Sustainability
At the Heart of Aperam’s Strategy

June 2022
BUSINESS OVERVIEW

Aperam is active in Stainless, Electrical & Specialty Steel & Scrap
#2 in Europe and the Only Producer in S. America

- EUROPE
  - Timóteo, Brazil
  - Genk, Belgium
  - Châtelet, Belgium
  - Imphy, France
  - Gueugnon, France
  - Isbergues, France
  - BioEnergia, Brazil
  - excl ELG

- SOUTH AMERICA
  - Building & Construction
  - Catering & Appliances
  - General Industry
  - Energy & Chemicals
  - Transport

- Revenue by region 2021
  - Americas: 67%
  - Europe: 29%
  - Asia: 14%

- Revenue by industry 2021
  - Automotive: 27%
  - Energy & Chemicals: 21%
  - Transport: 20%
  - General Industry: 19%
  - Catering & Appliances: 8%
  - Building & Construction: 5%

- Key Figures
  - €5.1bn Sales*
  - 2.5mt Capacity
  - ~10,600 Employees
  - ~1.2mt Scrap
  - 51 Recycling Locations
  - 14 steel service centers
  - FSC® Certified Forest in Brazil

*excl ELG
PRODUCT & PROCESS
Aperam Produces a Superior Product in a Sustainable and Responsible Way

SUPERIOR PRODUCT
- Very long useful life
- 100% recyclable
- Non toxic

Corrosion resistant
- Acid resistant
- Fire proof

Abrasion resistant
- Aesthetic
- Mechanically strong

RENEWABLE ENERGY
Our blast furnace in Brazil uses 100% charcoal as fuel – produced from our sustainably cultivated FSC®-certified forests

RECYCLING
Aperam’s main input in Europe is scrap & recycled materials (>80%)
Our Recyco unit recycles dust, sludges & residues for us and third parties

Best practice forest management, recognized by the Forest Stewardship Council’s (FSC®) certification, which standards and principles conciliate ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility. Our forests are made of selected cloned saplings which are considered among the best on the market and they are separated by firewalls and strips of natural vegetation to take into account both fire-prevention, biodiversity preservation and local development (beekeeping).

Renewable energy and recycling are key inputs in our production process.
CIRCULAR ECONOMY

Aperam is at the Heart of the European Circular Economy. Scrap & Recycled Material are our Dominating Input

Aperam uses ~90% scrap in its austenitic grades
Scrap is sourced regionally in Europe
Aperam’s location at the heart of Europe minimizes transportation costs & environmental impact

Scrap collection

- Old scrap ~70%, Ø 27 years
- New scrap ~5-25%, Ø 6 month
- Revert scrap ~11%, <1 month

Aperam

End product

- Stainless steel
- Hot rolling
- Cold rolling

Recyco
Recycles metal from dust, mud etc.*

Recycling rate
% of end use

Life cycle

Automotive
Construction
Other Transport

Machinery

Appliances, Electronics
Metal Goods

14 years 25 years 30 years
90% 90% 90%
12% 29% 90%
90% 15 years 80%
18% 75% 90%
8% 15 years 80%

Source: Aperam, SMR, ISSF  * see 2020 Sustainability report p.35-37 for detail

Scrap is a closed loop in Europe and our primary input in our European operations
RECYCLING & RENEWABLES

~30% of Aperam’s Workforce Create Value from Working in Renewables and Recycling Upstream
**PRODUCTS**

*We are Part of the Solution*

<table>
<thead>
<tr>
<th><strong>e-Mobility solutions</strong></th>
<th>Aperam’s solutions enable e-vehicle components such as converters, inverters, onboard-charges, motors, EPS, cooling systems, air conditioning systems, current sensors, charging stations, fuel cells and battery packs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean air</strong></td>
<td>Stainless and alloys help the marine transport sector minimizing emissions. Aperam offers scrubbing systems that remove over 90% of Sulphur and 80% of particles. Corrosion resistance grades with high mechanical properties are required</td>
</tr>
<tr>
<td><strong>Cryogenic applications</strong></td>
<td>They require a material that can withstand very low temperatures. Aperam solutions (stainless and INVAR M93 LNG tanker) are specially designed for cryogenic storage; transporting natural gas, ethane, or ethylene; and handling liquefied air gases like nitrogen, oxygen and argon</td>
</tr>
<tr>
<td><strong>Sustainable water supply</strong></td>
<td>Due to its inert nature, stainless is the material of choice for water supply (e.g. tanks and fountains, water boilers, sanitary piping systems, etc.) and water treatment (e.g. sewerage, distillation, desalination) applications</td>
</tr>
<tr>
<td><strong>Solar power</strong></td>
<td>Alloys are resistant to heat, corrosion, fatigue, and creep. It is the ideal material for the receiver tubes used to ensure the flow of molten salt and for glass metal sealing. Stainless, is the material of choice for the structural and fixing elements used in solar power systems</td>
</tr>
<tr>
<td><strong>Renewable energy</strong></td>
<td>Electrical steels enable high performing wind generators due to their high permeability. The magnetic properties of alloys convert and shape an electrical signal from generation to end use. Anemometric towers built of stainless steel enjoy an increased life span, reduced maintenance costs, better safety</td>
</tr>
<tr>
<td><strong>The hydrogen economy</strong></td>
<td>Stainless steel and alloys are already used in a number of important hydrogen applications eg fuel cells, production and storage installations, and transportation*. Aperam is a big supporter of the shift to hydrogen and a proud member of HydrogenEurope</td>
</tr>
</tbody>
</table>

*Eg electrodes in alkaline electrolyzers, catalysts for steam methane reforming, storage and transportation*
Aperam is committed to a sustainable cohabitation with our neighboring communities, allowing host cities to thrive and accommodating inhabitants’ legitimate requests.

Ethics are a key to Aperam’s values. We comply with all applicable regulations, interact transparently with authorities and support the fight against corruption or anti-competitive practices -among others.

Ethics is Aperam’s primary concern and the priority in all our proceedings.

Almost 50% of Aperam’s energy comes from renewables, mainly as biomass (charcoal) and increasingly also, wind and solar.

Gender balance ranks highly on our priority list with a special commitment from Management. Aperam established specific objectives for creating more gender balance in our workforce.

Lowering water consumption and improving the quality of discharge are key elements of our environmental strategy.

Research & Development and innovation are top priorities for Aperam. We also help our customers to adapt their own processes (welding, stamping, etc.) to make the most of their tools.

Aperam is committed to a sustainable cohabitation with our neighboring communities, allowing host cities to thrive and accommodating inhabitants’ legitimate requests.

Aperam is a recycling champion: We use the maximum amount of recycled material in our production (eg +80% in Europe) and also recycle wastes and by-Products in line with our zero-waste target.

Our blast furnace uses charcoal, produced from our FSC® certified forest which also acts as a carbon sink. We have ambitious reduction targets to 2030 and target carbon neutrality by 2050.

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Responsible Low-GHG Stainless Steel Producer

**ENVIRONMENT**
- Best-in-class CO$_2$e footprint$^1$
- FSC®-certified forest provides renewable energy and certified CO$_2$e
- Clear improvement targets
  - Waste, aiming at zero-waste
  - Air (dust) emissions
  - Water consumption
  - Energy consumption
- Production is based on recycled materials, with plans to increase further
- Committed to net zero 2050 and SBTi-validated roadmap
- Superior product supporting the energy transition

**SOCIAL**
- Health & Safety is our prime objective
- Human Rights, Inclusion & diversity
- Training & development
- Positive social dialogue & responsible variabilization
- Quality of life at work and employee satisfaction

**GOVERNANCE**
- High ethical standards with zero-tolerance policy
- Responsible supply chain
- Majority of Board is independent
- Committees are exclusively independent
- Best-in-class ESG rating
- Active Foundation and stakeholder engagement
- ResponsibleSteel™ Certification roll-out in progress

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$^1$ scope 1+2
**ESG STATUS & TARGETS**

A Best-in-Class Footprint & Clear Improvement Targets

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**CRITERIA**

<table>
<thead>
<tr>
<th>Energy intensity(^1)</th>
<th>6.9 GJ/tcs(^2)</th>
<th>-11% vs 2015</th>
<th>APERAM 2021 vs 2015</th>
</tr>
</thead>
</table>

| CO\(_2\) intensity\(^3\) | 0.30 te/tcs\(^2\) | New objective | 0.33’ te/tcs\(^2\) | -39% |

| Water consumption | 6.1 m\(^3\)/tcs\(^2\) | -40% vs 2015 | 10.0’ m\(^3\)/tcs\(^2\) | -2% |

| Dust intensity | 76 g/tcs\(^2\) | -70% vs 2015 | 155’ g/tcs\(^2\) | -38% |

| Zero waste target | >97% reused / recycled | 92.9% | -0.6pp |

| Health & Safety | TRIR<3 in 2026 | 7 (new indicator) |

| Diversity | 30% of exempts in 2029 |

| Digital Learning | 30% of total learning hours in 2029 | 18% |

| Employee Satisfaction | >80% of Sustainable Engagement | 80% |

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(1) only electricity, LPG and natural gas, (2) per ton of slab (internal/external), (3) Scope 1+2, including yearly removals for our forestry. (4) Using comparable methodologies, our 2021 CO2e intensity decreased by 2%, but the 0.33t/tcs includes methodological updates rendering the comparison with 2020 irrelevant. * Data having received external assurance

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We aim to exceed legislation and are committed to continuous improvement
HEALTH & SAFETY
Our Prime Objective

ROADMAPS
WITH 3 STRATEGIC AXES

 Prevent and control the risk of fatal and severe accidents
- Detailed improvement plan post a H&S audit of each site
- Monthly monitoring

 Identify cultural maturity
Uses external framework to assess and improve H&S at each site individually

 Support and coordinate transversal actions
Launch of single incident reporting and investigation tool

LTIFR IS HALF OF SS INDUSTRY* …

ISSF 2021 data will be published in late May 2022

** Severity rate = total number of days lost for accidents/total/hours worked x 1,000,000.

* Lost time injury frequency rate = number of injuries resulting in lost time per million working hours – 2020: Aperam 1.5 versus ISSF average 3.1, ISSF 2021 data will be published in late May 2022
SCRAP USAGE REDUCES CO₂ EMISSIONS SUBSTANTIALLY*

**APERAM ENERGY MIX 2021**

- **31%** Renewable Energy
- **37%** Electricity
- **29%** Other
- **3%** Charcoal
- **3%** Natural Gas

**ELECTRICITY IS KEY FOR DECARBONIZING**

**Source:** Company data, Aperam estimates, EEA, IEA

*scope 1 + 2 + 3a incl. raw material
Aperam has a Transparent & Realistic Plan for Realizing 0.30 tCO$_2$e/tcs by 2030 and Carbon Neutrality by 2050.

We are covered with ETS Certificates till ~2030 and our plan is Capex Light.

**APERAM CO$_2$ EMISSION BY SCOPE**

0.33te/tcs*

**APERAM CO$_2$ EMISSIONS ROADMAP**

*Scope 1 (non-biogenic) + scope 2 (market-based); for change in methodology please refer to Aperam’s 2021 ESG report

**MEASURES & CAPEX**

Target: <0.3 tCO$_2$e/tcs in 2030**

> ~33% are based on energy efficiency projects and heat recuperation

> ~33% are based on the decarbonization of energy

> ~33% gains in direct CH$_4$ emissions

> Capex for 2030 targets ~EUR20m pa**

> FSC® certified forest operations play a key role for reaching net zero by 2050

*Mainly covered by normal annual maintenance & growth capex budget. 2020-30 total spend ~EUR200m

**versus 2015 (0.54 tCO$_2$e/tcs)

** We are covered with ETS Certificates till ~2030 and our plan is Capex Light
Q1 2022 ESG HIGHLIGHT
Forestry is a Valuable Decarbonisation Asset With Substantial Growth Potential to 2050

BIOENERGIA INCLUDED IN NEW RECYCLING & RENEWABLES SEGMENT

> Since Jan 2022 BioEnergia is reported in the newly formed Recycling & Renewables segment (used to be part of S&E Brazil before)

> BioEnergia owns ~130,000 ha Land in Minas Gerais (Brazil)

> 40,000 ha preservation area that is wildlife habitat

> Capex of EUR15-20m pa, employs ~1000 people

APERAM OWNS A BEST IN CLASS CARBON FOOTPRINT

BIOENERGIA GROWTH PLAN SUPPORTS CARBON NEUTRALITY BY 2050

> Continue to increase forestry asset density (optimized plants & operations)

> Acquire rights for an additional 26k ha
  - Additional biomass capacity
  - Value accretive with IRR >15%

* most recent available data from ISSF, Worldsteel
*²change in methodology was externally verified based on ISO 14064
Aperam has an industry leading CO₂e footprint\(^1\) and clear improvement targets for 2030

**ENVIRONMENT**

Scope 1 – All Direct Emissions from the activities of an organisation or under their control (can be either biogenic i.e from biomass, or non-biogenic).

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation.

Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control (3a: Upstream, i.e mostly Raw materials)

(1) per tonne of slab, scope 1 + 2 (Scope 1 non-biogenic, Scope 2 "market-based") based on ISO14404 (incl. purchased tons processed internally and hire-work)

(2) EU Taxonomy\(^*\) requires:
- for high alloy steel (stainless): 0.266 (mitigation) to 0.360 (adaptation) t\(\text{CO}_2\text{e}/\text{tcs ex-caster Scope 1\text{ EAF route or a 70% scrap ratio minimum.}}\]
- for carbon steel: 1.331 (mitigation) to 1.443 (adaptation) t\(\text{CO}_2\text{e}/\text{tcs ex-caster Scope 1\text{ for hot metal i.e BF route, or a scrap ratio at 90\% minimum.}}\]

(3) Annealing & Pickling.

\* Data having received external assurance
GOVERNANCE & STAKEHOLDERS

“We lead by example and maintain constant engagement with all our Stakeholders in quest for mutually beneficial solutions”

- **Best practice in Corporate Governance** reflected in our:
  - Committee composition
  - Risk management approach
  - Extensive Compliance plan
- **Responsible Purchasing** policy and procedures
- **CSR indicators** cascaded within the entire organisation
- **Community** engagement
- Leadership/Excellence level **ESG ratings**
  (refer to last page)
- **Strong Customer and innovation** focus

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction: Alloys</td>
<td>Rate on 10</td>
<td>9.2</td>
<td>n/a</td>
<td>8.8</td>
<td>n/a</td>
</tr>
<tr>
<td>Customer Satisfaction: Stainless</td>
<td></td>
<td>7.9(2)</td>
<td>8.0(2)</td>
<td>n/a</td>
<td>7.6(2)</td>
</tr>
</tbody>
</table>

(1): Europe, (2): Brazil
GOVERNANCE & STAKEHOLDERS

ResponsibleSteel™ as part of our strategic plan making corporate responsibility more widely recognised

ResponsibleSteel™ helps steel producers answer the sustainability concerns of their customers while addressing the expectations of the Civil Society. It is a member-based not-for-profit organisation. Using an independent certification standard, the initiative enables to promote steel as the responsible material of choice.

> Aperam actively participates in the development of the ResponsibleSteel™ standards (site-level and product).
> In 2021, Aperam was the first Stainless producer to earn the Site-level certification for its Stainless Europe perimeter.

Benefiting everybody

> External certification is much more satisfactory for customers and end-users than a pure document-based approach.
> Local communities and employees will benefit too from the high sustainability standards and transparency this initiative sets taking into account the ideas shared by members that represent their interest.
> As for Suppliers, ResponsibleSteel™ cooperates with existing Mining standards to assess if we can integrate their own specific grade to rate the suppliers, recognizing the efforts of the best operators.

"The ResponsibleSteel™ label will play a prominent role in making the steel industry a true ally in building the sustainable and responsible society we strive to live in."

Tim di Maulo, Aperam CEO

The Site-specific standard consists of 12 principles for the responsible sourcing and production of steel
Maintaining a close relationship with our stakeholders is consistent with our values and also sound business management.

In Brazil, the Aperam Acesita Foundation is a private, non-profit institution. Its mission is to promote the integrated and sustainable development of communities where Aperam South America maintains its main activities.

The foundation concentrates on 4 key areas:
> Education
> Culture
> Environment
> Social promotion

### Aperam Acesita Foundation Activity GRI 413-1

<table>
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<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>#</td>
<td>&gt; 26,000</td>
<td>&gt; 40,000</td>
<td>&gt; 65,000</td>
<td>&gt; 64,000</td>
</tr>
<tr>
<td>Cultural Events</td>
<td>60</td>
<td>94</td>
<td>89</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>Online Events - Views</td>
<td>&gt; 61,000</td>
<td>&gt; 265,000</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Social Impact Investments (Social Projects only)</td>
<td>BRL million</td>
<td>2.7</td>
<td>1.9</td>
<td>2.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Other Aperam Acesita Foundation Expenses</td>
<td>1.1</td>
<td>0.8</td>
<td>0.9</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Total Investments by the Foundation(1)</td>
<td>3.7</td>
<td>2.7</td>
<td>3.2</td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

(1) Including expenses linked to the services provided

### Stakeholder Engagement, the Aperam Way
- Official Stakeholder Engagement policy
- Group Sustainability report in English
- Country supplements 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
- Development program via our Foundation
- 24/7 Online contact form in local languages
- Company-wide Impact Assessment (2016)
- Human Rights/Discrimination risk method
- Biodiversity risk assessments in progress
**Ethics and Compliance**

> **Very strong ethical guidelines** based on Aperam values that go much beyond regulatory required compliance
> **Zero tolerance for non-compliant behaviour**
> **Full ethical framework** based on regular Communications, Training, Expertise and Continuous improvement with yearly routines (Conflict of interest declarations)
> Beyond regulations, high focus on **best practices**

**Aperam policies inspired by international references:**
> International Labour Office
> UN Human Rights charter
> UN Global Compact
> UN convention Against Corruption
> OECD Guidelines for Multinationals
> ISO standards: Quality, Energy, etc.
> SA 8000

**2021 key facts**

**Key actions:**
- New self-guided training on our Code of Conduct consisting of a short video with real-life examples.
- 3rd Company wide anti-fraud week and specific event on Human Rights Inclusion & Diversity.
- Best-in-class process with automated Compliance routines hosted on the People Management IS.

**Investigations:**
- 13 allegations relating to fraud referred to the Group's Internal Audit for investigation.
- At end 2021: 4 forensic cases and 10 ethical cases, with investigations finalized (0 significant cases).
- Review by Audit and Risk Management Committee & report to Board of Directors.
PRINCIPLES OF BOARD

> Responsible for strategic direction and oversight of the business, as well as for appointing senior management
> Election subject to shareholder approval. Directors are elected for 3 year terms
> Chairman: Mr. Lakshmi N. Mittal
> 7 members with a majority of independent directors (4 independent directors out of 7)
> Mrs. Ros Rivaz is lead independent director
> 2 Board Committees composed of 100% of independent directors and reporting to the Board of Directors:
  — Audit and Risk Management Committee covering also ESG matters; Chair: Ms. Bernadette Baudier
  — Remuneration, Nomination and Corporate Governance Committee; Chair: Mr. Alain Kinsch
KEY FACTS & COMPENSATION

> Entrusted with day-to-day management of the Company
> Appointed by the Board of Directors
> Experience and industry know-how
> Average age: 50 / 6 nationalities
> CEO: responsible for Aperam’s sustainability performance and compliance
> CTO is also Head of Health, Safety & Environment
> Compensation aligned with long term interest of the Company and its stakeholders
  • Multiplier for performance related bonus includes H&S factors (1 year plan)
  • Long term incentive plans based on ESG targets, EPS, TSR evolution (3 year plan) vs relevant peers and index

* & sustainability

Aperam benefits from the experience and industry know-how of its Leadership Team
Our Commitment to Sustainability is Recognised by Investors, NGOs, and Certification Authorities

RECOGNITIONS

Investor Perspective

- MSCI
  - Reconfirmed as "AA" (Leadership level) by MSCI

- Gaia Rating
  - Rated 78/100 pts by EthiFinance

- Ecovadis
  - Rated Gold

Customer Perspective

- Ecovadis
  - Listed in Excellence registers

- ISS
  - Rated "B" (Management level) by CDP

Employee Perspective

- ISS
  - Rated "B" (Management level) by CDP

- CDP
  - Best employer #10 in France in the Heavy industry and Material sector (Capital)
Please send your Questions to sustainability@aperam.com