	11	1,866	1,828	38
Exempts	Female	281	4	285	265	20
	Male	952	4	956	946	10
TOTAL	All	11,241	256	11,497	11,273	223

Aperam Workforce Aperam consolidated total of Full-Time Equivalent employees, on 31/12/2023 (GRI 2-7)

Understanding Our 2023 Figures

> In 2023, 1,753 FTEs joined Aperam, of which 27.5% were women, and 911 FTEs left, 18% of them being women. This leads us to an employee turnover rate of 7.9%, slightly above the 6.5% in average for the 2016-2022 period.

The majority of the hirings coming from Aperam Bioenergia, 835 FTEs, a strategic decision due to an increase in the cost of external workers.

> The average age of Aperam employees increased slightly (for both women and men). In 2023, it was 43.5 (versus 42 in 2022), with the average age of seniority being 13 years (versus 11 in 2022). The age distribution is rather even, with 25.1% of our staff being over 50 and less than 5.7% below 25.

Aperam Workforce (2) (GRI 2-7)

Indicator	Unit	2023	Age (y)	Seniority (y)	<25 y (%)	>50 y (%)	# Women
Total Employees		11,497	43,5	13,0	5,7	25,1	1863
Blue Collars		7,606	41,6	12,0	7,8	19,6	795
Standard White Collars		2,650	46,6	15,7	1,9	33,6	783
Exempt White Collars		1,241	47,7	130	0,7	40,0	285
o/w "Top100"	FTE	121	52,8	12,5	0.00	63,5	20
Interim		418	-	-	-	-	18
Joiners		1753	40.0	-	25	5	482
Leavers		911	43.0	14	8	34	161
Turnover Rate	%	7.9					

Women in Aperam

16.2%

of our workforce

(14.9 in 2022, 13.5% in 2021)



10.4% of blue collars (8% in 2022; 7.4 % in 2021)

22.9% of exempts (22.8% in 2022; 22% in 2021)

18.1% of top 100 (17 % in 2022)

Percentage of women by country

5.4% in Belgium
(idem as 2022)

16.5 % in Brazil
(11.8% in 2022)

16.4 % in France
(15.8% in 2022)



43.5 years old in average
(42 in 2022)

25% over 50 (26% in 2022)

13 years in Aperam (11 in 2022)



> 75%
of HR Team

> 30%
in Finance, HSE, Sales & Marketing, Purchasing

<10%
in Maintenance, Methods & Process

Leticia, IT Product Owner, Luxembourg.



A graduate in metallurgical and mechanical engineering, Leticia began her career with Aperam in 2017 working in the S&S Tubes Brazil division. Motivated by professional ambition, she left Brazil for Luxembourg, where she spent three years as Business Analyst at Aperam Corporate before becoming Product Owner, a position that sees her developing the e-Aperam customer relationship management platform.

Leticia found her integration in Luxembourg relatively easy, especially because of the lack of a language barrier since she speaks French. Having Brazilians at the corporate level also helped." What I love about Luxembourg is that it is a cosmopolitan country that respects other cultures," she says. "People are open, and you don't feel like a stranger."

In the future, Leticia aspires to pursue leadership roles by managing a larger team. "I enjoy giving directions, inspiring ideas and guiding a team to achieve results," she explains. "I like change and remain open to opportunities for geographic and professional mobility within Aperam."

She is also confident that being a woman in a predominantly male arena won't hold her back."; The fact that we are women does not change anything in our team"; she notes. Leticia does, however, regret the low proportion (17%) of women in the Top 100. "We don't have enough examples in the Top 100 to inspire us and make the necessary policy changes – we need more women to diversify strategy and decision making"; she adds.

The good news is that there are actions in place at Aperam to change this. For example, Leticia participates in ArcelorMittal University's leadership training. Furthermore, after noticing the discrepancies between how men and women answered certain questions in the 2021 Climate Survey, she decided to form a working group at Aperam Corporate. "We analyzed the statistics and talked with several women to understand why they feel less comfortable in their professional environment," she concludes. "It's still a work in progress, but it's important to be able to discuss these issues";.

Tips to newcomers:

"If I could give one piece of advice to newcomers, and minorities in particular, it would be to not focus on your differences. Instead of focusing on your differences, focus on your qualities. That's what will allow you to feel free in your position and then only the sky will be your limit."

Embracing Diversity - with a woman's touch

Since 2018, we have used a program inspired by the United Nations' Women Empowerment Principles to increase female representation across all levels of the Aperam community and to ensure that our work environment enables our female colleagues to thrive and demonstrate the very best of their talents. On the next page you can find a table that outlines our action plan, including our five core areas of focus, and our 2023 progress per chapter. The plan is regularly reviewed to integrate input received from our all-employee climate surveys and other benchmarks.



In 2023, we introduced our new Global Inclusion and Diversity Policy, which is intended to ensure that Aperam is a welcoming workplace for all. It is combined with a Charter, which includes clear and quantified commitments.

> Both our 2023 Health@work survey in Europe and our Employee Engagement Survey for all Aperam employees saw an increase in the number of questions about discrimination, harassment, and human rights. While we continue to improve our commitment to diversity and inclusion, we still have a long way to go (only 16% of our staff are women). All the questions relating to diversity have a score higher than 8 out of 10 (3 questions in 2022, 7 questions in 2023).

> Because fighting stereotypes is a pillar of our action plan, we aim to communicate about the topic regularly, both at the local and company levels. For example, in 2023 we celebrated our second global Aperam Diversity Month, which included weekly internal communications on topics like gender equality and anti-racism. It also featured pilots of live 'Diversity Fresk Workshops' in France. Following this, we launched our first full mandatory training pack on diversity and inclusion in July for employees at all hierarchical levels, with a variety of modules available in six languages.



French HR team testing the "Fresque de la Diversité", a gamified Awareness-raising exercise.



Aperam South America professional training classes exclusively for women.

To illustrate the work being done to promote women at all levels and departments of Aperam, let's look at what's happening at several different sites:

■■■ In partnership with the French 'Elles Bougent' association, in 2022, Aperam created a group of 20 ambassadors from France and Belgium. Coming from R&D, IT and production roles, these ambassadors work to reinforce gender diversity in the industrial and technological sectors. This year, the ambassadors continued to share their passion and mentored young women in their study and career choices.

■■■ In Brazil, Aperam established specialized professional training classes in welding, driving, and maintenance assistance exclusively for women, with the goal of empowering and diversifying traditionally male-dominated roles. Simultaneously, a bricklayer class, which was open to all genders, promoted inclusivity and equal opportunities. In 2023, Aperam Brazil and Bioenergia aimed for a 13% female workforce representation. In the industrial sector, we surpassed the goal with 13.5%, while in Bioenergia, we achieved an even higher representation of 20.1%. Combined, the overall female workforce representation reached 16.2%.



Diversity in a Broader Sense

In last year's report, we highlighted our decision to expand our diversity program to include all kinds of diversity - not just gender. This year, we increased one more time the number of questions about Diversity and Inclusion integrated within our Employee Engagement Survey (formerly our Climate Survey) and took the first steps to enlarge our action plan. Additionally, in September, we deployed a new survey among all employees in Europe: the Health@work survey, which also included questions about discrimination and harassment.

> We are happy to report that all the related survey questions were rated above 8 out of 10, which is very good. 9.3 of respondents had not experienced harassment or discrimination, but 3.5 of those who had said yes did not know who to contact. We can also report an overall satisfaction rate of 7.7 out of 10, with no significant deviation related to age, employee status or gender. Satisfaction is even higher in Brazil, where a new inclusion and diversity strategy consisting of five key pillars: Inclusive Culture, Facilitating Management, Diverse Company, Ecosystem and Community, and Infrastructure and Innovation, was implemented. The company has undertaken a comprehensive approach, visiting all 209 areas and locations to present the new plan and engage in discussions. Additionally, Aperam Brazil has been actively involved in welcoming new hires, offering information about the Inclusion and Diversity Program as part of their integration processes.

Status of Aperam's Gender Equality & Representation Roadmap



Leadership & Commitment

Improving Diversity & Inclusion is a key management target and is reflected as such in our performance goals.

With our new Global Inclusion & Diversity Policy, we once again commit to being an inclusive workplace for all.



Health & Work Conditions

Aperam's working conditions should be safe and adapted for all employees. A specific gender focus is given in relation to restrooms, changing rooms, ergonomics and work clothes.

In 2023, several audits were done with members of the health circle (incl. staff representatives) across all sites to define gaps versus the Aperam Standard. An action plan had been put in place to solve all issues.



Equal Remuneration

Aperam is committed to providing equivalent remuneration, based on the local market, for similar jobs and taking into account the performance, skills and relevant experience of the person doing the job.

In 2023 the gender pay gap decreased at 7.7pts (excluding Aperam Recycling, i.e 11.2 including Aperam Recycling) versus 7.9 in 2022 and 8.6 pts in 2021. We continue to watch closely all indicators to avoid any unfairness.



Equal Career Opportunities

Aperam is committed to providing equal career and development opportunities to all our employees. By monitoring the gender diversity of our talent development programs and succession plans, we continue to increase the number of women in management positions.

On top of keeping our Global Aperam Talent Management Program and monitoring our succession plans for leading positions, we also conduct a detailed analysis of the distribution of promotions and performance ratings: In 2023, 18,2% of women exceeded expectations, versus 17,9% of men. 4.8% of women have been promoted vs. 4.5% of men. We have also developed questions on the prevention of harassment, sexism and discrimination in the Health@work survey in Europe in September 2023 and the Employee Engagement survey in November 2023 for all of Aperam.



Fight Against Stereotypes

A sustained focus on training and communication is required to eliminate gender bias. Read our monthly "Career Focus" within Aperam Newsletters for more information.

In 2023, we continued our training to avoid gender bias, including any bias that might arise in the recruitment process. In particular, all white collar employees have been assigned a specific training module from MyHR, also specific training for HR and Managers recruiting without discrimination, prevention of sexism at work, gamifying exercise on Diversity, etc.

> On the communication side, we celebrated Human Rights Day 2023 with a special focus on recognising and standing up against microaggressions. Although these seemingly trivial behaviors or words often go unnoticed, they can create a favorable environment for discriminatory behaviors. A newsletter in 10 languages was dispatched to all Aperam employees, encouraging everyone to feel empowered to bring one's full self, pride and abilities to Aperam's success. The newsletter introduced an e-Learning course about stereotypes, microaggressions and the new I&D policy and charter.

All data in FTE - GRI 405-1	2023			2022		
	Belgium	Brazil ⁽²⁾	France	Belgium	Brazil ⁽²⁾	France
Total Employees	1,998	4,735	2,509	2,030	4,061	2,482
% Women	5.5	16.5	16.4	5.3	11.1	15.9
% Persons with a disability ⁽¹⁾	0.6	3.8	3.2	1.3	4.3	4.7
Total Joiners	100	1,147	160	175	338	265
% Women	9	31	26	9	30	22
% Persons with a disability ⁽¹⁾	n/a	1.8	n/a	n/a	0.6	n/a

(1) According to local definitions/regulations.

(2) Brazil Data (Industry + Bioenergia + S&S and Tubes).

> As to the rest of the action plan, the new program also includes a multi-year calendar to raise awareness on all aspects of discrimination. We also rolled out a methodology to assess discrimination risks in the workplace. Here, our sites conducted auto assessments on their risk regarding discrimination in their hiring process on several factors (such as age, disability, LGBTQI+, etc.). In parallel, exchanges with subcontractors were held to ensure that best practices go beyond our own employees. The plan also includes promoting different perspectives about leadership, resilience and success - all part of our ongoing fight against stereotypes.

Based on the risk assessment, performed in our three biggest countries of operation (Belgium, Brazil and France), we identified some priorities to be tackled in terms of awareness-raising. Our action plan includes the global extension of our risk mapping and a focus on some specific moments in one's career (hiring, promotion) and/or job status. In 2023, we also celebrated for the second year in a row Aperam's 'Month of Diversity', which coincided with our Zero-Discrimination Day, International Women's Rights' Day and the Day of Elimination of Racial Discrimination.

Voice :



"I see a great evolution at Aperam - in recent years, mainly.

The creation of affinity groups at Aperam South America was a very important step for us to be able to discuss the topic of Diversity more widely, in a way that I had never imagined possible."

Gisele Polati

Credit, Billing and Insurance Executive Manager
Aperam South America, Belo Horizonte

Career & Development

Digital Transformation Journey

MyHR, our global human resources information system, is accessible to all Aperam employees, from top management to blue collar workers. Individuals are granted appropriate access based on their role within the company (manager, employee, HR). Ensuring high quality data is a priority and key to us being able to deliver the best user experience to our employees.

In July 2023, we introduced an additional recruitment module for white collar vacancies (exempt and non-exempt) aimed at promoting internal career growth within our organization. The new module provides a comprehensive overview of available opportunities at Aperam and a streamlined application process for internal candidates. For managers, the module handles the end-to-end recruitment process, covering all different phases from job requisition to candidate selection.

Also this year, Aperam Recycling Division executives were seamlessly integrated into our global performance management cycle. They were trained to use MyHR for goal setting, competency review, and performance evaluation, aligning their processes with the broader organizational objectives.

Juliana: Motorcycle Courier at Aperam Campinas, Brazil



Juliana is a motorcycle courier for Aperam Campinas, a position she has now held for a year. Her responsibilities include efficiently transporting a variety of items, from documents to small packages. She not only delivers these items between our company and other businesses, but also within Aperam, assisting different departments whenever necessary.

As an LGBT+ individual, Juliana has faced hostility in previous jobs. But at Aperam, she has found a welcoming and motivating environment. "From my first moment at Aperam,

I felt welcomed and respected," she says. She continues: "Nowadays, things are much better because society in general has evolved, and even though there is still a lot to improve in some respects – for example, crimes against LGBT+ people are still very high – people's awareness has changed and in everyday life, preconceptions and prejudices lose strength."

Juliana says she has an appreciation for doing her job effectively. "I like to organize my days properly. Together with Aperam, I look to take advantage of my routes for saving time and being efficient. I usually propose routes or processes like documentation and data checking before even leaving. That way, when I arrive at the destination, everything becomes easier and more agile. If the document that the client would have had to wait for until 10:30 am arrives at 8:30 am, they are happy – and so am I". Indeed, Juliana's qualities can perfectly be applied to her job: she is agile, organized, efficient and willing to learn.

Safety is also very important to her work. Juliana participated in Aperam's CIPA (internal accident prevention committee), but also she reminds us that "Traffic represents a great risk. For instance, at the main hospital in Campinas, there are 10 admissions due to motorcycle accidents per day."

As for her future plans, Juliana feels it is time to invest in herself. She is looking for an opportunity, possibly in a production line operation, that would allow her to further enrich her knowledge of logistics and outline her path in this field.

Tips to newcomers:

"Focus and make an effort, listen to the most experienced colleagues, believe in your abilities and always keep studying."

Managing Performance & Competences

Our exempt population adhere to a standardized performance management cycle that is used across the Aperam Group and includes different key moments for goal setting and evaluating both competencies and performance. Throughout the cycle, these dedicated moments facilitate individual exchanges between the manager and the employee, fostering qualitative and constructive feedback loops and continuous feedback.

The goal setting phase starts with the dissemination of organizational goals by our Leadership Team, aligning individual objectives with the company's overarching objectives. Each exempt is equipped to define their own goals, which ensures alignment between top management and employees. Moreover, an ESG (Environment, Social, Governance) category is associated with each individual goal to underscore our commitment to sustainability.

During the mid-year review, managers identify talent and retention risks while evaluating our leadership competencies alongside other transversal and technical skills. We also encourage managers to seek feedback from colleagues about their own competencies. In 2023, 179 exempts (managers and workers) sent 598 feedback requests. After evaluating the competencies, gaps can be detected through a development plan and addressed via such actions as on-the-job training, projects, mentoring, feedback, etc. In 2023, our exempts had an average of 3.1 development goals each.

Finally, the end-of-year review, conducted from late November, is dedicated to evaluating overall performance. The purpose of this appraisal is to evaluate the concrete results that have been achieved, along with those that were not achieved, and to assess what behaviors worked and what didn't. Feedback to other colleagues about their performance is also a key component of our evaluation process, with 270 people (managers and workers) sending a total of 921 feedback requests.

Beyond exempt employees, other non-exempt white-collar employees in our Services & Solutions division (since 2021) and Brazil operations (since 2019), along with blue-collar team managers in Brazil, which comprise approximately 930 individuals total, follow a similar process. Since 2022, the Châtelet site (Belgium, Operations Europe) has embraced the use of MyHR to evaluate the competencies via MyHR for the white collar non-exempts and the blue collar workers (630 people).

■■■ The 'Bold Leadership' training for technical hierarchy (foremen, shift leaders and engineers) is used by Aperam Genk to provide them with the necessary tools to be used on the shopfloor to solve problems quickly and, above all, to optimize the way their teams function. For example, the site used the program to learn how annual evaluations or tasks/performance interviews can be managed in an efficient way with our operational teams and based on PPF techniques (Past Present Future).

In 2023, five groups of 10 people had their last two sessions at the beginning of the year, while the last two groups went through the four sessions during the spring of 2023. There are plans for follow-up sessions and the start-up of a new group for new managers.

Performance Management in Aperam (GRI 404-3)

Indicator	Unit	2023	2022	2021	2020	2019
Blue Collars	%	63	79	66	69	83
Standard White Collars		71	70	79	67	80
Exempts White Collars		99	97	99	99	97
Total Aperam		69	79	73	72	84
Exempts Reviews in MyHR	#	1,192	1,117	1,051	1,005	1,002
180° Feedback		449	520	566	427	498
o/w 180° Feedback on Competences		179	208	206	n/a	n/a
Non-Exempts Reviews in MyHR		1,790	1,723	977	950	572
Total Reviews in MyHR		2,982	2,840	2,028	1,955	1,574
Average Performance Goals		6.0	5.4	5.9	5.8	5.6
Average Development Goals		3.1	3.4	3.1	2.9	2.7

Job Mobility

Moving from one job to another is never an easy task as it requires agility and adaptability across the organization. To support internal mobility, career details and aspirations are expressed by the employees during the mid-year review in MyHR.

As a result of the new Recruitment Module implementation in July 2023, we now have global visibility of all open white collar positions within the organization. Our employees can apply directly using their talent profile that they have built into MyHR.

With this new implementation, we were able to see a marked increase in internal applications and a consequent improvement of internal mobility within Aperam.

Employer's Integration

A systematic approach

To ensure that our new hires are not only efficiently onboarded, but also go through a long-term induction and integration process, we continue to build on what we already put in place and launch new initiatives:

- In last year's report, we mentioned the launch of an onboarding e-learning module covering H&S, Environment, Ethics & Compliance, IT, Performance and Competency Management and Leadership.
- A new approach involving the appointment of onboarding coaches has been started for managers joining Aperam. The onboarding coach is typically a senior manager who can help the new joiner navigate the organization and identify his or her key stakeholders.

A new Graduate Program

In 2023, Aperam France implemented a new Graduate Program, Odysteel, which aims to develop promising young talent. The program lasts 18 to 24 months, during which participants engage in strategically significant projects and undergo mobility experiences across our French sites.

The program provides bespoke training modules and mentorship to guide comprehensive professional development, fostering rapid skill acquisition and promoting organizational mobility. The available positions included business development, industrial engineering, and environmental analysis with a focus on carbon footprint. These roles address critical aspects of Aperam's operations while providing opportunities for professional growth and impact.

A new Technical Talent Program

The program was launched in Genk, Belgium in 2022 and focused on attracting young graduate engineers and managing them as one community through their career at Aperam. Our Timóteo site in Brazil already had a similar program in place focused on young graduate engineers.

Technical Talent Program France was launched in June 2023 in Imphy, with a strong focus on the technical expertise of our Alloys Division.

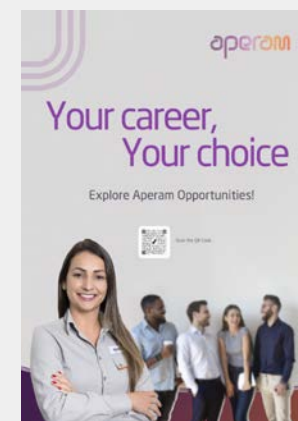
Aperam Internal Mobility Campaign

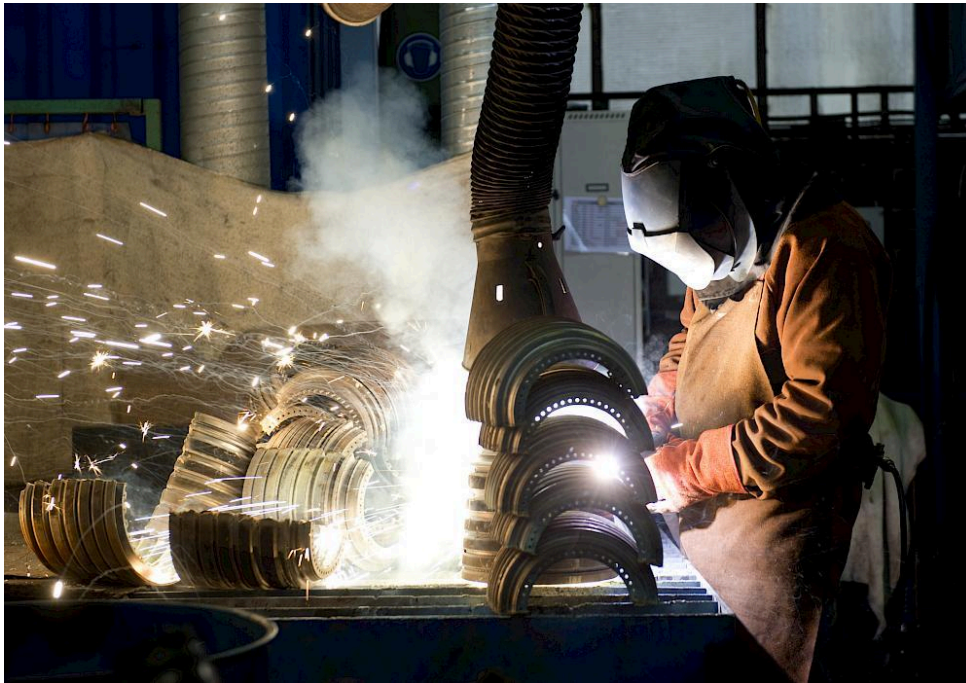
"Your Career, Your Choice"

Explore Aperam Opportunities

In November 2023, an internal mobility campaign was launched globally and across all Aperam sites, encouraging our employees to actively seek their next career opportunity within our organization.

The campaign was supported by internal mobility success stories, told by our employees who undertook a new role within our company in 2023.





Action at an Aperam Recycling Utica Alloys cutting edge technology.

Target

30 % Digital
Learning rate
by **2030**

Learning & Development

Our Learning Strategy is based on three pillars:

- We prioritize ongoing feedback mechanisms to facilitate continual learning and improvement among our employees.
- Our strategy combines both in-person and digital training, supported by our functional academies, to cater to diverse learning preferences and needs.
- We foster a culture of mentorship within the organization, providing support and guidance for professional growth and development.

Mentoring

The internal Aperam Mentorship Program launched its fourth wave in 2023. Mentoring by experienced leaders remains one of our core tools for developing leadership skills. Besides mentoring by LT members, we have developed a program where mentors are primarily from the Aperam Top 100 while mentees are chosen from our most talented people. Our mentorship program is structured around Aperam's eight leadership competencies. Communities of mentors and mentees exchange experiences and best practices.

The program is well appreciated, as shown in our regular survey (at mid-mission 2023, 95% of mentees said their mentoring was on the right track). After 35 pairs of mentors/mentees launched in 2023, around 30 new pairs will start in 2024. Our Leadership Team also actively participates in the program with mentees being mentored by them directly.

Training

MyHR Learning is a central platform to diffuse and manage Aperam's e-learning opportunities. The digital training is based mainly on our Leadership & Management training and includes topics as time management, giving and receiving feedback, project management, emotional intelligence, and risk assessment. It also includes Functional Academies as H&S and Compliance. We also build our own content with videos, demos and quizzes, mainly for our Academies, including Health & Safety, Compliance, Human Resources, and Legal topics. This authoring tool allows us to capture knowledge, avoid multiple sessions to explain the same content and digitize paper-based procedures. The content created is accessible on MyHR Learning.

2023 Training Performance Indicators and Outlook

Aperam's total training hours increased at the global level by 22% in 2023, from 340,368 hours in 2022 to 415,300 hours in 2023. One of the main reasons for this increase is the insourcing of 835 new joiners in Bioenergia (Brazil) who have been trained in H&S, Compliance, and some technical skills for the first time. Looking at the digital learning hours, the level in 2023 is similar to 2022 (after an increase of 17% between 2021 and 2022), representing more than 63,000 training hours. Therefore, the ratio of digital training among total training hours has decreased, from 18.7% to 15.2%.

Even though the completion of the MyHR e-learning training saw a significant decrease of about 60% in terms of hours, the number of training completed is 7% higher than in 2022 (46,686 versus 43,513). Also, 4,799 unique learners have completed at least one self-paced course in MyHR in 2023 (versus 6,092 unique learners in 2022).

> MyHR Learning is open to all categories of employees, with more than 11,000 employees accessing the platform (1,275 exempts and 9,751 non-exempts). It is now used by our Belgian sites in Châtelet and Genk as a full LMS. That's why we saw an increase of 16% in hours counted in our system (from 44,516 hours in 2022 to 51,627 in 2023). In 2024, we plan to roll-out MyHR Learning to white collars and non-exempt in the Aperam Recycling Division.

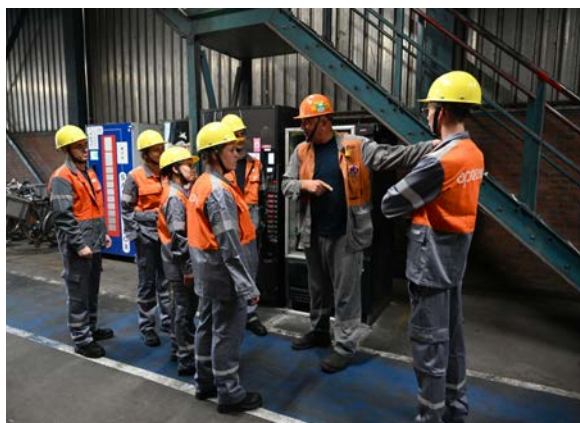
H&S training remains the highest ratio among the training categories as it represents more than 45% of the total training hours in 2023 (38.7% in 2022). Training on technical skills claimed a 40% share of training completed in 2023 (48.4% in 2022). Our soft skills category saw a rebound this year, reaching 10% of total training hours. Ethics & Compliance training is back to a smaller ratio of 2.4% (vs 8.7% in 2022), mirroring past years.

> On top of the MyHR e-learning, our Cybersecurity Academy introduced the Phished platform. This dedicated cybersecurity platform equips all employees with essential training and insights to effectively navigate cybersecurity risks, providing invaluable knowledge on identifying risks and implementing necessary actions in the event of a breach. 8,800 hours of digital learning have been completed by 3,954 employees in 2023.

■■■ Focus on new initiatives

In 2023, several initiatives focused on younger generations. For example, the Genk site organized a Young Talent Day, where each employee had the opportunity to present to the local management team one of their achievements in their young career at Aperam. The local management team invited a professional trainer/coach to attend the presentations and conduct a training on communication and presentation skills - turning the day into a great development opportunity.

The Genk site also launched the pilot 'Aperam Invests in You' initiative where eight selected candidates (without technical knowledge) graduated at the end of 2023 and incorporated into the working teams at the beginning of 2024. This project was very much in the spotlight during the employer networking event in Limburg as being a disruptive approach that gives another dimension to recruitment and a new way of learning.



Aperam Genk initiative "Aperam Invests in You".

At our Châtelet site, the Learning & Development (L&D) department relies on dedicated programs like the Management Foundation Program for their foramen. A first module was prepared around social relationships and focused on interacting with unions, managing conflicts and negotiation best practices.

> Another program was built by the Leadership Academy for 'First-time Managers' and relayed on the sites. The recommended 11 week training includes e-learning and time for reflection and sharing with other managers.

> Brazil offered a graduate Program in Data Science, open to all employees whatever their category, with certain prerequisites and an appetite to grow through learning. 29 employees participated in this training given by the Universidade Federal de Oudo Preto. Classes were completely virtual with a teacher every Friday evenings and Saturday mornings.

2023 Training Follow-up GRI 404-1, 403-5.

Learning in Aperam		2023	2022	2021	2020
Total Training Cost	k€	8,082.1	6,430	3,929	3,190
o/w Total Belgium		3,066.4	2,568	1,038	1,232
o/w Total Brazil		1,705.1	1,000	603	364
o/w Total France		2,972.3	2,596	2,155	1,493
Total RoW		338.3	199	133	100
Total Training Time	hours	415,421	340,368	293,009	184,201
o/w Total Belgium		66,981	59,774	35,101	25,024
o/w Total Brazil		244,752	182,468	163,635	107,425
o/w Total France		65,256	61,424	69,365	38,055
Total RoW		38,298	33,672	24,908	13,697
o/w Digital Learning		63,449	63,613	54,334	29,873
o/w MyHR Digital Learning Courses		9,206	23,319	7,101	6,478
Digital Courses Completed in MyHR	#	46,686	43,513	19,476	16,450
Health & Safety	% of total learning hours	46.81	38.70	43.20	45.0
Technical Skills		39.20	48.4	45.5	39.0
Soft Skills		9.90	1.5	6.5	8.5
Languages		1.70	2.8	3.3	3.8
Ethics & Compliance		2.39	8.7	1.4	3.7
Total Employees Trained		10,367	8,924	8,699	7,898
Employees accessing MyLearning	#	11,026	10,026	9,850	3,449
Exempt Employees ⁽¹⁾		1,275	1,233	1082	1077
Non-exempt Employees ⁽²⁾		9,751	8,793	8,768	2,372
% Headcount trained		94.26%	94	90.50	-

(1): Including 96 managers of Aperam Recycling

(2) Including 59 Utica USA employees of Aperam Recycling



Safety Training at ELG Metals, North America.

■ ■ ■ We are in a journey of Culture evolution in Aperam South America, including BioEnergia, to be really a Learning Organization. 2023 was a key year for this transformation, we invested double in Learnings Actions in Operations South America and three times more in BioEnergia. In BioEnergia, the speed of the business transformation increased with the insourcing of 700 new employees representing organizational and cultural changes with the new businesses. The evolution in the way that we learn it's the key to the success of our performance.

We are focusing on preparing the Aperam for the future by our qualifications and talent affirmative programs, internships, trainees and apprentices. We are investing and creating development opportunities for your employees by projects, technical courses, post graduations, master or doctor degree, mentoring, coaching and learning initiatives focusing on the experience, an example is the simulator of Feller machine in BioEnergia, implemented in 2023, reducing the timing of preparation of employees and effective of the learning. The competencies of automation, IT, maintenance and metallurgy, process control and safety behavior with leaders able to be aware of the environment and accountables to act are the essence of our roadmap.

Voice

"I'm convinced that transforming our culture is the best way to ensure a sustainable and profitable activity for Aperam in the long-term. We are proud of what we have achieved so far and look forward to the next steps."



Layane Gomes

HR Manager - Learning & Development, Inclusion and Diversity

Matthias: Industrial Manager Steel Mill at Aperam Alloys Imphy.



After spending a decade in New Caledonia working several mining-related jobs, Matthias returned to France where, in 2015, he joined Aperam as Manufacturing Manager, first at the hot rolling plant and then the cold rolling plant at the Aperam Imphy site.

In 2023, he was promoted to Industrial Manager of the steel mill.

During his career at Aperam, Matthias has led two major projects aimed at developing a more diverse workforce.

In the first project, which focused on gender equality, he successfully doubled the proportion of women working at the cold rolling plant. "We have difficulty

recruiting as is and it would be a shame to deprive ourselves of half of the employment pool simply because our profession isn't accessible to women", says Matthias.

The second major project Matthias initiated at Aperam Imphy looked to include people with disabilities in the site's activities. As the father of a little boy with Down's Syndrome, this is a subject that is particularly close to his heart. "It's important to include these individuals because they are capable of doing things we thought they were incapable of", he says.

As a result of his efforts, four people with disabilities have been coming to work every week for three years now, where they help prepare the boxes used to send products to customers.

Matthias says that both projects were successful because Aperam is a company that promotes diversity: "I was able to carry out my projects on the employment of women and people with disabilities because I was encouraged to do so by my management," he concludes. "At Aperam, we can propose many diversity projects - we are even encouraged to do so."

Tips to newcomers:

"Aperam has given me the opportunity to carry out projects that are inclusive and increase diversity. Get started!"

Employee Engagement & Communications

Direct and regular engagement with our teams has always been an important part of Aperam's leadership style. It is also something that we check regularly in our routines and through our MyHR, and Global All-Employees Engagement surveys. The results of these surveys have been extensively used to adjust action plans at the local and central levels. For the second year, all managers had direct access to the results of their teams and benefited from our high participation rate (75% in 2023, 77% in 2022).

Take-aways from 2023 All-Employee Engagement Survey

> At the global level, our strong point remains the attention we give to Health & Safety. Many actions have been deployed this year across our sites, including the Ergonomical & Sanitary Action Plans and the Towards a Learning Culture on Errors initiative. When asked whether they feel empowered to stop work or tasks if any unsafe conditions are detected, our employees gave an average score of 8.6 out of 10 (up from 8.5 in 2022). We are also proud of our 7.9 score (7.8 in 2022) on whether employees feel that everyone is given the opportunity to actively propose and participate in Health and Safety initiatives.

Target

80 %
Participation
& Sustainable
engagement
rates

Other strengths are:

- **Client focus:** The Employee Engagement Survey reflects our strong customer focus and our commitment to quality: our 8.1 score (same in 2022) demonstrates that our employees believe that Aperam actively tries to understand external customer requirements and expectations.
- **Career and Development:** Aperam is a company that values people. It is encouraging to see that the majority of our employees (8.1 score, up from 8 in 2022) want to acquire new skills to further develop his/her career. Aperam will continue to offer our employees a range of opportunities to learn, including the roll out of the MyHR learning platform to all employees, new business learning academies, and active use of coaching and mentorship.
- **Diversity:** All the questions on diversity have a score higher than 8 out of 10 (3 questions in 2022).



Our main developments points are:

- **Mental resilience and stress management:** Stress management remains a concern. We continue our Global Mental Health Action Plan launched in 2022:
 - > Promotion of MyCoach in Belgium, France and Luxembourg to assist employees with health and stress related concerns (see p. 19).
 - > Health & Safety Event 2024 to promote a healthy lifestyle and risk prevention.
 - > A specific action plan following the Health@work survey in Europe, including change management.
 - > Our employee assistance program on work-related and personal issues.
 - > A specific training for management about Wellbeing@work and resilience.
- **Communications:** In general, our employees think that management understands the problems they face in their jobs with a score of 7 (up from 6.8 in 2022). However, considering the difficult economic and financial context in Europe, we will continue to strengthen our communication channels. A positive sign is our score of 8 on the question of whether our employees feel that their manager cares about their opinion (7.8 in 2022). New tools and routines around communication are being launched including the start of a new Aperam Intranet.
- **Career perspective and development:** We still face challenges to find internal candidates for vacancies. Yet, more employees are aware of job positions at Aperam than last year (+0.3 compared to 2022). A new campaign "Your Career, Your Choice" promotes the opportunity marketplace and local job boards - see p. 25.
- **Performance management:** When it comes to financial and non-financial recognition, our employees gave us a score of 3.7 out of 10 (same as 2022).
 - > Financial recognition: Aperam aligns its compensation and benefits policies with the market's practices. We will look to provide more clarity on our remuneration and job evaluation systems.
 - > Non-financial recognition: this is a concern primarily in Europe. Leadership training needs to focus on the importance of recognition and regular feed-back to create motivated and effective teams.

Our Planet

Our plants use immense energy and hazardous substances to transform recycled and raw materials into the precise blend of alloys required by our clients. In turn, these alloys can be used to make affordable, long-lasting and sustainable products, including energy-efficient buildings and low emission vehicles.

Although Aperam is an industry leader in sustainability, our new 2030 milestones for energy, CO₂, air and water show our commitment to minimizing our impact on the environment - and on our neighbors. We are proud of our state-of-the-art CO₂ footprint and of our action plan to reduce it further with the aim to achieve a near zero carbon footprint (scopes 1+2 & 3 upstream) by 2050.

Our Vision and Organisation

Organization

During 2023, amid the continued energy crisis in Europe, we kept our focus on reducing our specific energy consumption and CO₂ emissions and to mitigating our environmental impact. As part of this focus, the Chief Technology and Sustainability Officer (CTSO) and his staff are overseeing environmental management and the Energy/GHG action plan, both part of our new recycling division. This is being done together with a transversal 'ESG transformation' programme and the industrial risks integrated within the 'Reliability' team.

> At the end of 2023, a portfolio of over 300 projects contributing to our 2030 greenhouse gas emission reduction plan (-30% GHG scopes 1-2 and -11% energy consumption - base 2015) was monitored in close collaboration with local operations and the CTSO team.

- Each production site has one or two engineers dedicated to the feasibility studies of energy/CO₂ projects, from crafting the idea to preparing the investment file. When accepted, the implementation is carried out under the guidance of the local engineering department, with possible support, in terms of resources, from the CTSO team. All the engineers exchange on a monthly basis about the ongoing projects in order to ensure knowledge sharing and swift implementation of proven techniques in all the Group's plants.

- The management of this project portfolio is governed by monthly steering committees held in each plant. These committees primarily aim to ensure perfect alignment of objectives and priorities among various stakeholders.

> In terms of environmental management, the partially centralized organization aims to promote collaboration between the various managers from different locations and to optimize investments by giving priority to the projects that allow for the greatest progress to be made within the framework of a multi-year plan.

Main 2023 evolutions

> 2023 was a year of consistency vs 2022, with a stronger focus on Recyco development. As our commitment to delivering the most sustainable products with a lower CO₂ footprint is a fundamental value, we developed Environmental Product Declarations (EPD) for a few more products and are currently working on a project to print the CO₂ footprint on our products.

Since 2022, Aperam has been organising the Sustainable Development Week (see p. 48), further deploying our biodiversity program (see p. 45), and progressing on the group's dust emission reductions (see p. 37) - all while continuing to work towards our other 2030 and long-term objectives, as well as promoting the virtues of the circular economy.

Voices

"As Aperam committed in 2015 to an ambitious Scope 1+2 CO₂ reduction for 2030, the time has come to enlarge this commitment to more ambitious targets for 2030 and 2050, in line with the Paris Agreement to keep the global warming below 1.5°C and focusing on de-fossilisation, while sequestration is meant to close the gap on residual emissions.

Consequently, Aperam will disclose more KPIs at the site/regional/global level in the coming months to meet our commitments."

Laurent Piranda

Head of Environment & CO₂ - Energy Roadmaps



79% of employees consider Aperam to be environmentally responsible



Voices

"Today's world is confronted with rapidly changing concerns that require immediate attention while keeping in mind the long-term goals. Aperam will play its societal role to contribute to preserving our planet as an environment where humankind and nature are able to prosper for many generations to come.

We know that our products will play an essential role in this future world, thanks to its lifetime and its endless recyclability, but also thanks to the responsible way we produce it. So we aim to continuously innovate and find new ways to further and faster reduce our Scopes 1, 2 and 3 CO₂ footprints, and minimize our global environmental impact while remaining attentive to the people around us."

Bernard Hallemans

Aperam Chief Technology & Sustainability Officer

Our Environmental Performance

GRI 305-4, 305-7, 302-1, 302-3, 303-2, 303-3.

Indicator	Unit	2030 targets	2023	2022	2021	2015
Energy: Elec + Nat. Gas + LPG	GJ/tcs ⁽¹⁾	6.9 (-11% vs 2015)	8.0*	8.0*	7.8*	7.8
Energy: All	GJ/tcs ⁽¹⁾	(2)	13.8*	13.2*	13.2*	12.0
CO ₂ sequestration ⁽⁴⁾	ktCO ₂ e	n/a	(450)*	(412)*	(467)*	n/a
GHG emissions (net) ⁽³⁾	tCO ₂ e/tcs ⁽¹⁾	0.30	0.28*	0.32*	0.34*	0.54
Dust emissions (exhaustive)	t	n/a	206.7*	210*	327*	521
	g/tcs ⁽¹⁾	75.7 (-70% vs 2015)	110.6*	107*	155*	252
Recycled Input in Production	%	n/a	26.6	29.1	28.2	29.0
Wastes (landfilled)	kt	Zero Waste for Landfill ⁽⁵⁾	100.7	108.5	110.7	103
Hazardous Wastes			23.3	30.0	32.3	36
Non-Hazardous Wastes			77.4	78.5	78.3	67
Reuse Rate	%		93.1	92.4	92.9	93.5
Water Intake	million m ³	n/a	19.7*	21.1*	21.7*	22.1*
	m ³ /tcs ⁽¹⁾	6.1 (-40% vs. 2015)	10.5*	10.8*	10.0*	10.2
Water Recycling	%	n/a	97.8	96.0	95.8	95.4
Water Discharge	million m ³	n/a	13.1	16.0	17	15
Suspended Solids in Water	t	n/a	153.6	225.0	307	204
Metal Discharge in Water	t	n/a	9.8	7.0	7.5	6

*Data highlighted with a star have been reviewed by an external auditor.

(1) Ton of crude steel, 'all tons', i.e. including 'purchased tons'. For 2023, a change of methodology has been applied, the tcs corresponds to the gross production value. - For more information, see Supplement D - Methodological Appendix.

(2) 2030 objective scope limited to electricity, LPG and natural gas only.

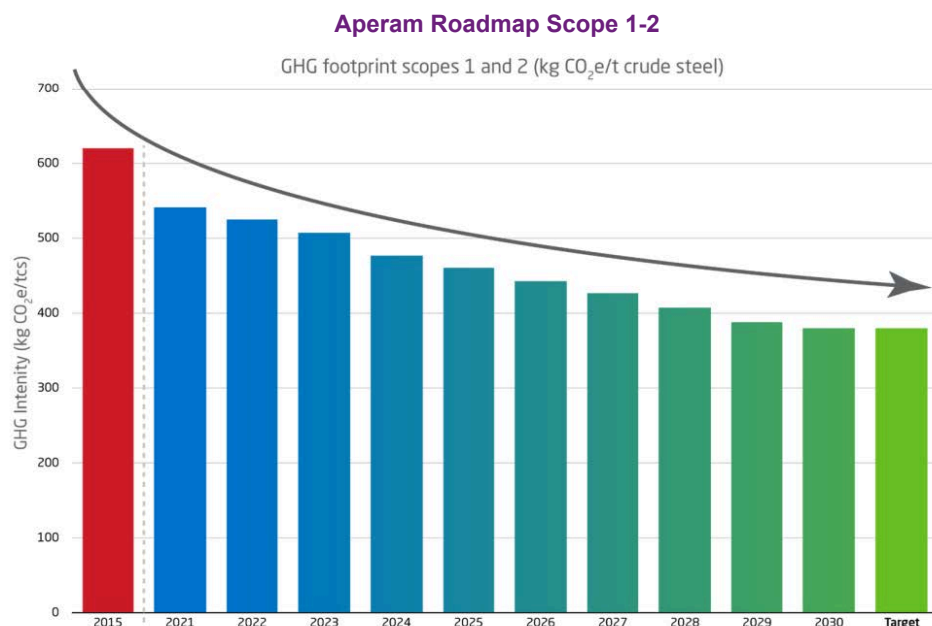
(3) GHG emissions net of CO₂ removals (sequestration) operated by our Brazilian forestry; ; (4) For 2023 calculated based on a carbon stock computed in light of the updated native forestry categorisation (based upon more advanced satellite imagery) and the latest (2022) updates of the reference database (United States Geographical Survey, USGS).



> To strengthen Aperam's commitment to improve its CO₂e footprint, in 2023, the company submitted its roadmap to SBTi using their recent steel application set. More is to be announced in Q2 2024. Aperam's scope 3 was further detailed in granularity and scope 3 categories, as being an important part of the Scope 1+2+3 of Aperam products.

> Since 2022, we have been submitting both the "Climate Change" report and the "Water Security" report to the Carbon Disclosure Project (CDP). Each year, the rating becomes increasingly rigorous, with a strong focus on various key performance indicators (KPIs), processes, and their monitoring. Consequently, maintaining the same score has become challenging. For 2023, we managed to keep the same scoring: "A-" for Climate Change & "B" for Water Security. Aperam sees these scores as a recognition of all the efforts our teams are doing to improve the use of water and the impact of our processes. Based on the CDP ratings, we did better compared to our main competitors, which gives us credibility and pushes us to do even better in the coming years.

> In parallel, we continued to report to management monthly and to review, upgrade and complement our main indicators, allowing us to react quickly if one is off track. This was also done taking into consideration the requirements of the EU taxonomy and Corporate Sustainability Reporting Directive (CSRD) (see p 36). To enhance our global efficiency, particular attention was given to the development of information systems both to optimize our performance monitoring consolidation process and to efficiently report incidents and anomalies. The JustReport platform that Aperam developed globally is now fully operational (with the inclusion of the Recycling Division in Q1-2024) and used by all the main sites. It is used to track incidents and will be further improved with more functionalities.



Industrial Footprint

Energy and CO₂



A Key Responsibility

The steel sector is one of the world's biggest greenhouse gases emitters. This is the result of both the industrial equipment it uses, which is designed to reach temperatures of over 1,600°C to melt iron ore or scrap, and the chemical necessity of adding carbon to iron ore in order to produce steel.

Despite operating in this heavy industry, Aperam maintains a best-in-class carbon footprint, the result of three key factors. First, our European electric arc furnaces predominantly use scrap metal instead of mined raw materials (see p.41). Second, on top of operating energy efficiently, we also use a low-carbon energy mix (see p.35). Last but not least, Aperam differentiates from its peers by operating over 100,000 ha of FSC®-certified forests in Brazil. We use our forests to produce our own charcoal, which we then use as input in our steelmaking process as a natural and renewable substitute for fossil fuels (coal-based coke). Unlike many of our global competitors, this allows us to entirely eradicate the use of extractive coke in our blast furnaces and makes our steel more sustainable.

Forests and Carbon Offset

From the careful genetic selection of the sapling to planting, maintenance and harvesting, our forest is continuously cultivated and maintained according to best practices in sustainable forestry. We manage this forest as a precious asset, ensuring the protection of biodiversity (see p. 44) and respect to the environment, and we regularly win awards for these practices.

- The cultivated forest is managed in a way that continuously increases the density of the wood per hectare. This is thanks to the species we plant, which are more efficient (less water and fertilizer needs, enhanced resilience to pests) and more dense than the species previously planted. This is possible thanks to the continuous genetic improvement techniques of our research and development laboratory.
- Our saplings are recognized for their quality in Brazil.
- The native forest (non-cultivated) is managed in a way that respects the natural species and biodiversity (including pollinators). To do so, we replant where needed.
- As fire is a risk, we actively track and fight any possible fire using viewpoints, camera monitoring, drones, and other technologies.

> After harvest, BioEnergia sends the trees to kilns, where they are turned into charcoal (biomass), known as "bio-coal" locally. This forest is factually 'carbon negative', meaning it acts as a carbon sink. Our parcels stock CO₂ in the cultivated areas, in the trees and in the soil where leaves degrade into humus. The same can be said for the native forest areas, all conserved in accordance with local regulations, which benefit local biodiversity.

> The annual carbon sink improvement of our forest depends on the planting strategy rolled out 5-8 years ago. Therefore, the carbon sink is not stable year-on-year. Until we achieve our

‘cruising speed’ in terms of density and carbon capture, some years may even see a decrease in the carbon sink. That being said, we are happy to confirm that our forest management achieved a carbon offset of 450 kt in 2023, which is slightly better than 2022.

Refining an Already Best-in-Class CO₂ Performance

Since 2017, our CO₂ footprint intensity has been constantly well below the industry standard with 0.28 tCO₂e/tcs in 2023, and the latest WorldStainless’s average being at 0.83 tCO₂e/tcs in 2021, according to the association’s 2023 CO₂ emission report. While we recorded a best-in-class performance, maintaining it requires constant efforts, and 2023 saw the launch of substantial works for the next phase of our decarbonization roadmap (see next pages).

GHG emissions (GRI 305-1; 305-2; 305-4)

Absolute values and intensities, by scope	GRI	Unit	Target 2030	2023 Full Scope	2022 Full Scope
(a) Scope 1 - Non-Biogenic (absolute value)	305-1	ktCO ₂ e	n/a	784*	807*
Scope 1 - Biogenic (absolute value)	305-1	ktCO ₂ e	n/a	1026*	945*
Scope 2 (absolute value) location based	305-2	ktCO ₂ e	n/a	218*	243*
(b) Scope 2 (absolute value) market based	305-2	ktCO ₂ e	n/a	185*	217*
(A) Scope 1+2 gross (absolute value: a+b)	n/a	ktCO ₂ e	n/a	969	1,025
(c) Sequestration (absolute value)	n/a	ktCO ₂ e	n/a	(450)*	(412)*
(B) Scope 1+2 net (absolute: a+b+c)	n/a	ktCO ₂ e	n/a	519	613
(A') Scope 1+2 gross intensity (own tcs): (A)/tcs	305-4	tCO ₂ e/tcs	0.37	0.53*	0.53*
(A'') Scope 1+2 gross intensity (all tons): (A)/tcs	305-4	tCO ₂ e/tcs	0.37	0.52*	0.53*
(B') Scope 1+2 net intensity (own tcs): (B)/tcs	n/a	tCO ₂ e/tcs	0.30	0.28*	0.32*
(B'') Scope 1+2 net intensity (all tons): (B)/tcs	n/a	tCO₂e/tcs	0.30	0.28*	0.32*

*Data having received external assurance.

> On top of the energy pillar of our program (see p. 35), we are investigating other strategies. As part of this, we now assess annually both the emissions and the sequestration achieved by our noteworthy forestry management (see above), as well as those linked to our conservation program (Oikos). While it impacts our Scope 1 emissions (“a”) - mostly from methane (CH₄) emissions during the wood carbonization process - this methodology allows us to report massive carbon captures in (“c”), thus creating a complete view of our impact, now consolidated in absolute value in “(B) Scope 1+2 net”. As a result, we provide detailed figures in absolute terms and intensity.

Additionally, fluctuations in purchased volumes, particularly slabs, for further transformation and sales can significantly impact our metrics. To maintain accuracy, we’ve adjusted

emissions by including both our own tons and purchased tons in our calculations. This approach ensures a fairer comparison of our performance year on year and against competitors. We present both fractions (B’ and B’’) for transparency, but focus on B’’ (“net CO₂e intensity - all tons”). For more information on methodologies, please see Appendix D.

> Using our “all tons” methodology (line B’’), **our 2023 emissions are 11% lower than in 2022** on the same scope, i.e with all Aperam Divisions. This is mostly due to two reasons:

- On scope 1, we continued the installation of CH₄ burners (6 in 2023, bringing 43 kt CO₂e) on BioEnergia carbonization units and proved their 100% efficiency, thus drastically reducing our methane emissions;
- On scope 2, the decrease in our CO₂ emissions from Grid Electricity is mainly due to a decrease in electricity consumption from the standard grid in Brazil, combined with a lower emission factor. This move was done to use more green power.

Again, in 2023, our Brazilian forest management contributes to local emissions reduction and the impact is also significant at the Group level: **using our indicator B’’ corresponding to the CO₂e footprint of Aperam (full scope), we report a 0.28 tCO₂e/tcs.**

As our most impactful projects have now started, Aperam achieved its CO₂e 2030 objective of -30% vs. 2015, which stands at 0.30 tCO₂e/tcs (check the Appendix D). New objectives will be disclosed according to our SBTi submitted roadmap.

Our 2030/2050 Targets and Roadmap

With the Recycling division being fully integrated since 2021, our ambitious 2030 target remains unchanged (gross scopes 1 and 2). It represents an improvement much more ambitious than the 30% initially announced (base 2015).

Our net intensity target now achieved, we will set up new, more ambitious targets. But, taking into account the variation of the forest carbon removals and the evolution of the volume of production, we remain cautious. We have defined our scope 3 objective based on the Science Based Targets initiative (SBTi) criteria, and we have submitted the roadmap accordingly. It will be disclosed once our submission is approved by SBTi.

In the meantime, we continued our efforts in 2023 to get up to speed our projects on:

- Energy efficiency, incl. heat recovery.
- Investments on high efficiency ladle burners at meltshops.
- Ongoing HECO₂ project with other industrials (electrification of heating and carbon capture in the Melt Shop).
- Optimization of our annealing profiles allowing for important energy savings.
- Carbon-free fuel/energy, incl. natural gas substitution, solar and wind.
- CH₄ emission reduction from our charcoal kilns (burners).
- Variable speed drives and oxy combustion.

CO₂

0.28 tCO₂e/tcs

A leading footprint in Stainless

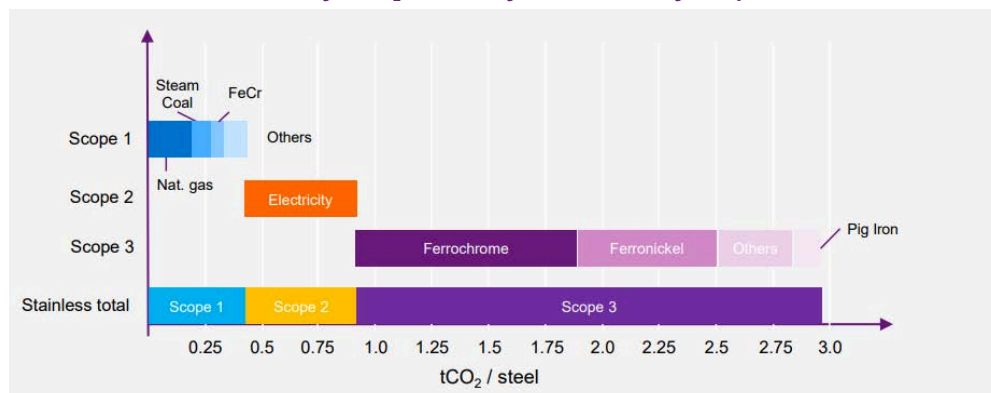
Although there is a long way to go, we are on track to achieve our 2030 and 2050 objectives.

Scope 3 and total carbon footprint

Reporting on Scope 1+2 is key, as our primary responsibility remains to minimise the impact of our own process, but considering the full picture is also paramount for the decarbonisation of the economy. A total CO₂ footprint aggregates a company's emissions (scopes 1+2) with those emitted upstream of the process (called "scope 3a"⁵, it covers all production input, from raw materials to travel and computers) and the downstream footprint ("scope 3b").

> For stainless products, the weight of the CO₂ emissions related to upstream processes, particularly those linked to the extraction and refining of primary raw materials (scope 3.1, category "purchased goods and services") is of great importance. That is why, for our sector, the most relevant comparison shall rely on a footprint comprising scope 1+2+3a emissions. As an example, even if our energy-intensive Recyco unit acts as a recycled material supplier, it is an *internal* supplier, therefore its CO₂ emissions are consolidated within our (Scope 1+2) footprint - not in our Scope 3. The same now applies to our Recycling segment.

2020 Stainless Steel Industry - CO₂e intensity breakdown by scope¹



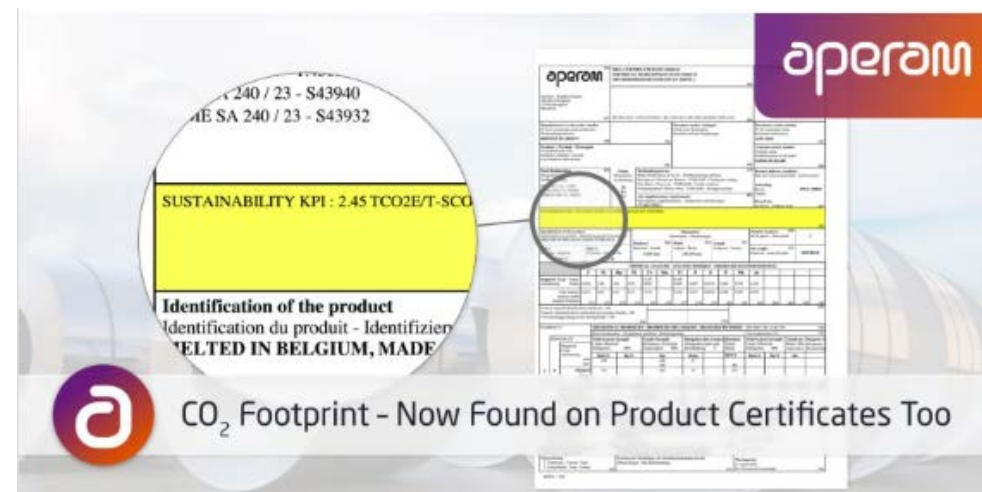
¹Worldsteel data – Mainly EU Plants

> A thorough scope 3 investigation was done during 2023 to capture a complete scope 3 data. Since 2020, our focus is not only on scope 3.1 (includes emissions from the production of purchased goods and services representing over 80% of full scope 3), but on all scoping categories. As a result, with the inclusion of missing emission factors taken from the uptodate ecoinvent database, we are reporting a higher global scope 3 emissions, including our downstream processes. The total scope 3 for Aperam is **3.7 MtCO₂e**, **5%** below our 2022 result.

⁵ All emissions (scopes 1+2+3) related to the production inputs used by our activity, including consumables, assets and the related transportation (8 categories of products and services) before they enter our sites. Scope 3b refers to the downstream emissions, including the transportation to the user and energy consumption during the product's usage. To note : FeCr releases C atoms during the melting process and is therefore present in Scope 1 and Scope 3.

For 2023, we report a global scope 3a of **3.59 MtCO₂e**, of which the scope 3.1 is **3.13 MtCO₂e**. Our scope 3b is much less at **161 ktCO₂e**. Our global Scope 3a intensity is **1.97 tCO₂e/ton**. Without sequestration, the global Aperam footprint (scope 1+2+3a) is **2.5 tCO₂e/tcs**. With sequestration, it stands at **2.3 tCO₂e/tcs**.

> Our (scope 1+2) footprint is already best-in-class (see above), but considering our high usage of stainless steel scrap in Europe and the fact that we use no extractive coke in Brazil, our raw materials footprint is much lower than the sector's average (see graph, left).



According to our certified Environmental Product Declarations (EPD, see picture above), i.e. using normative emission factors, our scope 3a emissions (upstream, from cradle to site entrance) could range from 1.29 tCO₂e/ton (304 products) to 1.68 tCO₂e/ton (K41 KARA) for the products made in Europe, although this is a preliminary estimate.

We evaluate⁶ that the CO₂e emissions per ton for stainless steel made of extractive raw materials is up to five times higher than ours.

To improve our estimate, our teams are striving to collect more specific data in relation to the raw materials purchased from our main suppliers.

> An initial plan is already established to reduce Aperam's scope 3a by a double digit percentage by 2030. This is seen as a starting point and more will be developed to achieve our 2050 target. Our average nickel input footprint is clearly below that of Nickel Pig Iron (NPI) (almost 60 tCO₂e/t of Laterite - matte via NPI -, according to the International Energy Agency (IEA), May 2021), but we continue our efforts with our suppliers to further decrease this impact. While developing technologies to increase the supply of environmentally-friendly nickel with our Botanickel joint venture company (see p. 48), we are actively working with our suppliers who are responsible for over 70% of our scope 3.1 emissions. This is a long

⁶ Aperam estimates & calculation, ISSF data, CRU.

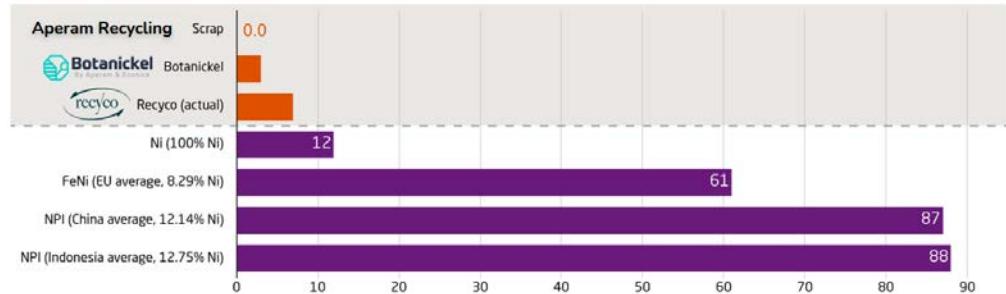
journey as our suppliers also need to find out their total CO₂ emissions to be able to provide a robust roadmap with objectives for 2030 and 2050. In 2023, our scope 3.1 represented over 87% of our scope 3a.

Voices

"The decarbonisation roadmap must take into account the predominant aspect of scope 3 and particularly scope 3.1 associated with the supply of raw materials (which represents almost 70% of our total footprint). To this end, and in parallel with our actions to improve energy efficiency and favoring less carbon-intensive energy vectors, we attach great importance to our recycling capacity and to finding alternative supplies of the metals we need to adjust the final composition of our products. I would particularly like to highlight the key role played by our subsidiary Recyco, which transforms our own wastes containing metal oxides, as well as that from our partners, into ferro-alloys that are then used in our steelworks. The nickel, chromium and molybdenum obtained in this way have a carbon footprint 3 to 10 times smaller than ferro-alloys produced from ore. We intend to develop this activity, in parallel with increasing the rate of scrap recycling, in order to meet our ambitious decarbonisation targets."

Carlo Morettin
CEO Recyco and Group Head of Environment and Decarbonization

Emission Factor (kg CO₂e/kg of pure Nickel)



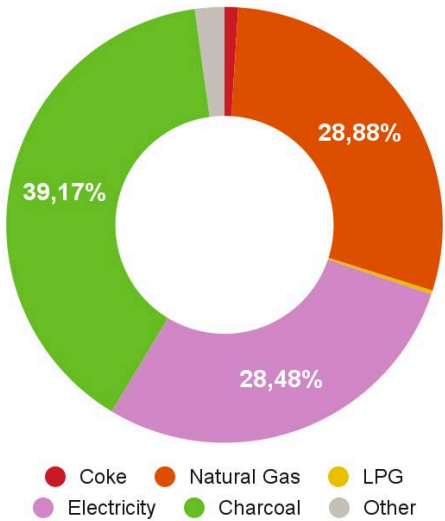
Source: Aperam, Kobilde & Partners

Energy Mix and 2023 Performance

Despite ongoing efforts, Aperam reports 13.8 GJ/tcs or 3.8 MWh/tcs (including purchased tones, see Supplements for details on our methodology (GRI 302-3, 302-4)), which represents a stagnation in energy efficiency over 2022. Nevertheless, we remain on track to achieve our 2030 target of an 11% reduction in energy use (base 2015). In 2023, energy efficiency was impacted by the decrease in production. The lower production volumes coupled with mix effects and several technical issues in some plants led to hide the benefit of actions implemented in 2023 to improve our energy efficiency (eg., energy recovery projects, reheating and annealing furnace efficiency, LED lighting, etc.).

> Our energy composition remains a subject of pride, as 39% of it comes from charcoal biomass. As for electricity, in 2023, our global carbon footprint decreased in our main countries of operation. In addition to lowering the emission factor of our electricity suppliers, several other actions have had a positive effect (even if it is partial in 2023). These include major solar panel projects (30 MWp in Belgium).

Aperam 2023 Energy Split (%)
GRI 302-3



Energy
52% Renewable energy
2023 performance
-2% vs. 2022



Windmill and photovoltaic panels at the Genk (including the parking area).

On top of our previously reported projects in Genk (see picture, previous page) and Châtelet, two new sites have taken on the subject:

■■■ In 2023, at our Isbergues site, significant strides were made towards improving energy efficiency and sustainability. The total project cost being EUR 1.5 million, including EUR 1 million granted from CEE, initiatives were implemented to recover waste heat and improve the reliability of cooling towers, such as compressors and cold rolling mill systems. The projected energy gains from these efforts are substantial, estimated to be 128 MWh in electricity and 4106 MWh in natural gas per year, translating to savings of EUR 390k. These advancements are not just environmentally responsible, they're also financially prudent, with a projected return on investment within 13 months.


■■■ Our Imphy site, through a partner's expertise in energy management, implemented a transformative energy monitoring project called METRON. The project involved analysis and modeling of energy usage, including identification and prioritization of influential factors, reference consumption benchmarks, consumption predictions, and automatic detection of deviations. The investment for a two-year software and service package is estimated to be EUR 10k. The anticipated gains from the project are substantial, with an expected reduction of 0.5% in the total site consumption, equivalent to 500 MWh for gas and 500 MWh for electricity over the year, resulting in a total reduction of 136 tCO₂ emissions.

Mix Effect

Our energy intensity depends on the metallurgical blend we produce, as not all metals melt at the same temperature. Furthermore, when we "sophisticate" our products during downstream operations, such as when we give them a bright surface finish or transform them into tubes, wires or tiny precision strips, we use more energy than what is used to produce semi-products. However, the volume of initial crude steel remains unchanged, which impacts ratios and apparent performance displayed in terms of energy intensity.

This means that comparisons are only valid between similar products!

Summary table for the EU Taxonomy

	2023 Group Activity ⁽¹⁾	EU Taxonomy Eligible	EU Taxonomy Aligned	EU Taxonomy Non Aligned
	Turnover	100%	82%	18%
	Capital Expenditures	81%	55%	45%
	Operating Expenditures	92%	74%	26%

(1) Based on 2023 verified CO₂e information.

The EU Taxonomy: Aperam' Climate Change Mitigation Activities

This item is a preview, find the Full EU Taxonomy disclosure in Supplement E attached.

Aperam's steel operations and, due to a continuum of production process and usual business practices⁷, our alloys and specialties business, all fall under the EU Taxonomy regulation's sectors 3.9 - Manufacture of iron and steel and 5.9-Material recovery from non-hazardous waste (covering the activities of Aperam Recycling).

> In 2023, a thorough analysis was conducted and adequately challenged by both authorities and auditors. It included verifying our main units' compliance with relevant substantial criteria. The specific criteria used were direct GHG emissions generated by our steelmaking units' production of hot metal, calculated according to the methodology used for EU-ETS benchmarks. In order to include EU Taxonomy results in our Annual Report, which was published on 26 March 2024, we used 2022 data since the 2023 data had not yet been verified. The applicable criteria for Aperam Recycling activities was the 2023 rate for the weight of converting the separately collected non-hazardous waste into secondary raw materials.

We also analyzed our main units' alignment with the EU Taxonomy Do-Not-Significantly-Harm (DNSH) criteria and Minimum Safeguards, based on 2023 information and any operational incident reported.

> As pre-announced within our Annual Report's Taxonomy section, we can now confirm, based on 2023 verified direct GHG emissions, that Aperam's activities that are aligned with the EU Taxonomy represent 82% of our 2023 turnover, 74% of 2023's OpEx, and 55% of the Group's 2023 CapEX. Our 2023 verified GHG emissions had a plus or minus 10% gap compared to the initial assumption (2022 emissions). This means the margin of error is quite negligible compared to the margin of maneuver to the "Mitigation" GHG thresholds, which stand between 25% and 95% higher, depending on the unit considered. This also means our internal methodology based on (Y-1) data provided reliable information.

> In the end, the final results with respect to our Group's EU Taxonomy alignment are fully in line with the results of our preliminary analysis disclosed as part of our Annual Report (including the table in Appendix I of the Annual Report, p.119) and based on 2022 verified data.

The summary table (left) is fully updated and the detailed information is now communicated on our website under the Taxonomy sub-section.

> All our main units used as reference for this analysis, along with the Timóteo plant in Brazil, operate in compliance with their applicable regulation and Aperam's internal standards.

⁷ In the absence of a unique definition of steel and ferro-alloys, our analysis is based on the proximity of classification between Alloys and Stainless Steel activities, both being covered by the EUROFER association under one single "stainless & specialty steel" category next to "steel" and considered by the regulator as being subject to the same rules and norms, in particular the National permit procedures, the European Union's Emission Trading System (ETS) and the EU Best Available Techniques (BAT) for Iron and Steel Production. For more, see 2023 Annual Report, p. 107.

However, the lack of alignment between the requirements defined under the rules of the EU Taxonomy (in particular the EU BAT) and those applicable under Brazilian law currently prevents us from confirming our Brazilian operations' compliance to the DNSH Pollution Prevention and Control in 2022 and 2023. This explains why we cannot report alignment with the EU Taxonomy criteria on this perimeter and why we disclosed a total share of our activity being aligned for 55% to 82%, depending on the financial criteria selected.

> That being said, we are proud to announce that our Brazilian unit is on the right path to ensuring compliance with BAT, a commitment that, when reached, will allow full alignment per EU Taxonomy standards. A first milestone was reached when the unit became ResponsibleSteel™ certified in early 2023, after the full audit process was completed in 2022.

> Please also refer to the Appendix E or our website, [section EU Taxonomy](#), with the complete information on our methodology and results.

Aperam Timoteo Project presented as part of our 2023 Continuous Improvement Challenge



Air Emissions

Local air quality is an important issue for our operations. Our Environmental Policy commits us to a long-term approach to environmental performance and, according to our stakeholder engagement, dust (particulate matter) stands amongst our most important material issues. In addition to dust, we also produce other air emissions, in particular NOx and SOx, reported for Europe only.

As this issue is so important to the local communities around us, Aperam is committed to going beyond what is required by current regulations. We have employed advanced monitoring systems to measure diffused dust to evaluate the leakages and identify areas for improvement. Furthermore, dust falls are also a relevant additional indicator, as it directly reflects the nuisances caused to local populations. But this last metric is impacted by external factors, such as wind or alternative sources of pollution (agriculture, traffic, etc.), rendering the interpretation subject to debate. As such, we mostly report ducted dust emissions. With the aim to change mindsets, improve the reliability of our measurements and ensure that progress is continuous, we have set up an action plan with global Aperam targets. We also conduct more frequent measurements and develop more precise methodologies for the assessment of our impacts (See Supplement D). As our previous goal has been achieved (-40% in 2021 in intensity, from 2015 benchmark), in 2020 we announced a new target of a -70% decrease of our ducted dust emission intensity by 2030 (compared to 2015). This objective is to be reached while also reducing diffused (non-ducted) dust.

Ducting and Controlling Dust Emissions

Our dust emission improvement plans focus on either containing, ducting, or collecting the dust (in Europe, the collected dust is sent back to Recyco for recycling).

> Our “exhaustive” indicator, which provides a good assessment of our impact over the full year based on all the measurements done (not only those reported to the authorities as per our permits ie. two per year and chimney in Brazil), shows a total emissions for the Group of 111 g/tcs (purchased slabs included), compared to 107 g/tcs last year [GRI-305-7](#). Considering the improvements made in previous years (2021: 155 g/tcs), maintaining this level is a satisfactory result. It is also important not to forget that 2023 was a year with fluctuating production levels, which explains the slight increase compared to 2022.

> As part of a continuous improvement project candidate to the Challenge 2023 (see left), Aperam South America developed a model that allows us to measure the performance of bag filters and prevent the deterioration of filtering media, aiming to achieve a targeted 72% reduction of ducted dust emissions from fixed sources by 2030, based on a 2015 benchmark. The new performance monitoring model allows us to assertively identify chambers with damaged sleeves to take preventive action before dust is emitted into the atmosphere and dust collector operation breaks occur. Online performance monitoring allows one to identify in real time which chambers are failing in each filter, determine failures in groups of bags (rows), prioritize interventions and optimize labor. This ensures that resources are allocated correctly to prevent future failures and ensure the reliability of the filters. The project

prevented the emission of 2.9 tons of coal fines into the atmosphere using a single filter in 2023.

> At the Imphy site, cutting down dust has been a top priority for years. They put in place a detailed "dust plan" specifically for the steel mill to slash emissions. A big part of this plan involved setting up a primary extraction system on top of the arc furnace vault, in addition to the one already there. Even though space was tight, they managed to finish the project in two years, investing EUR 5 million. This effort is a big step towards cleaner manufacturing. It shows how smart planning and new ideas can make a difference.



Aperam Imphy site (Before dust plan)

Aperam Imphy site (After dust plan implementation)

> Indeed, for the three European meltshops, we have strong improvement programs in place, including revised maintenance plans and the set up of more ducting and treatment capacity (like in Imphy, with the EAF 4th hole ducting project). Our goal now is to maintain our good 2023 results and continue our efforts towards our 2030 target.

Air emissions

111_{g/tcs} 2023 dust emissions

Multi-year roadmap

NOx/SOx emissions (Europe only) GRI-305-7

Emissions	Unit	2023	2022	2021	2020
NOx	t	713	830	830	544
SOx	t	38	54	59	45
NOx	g/tcs	368	426	371	279
SOx	g/tcs	21	28	28	23

Noise and Vibrations

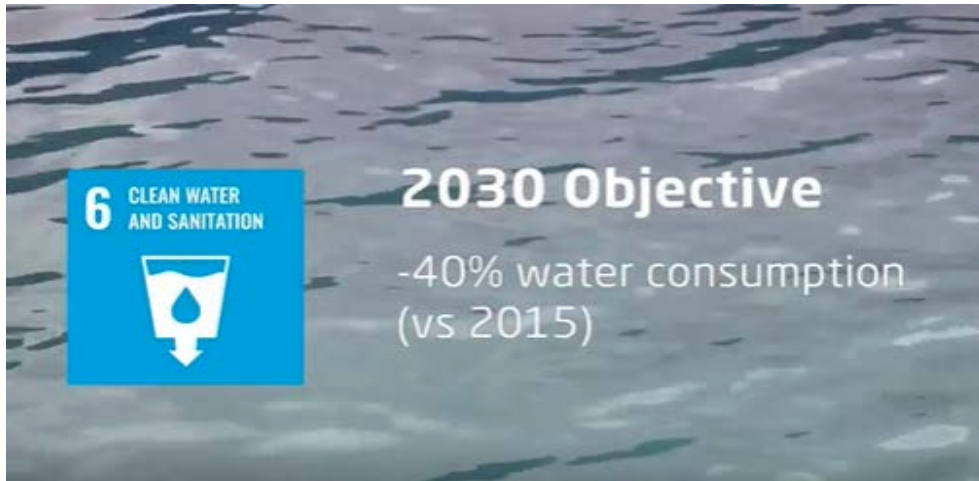
Our plants, while being compliant in terms of noise emissions, are continually working to improve any “sound or vibration pollution” perceived around the properties. They regularly conduct measurement campaigns or place sound level meters close to neighbouring houses to identify where Aperam’s activities have an impact on the global noise environment and can have specific initiatives aiming at more drastic improvements. As an example,at Châtelet site, we continue to the project ‘SILENCE’ (Real-time acoustic sensorS and artificial Intelligence appLications for the rEduction of local eNvironmental impaCt due to noise Emissions) , which consists of a complete analysis of the acoustic nuisance problem among our local neighbors, in partnership with experts, universities⁸ and two industrial sites including Aperam Châtelet. The site data collection and an evaluation questionnaire for local stakeholders are underway. The planned deployment of this adapted real-time control is planned for 2025.

Water

At Aperam, our commitment to clean water is an everyday topic and a responsibility to our local stakeholders: this is reflected in the way we monitor our water intake and the quality of our disposal in line with our permits. We aim to intake less water by reducing our consumption and increasing the amount of recycled water we use, which is currently 97.8%.

- > After a global audit program on the water intake at our main sites in 2021, the second wave of the audit took place mid-2023. This follows an assessment on the water scarcity risk at our main sites launched in 2022, and a thorough climate change assessment of all our locations (See p. 44).
- > One of our main challenges in water intake management is adapting water use to the level of production. In 2023, we still faced periods with lower production, due to the economic context, and we failed to optimize the level of our water intake accordingly (see below). Nevertheless, this does not jeopardize our commitment to achieving the 2030 goal of 6.1 m³/t.⁸

⁸ Partners: Rina Consulting – Centro Sviluppo Materiali S.p.A., Ferriere Nord S.p.A., Aperam Stainless Belgium NV, Universidad de la Iglesia De Deusto Entidad Religiosa, Scuola Superiore di Studi Universitari e di Perfezionamento S. Anna



Water Intakes Trends

After a continuous reduction between 2012 and 2015, we have since then observed a period of stabilization, particularly in terms of intensity. Here are the detailed results for 2023 :

- Intakes in intensity (including purchased tons) saw a reduction by 3% in 2023 compared to 2022, and a 3.1% increase from the values observed in 2015, reflecting changes in activity and accounting for rainwater catchment in our calculations.
- Total intake in absolute value changed by -7% over 2022, but +30% vs. 2015.
- **98% of our intakes comes from closed circuits** (i.e. recycled water), meaning that less than 2% of our water needs is extracted from the environment.
- Of the 4% of water that we do extract, 79% comes from rivers and 9% from collected rain (GRI 303-3 - see full detail in the graph to the right).
- Most of the water withdrawn is returned to the river after treatment. In 2023, 66% of the intake water was discharged to the environment.

However, for sites like Gueugnon, Châtelet, and Imphy, the absolute value for water intensity was much lower than 2022, contributing to a decreasing overall trend for Aperam. Despite these challenges, we remain committed to enhance our operations and achieve our targets by 2030. (GRI-303-3).

■ ■ ■ At our Gueugnon site, water conservation and management became a major priority, in the face of recurring droughts, as occurred again in 2023. The Arroux Morvan basin, upon which the site heavily relies, was significantly impacted by the prolonged dry spell, following a summer marked by high temperatures and minimal precipitation. The situation necessitates a

vigilant approach to monitoring water consumption, both for industrial processes and drinking water, as well as managing discharges responsibly.

The site's current withdrawal rate is approximately 750,000m³/year. But initiatives like the installation of an adiabatic tower on our annealing and pickling line RD79 and the revamping of our bright annealing furnace RB08 have yielded tangible results in water savings. Alone, RD79 prevented the consumption of around 25,000m³ over four months, while the RB08 revamp significantly reduced average consumption from 4.55 m³/h in 2022 to 1.7 m³/h in 2023. Additionally, re-use strategies, like those implemented on RD79, further contribute to conservation goals.

These efforts, combined with ongoing field actions, have enabled the site to maintain progress towards achieving its annual water conservation target of 4.3m³. However, every individual plays a crucial role in ensuring efficient water usage and conservation, this is why we aim to go further in awareness raising (see. p. 46)..

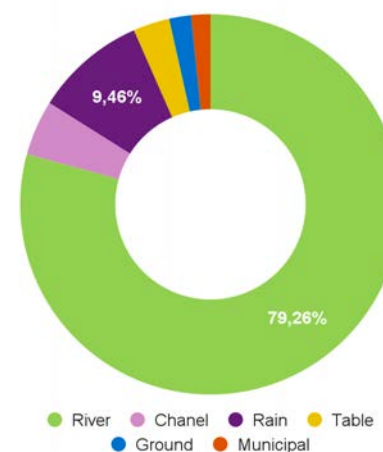
Water Disposal Quality

We treat our effluents and monitor our discharge into rivers in line with our permits in terms of volumes, pH, temperature, particles of suspended solids, and metals in water and swiftly react in liaison with authorities in case of any anomaly.

- Total discharge : 13.1 million m³ (-20.3% from 2022 excl. Aperam Recycling)
- Metal discharged : 5.204 kg/tcs (+44% from 2022)
- Suspended solids : 81.711 g/tcs (-29% from 2022)

2023 Intake by source (m³ and %)

19.7 mio m3 intake in 2023



Water

97.8% Recycling rate

+3% in 2023

Consumption intensity vs. 2015

GRI 303-3, GRI 303-4, GRI 303-5.

Eucalyptus and Water

Like all vegetation, eucalyptus requires water and nutrients to grow and survive. However, the forests at our unit in Brazil (BioEnergia) are grown using carefully selected saplings, with no pivotal root, that require less water and nutrients and are thus particularly well suited to the unique environmental conditions of Vale do Jequitinhonha, our only unit experiencing regular hydric stress.

Thanks to our state-of-the-art R&D, we will continue to work on plant selection to further adapt their water needs and pest resistance.

For more information, visit: aperam.com/sustainability/environment/bioenergia/

Some of our stakeholders complain about the water usage around our BioEnergia forestry in Minas Gerais (Brazil). This controversy, sometimes echoed by media or activists, is backed only by partial studies, sometimes involving members of renowned universities, but not conducted and reviewed by the universities themselves. As it is quite complex to isolate the root causes of drought and the rivers' lower levels, with seasonal variations and the effects of climate change, we collected studies from four different state universities⁹. They all confirm that water availability around our plantations is fairly good, compared to other forestries or to local traditional agriculture (pastoralism). This subject is also scrutinized on a yearly basis by external auditors, who do engage with concerned stakeholders, as part of our FSC® certification. These audits have thus not found any ground for such allegations against Aperam BioEnergia.

That being said, we remain committed to engage on the subject and further improve our saplings and practices (see above and page 46). Indeed, BioEnergia now only plants during rainy days and not during 'the (whole) rainy seasons', which triggers quite complicated logistics and scheduling.

Unfortunately, the unit's total water intake in 2023 was 410.10³ m³ (i.e., +32.2% vs. 2022) because of an increased activity in terms of volumes of seedlings and also because of a two-month delay of the rainy season. This delayed planting resulted in the fact that we kept the seedlings under irrigation longer at the nursery, with a direct impact on the water consumption.

⁹Universidade Federal do Rio de Janeiro; Universidade Federal de Ouro Preto; Universidade Federal de Santa Maria; Universidade Federal de Minas Gerais; IPEF - Instituto de Pesquisas e Estudos Florestais - vinculado à ESALQ - Escola Superior de Agricultura Luiz de Queiroz - Unidade de ensino da USP - Universidade de São Paulo

Waste & Recycling

We greatly value our recycling performance. An example of our commitment towards recycling is our Recyco unit, which recovers the metallic content from the melting shop dust. We also produce metals that are endlessly reusable and we use a large amount of recycled materials in our production process. Our acquisition of ELG, now incorporated as our Recycling division, is accelerating our roadmap to becoming a zero-waste (for landfill) company GRI 306-1.

Recycling of Metallurgy By-products

In 2023, our production waste increased by over 1% versus waste generated in 2022, with 6.9% of our by-products being sent to the landfill, the remainder being reused, recycled or stored for future recycling (see graph). Our waste recovery ratio stands at 93.1% (i.e. -4 pts compared to the 2020-2022 average) GRI 301-2.

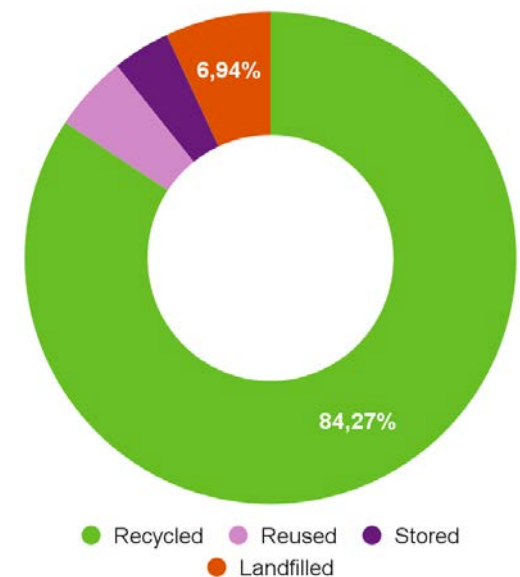


Aperam Recycling yard in Rotterdam.

2023 Residues
of which
**93.1% are reused,
recycled or stored**
6.9% landfilled
hazardous ~ 6%

2023 Residues Split (%)

GRI 306-3, GRI 306-4, GRI 306-5.



Around 6% of our waste is classified as hazardous. While more than 93.1% of our total waste is already recycled or re-used, some of our by-products, such as acids or specific treatment mud, are waiting for viable technical solutions. Engineers, R&D and a few external partners are studying the technical solutions to neutralize such waste.

■■■ Aperam's Genk site in Belgium has made a significant investment in waste management with the introduction of an acid regeneration plant. This innovative facility transforms waste acid into new pickling medium and metal oxides, promoting sustainability and reducing waste. The completion of the commissioning phase, achieved through collaborative efforts across Aperam's sites, marks a milestone in waste reduction.

The impact of this investment is substantial, with the plant being able to regenerate 23 million liters of waste acid annually, avoiding the production of 70,000 metric cubes of waste water, and preventing the need for 10,000 tons of landfill. Over 150 employees from the Genk cold rolling mill (CRM) department have undergone training to operate and maintain this technology, with a strong emphasis on safety.



Genk acid regeneration unit.

Voice

"Stainless steel recycling has always been interesting to me with all the different items we receive. Where did it all come from and what was it all used for? Trying to figure this out everyday makes work fun and entertaining."

James Waters

Yard Supervisor at ELG Metals,
Mobile, AL, USA.



Metallurgy as a Recycling Channel

In 2023, 26.6% of all our material (GRI 301-2, including wooden pallets, refractories, consumables, etc., total input of 4.7 million tons) came from recycled sources. We usually focus on metal scrap, but many other items also come from recycled sources: electrodes, wooden pallets, acids, etc.

> In terms of scrap, we collect our own internal process scraps at each of our units and, after careful sorting, send them back to our melt shops, usually via railways. We also purchase important quantities of scrap from external providers, all of

which must meet specific qualitative specifications (e.g., in terms of nickel or chromium content, but also in terms of radioactivity - see next page). The granularity of this scrap is also important as the density of the volume allows us to optimize the loading rate of our own tools within our process.

Contrary to what can be imagined, stainless scrap is predominantly composed of end-of-life scrap. Scrap traceability is complicated due to the blending that takes place at the largest providers to meet the demands by grade and the collection/deliveries that are organized in batches. This end-of-life predominance also explains why countries with more recently developed economies do not have a significant and well structured scrap market as exists in Europe and North America.

> On average, in 2023, Aperam's products, including those made in Brazil where the scrap market is still almost nonexistent, contain 65% (according to the ISO 14021 standard) metallic scrap.

This consolidated figure integrates the excellent performance of the stainless steel melt at our Stainless Europe sites, which achieved an average of 88.5% in 2023 (according to the same standard), which is a 2% improvement from 2022, with some of our Austenitics from Genk recording rates over 95%, marking a 4% increase than 2022.

> Located at the Isbergues site, our Recyco subsidiary is an incredibly versatile operation that can transform a multitude of different (dangerous) wastes into intermediates that are being used as Nickel, Molybdenum and Chromium raw materials for our Belgian steel plants. This waste can have a multitude of origins, including, for example, the recycling of household batteries, catalysts from production of vegetable oil, or residues of the coating industry. Other more familiar waste includes the dust from our own operations that are being transformed into blocks.

As every waste is different and needs a "personalized" way of handling, Recyco operations are quite complex, but also have a great potential to replace more and more of the primary metallic raw materials we use today.

Radioactivity Alarms

Despite their positive environmental contributions, the trading and processing of secondary material also pose a challenge to our Aperam Recycling segment: the detection of radioactively contaminated substances that could enter the recycling cycle, for example through medical or technical equipment that have not been properly disposed of.

> According to Aperam Recycling “Radiation Guidelines”, employees at scrap yards are to be regularly trained on the subject by our internal Radioactivity Detection Officers, so that only products with radiation exposure below the natural ambient levels are delivered to our customers - an essential safety measure for our employees too.

Our yards are equipped with stationary detection systems for incoming and outgoing material. Additionally, our cranes are equipped with grapple detectors to further enhance the probability of detection of small parts. All these detection systems are inspected and maintained by an external company once a year.

Radioactivity Monitoring (#)	2023	2022	2021	2020
Dedicated Internal Audits (Prevention)	0	4	5	3
Internal Alerts - reported by the units	161	180	264	272
External Alerts - reported by the customers	1	3	11	16

Preparing Post-Industrial Scrap for further sorting at an Aperam yard..

> In adherence to the Aperam Recycling Radiation Guideline, we've improved our collecting and analyzing routine, recording and reporting data from the former ELG operations for 2023. By compiling specific information on radiation alarms and technical equipment, we identified 161 confirmed alarms, which is an 11% reduction from 2022. Customer-reported alarms decreased from 3 (2022) to 1 (2023), indicating improved operational processes.



Furthermore, no sealed sources were detected using our equipment.

At our own yards, no major defects or shutdowns due to radiation alarms were reported.

Other Initiatives

Industrial Risk

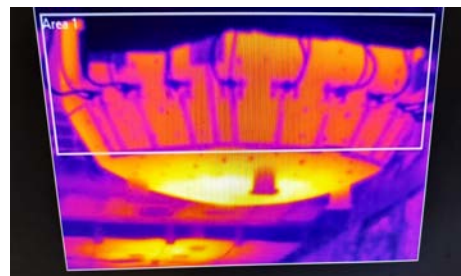
Risk Prevention Program

The industrial risk prevention program continues while relying on the bases initiated in recent years: identification of risks, prevention of their occurrence and preparation for emergency situations. This approach enabled a 20% reduction in the number of risks identified in 2023. These actions make it possible to prevent some major risks as well as to test and cooperate with local stakeholders in emergency situations.

Health and safety are our priority at Aperam, whether that of our employees or local residents. Therefore, we continually invest in our facilities to ensure the safety of everyone. Technology is at the forefront of our prevention actions.

■■■ Some site-level examples of what we did in 2023 are:

> The Châtelet steelworks, in Belgium, installed thermal cameras to visualize in real-time possible “hotspots” on pockets of liquid metal. The goal is to enable intervention before a breakthrough occurs. This risk is well known to steelworks and the consequences of the dispersion of several tonnes of liquid metal remain a significant hazard for personnel and equipment.



Thermal camera in Châtelet.



Fire protection system in Gueugnon.

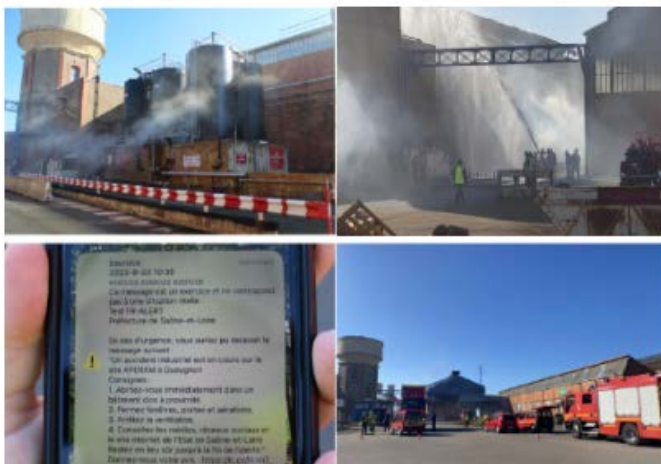
> At the Gueugnon site, in France, it's the fire protection system of a cold rolling mill that was completely revised and completed. Fire detection, coupled with a gas dispersion system, makes it possible to contain a fire in just a few seconds. The full-scale tests carried out in the summer of 2023 were conclusive.

■■■ For emergency situation management, the Isbergues site is participating in the new prefectural application project baptized 'Facing the Risks' (FAR). With the FAR application, Aperam Isbergues and Recyco involve local residents in the prevention of industrial risks.

The FAR application was designed by the S3PI (Permanent Secretariat for the Prevention of Pollution and Industrial Risks) of the Artois region. As SEVESO classified industrial players, Aperam Isbergues and Recyco pay particular attention to the prevention of industrial accidents. This also means involving local populations in this prevention approach, thanks to the FAR application. It allows residents to discover sites at risk near their homes, access their news feed and report any questions or alerts. Through this project, Aperam is listening to local residents and strengthening the prevention of industrial accidents.



■■■ At the Gueugnon site, in September, a joint PPI (special intervention plan) exercise between Aperam and all local authorities was carried out. It involved a simulation of a leak on one of our acid storages. After the first observations were carried out by internal emergency services, the crisis unit was triggered and the prefecture informed. The mayor decides to trigger the alert siren to signal residents to confine themselves.



At the same time, the prefecture is launching its new system: FR ALERTE - an innovative system used to alert the population via mobile phones. Arriving in the area, all external emergency services establish an intervention plan with internal emergency services, and together they manage to contain the leak.

Exercise in Gueugnon between Aperam and all local authorities.

Remediation and Decommissioning

At our former Firminy site, by working in agreement with the local administration and with Aperam funding, remediation continued during the second semester of 2023 and is expected to be finalized by the first semester of 2024.

Concerning L'Ardoise site, the monitoring of the residual pollution shows that the remediation is almost done. We are continuously working with the environmental administration (DREAL) on monitoring residual pollution until all pollution is removed.

Climate-Change Risk Assessment

From 2020, physical climate risks that are material to our activity are regularly assessed as part of our Group Industrial Risks procedures. This means they are screened in terms of their potential to affect the economic activity of the industrial equipment, of the unit and of the greater industrial route they may participate in.

The process was initiated with a lighter internal methodology on a limited scope to raise awareness and get started at our main units and was accelerated to cover all Aperam's perimeter with the support of external consultants.

Knowing that the lifetime of our equipment is usually several decades, the assessment is performed using long-term scenarios (2030 and 2050) integrating the projections from the IPCC and best practices available on the market, including external tools and analysis.

The two scenarios assessed are the SSP2-4.5 and SSP5-8.5 from the IPCC (Intergovernmental Panel on Climate Change) and the scope covers Aperam in its entirety, including the smaller units of Services & Solutions and Aperam Recycling (ex-ELG), in addition to a selection of key supply chain locations. The results of the initial assessment were based on a detailed risk mapping of specific GPS coordinates in view of the risks specified in Supplement B of the EU Taxonomy and used as a starting point. The next phase, which is meant to last several years and cover the whole group, has implied a round of engagements with the units to refine the assessment in terms of impact, review the existing mitigation measures and trigger the design of relevant additional action plans, in liaison with external stakeholders, including experts from the insurance sector. Cross-exchanges amongst units and activities, local stakeholders and the supply chain are planned to enhance the overall consistency and pragmatism of the assessment.

As part of our standard Industrial Risks procedure, all adaptation measures identified are analyzed, validated, prioritized and followed up on as part of our standard Industrial Risks procedures, and the status of the plan is regularly reviewed by our insurance experts and Aperam Management.

Transportation Impact (estimates⁽¹⁾, excluding maritime)

Indicator	Unit	Brazil	Bio-Energia	Europe
Rail traffic	% shipments (except Maritime)	5,4	0	42,8
Road traffic		94,6	100	46,9
River/Other traffic		0	0	6,7
Short sea		0	0	3,6
Trucks loading	%	90,8	100	84,8

(1) Estimation based on major plants, all European Service Centres and most of the Alloys division's transports.

Transportation Impact

Freight Transportation

> We apply ESG criteria in the selection of carriers as well as all other suppliers (See also p. 55-56). For road carriers, this includes training all drivers in eco-driving, investing in trucks that can use alternative fuels (LNG, Bio-fuels, Hydrogen, Electrical) and, for the biggest ones, ISO 14001 certification. Based on these criteria, we have also begun to terminate relations with carriers that have been sentenced for non-compliance with social legislation.

2023 saw a temporary deterioration of our global transport-related carbon footprint, the result of increased air shipment volumes and decreased rail transport.

> All transport of semi-finished goods, essentially slabs and hot laminated coils in Europe, have always been operated by trains, and this is still the case. On the other hand, the shipments of finished goods from Isbergues, which used to represent 10% of the volumes, have been drastically reduced, due to the economic downturn. This led us to favor road forwarders to preserve the relationship and financial health to the most strategic carriers. Additionally, shipments from Genk to Italy, normally done by rail, were severely disrupted by the strike on the German network.

However, in 2023, we also successfully allowed some carriers to operate some transport with bio-fuel trucks with a moderate overcost.

> Air shipments are strictly limited to what is requested by our customers in emergencies, which occurred in 2023 due to delays in production of the Alloys division, especially to Vietnam where our maritime transports did not restart until January 2024. However, it represents a marginal part of the whole European impact.

In Brazil, due to the price of rail transport (road plus rail) being higher than direct road transport, more and more customers choose to collect their steel here in Timóteo. Carbon steel shipping, which has always been mostly done by rail, is now shipped by road, in the Free on Board (BOB) mode.

We will pursue our efforts in 2024 to increase our rail transport share, as the gap between rail and road transport prices decreases and as new rail motorways and rail ports open or increase their capacities.

Biodiversity

In response to the growing concerns of our stakeholders, as well as in view of the strong consensus appearing on the intertwined issues of Climate Change and Biodiversity, we decided to set up solid biodiversity plans at our main plants. We built a company-wide procedure that defines the basis for a minimum, systematic biodiversity monitoring, even in areas where the issue is not considered urgent. Based on the Global Reporting Initiative and ResponsibleSteel[™] frameworks, this approach entails a preliminary identification of local, vulnerable or invasive species, their natural habitats, and of the possible disturbances that changes in our operations (artificialisation, lightning at night, etc.) could cause. The goal is to combine this baseline with a proactive plan to be set up in cooperation with local experts, such as regional or municipal authorities or NGOs.

Since 2022, we have added in our monthly dashboard new indicators on biodiversity to track the progress of the site's implementation of our global program, ensuring a continuous improvement. In light of the significant requirements to be integrated for CSRD, we have secured an additional professional for a temporary period, who will be in charge of overseeing and implementing further biodiversity-related projects across our sites - GRI 304-1. See some examples below.

Collaborative efforts on the 'Ecolonomy' project

In 2021, the Isbergues site embarked on an innovative "Ecolonomy" project aimed at transforming the industrial platform and meeting future environmental challenges while improving the quality of life for employees. The project has received widespread support from employees, local management, and stakeholders, with several companies located at the site already joining the initiative. The "AGIR" group (which means "act" in French), made up of Aperam employees, was created in 2022 to advance the Ecolonomy project, with more than 20 members involved. The project seeks to involve local partnerships.



Planted trees in Isbergues.

> 3 main actions were carried out in 2023. First, tree planting: 700 trees were planted at the beginning of the year. Regular monitoring visits are carried out by members of the collective

to take action when necessary. Second, vegetation zones, including 6 test zones, were created, with seeds sown without any phytosanitary treatment. A new action plan is underway to test other techniques, over smaller areas and with a greater input of soil. Third, preserving biodiversity: Following the deployment of swallow nests on the platform, we can note that 7 of the 12 nests installed are already occupied. A good start for Isbergues' mascot!

Collaboration with Natuurpunt to improve biodiversity at the Genk site

A survey conducted by Aperam Genk employees in mid-2022 on how to improve biodiversity on site showed that employees are placing more value on this topic. Aperam Genk intends to make more efforts in the coming years to support and increase biodiversity on and around the site. By 2023, it was time to put some of these ideas into practice.

Besides the installation of around 50 nesting boxes across the site, a partnership was established with Natuurpunt, a Belgian non-profit nature conservation organization. The organization is involved in various activities, including the management and restoration of natural areas, biodiversity conservation, and environmental education. Together, we decided to transform the grassland around the Cold Rolling Offices into a landscaped area with natural elements.

Soil improvement was applied and instead of adding foreign material, a mixture of decomposed compost with tertiary sands of local origin was chosen. With the planting of approximately 4,000 native trees and shrubs, the aim was to have a positive impact on biodiversity, creating a vibrant local ecosystem. Various species such as oak, ash, and fruit-bearing trees were planted. Natuurpunt also proposed the establishment of two rough zones (dunes) in the flat grassland. These sand hills and pits provide support and housing for bees and other essential pollinators. Additionally, some berry bushes were planted to serve as a source of food for local fauna.

This project is another step in the right direction to promote biodiversity. If this approach proves successful, other parts of the site will be similarly addressed

Three new beehives in Pont-de-Roide, France

Aperam Pont-de-Roide in France continues its commitment to biodiversity by installing three new beehives on its site, following the previous installation of birdhouses and bird feeders.

This initiative aims to preserve bees and biodiversity while raising employee awareness. Nearly 200,000 bees have found refuge in these hives, contributing to the pollination of surrounding flowers. A beekeeping discovery workshop was also organized (see left), allowing participants to understand the crucial role of bees in the ecosystem and to taste a variety of honeys from different flowers.

The participants appreciated the workshop, recognizing the importance of bees in the environment and expressing interest in following the progress of the hive installations.



Participants during the workshop

Have you met Aperam's mascots yet?

The eight main Aperam plants in France, Belgium, and Brazil are tackling biodiversity as a key topic, making the best possible efforts to nurture the environment in general and to protect a particular species or element of biodiversity in their local environment. Each site has selected a mascot to epitomise their commitment. You will find these graphic designs of the mascots on our site's entrance posters.



An endangered mammal endemic to South America and our Brazilian forestry.



In Europe, the Red Kite is classified as Near Threatened.



The House Martin has been present on the Isbergues plant for several years.



The Natterjack Toad is present on the edges of the river Sambre.



Gueugnon's Arroux river is a rich ecosystem and its water is key in our manufacturing processes.



The Brazilian squirrel is the most common representative of squirrels in Brazil, and is present near our Timóteo site.



This species was strongly endangered in the 90's. After a few years, it is seen again in the area of "De Maten".



This species, almost extinct in the 19th century, is making a comeback on its former territories, including near the Imphy site.

Our Oikós Environmental Education Centre in Brazil

Located in Timóteo, the Oikós Environmental Education Center is a 989 hectare piece of Atlantic forest, which houses numerous springs and species of fauna and flora. It hosts several activities, including visits for scholars. Training courses are also offered to the community, with a focus on the recovery of springs and degraded areas, through a partnership between the Foundation and the National Rural Learning Service - Senar. With a list of courses aimed at professional training and social promotion, this initiative also offers classes for Multipurpose Forest Workers on topics such as the recovery of degraded and altered areas.

More than 65,000 visitors from different age groups have passed through Oikós to raise awareness of this rare biodiversity rich area - and it also acts as a carbon sink, as evidenced by our calculations!

DSP (Participatory Socio-Environmental Diagnosis)

The Participatory Socio-Environmental Diagnosis (DSP) conducted by our Timóteo site engaged internal and external stakeholders in their Environmental Education Program. This initiative aimed to involve the community in defining, formulating, implementing, monitoring, and evaluating environmental projects. Scheduled from August to September 2023, it also ensured compliance with legal requirements for Aperam's environmental operating license renewal.



Contributors to the Participatory Socio-Environmental Diagnosis.

The DSP provided coordination and training to diagnose, raise awareness, mobilize, and share responsibilities among participants. By fostering a collective vision of the local reality, it identified challenges and opportunities for socio-environmental improvements. Projects within the Environmental Education Program were planned for a five-year period to ensure a lasting impact.



Every June we celebrate World Environment Day.

Raising Awareness

Events and actions

In October 2023, Aperam organized its second Sustainable Development Week. In 2022, we focused on one aspect of the environment: Biodiversity. This year, we explored sustainability as a wide variety of interconnected issues. For example: How are 'health' and 'inclusion' linked? And why is 'local development' really a sustainability issue? Daily newsletters aimed at raising awareness about these interconnected issues were published.

> On top of that, our sites organized a range of fun activities, including interactive quizzes to test employees' knowledge and remind them of Aperam's 2030 sustainability targets! These quizzes were a huge success and some sites are thinking of integrating the quizzes within their own onboarding program for new joiners.



Sustainability quiz moment in Gueugnon.



> Last July, 9 new Aperam employees were trained to become 'Climate Fresk' facilitators. French NGO 'The Climate Fresk' has been working to bring people and organizations on board with the climate transition through a 3-hour interactive gamified workshop that uses illustrative cards in order to teach the drivers, mechanisms and consequences of climate change before a discussion about next steps and solutions. Facilitators are trained to lead Climate Fresk workshops for others in order to spur a new collective energy for the fight against climate change. And it works! Early 2024, this initiative already reported 1.5 million people trained in 45 languages in over 157 countries! With the 9 new facilitators, we reached a total of 17 facilitators within Aperam at the end of 2023.

Voice

"One of the things that attracted me to the Climate Fresk is the deep conviction that, if the challenges of climate change are not understood by all, it will be very complicated to think about and implement the necessary environmental transition. It is essential to know where we're starting from if we are to understand where we need to go. This awareness tool helps participants understand the physics of climate change, from its causes to its main consequences, in just a few hours! Every employee is first and foremost a citizen. The values that motivate Aperam employees must serve as a basis for reflection and support for the actions that will transform Aperam in the years to come, from the simplest action to the most ambitious one."

Aurélien Buteri
Botanickel Chairman,
Environment. Project manager in
the Aperam CTO Sustainable team

"To help people learn by gaming training is quite pedagogic and I found in the Climate Fresk the perfect way to clarify the message on such a complex subject as climate and social responsibility. As part of the solution, our individual participation is key, by our buying choices, or our attention to avoid wasting water, energy, and single-use plastic usage, for instance. Also, our professional decisions when developing, producing, buying and transporting are crucial and impact Aperam's results."

Lucie Casana
Group Sustainability Coordinator





Using plants to extract nickel from soil and then turning that nickel into stainless steel may sound like science fiction, but that's exactly what Botanickel is doing.

Together with Econick, a spin-off of France's University of Lorraine that specializes in the phytoextraction sciences, Aperam has formed a joint venture called Botanickel. In 2023, the company harvested its first batches of biomass of its local endemic plants on nickel rich land. This process optimizes what already exists and thus opens up new opportunities for agricultural areas. This innovation has been fully integrated into the new value chain that Aperam is now defining.

The company seeks to become a world leader in the responsible and sustainable production of biosourced nickel for the stainless steel industry and has already established itself as an acclaimed and sought after scientific reference, consulted for agronomy and industrial feasibility projects, and for land diagnostics.

2023 also saw the launch of Botanickel's industrial phase, with the recruitment of men and women who will lead the project, providing the Aperam Group with a real biosourced metal supply.

Botanical Power in Action

Hyperaccumulator plants are unique in that they can grow in specific metalliferous soils that are often inhospitable for cultivating traditional crops. These plants have developed the ability to safely accumulate extraordinarily high amounts of heavy metals in their aerial parts, including cobalt, cadmium, manganese, zinc, and of course nickel.



Taking Sustainable Stainless Steel to a Whole New Level

With nickel being a key raw material in the production of stainless steel, Botanickel will leverage the plant's hyperaccumulator capabilities to extract the metal from the soil. The native plants will be cropped in soils that are naturally rich in nickel and allowed to grow to full maturity. Once harvested, the plants are dried and their energy is recovered and used by local communities. Nickel is then concentrated and transferred to Recyco, Aperam's European recycling unit initially dedicated to recovering and treating the metallic content from melting shop dusts. Botanickel's process also generates by-products that can be used as high value fertilizers, exemplifying its commitment to the circular economy.

"We want to be the pioneer and benchmark for this method of extraction, right down to stainless steel, with the strictest respect for co-development with local communities, climate, and biodiversity".

Aurélien Buteri, Botanickel chairman

Our Commitments

Respecting the environment, reducing carbon emissions, supporting the circular economy, and empowering local communities – Botanickel takes sustainable stainless to a whole new level.

Reference

A pioneer in using plants to extract nickel, Botanickel aims to become a reference in the production of biosourced nickel and, in doing so, bring an unprecedented level of circularity and sustainability to the production of stainless steel.

Co-development

Involving local communities across the entire value chain is at the heart of Botanickel's strategy. We will develop opportunities in research, education, training, employment and energy production that are aligned with local priorities.

Biodiversity

Native hyperaccumulator plants, cultivated in accordance with the principles of agroecology, will improve soils that are naturally inhospitable to common crops while also preserving the local environment and protecting biodiversity.

Climate

Driven by an urgent need to reduce global greenhouse gas (GHG) emissions, Botanickel will have the potential to massively reduce the CO₂ emissions associated with the production of ferronickel and thus Aperam's stainless steels (Scope 3).



Interacting with our Stakeholders

We aim to achieve best practices in governance and apply the strongest business ethics. These are the keys to building trust with our customers, our employees and the communities we work in, to protecting our market position and license to operate, and ensuring our ability to thrive.

Our strong customer focus, with innovation and R&D being key pillars, is a testament to the fact that we are good at listening and able to find the right solutions - a pattern we repeat in our social dialogues and stakeholder engagement.

Sustainably Profitable

2023 results

Financial Performance

> 2023 was a difficult year for the stainless steel industry. There were significant economic pressures, especially in Europe, where we experienced continued margin pressure and historically low volumes. Despite these headwinds, we remained resilient. An example of this resiliency can be seen in the value of our new Recycling and Renewables segment, which is both a strategic asset and a key enabler of the circular economy.

Nevertheless, EBITDA was significantly lower than the previous year, at EUR 293 million (EUR 304 million in adjusted EBITDA), compared to EUR 1.076 million in 2022. Despite this lower profitability, we returned EUR 676 million to our employees through wages and EUR 145 million to our shareholders through dividends. The performance of both our Stainless & Electrical Steel and our Services & Solutions segments experienced notable difficulties, due to a confluence of negative market factors (low volumes, unfavorable price/cost development). However, our Alloys & Specialties division showed positive signs of continued progress, while Recycling & Renewables became the number 1 contributor to our profitability, underscoring the value of our vertical integration.

> Furthermore, in our pursuit of cost competitiveness, we surpassed the Leadership Journey® Phase 4 targets ahead of schedule. Cumulative gains of EUR 186 million were achieved, exceeding the initial EUR 150 million target. This success was driven by a strategic combination of cost, growth, mix improvement measures - and our teams' commitment!

> Looking ahead, 2024 marks the initiation of Phase 5 of our Leadership Journey®. Themed Efficiency, Phase 5 targets a gain of EUR 200 million between 2024 and 2026. It also includes a plan to cut EUR 50 million costs in Europe to combat the inflation and regain our

position as the most profitable company within the sector - a plan that will be run in line with our values.

ESG monitoring as part of all our processes

Because financial criteria alone cannot convey a complete picture of our success, we use a number of lagging and leading key performance indicators that ensure we are responsibly moving in the right direction across many dimensions.

> On the Human Resources side, Health & Safety has long been our first individual performance target and an important aspect in our people's annual evaluations. In addition to our other ESG indicators, which are allocated individually, our Performance Share Unit Plan (PSU) includes the following indicators, for a total weight of 20%: reduction in Total Recordable Incident Rate (TRIR); percentage of women amongst the Top-1,000 employees (both for 5% each); and the completion of our CO₂e emissions' reduction targets for the remaining 10% (see p. 92 of the 2023 Annual Report for more details).

> On the financial side, on top of the internal CO₂ price we've used since 2016, we now add to our Credit Financing and loans some of our strategic sustainability commitments: first, to become a best-in-class stainless steel manufacturer in terms of Health & Safety by consistently exceeding the ISSF (International Stainless Steel Forum) industrial average in terms of TRIR and, second, to maintain Aperam's leadership in low carbon steel making and de-fossilisation (reflected by a decrease in CO₂e intensity). While not reaching our goals will result in more expensive financing, achieving them will mean a discount in the interest rate we agreed to allocate to financing more sustainability actions.

> More generally, we submit ourselves to the assessment of many players, who usually rank us amongst the most responsible actors in our industry. Firstly, ESG agencies of all sorts (Investment-driven, customer-focused, specialized or generalist, national or international) screen our performance on a series of indicators. They also assess us based on a list of best practices that are constantly updated to ensure social and environmental progress and stay very vigilant about following any issue involving the Aperam brand. This year we were rated AA by MSCI, A+ by Sustainalytics, and Platinum by EcoVadis.



At a glance GRI 2, 204-1, GRI 413-1

Indicator	Unit	2023	2022	2021	2020
Customer Satisfaction: Alloys	Rate on 10	n/a	n/a	9.15	n/a
Customer Satisfaction: Stainless		6.9 - 8.1 ⁽²⁾	7.0 - 7.8 ⁽²⁾	7.9 ⁽¹⁾	8,0 ⁽¹⁾
Innovation (R&D spent)	€m	19	21	18	16
Lobbying Expenses - Europe		0.49	0.57	0.64	0.87
Lobbying Expenses - Brazil		0.13	0.32	0.45	0.12
New products in sales - Stainless ⁽³⁾	Index base 2019	103	76	69	58
New products in sales - Electrical Steels ⁽⁴⁾		210	247	261	92
New products in sales - Special Carbon	or	203	154	69	131
New products in sales - Alloys	2020	569	554	168	100
Fraud Allegations Reported	#	59	22	13	12
- Forensic Cases Founded		9	2	4	4
-- Significant Cases ⁽⁵⁾		0	0	0	0
Ethical Allegations Reported⁽⁶⁾		109	54	10	4
- Ethical Cases Founded		12	15	2	4
-- Significant Cases ⁽⁵⁾		0	0	0	0
Local Purchase at Main Sites ⁽⁷⁾	%	45	41	45	51

(1): Europe, (2): Specific European countries.,

(3): European and Brazilian production together.

(4): Electrical Steels Grain Oriented and Non Grain Oriented produced in Brazil.

(5): Following review by the Audit & Risk Management Committee.

(6): Human Rights including Health & Safety, Environment, Data privacy and other topics that can be reported through the whistleblowing hotline after scope extension in 2019-2020.

(7): Includes centrally sourced energy.

> More importantly, we voluntarily undergo very demanding scrutiny as part of our certification strategy. This scrutiny includes not only practices specific to our business, they also cover the full spectrum of ESG topics, from health & safety and stakeholder engagement to biodiversity preservation, water usage and pollution prevention.

The FSC® framework is the best practice in terms of forestry, and helps us structure a very efficient and responsible business. That is why our BioEnergia has been renewing its certification every year since 2008.

Likewise, the ResponsibleSteel™ initiative is the first global sustainability certification programme for the steel sector and its certification follows a stringent audit of the company's practices in Environment, Social and Governance on over 200 requirements. The ResponsibleSteel™ Standard, which was designed together by business partners and NGOs with the aim of promoting steel as a responsible material of choice, contains stringent requirements in relation to climate change and greenhouse gas emission that are fully aligned with the Paris agreement.

> In 2021, Aperam became the first Stainless Steel Company to earn a ResponsibleSteel™ site-level certification. In 2023, the company continued this roll-out with the certification of its Brazil operations, which became official in March 2023 after document based reviews, on-site audits and a close review by the expert panel of ResponsibleSteel™.

"We're very proud to have Aperam South America join a growing number of sites globally that have been certified against the ResponsibleSteel™ Standard.

It is the second Aperam site to become certified, Aperam Stainless Europe being one of the earliest sites to achieve ResponsibleSteel™ certification back in 2021. This indicates Aperam's continued determination to show leadership in each region they operate in."

Annie Heaton

Chief Executive Officer ResponsibleSteel™



Long-term Strategy

Aperam aims to de-commoditize its traditional business, leveraging the capabilities of its operations and recycling activities in all regions. This can be done in Europe by delivering electric vehicle solutions, from the automotive structure to the battery case.

In Brazil, we offer high value electrical steel for optimal energy transmission and distribution, while in Alloys, our focus will be around

Liquified Natural Gas (LNG) and hydrogen transport. Meanwhile, Recycling will continue its growth on high demand materials such as aerospace alloys.

Turning our unique strengths into new value streams

On top of the development of our core businesses, we are also adding new value streams based on our existing assets, such as Recyco, BioEnergia and Aperam Recycling (ELG network).

> For the first one, we operate with limited competition and benefit from a flexible technology for turning cheap waste into materials for which the market alternative is both expensive and has a high greenhouse gas emission footprint (primarily Nickel, but also Chromium and Molybdenum). The service offered by Recyco is also able to recover such waste as dust from catalysts and recycled batteries, on top of our steel plants by-products (steel, slag). We aim to turn Recyco into the leading European nickel recycling facility.

> As to Aperam BioEnergia, we have great expectations in relation to its expansion (see below). We aim to further leverage this asset, which already provides a record-low carbon footprint to our Brazil production and reports significant sequestration accruals every year. Our plan is to expand the cultivated perimeter, without any deforestation and in full respect to the local flora and fauna, and to continue to innovate in terms of by-product recovery and partnerships (see below). This is also why we expanded our team, directly hiring 835 of our former subcontractors, to improve their training, efficiency and dedication (see page 26).

Growth plan for Aperam BioEnergia



■■■ In 2023, Aperam entered into a joint venture for the expansion of its forests for charcoal production with Ferbas - one of the world's leading producers of ferroalloys. This expansion is in line with Aperam's strategy to grow BioEnergia's existing responsible forest operations by 20% and to expand into new business models focusing on energy transition. The Bahia Mines BioEnergia Joint Venture, located in the state of Minas Gerais, will operate in close proximity to Aperam's existing operations, thereby unlocking a range of synergies and cost benefits. It also enables Aperam to optimize and further increase its charcoal production. This Investment represents about 28 thousand hectares, of which approximately 30% are dedicated to conservation areas and native vegetation, which will continue to be preserved within the highest standards of national and international certifications.

100% of the forestry and charcoal production operations will be carried out by Aperam BioEnergia, which has state-of-the-art technology to run these activities and whose responsible environmental standards are voluntarily certified under the ISO 14001, and the Forest Stewardship Council (“FSC”, since 2008). From the genetic improvement phase to the carbonization of the wood, our fully sustainable practices go far beyond the traditional ones, aiming to preserve the environment and improve people's quality of life.

■■■ In 2023, Aperam BioEnergia expanded its range of products, which now includes recovered and processed **bio-oil** as a co-product from the production of charcoal from Aperam BioEnergia's renewable forests in the Jequitinhonha Valley, this new bio-oil is produced from the recovered condensable gasses from the carbonization process, further valuing our raw material and the timber from planted Eucalyptus forest.



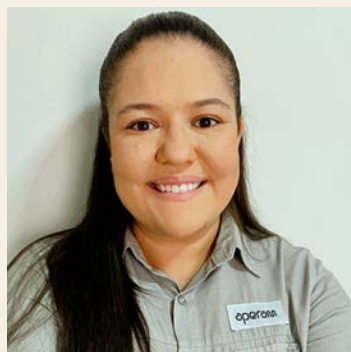
With vegetable origin, 100% renewable and low sulfur content, the bio-oil has been tested since 2017. It has been used in and adopted to different applications and is now capable of replacing the use of fossil fuels in industrial processes. To start with, and further to an agreement signed in 2023, Nexa Resources (a producer of zinc, copper and lead) will acquire 10,000 tons of bio-oil from Aperam BioEnergia in order to gradually replace fossil fuels in the production of zinc oxide at the Três Marias (MG) metallurgical unit.

Voices

“Aperam BioEnergia developed the product and currently produces a fuel that is a strong option for the de-fossilization and energy transition. Through innovation, we are strengthening our pioneerism on sustainable projects and products, being ahead of the curve on solutions that positively reflect on the environment.”

Marina Fernandes Soier

Project Coordinator Aperam BioEnergia



> For ELG, the growth is sustained by all the policies, programs and consumer trends aiming at the circular economy, but it is also fueled by innovative partnerships.

■■■ In 2023, a 100% closed loop on titanium and nickel was initiated with IperionX.

**IperionX
&
Aperam Recycling**

partner to create
100% closed loop
titanium supply chain

This partnership is important as nickel and titanium are highly coveted materials, the result of a boom in electrical vehicles and their battery needs. Currently, these raw materials are sourced over long distances from high carbon supply chains with traceability issues and often poor ESG performance. As part of the agreement, ELG Utica Alloys, a subsidiary of Aperam, will supply clean titanium scrap metal and IperionX will use its patented titanium processing technologies to produce low-carbon metal for a more sustainable and fully circular supply chain.

As a result, feedstocks from manufacturing waste and end-of-life metal products will be reshored into advanced low-carbon metal production, creating a more sustainable, 100% recycled U.S. closed loop supply chain.

Aperam Ventures

Aperam Ventures is the venture capital fund of the Aperam Group. Launched in 2021, its investment thesis is predicated on long term value creation with disruptive companies that will enable Aperam to build a strong, sustainable and competitive advantage in the future. In pursuing this goal, we are interested in identifying and assessing synergies between technology companies and Aperam's core operations.

> Aperam Ventures is committed to creating long term value for its portfolio companies by combining access to the unmatched technological and commercial expertise of the Aperam Group with the agility and flexibility of a dedicated investment team to facilitate effective managerial decisions. As a strategic investor, we are looking for companies that can support our growth journey and ESG commitments. We have a global mandate and our interests encompass the whole value chain of Stainless Steel/ Alloys and Electrical steel production and distribution. As a result, we focus on four areas:

- Advanced materials
- Industry 4.0, the factory of the future
- Smart and agile distribution, as a reflection of our customer-centric approach
- ESG and new business models, primarily around CO₂, energy and waste recovery

In 2023, as part of the chapter 'Industry 4.0', Aperam Ventures announced an investment in mecorad GmbH, a company that offers in-line measurement and optimization for hot metal forming.

Efficiency as an Employer's Responsibility

> With our European downstream operations tailored to market conditions, we are able to capture opportunities for a sustainable future. In the past, this adaptation involved reducing our tools from 29 to 17, but also, when necessary, responsible reductions in headcount. According to analysts, Aperam achieved an impressive turnaround in its first decade and is ready to seize the opportunities arising from the long-term growth perspectives of our markets. In 2021, with the acquisition of ELG (see p. 10), we opened a new chapter of Aperam's history.

> Overall, in 2023, we channeled EUR 676 million in salaries and EUR 59 million in taxes to local economies, compared to a respective EUR 535 and EUR 136 million last year (GRI 201-1).

We also play an important role through our expenses. In particular, in the locations where our largest sites are placed, in Belgium, France and Brazil, the development of the local economy is part of our strategy. In 2023, our overall local spend grew by 4%, increasing from 41% in 2022 to 45% in 2023, reaching the same level as 2021, largely the result of energy prices reversion (sourced centrally). (GRI 204-1).

Social Climate and Social Relations

In 2023, we kept our strong involvement in the social dialogue with all stakeholders, sharing and explaining the complexity of our context, especially in Europe where we faced a strong modification of our economical and business situation due to macro economic factors.

> We had constructive and numerous exchanges with trade unions and local working councils in order to find the best way to responsibly adapt our organizations to the variation in the level of activity, especially at our Isbergues, Gueugnon, Genk and Châtelet plants. We successfully concluded the bi-annual CLA (collective labor agreement) negotiations in Belgium in Q4 2023 with our syndical partners of both blue and white collar workers. Our involvement in social dialogue is embodied in France by the contractualization of our social policy with the trade unions, with the implementation of two new national agreements in 2023 on time off given for caregivers and skills recognition. Specific measures were taken to deal with the impact of inflation on lower salaries and agreements on CLA were signed with all French legal entities.

> We continued to share with the employee representatives in the EWC (European Works Council) the implementation of our key European projects as the review of our "European Footprint" (e.g., new AOD2 - argon oxygen decarburization - converter in Genk, the industrial synergies between Gueugnon and Imphy plants), the impact of the current economic context and necessary adaptation measures.

In 2023, we held our regular meetings with our EWC select committee meetings and plenary sessions), and had additional extraordinary meetings in Q4 2023 with the EWC plenary/complete committee to exchange with the senior management on the difficult economical context in Europe and the self-help measures we could deploy.

> As usual, we "variabilized" our labor costs in Europe in line with a low production level over the full year: the 2023 temporary unemployment rate was equal to 3.4% of the total working hours in France, 6.3% in Belgium - and zero in Brazil (see table below).

Employee Survey

76% believe
strongly in the goals
and objectives
of Aperam

> The 2023 Employee Engagement survey demonstrates the proximity and the quality of the social climate within Aperam, with almost 8 out of 10 employees recommending Aperam as a good place to work and a similar portion considering that their immediate leader is accessible and available when they want to talk or need help. See also in the table below the favorability to the questions from the "sustainable engagement".

Social Climate		Group			Belgium			France			Brazil		
Indicator	Unit	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Temporary Unemployment ⁽¹⁾	FTE	n/a	n/a	n/a	119	69	35	77	15	32	0	0	6
Employee Sustainable Engagement ⁽²⁾	%	79	78	83	74	74	72	69	71	70	86	85	88
Absenteeism	%	2.7	320	274.0	4.2	551.0	5.2	3.6	416.0	3.4	5.1	146.0	1.6

(1) number of hours divided by local annual legal reference (in hours)

(2) % of "favorability" for pillar sustainable engagement



Our Employers' Impact GRI 2, 201-1, 204-1, GRI 413-1I

Aspect	Local Contribution	Unit	Belgium	Brazil	France	WorldWide
Scope	Plants/Division	sites	Châtelet, Genk - <u>Stainless Europe</u>	Timóteo - <u>Stainless & Electrical Steel</u> ; <u>South America</u> ; BioEnergia - <u>Recycling & Renewables</u>	Imphy, Amilly, Rescal - <u>Alloys</u> ; Gueugnon, Pont-de-Roide, Isbergues - <u>Stainless Europe</u> ; Recyco- <u>R&R</u>	Imhua (PRC), ICS (IN)- <u>Alloys & Specialties</u> ; Usti (CZ), Rodange (LU)- <u>S&S Tubes</u>
	Service Centres		Genk (BeNeLux).	Campinas, Ribeirão Pires, Viracopos, Caxias do Sul	Isbergues, Lésignan.	Germany, Italy, Poland, Iberica, USA, Argentina
	Scrap yards		Zutendaal	/	Saint Romain, Limay, Colomiers	USA, UK, Germany, Spain,... ⁽⁴⁾
	Main Offices		(Genk)	Belo Horizonte and São Paulo	Saint-Denis	Luxembourg HQ; Sales Offices ⁽¹⁾
People	Own Staff (End of Period)	FTE	2,030	3,816	2,492	2,398
	o/w Blue Collars		1,309	2,847	1,422	1,356
Local Economic Contribution	Forex rate (BRL)	€	n/a	5.35	n/a	n/a
	Wages & Benefits	EUR million	195.0	104.0	207.0	170.0
	Community Investments		0.03	0.92	0.08	0.05
	Payments to Government		7.3	9.3	13.7	29.1
	Economic Value Distributed ⁽⁵⁾		3,140	1,223	2,622	418
	CAPEX		87.5	139.8	51.0	43.5
	Total Tax Contribution ⁽²⁾		71.03	45.95	103.11	n/a
	Local spent of main sites ⁽³⁾	%	42.3	35.1	57.8	n/a

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom.

(2): 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 (GRI-201-1)"

(3): % of Local spent of main sites (Châtelet, Genk, Timoteo, Imphy, Gueugnon, Isbergues, Pont-de-Roide) excluding Raw Materials, with local spent defined as paid to suppliers respectively from Belgium, in Vale do Aço (Minas Gerais), and France. (GRI-204-1)

(4) and entities with less than 50 persons in: the Netherlands, Taiwan, China, Japan, South Africa, Canada, Russia, Australia, Italy, Singapore, Czech republic, India, ordered as per quantity of employees.

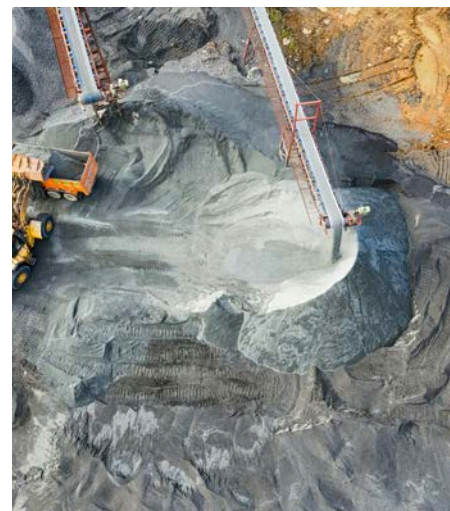
(5) Worldwide includes the elimination of intercompany transactions

Responsibility in the Value Chain

Overall Supply Chain CSR Risk Assessment Methodology

In 2023, we reinforced our supplier risk review and added a stronger media watch follow-up of suppliers, as detailed hereafter.

We communicate annually with our suppliers about our ESG engagement. Our policy also requires suppliers to participate in regular assessments and to diligently inform us in the event of significant incidents, for instance one impacting local communities or the environment. Furthermore, our policy also clearly establishes that working with supply chains that fail to comply with our high ethical standards is not aligned with our practices. For instance, we remain attentive to our purchases involving the PRC province of Xinjiang to avoid benefiting in any way from the forced labor imposed on the Uyghurs. In the end, when our due diligence concludes that a situation deviates from our standards and is not likely to be remediated and improved, and/or our demands in terms of information or monitoring remain insufficiently addressed, the business relationship will be either suspended or terminated.



Every year, all of our suppliers are reminded of our Sustainability Report and Code of Conduct, while internally, a continuous training has been put in place. In 2023, 100% of our sourcing buyers took part in a training on the 'Responsible Purchasing'. The buyers, with their key role in this area, worked in an interactive training on topics relating to responsible purchasing and sustainable development. Starting in 2022, the Responsible Purchasing training, which includes elements pertaining to the ResponsibleSteel™ standards, is obligatory to all buyers and is requested once a year. In 2023, 100% of our sourcing and purchasing buyers took part in training. Furthermore, with the aim of developing our local suppliers' compliance acknowledgement,

in 2023 our Timóteo plant deployed two new in-house compliance e-learning modules for white collars on conflicts of interests and 'Know Your Customer/ Know Your Supplier'.

Risks Amongst Raw Material Suppliers

> In 2023, we evaluated 108 suppliers based on a sustainability questionnaire and a supplier evaluation. The system was further modified to obtain more targeted information about our supply chain and to improve our continuous development process with our

suppliers. The analysis of CO₂ emissions has been intensified due to the requirements of the Science-Based Target Initiative (SBTi) .

When analyzing the proportion of suppliers assessed, 63.9% received an A classification, 23.1% received a B classification and 13.0% received a C classification. For suppliers with a higher risk classification (B or C), a detailed analysis is carried out to define action plans to develop optional suppliers in order to minimize the risk. Further action plans are drawn up for suppliers who did not complete the sustainability questionnaire on time. Suppliers who answered the sustainability questionnaire achieved at least an A or B classification. Due to the continuous risk assessments, our collaboration with one supplier was terminated. Furthermore, a potential new supplier could not meet the requirements for starting a business.

Risk Amongst Freight Suppliers

> Last year, we continued to adhere to such new international transport regulations as the Transport European Package, which came into force in February 2022. We terminated the contract with one carrier for violation of safety rules during product loading and securing, and we decided to migrate the business we did with two other carriers following justice actions being filed in their countries for violations of local laws related to employment. Other investigations with suppliers considered at risk from an ESG perspective were resolved (see also freight transport impact, page 44).

- One company had to be informed about our expectations related to Health & Safety and was reminded to systematically apply all safety rules after flagrant ignorance was observed
- A second company was challenged for Human Rights issues after being suspected by the justice authorities of its home country. The case has been sorted, and the supplier was finally confirmed after presenting a complete and detailed action plan.
- The other three suppliers were requested to submit action plans.

Their performance is supervised with deep scrutiny and subject to requests for continuous improvement as part of our process.

Risks within Non-Raw Materials

> Since 2023, when on-boarding a new supplier, we have started to assess its performance according to three dimensions: compliance/fraud (sanction list), ESG criteria and financial health. Over 9 months, 134 potential new suppliers have been assessed, leading to the approval of 129 (some approvals are conditioned on the execution of pre-agreed mitigation plans). Five have been rejected.

Following an initial supplier prequalification phase, we implemented the systematic definition and consideration of ESG criteria in supplier award decisions, starting with all strategic tenders. The scope of applicability will be continuously expanded in 2024.

> Regarding the supplier assessment cycle, following our protocol, each critical supplier undergoes an assessment at least every two years. In 2023, we completed the assessment loop for our critical suppliers, which were started in 2022. The suppliers evaluated in this cycle were either assessed previously in 2021 or were newly identified as critical in our dynamic list, either due to supplier turnover or revised criticality criteria.

We enhanced the questionnaires to better align with Aperam's interests and to gather more valuable information on Health & Safety and ESG aspects. 40% of the suppliers in this cycle are undergoing assessment for the first time. Among the suppliers assessed in 2021, 74% maintained their previous score (A or B), with 70% retaining an A classification and 30% remaining classified as B.

Looking at the entire pool of assessed suppliers, 50% received an A classification, 27% were classified as B, and 21% as C. Suppliers classified as C did not complete either the efficiency assessment or the ESG assessment in a timely manner, resulting in a lower score (only one classified as C even with answers to ESG assessment). For suppliers classified as B or C, we are conducting a detailed analysis to identify root causes and develop action plans to collaboratively address weaknesses and mitigate identified risks.

Strengths identified:

- 52% of suppliers reported being rated by an ESG rating agency, representing a 7% increase compared to the previous year.
- 100% of suppliers confirmed they were not involved in any social or societal damage or non-compliance incidents affecting local communities nor have they supplied us with minerals sourced from conflict zones. No such issues were identified by our media monitoring activities.

Main Risks identified:

- 5% of suppliers admitted lacking a formal Code of Conduct, although they all affirmed their commitment to Aperam's Code of Business Conduct and policies.
- Two suppliers disclosed that an entity or branch had been debarred or sanctioned by an institution.
- Two suppliers disclosed that an entity or branch had been convicted, fined, or charged in a criminal or regulatory process related to corruption, economic sanctions, or money laundering.

For all these cases, we are conducting a thorough analysis, gathering explanations and documentation from the suppliers to understand the severity and implications for our business. Decisions regarding continued engagement with these suppliers will be made based on this analysis, with no disengagement deemed necessary thus far.

■■■ Even when dealing with global and reputable firms in our own and well-regulated countries of operations, Aperam remains attentive to any negative media coverage and allegations of pollution or human rights issues.

Supply Chain Risk Assessment

Supply Chain follow-up	Year	Universe covered (#)	Not assessed ¹	Scope analysed (#)	Risks identified in terms of:			Suppliers presenting risks				
					Health & Safety	Other Human Rights & Ethics	Environment	Total #	o/w recurring (>2 ans)	o/w New	With agreed action plan from Supplier	With mitigation plan from Aperam
Raw Mats	2020	86	21	65	2	2	2	6	0	0	n/a	n/a
	2021	106	44	62	1	1	1	1	0	1	0	1
	2022	97	25	72	1	1	1	1	1	0	0	0
	2023	108	0	108	0	2	0	2	0	0	0	1
Non Raw Mats	2020	242	0	242	6	21	10	37	0	2	0	0
	2021	239	0	239	7	12	8	27	1	0	0	0
	2022	114	17	97	5	4	4	13	0	0	0	2
	2023	66	1	65	3	3	2	8	0	0	0	3
Total	2020	328	21	307	8	23	12	43	0	2	n/a	n/a
	2021	345	44	301	8	13	9	28	1	1	0	1
	2022	211	42	169	6	5	5	14	1	0	0	2
	2023	174	1	173	3	5	2	10	0	0	0	2

Risks and Compliance

Risk Monitoring

A Strong Process in Place

Our Risk management process, assessed by an external consultant within the framework of a five year audit of our Global Assurance function, was confirmed in 2021 as mature with integration of best-in-class practices. Every year, with the support of Global Assurance Risk Management function, a top-down (in Q1-Q2) and a bottom-up (Q4) risk assessment is performed with all main stakeholders (Business units, platforms and Corporate functions) in order to identify, assess, mitigate and monitor all risks with a review of the mitigation action plans for all key risks.

The process encompasses all possible areas, from taxes to natural disasters, including Cybersecurity risks and compliance risks with details on fraud, corruption, money-laundering, economic sanctions. Each risk is assessed in terms of likelihood and impact on financial or non financial criteria.

> This mapping is reviewed by the risk owners. All key risks at group level are consolidated into a Global Risk Matrix, which is approved by the Leadership Team and validated by the

Voices



"The Aperam ESG ambition is actively supported by a Responsible Purchasing approach, which aims at creating value for our customers, our suppliers and more generally our society. The high proximity built with our strategic suppliers enables us to better identify supply chain risks and opportunities, and hence better address them together."

Alexis Goudrias
Chief Purchasing Officer

*main Aperam sites' suppliers + transport ⁽¹⁾ Update and follow-up of previous year's assessment for Sourcing

Audit and Risk Management Committee. All key risks end up being disclosed in the Aperam Annual Financial Report (GRI 3-3).

> A close follow up of the mitigation action plans for the key risks from our Global Risk Matrix is performed. Based on a request of the CEO, Global Assurance realized an independent monitoring on the follow up of the implementation of the mitigation action plans on Cyber security risk and also reported it on quarterly basis to Aperam LT and its Board's Audit & Risk Management Committee.

> End of 2023, aligning with TCFD, CDP (Climate), ResponsibleSteel™ and CSRD standards, we extended the existing Global Assurance risk assessment approach with the integration of ESG material topics & Climate change risk and opportunity assessment, also taking into account new time horizons covering Medium and Long Term (2030/2050) perspectives.

In the course of 2024, we aim at further improving the assessment in relation to the financial impacts of these risks and opportunities through internal working groups as well as formal discussions with our external stakeholders.

Alert management and preventive audits

Our Prevention of Misconduct and Whistleblowing Policy states that "all reports made with good faith will be treated seriously and in a timely manner". We intend to review all allegations individually and, where needed, open an in-depth case review, while also responding timely to the whistleblower alerts. Fraud, corruption and conflict of interest alerts are investigated by Global Assurance, independently of the line management and without

regard to the suspected wrongdoer's length of service, position or title. Ethical allegations are reviewed by the HR, Compliance or HSE teams, depending on the nature of the issue. All cases are shared with the Audit and Risk Management Committee, which reports to the Board of Directors. Communications to ensure all employees at Aperam use this channel continue.

> The fraud allegations reported through our whistleblowing hotline and other reporting mechanisms are related to such misconduct, theft, corruption, bribery or conflicts of interests. No significant cases were reported during the year 2023.

As with previous years, all fraud allegations from 2023 involved potential or real events where Aperam was the victim of fraudulent behaviors. None of these incidents were to the detriment of other companies.

Ethics & Compliance GRI 205-2 to 3, 406-1.

Indicator	Unit	2023	2023 Belgium	2023 Brazil	2023 France	2023 Other	2022	2022 Belgium	2022 Brazil	2022 France	2022 Other	2021
Fraud allegations reported	#	59	4	45	1	9	22	2	15	0	5	13
- Forensic cases founded		9	1	2	1	5	2	1	1	0	0	4
-- significant cases		0	0	0	0	0	0	0	0	0	0	0
Ethical allegations reported ⁽¹⁾		109	1	101	3	4	54	0	48	1	5	10
- Ethical cases founded		12	0	10	2	0	15	0	13	0	2	2
-- significant cases		0	0	0	0	0	0	0	0	0	0	0
Other allegations ⁽²⁾ reported ⁽¹⁾		11	0	11	0	0	9	0	6	1	2	2
- Other cases founded		2	0	2	0	0	1	0	0	0	1	1
-- significant cases		0	0	0	0	0	0	0	0	0	0	0
Code of Business Conduct	%	81	76	93	64	83	65	66	74	47	58	78
o/w White Collars	%	89	93	98	74	95	70	81	82	51	72	78
o/w Blue Collars	%	76	67	92	56	69	47	36	65	32	21	N/A
New Compliance training rate ³	%	64	72	61	59	67	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Including through the whistleblowing hotline after scope extension in 2020

⁽²⁾ Environment, Cybersecurity/Data privacy

⁽³⁾ Training that was launched in 2023 including the 2 new in-house compliance e-learning for white collars on i- Conflicts of interests and ii- Know Your Customer/ Know Your Supplier.

> All non-fraud allegations, such as Human Rights (which cover Health & Safety, Harassment or Discrimination) are reported in the table to the left, within 'Ethical', while Environment and Cybersecurity/Data Privacy are categorized as 'Others'. We see most of the cases reported in Brazil and the rest of the world, in particular within Aperam Recycling (ex-ELG), which was integrated in 2022.

The increase in the number of cases reported in 2023 is mainly due to the extensive communication made about the possible use of the hotline for non-fraud related cases such as discrimination or harassment, but also to the extension of Aperam's scope due to the integration of the ELG. On the other hand, the percentage of founded cases remains stable (GRI 2-26).

> In addition to these investigations, our Global Assurance Department performed 37 audits or advisory services in 2023. These provide a full review of our small and medium entities, high risk processes or emerging risks. Since 2018, the team has covered sustainability-related topics like Health & Safety and environmental issues. In 2023, our internal auditors participated in the preparation of the ResponsibleSteel™ surveillance audit in Europe, performed an evaluation on the water management process at Aperam's main units in Europe and Brazil, and audited our HR data governance for building Aperam Sustainability Reporting into the framework of future Integrated Reporting, aligned with the EU CSRD requirements.

Rolling Out our Compliance Framework

Mission and Organisation

> In 2023, our Compliance Framework further advanced our risk mitigation efforts.

Highlights include:

- Continued in depth screening of all Russian business partners, in compliance with the updates of the legal requirements of the EU Council Regulations, in order to ensure that we do not trade with sanctioned entities and individuals.
- Strong due diligence in place to ensure that no trading took place with entities from OFAC- and EU-sanctioned countries, nor with any of the entities targeted by OFAC and EU targeted sectoral sanctions.
- Automation on due diligence screening for suppliers in Brazil and Europe and ongoing automation for customers worldwide. In 2024, we will continue our projects on due diligence screening automation

Technical Expertise, Audit and Continuous Improvement

> First, thanks to the implementation of an automatic refresh function, all our mandatory declarations, such as Aperam Insiders' personal data and the Compliance Certificate, were automatically updated and refreshed. This ensures a more efficient analysis and follow up by the Compliance Team, resulting in:

- 99.5% completion of the compliance certificate
- 93.3% achievement on the conflict of interests declaration

> Second, this same automatic refresh feature allowed us to auto update all our Aperam Insiders' personal data, ensuring an 'Insider register' that not only complies with Luxembourg regulations, but is also extremely effective.

Voices



"As an international organization, Aperam is exposed to the risk of not complying with the various standards that apply.

We make every effort to ensure that our employees are trained in the compliance issues that concern them, and to ensure that we work with compliant partners."

Raphael Mercier

Compliance Analyst - Global Assurance

Alignment & Behaviors

In terms of alignment, we continued to roll-out the routines started in 2017, including the annual 'compliance certificate' that summarizes the year's actions for key leaders and site managers and the declaration of potential conflicts of interests for all exempts. Aperam's induction training also ensures that joiners are quickly informed of the company's key policies, with refresher courses being held on a regular basis.

For instance, the 2023, our mandatory compliance training pack included information on:

- Code of Business Conduct
- Promoting diversity and avoiding discrimination (See p. 22)
- Data protection regulation
- Protecting of company information
- Fraud awareness

> Regarding training rates, in 2023, the 'Code of Conduct' training was rolled out to all blue collars within all Aperam units and will be continued in 2024. This will ensure that all Aperam employees have followed this training, which will also be integrated into our new comer onboarding program in Aperam South America. At the end of 2023, the training sessions achieved over 76% participation for white collars and 47% for blue collars
- GRI 2- 23.

> As for our perspectives for 2024, we will reinforce our awareness raising on whistleblowing for employees and third parties, including communication on sites to make sure everyone knows what to do in case of (suspected) misconduct. Internal training on combating corruption and bribery is also on the agenda for the coming year.

Compliance & Ethics-related Communications

Regular awareness-raising initiatives are crucial to fully embed compliance into our culture, mindset and processes. Our communication schedule aims to cover all our topics in just a couple of years, focusing on a few topics every year. In 2023, the following company-wide communication initiatives were organized:

> As with the last five years, Aperam once again celebrated International Fraud Awareness Week. The goal of this initiative is to raise awareness about various fraud prevention and compliance topics and ensure a new, shared vigilance happens at all levels of the organization.

In December 2023, seven live sessions were organized, gathering 154 participants from the finance, controlling, accounting, tax and treasury teams.

The live events were complemented by two group-wide communications, including testimonies from whistleblower and convicted fraudsters. We also sent a quiz and links to our Corporate policies to all Aperam email holders. These covered important compliance topics such as:

- The rights of the whistleblowers,
- The fraud triangle,
- Behavioral red flags for fraud.

> Finally, we continue sending our key policies to our business partners. In 2023, all active suppliers received the yearly notice of our No-Gift Policy, which stands as a key element of our Anti-Corruption procedure (GRI 205-2). Earlier in the year, we sent a letter inviting them to support our stand for corporate responsibility, starting with human rights and health & safety (See § Responsibility in the Supply Chain p. 55).



Compliance at Aperam South America

In light of the risks posed by operating in different regions around the world, Aperam remains conscious of local practices that do not meet our company standards. We operate under the principle of respecting the stricter of the two standards between local and our global company standards.

2023 was a year that highlighted a significant focus on training and awareness-raising initiatives across all our employees in Brazil! Our local compliance team conducted 41 on-site and 18 online sessions covering topics such as Aperam's Code of Conduct, Alerts Investigation and Anti Corruption Policy, with a total of over 2,000 hours of training. The compliance culture is consistently reinforced among Aperam's employees and its third parties to ensure a true understanding of our policies and integrity values, ensuring an environment that is fair, ethical and free from discrimination.

In response to a new regulation, we also had joint actions with the members of the Internal Accident Prevention Committee (CIPA) to address the prevention of sexual harassment and other forms of violence. Over 600 employees, including both our own employees and third party workers, were reached by our awareness campaigns at the primary entry points, displays on the restaurant tables and through a dedicated email communicating about microaggressions.

To further guide our effort, we launched a satisfaction survey, updated our internal discrimination-related risk matrix and focused on improving communication and engagement with our employees. Many site visits took place throughout 2023 to make sure the compliance team is close to the employees and our values are spread among them.

To ensure that our business partners share the same values and integrity principles, in 2023 we created the 'Integrity Journey' program to assist them in implementing or enhancing their respective compliance programs. During the first wave, 40 companies were selected and invited to join, engaging in 12 modules covering key principles outlined in Aperam's Code of Conduct. As a result, 144 people were trained in various compliance topics. The assessment made after the training sessions show that the participating companies have embraced the challenge to improve their own compliance programs, even more than we expected!

Looking ahead to 2024, our objectives include continuing the compliance journey, expanding our reach to impact more subcontractors, leveraging technology and innovative approaches to foster closer connections with our shop floor team, and maintaining all possible initiatives to sustain a culture of ethics and integrity throughout Aperam.



Voice

"As we live in a more connected world, unwanted elements try to access our data and harm us. There are countless reports of companies held hostage by such elements.

At Aperam, we put a strong focus on cybersecurity to protect not only our company, but also the private data of our employees and the data of our customers.

To be well protected, cybersecurity is something everyone has to remain conscious about."

Sudhakar Sivaji

Aperam Chief Financial Officer

Global Data Privacy and Cybersecurity

Cybersecurity

Cyber threats are constantly evolving, and with it, so too must our cybersecurity defenses.

Aperam has adapted a Cybersecurity Strategy based on the NIST principles of identify, protect, detect, respond, and recover.



PHISHED

- 1. Identify:** While the main focus in 2023 was on Identity & Access Management, we continued working on asset management and achieving a timely resolution of the security vulnerabilities identified by our regular scanning.
- 2. Protect:** We still see our users as being the first line of defense against cybercrime. This is why we continue to focus on training and testing. We sent over 137,000 test phishing messages in local languages in 2023. We also provided multiple short courses with videos and quizzes via our MyLearning Cyber Academy. These actions have shown positive results in terms of awareness raising, with 57% of our white collar employees already having obtained their bronze training level. These initiatives will continue in 2024. Moreover, in October, we held Aperam's first Cyber Security Week across all our entities. This initiative encompassed crucial topics related to safeguarding our environment. Each day focussed on a different subject, with discussions highlighting the vital role employees play in mitigating risks that could have severe consequences.
- 3. Detect:** We increased security at our endpoints by installing a managed endpoint protection solution. To optimize the detection of alerts and any unusual behavior within our IT environment, we also moved our Security Information and Event Management platform

(SIEM) to a new solution, to better correlate all events from our company's different security elements.

4. Respond: To ensure a timely response to a security issue, our Security Operations Center (SOC) services have been moved, updated and optimized.

5. Recover: Aperam keeps revamping and testing its disaster recovery plans and business continuity strategies to ensure critical business processes are quickly restored in the event of a cyberattack.

Global Data Privacy at Aperam

As an international company with global systems and teams located both in and outside of Europe, Aperam not only enforces the European General Data Protection Regulation (GDPR), but also addresses local regulations with international data flows and processings. As such, Aperam's Data Protection team is supported by a trained network of local data protection correspondents at the site level.

A Data Protection Committee is also in place to review the Data Protection Department's roadmap, along with our ongoing actions and exchanges with authorities. The relevant Lead Supervisory Authority for the Group is the national authority of Luxembourg, the CNPD. Aperam also sees compliance with the GDPR as an opportunity to rethink its day-to-day activities and customer relationships, beyond the protection of all its stakeholders' privacy.

Voice

"At Aperam, our data protection team plays a pivotal role in supporting the many projects linked to diversity, inclusion and sustainability. As we embark on these exciting ventures, it becomes imperative to instill an unwavering data protection culture. Our goal is to empower every member of our global community with the knowledge and resources needed to ensure the secure and compliant processing of personal data, regardless of their role or location."

This dedication not only reinforces our commitment to sustainability, but also fosters trust and integrity in every endeavor we undertake."

Renata Milward De Castro

Deputy Data Privacy Officer



Relationship with Authorities

In principle, Aperam only engages in policy debates with governments and policymakers on topics that are of concern to its business.

In particular, our Code of Conduct stipulates very clearly that Aperam shall never subsidize any public body, civil servant, member of a political party or union. We also respect best practices in anti-corruption and promote a fair and competitive marketplace without the use of undue influence.

Our expenses in the context of public affairs and trade defense are detailed below, and include all relevant costs borne by Aperam, including the share of the fees paid to national and European steelmaking trade associations that engage in public affairs activities.



Lobbying expenses

Indicator	Unit	2023	2022	2021	2020
Expenses - Europe	m€	0.49	0.57	0.64	0.87
Expenses - Brazil		0.13	0.32	0.45	0.12

European Carbon Markets

In 2023, only our European operations (which represent 50% of our Scope 1 emissions) were subject to CO₂ emission regulations (in the form of allowances or quotas), and so far, there is no comparable mandatory system established in Brazil.

Based on current assumptions and ETS rules, we do not anticipate an overall shortage of free allowances before the second half of the 2020s as the benchmark will drop from 2026 on and CBAM will come more and more into force.

Carbon markets and competition

The EU aims to achieve climate-neutrality by 2050, in line with the EU's commitment to global climate action under the Paris Agreement and the European Green Deal. We fully agree and support this EU target. This objective will translate into new regulations and incentives to invest in the transition (see also Taxonomy p. 36), reduce energy consumption and force all industrial players to adapt their processes accordingly.

As part of the European Green Deal, it is expected in particular that the EU will continuously adopt new and ambitious legislations addressing GHG emissions, circularity, waste management, sustainability, energy, and industrial emissions.

Whilst these new legislations will certainly require the steel industry to adapt and make significant investments, they also represent an opportunity to accelerate the transition to a circular, low CO₂ business model of which Aperam wants to be a frontrunner.

It will be important in this context that the European ambitions on sustainability and decarbonization goes hand in hand with appropriate measures to promote and defend a global level playing field, in order to ensure that the European industry is not put at a competitive disadvantage versus imports from countries that do not have equivalent practices, goals and ambitions.

Trade Defense Update

For a long time, Aperam has been closely working with steel industry associations and other local trade associations, especially in Europe and South America, to promote the preservation and development of a level playing field for all market participants.

This work is being increasingly driven by environmental concerns.

This activity has been particularly intense since 2018, and remains so today. This is due to the prolonged impact of U.S. protectionist measures (Section 232), the need to secure our markets from a growing number of unfair international trade practices (dumping, various forms of government subsidies, circumvention, etc.), and an increasingly difficult economic environment.

> In Europe, these issues have always been addressed within Eurofer, the European steel producers' trade association. This occurs both during Eurofer's periodic meetings dedicated to the steel industry's trade problems (External Committee) and, more specifically, within its forums dedicated to the subsector (Stainless Steel Working Group).

In 2023, through Eurofer, Aperam intervened in the following files:

- European safeguard measures on steel products
- Anti-circumvention investigations against the import of stainless steel hot rolled and/or cold-rolled products from Taiwan, Turkey and Vietnam made from Indonesian stainless steel slabs.

> In Brazil, Aperam and IaBR (Brazilian Association of Steel Producers) regularly support the Brazilian Authorities for Trade Defence in monitoring unfair trade practices.



Stakeholder Relationships

Aperam sites are encouraged to regularly engage with local stakeholders, as doing so is consistent with our values and management best practices. It is also very important to our employees, who are also often our neighbors - a fact that is reflected in our Climate Surveys. In our most recent survey, 88% of our employees stated that they are proud of the company's contribution to the community, with higher scores in Brazil.

> In Brazil, we have a Foundation that supports local communities through 'social impact investing', with a particular focus on such topics as culture, sustainability, employability and local development. Called the Aperam Acesita Foundation, the organization operates in Timoteo and the Jequitinhonha Valley, where our forestry is located (see page 63).

> In Europe, our community actions used to be less structured and more opportunistic, often modeled along the lines of a national or regional event like 'Weeks of the Industry' (see hereafter) or Pink October's breast cancer awareness events in Gueugnon. They can also be very dynamic with family days at our big sites, like the traditional Family or Junior Days (such as the one gathering the 17-year-old children of our Aperam Genk employees). The events at our smaller sites tend to be more modest yet equally impactful. These include local fairs, 'green days' and Christmas events.

Community Investments (Donations and Sponsorship)

Donations in k€ by Unit ⁽¹⁾	2023	2022	2021	2020
Aperam in Belgium - All units	28.4	31.1	16.7	5.8
Aperam in Brazil - All units	922.1	510.6	424.3	482.2
Aperam in France - All units	77.4	62.6	57.5	32.5

(1) Excluding donations in kind.

> In 2023, aiming to strengthen our approach in line with the upcoming European Corporate Sustainability Reporting Directive (CSRD) and the ResponsibleSteel™ framework, we continued the deployment of our External Stakeholders Engagement Policy over Aperam, developing a more systematic and documented stakeholder engagement in cooperation between Corporate and local teams - and aiming at co-constructed development plans.

> In terms of governance, a specific 'Stakeholder Engagement and Human Rights committee' has been structured in order to oversee the subjects in a consistent manner and steer continuous improvement. The Committee gathers three members of the LT, the CTSO, the Chief Human Resources Officer, and the CEO Aperam South America -whose perimeter has the most advanced practices-, together with the Heads of Raw Materials and Non-Raw Materials Purchasing the Legal Counsel and Group Sustainability Officer.

The topics to be covered will encompass all external stakeholders-related topics, either in relation to our direct neighbors or through our Supply chain, as well as Human Rights subjects pertaining to our employees. One of the objectives is to define a better follow-up of this topic, therefore, we decided to discontinue the monitoring based on an outdated set of

requirements to define better structured indicators. As a result, we are not disclosing the indicator 'Stakeholder Engagement at Main Sites' for 2023.

> As part of the different actions launched in 2023 was the organization of formal interviews with the European main sites' local mayors in order to discuss our GRI materiality matrix (ie. the summary view of the topics that matter to ourselves and to our stakeholders) and get their opinion and suggestions on our local development plans.

Lastly, in order to have a global view of our ESG risks and opportunities, and with the success of the Just Report tool used to report incidents across Aperam in relation to H&S, Industrial security and Environment, we also initiated the upgrade of this tool with the aim to follow up the interactions with our stakeholders and other ESG incidents.

Stakeholder Engagement, the Aperam Way

- ✓ Official Stakeholder Engagement policy
- ✓ Group Sustainability report in English
- ✓ Country supplements videos in local languages >>
- ✓ Entrance Posters and site-specific web pages with key Social & Environmental indicators
- ✓ Ongoing Environmental monitoring
- ✓ Stakeholder dialogue directly by sites or via our Acesita Foundation, structuration in progress
- ✓ Development programs via our Brazilian Foundation and pilots in Stainless Europe
- ✓ Grievance mechanisms
- ✓ Human Rights/Discrimination risk assessments
- ✓ Biodiversity partnerships in progress
- ✓ Monitoring tool in preparation
- ✓ Official Stakeholder Engagement & Human Rights committee

(All public documentation available at www.aperam.com)



Employee Survey

77% are proud
of Aperam's **contribution
to the Community**



Genk's Junior Day welding test.



Job fair with the participation of Aperam Isbergues

■■■ In addition, our sites regularly open their doors to local fire and rescue services. The objective of this is twofold: to allow internal and external firefighters to train in unusual

environments (large spaces, confined spaces, etc.) and to give emergency services the opportunity to familiarize themselves with our sites, thus allowing them to be better prepared to respond in the event of an emergency.

■■■ In 2023, the Imphy site once again welcomed 30 Aperam firefighters and just as many from departmental emergency services (the "SDIS 58" team). Indeed, we signed an agreement with the local fire department to allow them to come and train at our site (particularly on chemical risks) and, at the same time, to perfect the skills of our in-house firefighters, who are able to train alongside them.



Training in Imphy with the local fire department.



Training on Isbergues site with search dogs

■■■ Likewise, our Isbergues site saw firefighters from eight departments, along with 23 trained search dogs, come practice on the platform in May 2023. The 60 firefighters traveled to train themselves and their dogs to search for victims. Whether indoors or outdoors, the teams were able to discover the richness of our 100-hectare site.

As Romuald Brognard from the SDIS 62 stated: "We chose the Isbergues platform for the diversity of the site. It's very interesting for us, for the teams and the dogs to discover such environments. In addition, external firefighters must be aware of the safety rules of the site, which makes the exercise all the more concrete and rich."

For the platform and the internal fire brigade, such exercises allow knowledge sharing. It is also a way for teams to meet and, for external firefighters, to get to know and experience our site - which is always reassuring.

Voice

"These moments of sharing, which are necessary for the successful accomplishment of our missions, are also useful for maintaining an exemplary level of platform security."

Yohan Trinez

Isbergues safety and fire manager



Aperam Acesita Foundation

In 2023, Aperam South America applied its strategy, values, and challenges, through complementary, integrated, and continuous investments in projects, programs and actions of social development, aligned with the main interests and needs of the communities where it operates, either in the called Vale do Aço, where the industrial plant is located or in Vale do Jequitinhonha where the renewable eucalyptus forests for charcoal production, fuel, and sustainable energy for the production of special steels are situated.

In 2023, Aperam Acesita Foundation actions directly benefited more than 118,000 people (81,000 in 2022). This significant increase is due to the implementation of new social projects that directly affected the growth in the number of people participating and benefiting.

Through the implementation of programs, projects, and actions, with a financial investment of R\$ 8.6 million, R\$ 6.8 million (79%) were directly invested in social projects and communities, divided among the areas of focus as follows :

- Social Promotion: 38%
- Environment: 32%
- Education: 21%
- Culture: 9%



Here are some highlights of the main actions developed in 2023:

• Social development

The "Aperam Foundation Projects Call" aims to encourage the development of social and environmental projects and initiatives by non-profit organizations that promote the improvement of living conditions for communities located in the areas influenced by Aperam South America and Aperam BioEnergia. Financial resources are directly applied to the needs identified by community associations and the general community.

Social Projects Call → in 2023, 23 projects were effectively implemented in Vale do Aço and cities in Vale do Jequitinhonha, through projects implemented in public schools, schools specialized in serving people with disabilities, quilombola (enslaved people descendents) community associations, rural producers' associations, artisans' associations, among others, as well as contributing to job creation and income generation in the region. A total of 2,991 people were directly benefited by the implemented projects.

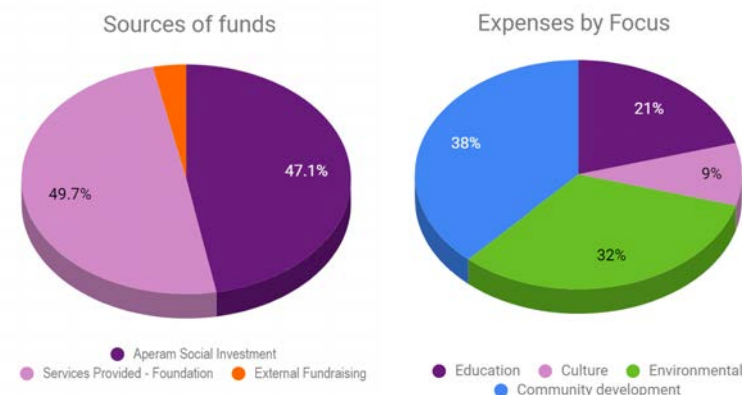
• Environment

Projects Call → covering annually the communities in the Vale do Jequitinhonha region. In 2023, 12 projects were supported, directly benefiting 2,245 people in initiatives proposed by Quilombolas associations, small-scale rural producers, and shelters.

Aperam Acesita Foundation Activity GRI 413-1

Indicator	Unit	2023	2022	2021	2020
Beneficiaries		>118,000	>81,000	> 26,001	> 40,000
Cultural Events	Unit	331	200	60	94
Online Events - Views		-	132(*)	> 61,001	>265,000
Social Impact Investments (Social Projects only)		6.8	3.9	2.7	1.98
Other Aperam Acesita Foundation Expenses	BR\$ million	1.8	1.5	1.1	0.72
Total Investments by the Foundation ⁽¹⁾		8.6	5.4	3.7	2.7

⁽¹⁾ Including expenses linked to the services provided



• Empowerment of Elderly people

Empowerment of Elderly people aims to promote critical reflection and the participation of elderly people within their families and communities, empowering them to exercise their citizenship and become aware of their role as agents of social change.

A notable project in this regard is the partnership with the Municipal Council for Elderly People of Timóteo, the Timóteo City Hall, and the Association of Retirees, defined as the "Art Movement Project." This project aimed to contribute to the improvement of the health conditions and quality of life of elderly people in Timóteo.

These practices included interactive experiences designed to foster positive emotional states for better physical, mental, and social balance.

A total of 206 elderly individuals benefited from participating in various activities such as lectures, training sessions, workshops on Max Crochet, and Circular Dance.

• Education, Training, and Capacity Building

Actions aimed at contributing to the improvement of the continuous education process in the municipalities within the company's influence areas involve recognizing, providing opportunities for, and stimulating innovative educational practices and themes aligned with federal, state, and municipal guidelines.

A noteworthy initiative in continuous education is the Integrative Project conducted in the 5 municipalities in Vale do Jequitinhonha, benefiting 1,912 education professionals through meetings with all teachers from the public school system. The Integrative Project provides pedagogical assistance to Municipal Secretariats subsidizing them in developing replicable and long-lasting Annual Planning, in line with the BNCC (National Common Curricular Base) and the CRMG (Minas Gerais State Curricular Reference), facilitating the organization of pedagogical practices through legal, theoretical, and practical references, both for achieving results and for creating a structured pedagogical archive, a prerequisite for measuring outcomes through indicators based on current educational legislation.

It is also important to note the organization of a Meeting for School Cleaning Staff in partnership with the Municipalities of the influential cities, where 780 professionals from public schools were trained.

Regarding supplementary school programs for students and professionals from public and private schools, the continuity of the projects developed with the Military Police and Firefighters of Minas Gerais is highlighted, such as the PROERD (Drug Resistance Educational Program) and the Firefighters in Schools program, benefiting over 1,100 students and 230 Education professionals across more than 20 schools in Vale do Aço.

• Professional Qualification

Industrial:

The Stainless Steel Institute trained 46 individuals in stainless steel welding, finishing, and cleaning processes, totaling over 5,000 hours. Additionally, 49 women were trained in courses like Steel Operator Welders and Mechanical Maintenance, enhancing their skills for potential industrial employment opportunities. The Aperam Foundation also qualified 40 drivers for roles within the Aperam BioEnergia process, opening up employment possibilities in the region.

Rural:

In collaboration with SENAR and Rural Unions, 676 people were trained across Vale do Aço and Vale do Jequitinhonha in courses aimed at preparing individuals for rural employment, totaling over 22,000 hours. Topics covered included Restoration of Degraded Areas, Electric Arc Welding, Construction of Ecological Septic Tanks, Apiculture, and Artisanal Food Production. The PROGEARTE Program was implemented in several cities, focusing on bolstering the artisanal chain as an income source.

• Environmental Education - Environmental Conservation

The Foundation contributes to local biodiversity preservation through education and outreach, benefiting 9,491 individuals. Our Environmental Education Center, Oikós, celebrated its 30th anniversary. Located in Timóteo, adjacent to the Rio Doce State Park, Oikós offers environmental education activities for Aperam South America employees, subcontractors, and the community.



Oikós, spanning 989 hectares, boasts preserved forests, diverse fauna, and water resources, accessible to the community. The center hosts environmental education programs focused on sustainable behaviors and practices suitable for local realities. Additionally, the Aperam BioEnergia Environmental Education Center, Oikós BIO, is being developed in Capelinha by the Aperam Acesita Foundation. Covering approximately 70 hectares, Oikós BIO aims to promote sustainable practices in the Vale do Jequitinhonha region. Notable events like World Environment Day and guided tours for local students have already taken place on-site.

• Culture

The Aperam Acesita Foundation contributes to local cultural enrichment by organizing diverse events such as theater performances, dance shows, music concerts, and exhibitions. It supports local artist groups and promotes cultural accessibility for the entire community. In 2023, they organized 331 cultural events involving 967 local artists and attracting over 78,000 attendees.

Highlights of 2023 include the Theater Caravan, benefiting over 40 schools and engaging more than 10,000 students and professionals. Guided museum visits and exhibitions benefited over 1,000 people, while the creation of the Aperam BioEnergia Children's and Youth Choir aimed to foster educational and musical culture with 35 members. The traditional Christmas Cantata and festive decorations at the Foundation drew large crowds, offering a celebratory atmosphere for families, with nearly 10,000 attendees at the Cantata and over 14,000 enjoying the festive displays in December.

For more information (in Portuguese), please visit:

<http://brasil.aperam.com/sustainability/fundacao-aperam-acesita/a-fundacao/>



A Focus on Sustainable Innovation

Our mission is to provide innovative steel and alloy solutions that are affordable, long-lasting, and that offer the strength and versatility our customers have come to expect. That's why we place a particular focus on growing our portfolio of high-value added products and solutions. For example, we continue to develop innovative products through our research and development initiatives, while also leveraging our marketing and communication efforts to expand our brand recognition and grow our market share.

Sale of New Products by Category

Index, based in volumes	Base	2023	2022	2021	2020
Stainless Steels	2019	103	76	69	58
Electrical Steels		210	247	261	92
Special Carbon Steels		203	154	69	131
Alloys	2020	569	554	168	100

Employee Survey 2023

8.1/10 agree that we actively study customers' requirements and expectations

Note: after a certain amount of time (e.g., 5 - 7 years), a product can no longer be considered 'new'.

Yet, while we are intent on growing, we want to ensure we do so sustainably. To do this, we are dedicated to producing products and solutions that both drive a circular economy and enable the sustainable world our future demands.

Customer Satisfaction

Indicator	Unit	2023	2022	2021	2020
Customer satisfaction: Alloys	Rate on 10	n/a	n/a	9.15	n/a
Customer satisfaction: Stainless		6.9 - 8.1 (3)	7.0 - 7.8(2)	7.9 (1)	8,0(1)

(1): Brazil

(2) Specific countries in Europe: Italy, Spain, Portugal, North-Africa, Poland, Czech Republic

(3) Specific countries in Europe: France, Poland, Czech Republic

Customer satisfaction remains a top priority, and something we measure via our customer satisfaction surveys. In 2023, several surveys were conducted, giving an average rate from 6.9 to 8.1 depending on the countries.

MEGATRENDS

Addressing New Industry Challenges through Innovation

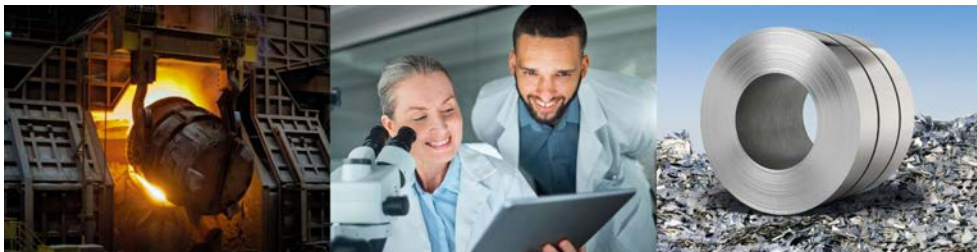
The entire industrial value chain is facing three major challenges: **the energy transition**, **the mobility and transport revolution** and **reducing our use of plastic**. Given the urgency of the changes required, Aperam is focused on all three. However, these complex industrial issues can no longer be resolved by a single player or product. They require a strategic alliance between collective intelligence and disruptive technologies.

As a key player in the stainless steel and high-tech alloys market, we act as a catalyst within a techno-scientific ecosystem, enabling creative interaction between business and science. Working hand-in-hand with our customers to co-design innovative solutions, our R&D is at the forefront of innovation in materials engineering and the circular economy. By designing material solutions that balance cost, carbon footprint, durability and strength and by building on our powerful manufacturing capabilities, Aperam is enabling major technological advances in such cutting-edge fields as hydrogen production and automotive batteries.

The Partner of Choice for Innovative Game Changers

We recognize our responsibility as a metallurgical expert and producer of stainless steels and specialty alloys. But this responsibility not only involves producing the best possible products and reducing our carbon footprint to near zero, but also advancing our own expertise. For this, we rely on the most innovative applied research and development ecosystems, such as RWTH Aachen University, a recognized center of excellence in material science and engineering.

In this way, we can meet our responsibility by designing solutions to support the technological advancements that will enable a carbon-neutral future. It's our ambition to be an essential partner in this new world.



Empowering the Energy Transition

The transformation of our entire energy system is a major industrial challenge of unprecedented proportions.



Aperam is addressing this challenge with our wide range of very high-quality, low or ultra-low carbon stainless steels, alloys and electrical steels that are validated for the energy transition's different segments.

By providing our customers with the fruits of our research and engineering in materials and the circular economy, we help them design and scale up the innovations driving this transition. This includes innovations for producing decarbonized and renewable energy, optimizing energy use, and improving the transport and storage of such energy carriers as electricity, hydrogen and e-fuels.

Igniting the Mobility & Transport Revolution

The mobility and transportation sector is facing an unprecedented upheaval, with major technological breakthroughs.

Electric mobility requires the massive production of batteries, high-performance electrical steels, connectors and magnetic components. Similarly, advances in hydrogen mobility require the construction of new industrial production lines for fuel cells, tanks and H₂ engines. Finally, the overall decarbonization of transportation is being driven by such innovations as Power-To-X, new fuels and emission reduction technologies.

By combining our materials expertise with a detailed understanding of these new applications, Aperam is developing the stainless steels, electrical steels and special alloys that these technological breakthroughs require.

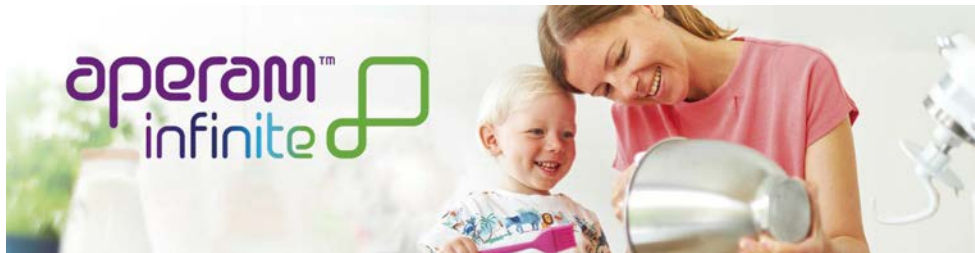


Offering Reusable, Sustainable and Safe Packaging Solutions



The message is clear, consumers want sustainable products that last longer, require less energy, and that use less packaging – especially plastic packaging. In response, restaurants, grocery stores and delivery services are starting to phase out some common disposable packaging solutions, replacing them with reusable alternatives – including those made from stainless steel.

Aperam regularly works alongside our customers to develop innovative food packaging solutions made from stainless steel with high levels of recycled scrap content, a low carbon footprint, and the ability to be reused over and over again.

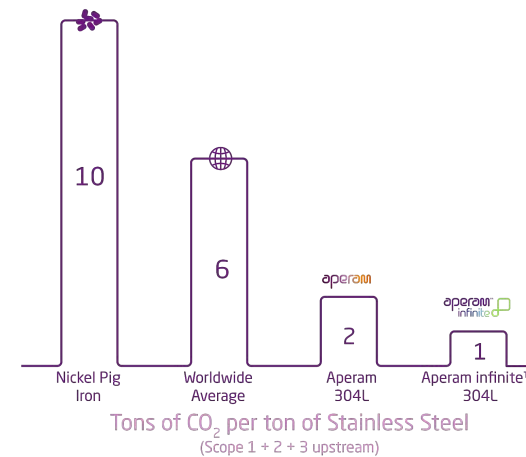


Launching our new sustainability brand

Aperam infinite™ is our new sustainability brand for all our near-zero footprint premium products, related services and solutions. Achieving a reduction of up to 85%¹ in carbon emissions compared to the industry average, Aperam infinite™ helps our customers reduce their total carbon footprint, particularly in scope 3, and join the circular economy.

What is Aperam infinite™?

Aperam infinite™ is designed for today and the future. It currently includes a number of grades, including 304 for austenitic and multiple ferritic grades. We plan to gradually expand the Aperam infinite™ product range and ramp up production volumes.



In Europe, Aperam infinite™ is made with up to 98% recycled material content and achieves up to an 85%¹ reduction in CO₂ emissions compared to industry standards.

¹ Ref. 304 stainless steel compared to Aperam standard produced in Europe, LCA externally calculated, based on the currently agreed 6tCO₂e/t eq. carbon in imported stainless steel

Aperam infinite™ steels are made with advanced recycling methods, renewable energy, sustainably sourced ores and charcoal biomass.

Benefiting our Customers

Aperam infinite™ is designed with customers and end users in mind. It offers many benefits:

- An accelerated path to help customers achieve their CO₂ reduction goals, including scope 3 emissions, and enhance their sustainability credentials.
- An opportunity for customers to use more recycled materials in making their products, thanks to our closed loop process.
- The ability to offer consumers products that have a low environmental impact and a high proportion of recyclable material. By partnering with Aperam, customers can maximize the value of their scrap by selling high purity, well sorted material to our recycling and renewables division, embracing a complete circular model.



Additional benefits include brand protection, differentiation from competitors and our support in helping customers comply with regulatory requirements.

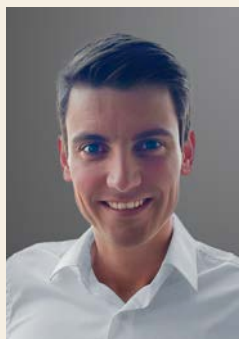
Made with Up to 98% Recycled Material Content

Aperam infinite™ benefits from our advanced expertise in the recovery, recycling and reuse of scrap metal and melt-shop dust. This is made possible by our Aperam Recycling subsidiary, which records 1.3Mt of recycled raw materials per year.

Aperam Recycling is involved in a fast-growing number of circular economy projects.

Voice

"Reducing our carbon footprint is very important for Aperam, but also for our customers. For our customers, stainless steel (like other raw materials) often represents a high share of their CO₂ emissions (scope 3). It's one of our responsibilities to share our impact and to help them to reduce it. With Aperam infinite™, we are showing that we can succeed and have a real and strong CO₂ reduction. It's not a matter of accounting or mass balancing, but a concrete journey that we are happy to continue and further develop. Being 100% and infinitely recyclable and lasting for decades, stainless steel was already a strong candidate for a more sustainable future. Now, with Aperam infinite, we are going a step further!"



Jérémy Bouvet
Program manager
sustainability

Produced Using Renewable or Sustainable Energy

We use an innovative combination of renewable energy to further reduce our CO₂ emissions. In Europe, our electrical arc-furnaces are powered using nuclear and solar energy. In Brazil, our blast furnaces use over 90% clean energy derived from hydro-based sources, our sustainably-sourced ores and charcoal biomass produced at our FSC®-certified BioEnergia forests - see also p. 32-33.



BSH Confirms Decarbonization Strategy with Selection of Aperam infinite™ Near-Zero Carbon Stainless Steel.

In choosing Aperam infinite™, which has up to 47%³ lower carbon footprint than our standard grades, BSH Home Appliances Group is able to further advance its sustainability journey.

"Our near-zero CO₂ products were designed with the customer in mind, and we are thrilled to have BSH as a partner to use and promote this new product line," said Aperam CEO Tim Di Maulo. "We look forward to demonstrating how these low-emission products enable companies like BSH to reduce their carbon footprints, sustainably make products for their own customers, and become an important link in the responsible value chain."

³(Scope 1+2+3 upstream - Ref. Aperam infinite™ 304 stainless steel compared to Aperam 304 standard produced in Europe, LCA externally calculated).

B/S/H/

About this Report

This report is based on Aperam figures and inspired by the following initiatives: United Nations Global Compact; Carbon Disclosure Project; ISSF Sustainable Charter; WorldSteel Sustainable Charter, ResponsibleSteel™ principles ; and the Global Reporting Initiative (see Index below). Other GRI-related references are within our Online Supplements.

GRI Index	code	Reference
All indicators	3.3	Disclosure on Management of Material Topics - Online Supplement C.
Economics		
Economic Performance	201-1	Direct economic value generated & distributed - p. 6-7, 53-54.
Procurement Practices	204-1	Proportion of spent on local suppliers at main sites - p. 50, 54-56.
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures - p. 58-59.
	205-3	Confirmed incidents of corruption and actions taken - p. 57.
Environmental		
Material	301-2	Recycled input materials used - p. 40-41.
Energy	302-3	Energy intensity - p. 31, 35.
	302-4	Reduction in energy consumption - p. 35.
Water and Effluents	303-3	Water withdrawal - p. 31, 39.
	303-4	Water discharge - p. 31,39.
	303-5	Water consumption - p. 31, 39.
Waste	306-1	Waste Generation and Significant Waste-related impacts - p. 40.
	306-2	Waste by type and disposal method - p. 31, 39.
	306-3	Waste generated - p. 40.
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas - p. 44-48.
Emissions	305-1	Direct (Scope 1) GHG emissions - p. 33.
	305-2	Energy indirect (Scope 2) GHG emissions - p. 33.
	305-3	Other indirect (Scope 3) GHG emissions - p. 34.
	305-4	GHG emissions intensity - p. 31,33.
	305-7	NOx, SOx and other significant air emissions - p. 37-38.
Labour		
Occupational Health & Safety	403-1	Health and safety management, assessment, consultation, training, prevention - p. 13, 14.
	403-5	Worker training on occupational health and safety - p. 13,14, 26-27.
	403-9	Rate and gravity of injury, occupational diseases, lost days, absenteeism, number of work related fatalities, by region and gender - p. 14, 15.
Training & Education	404-1	Average hours of training per year per employee by gender, and by employee category - p. 13-15, 26-27.
	404-3	Percentage of employees receiving regular performance reviews, by gender and by employee category - p. 25.
Diversity	405-1	Diversity of governance bodies and employees - p. 20, 22-24 and Annual Report 2023 (Board of Director and Leadership Team) - p. 64-72, 73, 80.
	405-2	Ratio of basic salary and remuneration of women to men - p. 22.
	406-1	Incidents of discrimination and corrective actions taken - p.57
Supplier Assessment for Labour Practices	414-2	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken: Present report - p. 54-56
Society		
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes - p. 50, 54, 61-64.

General Standard Disclosure		Information or comment and Reference (page number)
The organization and its reporting practices		
GRI 2.1	Organizational details (Location of headquarters, Local operations, Ownership and legal form)	Aperam Annual report 2023, p. 12-18. Current report, p. 6-9.
GRI 2.2	Entities included in the organization's sustainability reporting	Aperam Annual Report 2023, p. 223. Specifying the differences between the entities included in the organization's sustainability reporting and financial reporting
GRI 2.3	Reporting period, frequency and contact point	Calendar year 2023 (Annual) is reported in the Made for life Report 2023. Previous issue reported on calendar year 2022. (sustainability@aperam.com or contact@aperam.com)
GRI 2.4	Restatements of information	Restatements may result from: Mergers or acquisitions, change of scope of segments, base years or periods, nature of business, measurement methods and tools. Thus, 2021 Aperam financial figures by Divisions have been reevaluated in line with the new organization further to the creation of Aperam Recycling & Renewables.
GRI 2.5	External assurance	Main report, and online supplement bundle. Current report, p. 2.
Activities and Workers		
GRI 2.6	Activities, value chain, and other business relationships (Markets served, Scale of organization, Supply chain)	Aperam Annual Report 2023 p.12-18, 49-53, Current report p. 7 and Annual Report 2023 p.19, 36--37, 2023 p. 12-14, 67, Online Supplement C – p. 1, 2.
GRI 2.7	Employees	Employees: Figures based on FTE as of December 2023, Full time own employees at year-end excluding Haven Genk.
Governance		
GRI 2.9	Governance structure and composition	Current report, p. 11, Annual Report 2023, p.64-85.
GRI 2.22	CEO Statement on sustainable development strategy	Opening Words. Current report, p. 4-5.
GRI 2.23	Policy commitments	Values in Current report, p. 8, Aperam Code of business conduct – available on the web in multiple languages.
GRI 2.26	Mechanisms for seeking advice and raising concerns	Annual Report 2023 p. 100-102, Current report p. 57-59.
GRI 2.28	Membership association	EUROFER, Brazil Steel Institute, ISSF and WorldSteel. Annual Report 2023, p. 62, ResponsibleSteel, Aperam Foundation, p 63- 64
Stakeholder engagement		
GRI 2.29	Approach to stakeholder engagement (Stakeholder groups, Identification and selection of stakeholders)	Description of our Stakeholders groups as well as our reporting process and materiality analysis is to be found within our Supplement C. Current report, p.11, 12, 61 and further, and Supplement B.
GRI 2.30	Collective bargaining agreements	100% of the Aperam employees are covered by collective bargaining agreements
Disclosures on material topics		
GRI 3.1	Process for determine material topics	In line with the GRI framework. Current report, p. 12, Supplement B. Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Supplement C
GRI 3.2	List of material aspects	Current report, p. 12, Supplement B p. 1. Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Online Supplement C.
GRI 3.3	Management of Material Topics	See our Risk Management in Current report, p. 56-57 and Annual Report 2023 p.53-55.

BACK COVER