



apex

The global producer of green stainless steel

Why look at Aperam from an ESG perspective?

Our mission is to produce reliable, 100% recyclable, green stainless steel

Products

Non toxic, long lifespan and 100% indefinitely recyclable without loss of quality

Process

We have ambitious ESG targets and a convincing track record

Sustainability

We are recycling champion and >33% of our energy intake is renewable

Climate change

We have the lowest CO₂ footprint in the industry globally

Social

We value our diverse workforce, invest in training, 86% rate us a good employer

Governance

The majority of our board is independent

Compliance

We have a robust compliance framework and a zero tolerance policy

Our products are environmentally friendly

- Our stainless & alloy products are **100% recyclable** - without any loss of quality
- Our products have a very **long useful life** – they support and enable a sustainable global development
- Our products are **non toxic** in production and usage
- We are the only stainless steel mill using **100% charcoal** instead of coal based coke in our blast furnace*
- Our European production is mainly based on **scrap recycling**: >80% for austenitic steel particularly
- Our product is '**Green Steel**' because it is produced from a clean and renewable energy source
By doing so, we maintain a relationship of respect with the surrounding environment



Recycling



Mechanical
properties



Fire
resistance



Corrosion
resistance

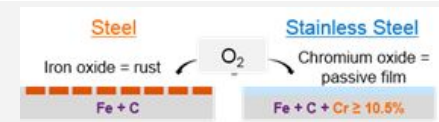


Cleanability



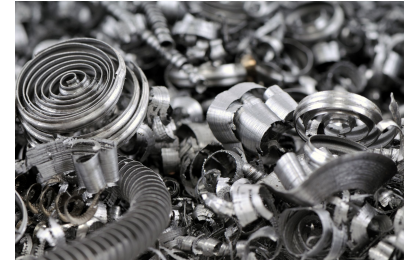
Aesthetics

Steel is an alloy of iron and carbon. Stainless steels additionally contains at least **10.5% chromium**, less than **1.2% carbon**. Stainless steels' corrosion resistance and mechanical properties can be further enhanced by adding other elements, (eg **nickel, molybdenum, titanium, niobium, manganese**, etc) and through mechanical & thermal treatment



* in our Brazil operations

Aperam produces sustainably and responsibly



Responsible process

Renewable energy

Recycling

In our **BioEnergia unit**, based in Brazil, we produce **charcoal** from our FSC®-certified **sustainably cultivated eucalyptus forests in Minas Gerais**

Charcoal is used in our Brazilian steel-making process as a natural and renewable substitute for fossil fuels (coke). We managed to eradicate entirely the use of coal based coke in our blast furnaces which gives us a sector leading CO2 footprint

In Europe, the main input for our stainless production is recycled scrap (>80%).

We are true promoters of the circular economy, with a 100%-owned Recyco unit dedicated to the recycling of melting shop dust and sludges in Europe.

Aperam supports the United Nations' Sustainable Development goals, in particular:

Environment

Social

Governance



Health & Safety is Aperam's primary concern and the priority in all our proceedings



Gender balance is ranked highly on our priority list as from 2017 and has received a special commitment from management, who decided to set up specific objectives for creating more gender balance in our workforce



In our forestry, located on hydric-stressed areas like our other plants, lowering water consumption and improving the quality of discharge are key elements of our environmental strategy



More than 30% of Aperam's energy comes from renewables as biomass (charcoal) and, via pilot projects, wind and solar



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



Aperam is committed to a sustainable cohabitation with our neighbouring communities, allowing host cities to thrive and addressing inhabitants' legitimate requests



Aperam stands as a recycling champion: it integrates a maximum amount of recycled material (not only scraps) in its production and also takes good care to leverage wastes and by-products in line with our zero-waste target



Our BioEnergia cultivated forest produces charcoal which prevents use of met coal & coke and acts as a FSC certified carbon sink. Our plants are constantly reducing their energy consumption and participate in our climate action plan



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

ESG is core at Aperam and starts at the top



Governance & Stakeholders

- Our **high ethical standards** are reflected in our robust corporate governance and compliance program² with a zero tolerance policy for non compliant behavior
- our **Board of directors** is composed of a majority of independent directors
- Board Committees are independent members only
- We aim to be a **partner of choice** for our customers and suppliers
- Our **Corporate Responsibility** is reflected by local programs and stakeholder engagement³
- Our approach is fed with and supporting the **multi-stakeholder ResponsibleSteel™** initiative



Social

- Our people are colleagues with whom we share values and a common future
 - Their **safety** is our non-negotiable priority¹
 - Their **motivation** and creativity is our greatest asset
 - Their **development** is a key to our success.
- We actively promote **diversity**
- We believe in a positive **dialogue** and have collective labour agreements in place throughout Aperam

Environment

- As an energy-intensive company, we consider environmental consciousness as a necessary prerequisite to our sustainable profitability
- Recycle: Our products are infinitely recyclable and our main input in Europe is recycled scrap
- We have an industry leading CO2 footprint with the “greenest” stainless steel globally due to our FSC-certified forest in Brazil
- We have clear targets in place to improve our environmental performance and are a member of Responsible Steel®

¹Health & Safety is a primary target in the described individual performance, individual targets can include eg diversity, environmental and other social criteria ²In 2018 we realized two company-wide campaigns: 1) anti-corruption and 2) human rights ³In Brazil our Aperam Acesita Foundation supports many projects and partnerships across Minas Gerais, and through numerous local programmes in the country



Social

**“Our People are our greatest asset.
Their Safety is our priority,
their development is the key to our success”.**

- > **LTIFR : 1.4** (vs. 1.2 in 2017) - target at 1 (all employees).
- > **86%** (+2pp) of our employees **recommend Aperam as a good place to work**, which confirms our rating among **Brazilian and French top employers**^[1]
- > **Absenteeism: 2.29** - target at 2
- > 2018 **Performance review: 98%** of Exempts, **67%** of White collars, 60% of Blue collars - target at 100%
- > 2018 Training hours of **34 hours per employees**



^[1]For the seventh consecutive year, Aperam South America was selected as one of the best companies to work for by Guia Você S/A, in recognition of our work on employee health and wellbeing and in 2018, French magazine “Capital” listed Aperam among France’s best employers within the sector “Heavy Industry & Metals”.

Our Values

Leadership



We seek to be bold and courageous in our approach, while remaining relevant to the marketplace, and to promote sustainable solutions

Agility



We recognize the need to move quickly, adapt to changing market conditions, as well as to be flexible enough to meet specific customer requirements

Ingenuity



Our people are skillful, imaginative and innovative in their work, and passionate to share their skills

This results in developing new ideas, or seeing things with new eyes to find the appropriate solution

Health & Safety

The safety of our people is non-negotiable and always our top priority. When we protect each other, we build team spirit and promote proximity and performance at the same time

The fatality that occurred at our Genk plant in 2018 is a tragic event that affects the entire Aperam community

“The people who work for and with Aperam represent the heart of our Company, and nothing is more important than their Health and Safety.”

Timoteo di Maulo (Aperam CEO)



SAFE Training (2018)

67,220 hours of training




1,681 trainees

**Company-wide
extension in progress**

Awarded by ISSF in 2018



Our people are our asset

Criteria	2020 Target	Aperam 2018 status	Industry benchmark 2017*
Lost-time injury frequency rate	<1	1.4 	2.93
Employee satisfaction ¹	N/A	86% 	78%
Diversity	Increase	Women 12% of staff 20% of exempts	
Training hours/FTE	Increase	34	
Absenteeism	2.0	2.29 	

Safety always comes first at Aperam. We rely on our people to transform our company from a traditional industry into a connected, agile and innovative organization

* Heavy manufacturing, Worldsteel

¹ For the seventh consecutive year, Aperam S America was selected as one of the best companies to work for by Guia Você S/A, in recognition of our work on employee health and wellbeing



Environment

“We provide the **greenest steels** and constantly reduce our production costs and impacts.”

- > **CO₂ intensity^[2] reduction 37%**
versus 2008 to 0.49/t due to maximal usage of own charcoal.
→ On track for -41% by 2030^{NEW}, based on new program (maximum scrap usage, energy)
- > **Energy intensity^[2] reduction: 11%**
vs. 2008
→ On track towards our 2030 target^{NEW} at -14% by 2030
- > **93% reuse/recycle** performance
→ Long Term target at 100%.
- > **95.6% of water in closed circuits**
→ Target 2030 -40% intake
- > **Steep decrease in Dust emissions**
→ Target 2030: 20% vs. 2018 i.e. 70 g/t
>**22%** vs. 2015 due to a strong action plan.

^[2] Per ton of crude steel



**A best in class environmental footprint
& clear improvement targets²**

*We aim to become carbon
neutral by 2050*



Criteria	2030 Target	Aperam 2018 status	Industry benchmark 2017
Energy intensity*	12.1 GJ/t -5% vs 2015	12.5 GJ/t -2%	
CO ₂ intensity**	0.45 t/t -15% vs 2015	0.49 t/t -9%	0.95 t/t ²
Water consumption	5.9 m ³ /t -40% vs 2015	9.9 m ³ /t -3%	
Dust intensity	70 g/t -70% vs 2015	89 g/t -63%	
Zero waste target	>97% reused or recycled	93.3%	

We aim to exceed environmental legislation and are committed to continuous improvement

Source ISSF when available, otherwise Worldsteel

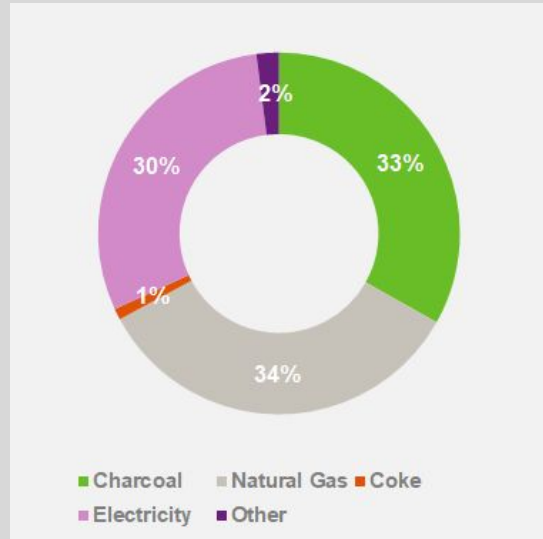
*amounts to -40% on electricity & natural gas

**Scope 1+2. An internal CO₂ price of €30/t is applied to all investments. We review and adjust this if necessary to maintain the incentive for CO₂ savings

²per ton of slab

Charcoal & scrap usage give Aperam a best in class climate change footprint

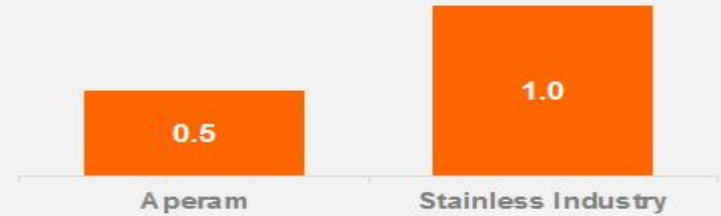
Aperam energy mix 2018



Aperam produces Green stainless steel

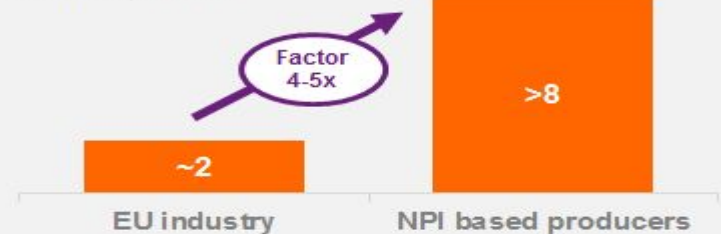
Aperam has the smallest CO₂ footprint in the industry

CO₂ t/t scope 1+2



Overseas competitors are highly CO₂ pollutive*

CO₂ t/t scope 1+2+3



*Source: Aperam estimates & calculation, ISSF data, CRU

*Data is for HRAP / 304

CO₂ emissions and Energy

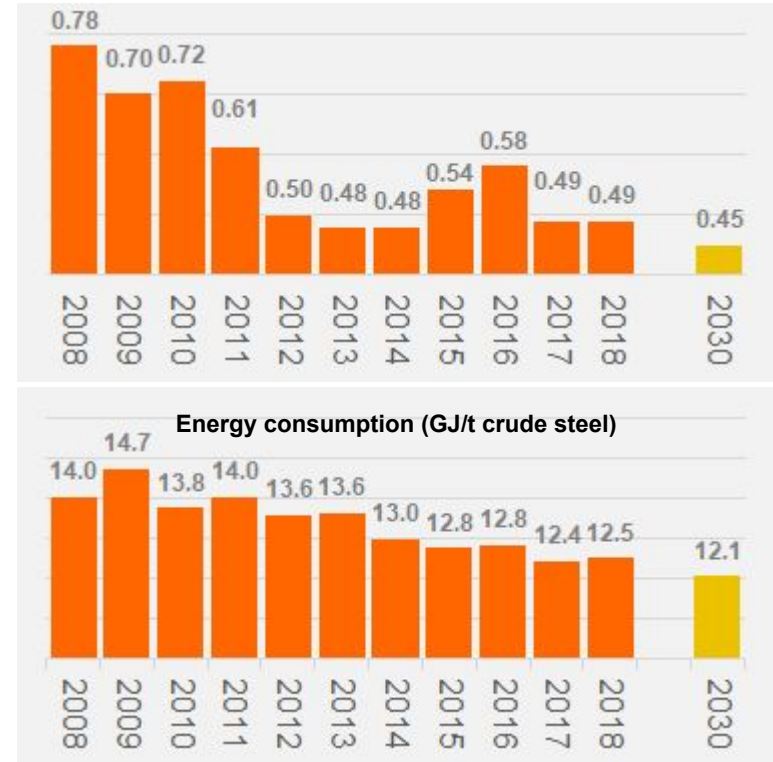
The steel sector is one of the most energy-consuming sectors and the standard steel-making process requires carbon add-ins during the melting process.

Aperam's record CO₂ footprint is driven by two factors:

1. energy consumption, which impacts our Scope 2 carbon emissions (see below)
2. charcoal consumption, which reduces our Scope 1 emissions by avoiding the use of extractive coke in our Blast Furnaces in Brazil

Aperam has heavily invested to adjust its tools to a 100% charcoal load (from biomass eucalyptus) instead of coke made from coal.

We also evaluate all new projects by adding a specific price of EUR30 for each ton of CO₂ produced



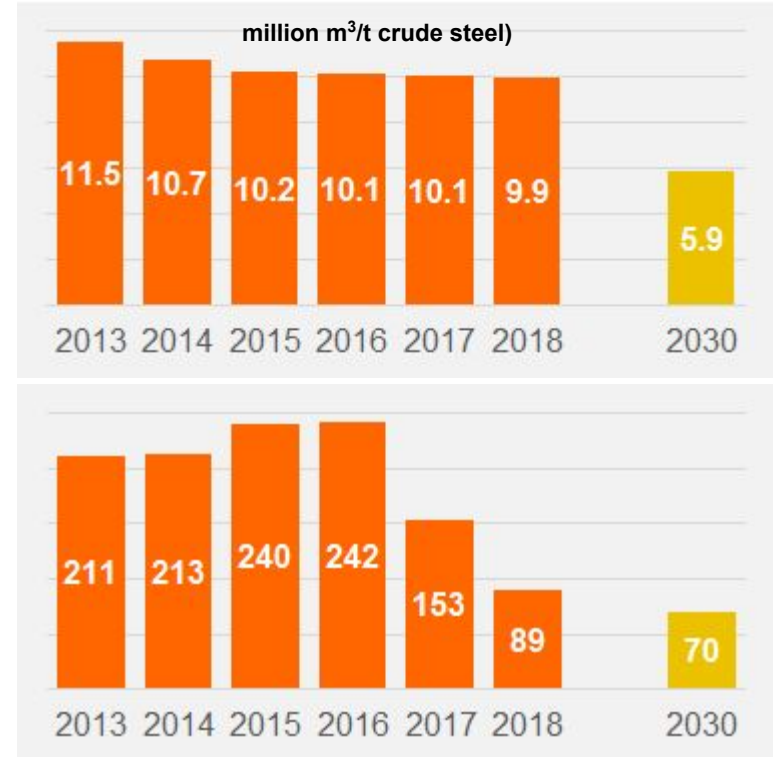
Water & dust emissions

Water is moving up on our priority list. Our discussions with local authorities confirm that dry seasons may foster more problems regarding water availability. We start to establish new procedures at the central level, and establish site-specific action plans

We strive to further improve our recycling margin. 95.3% of our water was recycled in 2017.

Dust: Our two Belgian melt shops were so successful in developing best-in-class routines for reducing dust emissions that they put us far ahead of our 2020 targets

Almost 90% of Aperam's total dust emissions come from our unit in Brazil. The environmentally friendly charcoal that we use is lighter and easily blown by the wind. This makes dust containment particularly challenging. We started a new multi year plan in 2016 to overcome this challenge



Recycling



Aperam actively works towards becoming a recycling champion

Stainless steel is endlessly re-usable without loss of quality

- Steel is an input into our process and our end product
- Product recyclability is a unique property, that Aperam is fully committed to optimize
- In Europe >80% of raw materials are coming from scrap
- **Recyco**, our European recycling unit, recovers and treats the metallic content from melt-shop dust for reuse (also for third parties). This reduces the need for landfill
- Aperam has committed to become a zero-waste company. All our units are working to find solutions for the all waste produced, especially the slags, dust and acids



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:
 - Board and Committee composition
 - Risk management approach
 - Extensive Compliance plan
- > Strong **Customer & Innovation** focus with **+30 pt in % of sales in new products** vs. 2015
- > **CSR indicators** cascaded within the entire organisation
- > **Community** engagement
- > Leadership/Excellence level 2018-2019 **ESG ratings**
(refer to last page)



Communities & Corporate Citizenship

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 four key areas:

- Education
- Culture
- Environment
- Social Promotion



Aperam Stakeholder Day in Gueugnon ("Journées Portes Ouvertes"). Well-equipped visitors with various backgrounds discovering the site under the guidance and protection of volunteer employees

Imphy's Open Day: visit of the plant



Aperam Acesita Foundation, Brazil



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 (Conflicts of interest declarations)
- ✓ Beyond regulations, high focus on **awareness** so that our guidelines are well understood and **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

Compliance

(we+do) the right thing

Compliance is a lesson that we learn and practice together every single day. It is something that we do beyond the obligation because doing things the right way is in our values and our culture. Get to know our policies and regulations. Carry them out. Be vigilant.



ethics, transparency, honesty



corruption, personal gain, discrimination

aperam

2018 key facts

Key actions:

- Company wide anti-corruption campaign with certificating e-Learning module
- Company wide human rights campaign in context of 70th anniversary of the United Nations' Humans Rights charter

Investigations

- 12 allegations relating to fraud referred to the Group's Combined Assurance Department for investigation.
- At end 2018: 9 forensic cases finalized (2 without a material impact on Aperam accounts and 7 cases unfounded). 3 cases remained in progress.
- Review by Audit and Risk Management Committee & report to Board of Directors.

Zero tolerance policy for non compliant behavior

Board of Directors

- 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
- Lead Independent Director: Mr. Romain Bausch
- 7 members with a majority of independent directors (4 independent directors out of 7)
- 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 (since 1 August 2019)
 - Remuneration, Nomination and Corporate Governance Committee ; Chair: Mr. Romain Bausch

Highest Corporate Governance Standards with a majority of independent directors

Our board committees are composed of 100% independent directors



From left to right :
Lakshmi Mittal, Romain Bausch, Philippe Darmayan, Joseph Greenwell
Kathryn A. Matthews, Aditya Mittal, Bernadette Baudier

Diverse skills, backgrounds, knowledge, experience, geographic locations, nationalities and gender are reflected on our board and ensure effective governance

Leadership Team

- Entrusted with day-to-day management of the Company
- Appointed and dismissed by the Board of Directors
- Experience and industry know how
- Average age: 48 / 6 nationalities
- CEO: responsible for Aperam's sustainability performance and compliance
- CHRO. Head of communications and Sustainability
- 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 EPS and TSR evolution (3 year plan) vs relevant peers and index



Aperam benefits from the experience and industry know-how of its Leadership Team



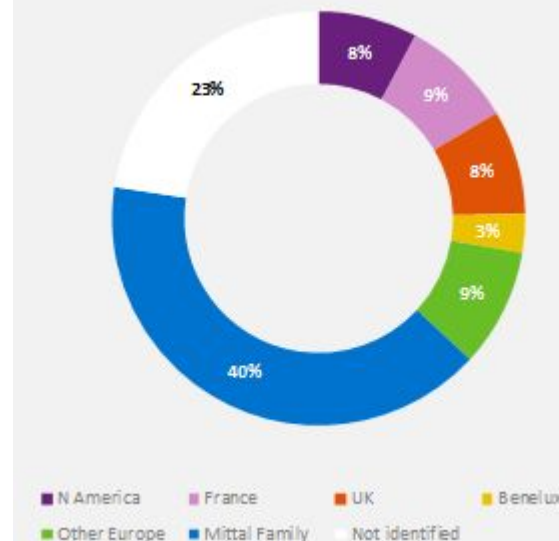
Shareholder structure

Beneficial ownership and voting rights by each person who is known to be the beneficial owner of 2.5% or more of Aperam's issued share capital (as of Dec 31, 2018)

The following table sets forth information on July 31, 2019 with respect to the beneficial ownership and voting rights of Aperam shares by each person who is known to be the beneficial owner of more than 5% of Aperam's issued share capital and the number of treasury shares.

	Shares	% of issued shares	% of voting rights
Number of issued shares	83,696,280		
Number of issued shares less treasury shares	79,796,359		
Significant shareholder (1)	32,709,982	39.08%	40.99%
Treasury shares (2)	3,899,921	4.66%	0.00%
Other public shareholders	47,086,377	56.26%	59.01%
Total	83,696,280	100.00%	100.00%

Shareholder structure by region *



*Source: IPREO, Bloomberg as of October 2019

A committed significant shareholder with 40% of the share capital and a large free float of 60%.
Inclusion in major indexes such as SBF120, BEL20, AMX

Notes:

(1) The term "Significant shareholder" means trusts (HSBC Trust (C.I.) Limited, as trustee) of which Mr. Lakshmi N. Mittal, Ms. Usha Mittal and their children are the beneficiaries, holding Aperam shares through Value Holdings II Sàrl, a limited liability company organised under the laws of Luxembourg ("Value Holdings II"). For purposes of this table, ordinary shares owned directly by Mr. Lakshmi N. Mittal and his wife, Ms. Usha Mittal are aggregated with those ordinary shares indirectly owned by the Significant shareholder, in each case as at December 31, 2018. Value Holdings II, which is indirectly 100% owned by the trust, was the direct owner of 34,212,148 Aperam ordinary shares. Mr. Lakshmi N. Mittal was the direct owner of 11,090 Aperam ordinary shares. Ms. Usha Mittal was the direct owner of 2,250 Aperam ordinary shares. (2) According to the Company's Articles of Association, a shareholder owning 2.5% or more of the share capital must notify the Company. The only shareholders owning 2.5% or more but less than 5% of the share capital of Aperam at 31 December 2018 was Prudential plc with 3,795,191 shares representing 3.30% of the total issued share capital. (3) Includes shares beneficially owned by directors and members of senior management listed in the sections "Board of Directors" and "Senior Management"; Excludes shares beneficially owned by Mr. Mittal. (4) These 107,372 Aperam common shares are included in the shares owned by other public shareholders in the table above

Recognitions



Rated Prime by
Oekom



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



Rated "**B**"
(Management level)
by CDP



Listed in **Excellence**
registers



Rated **78/100 pts** by
EthiFinance.



Aperam named as
best practice for ESG
disclosure in 2018
Responsible
Investment Report



Best in class 2016
Internal Assurance,
Risk Management &
Forensic Services



Rated **Silver** by
EcoVadis



#2 best company
to work for in
Brazil in the steel
industry (Guia
Vocês)



Best employer #3 in
France in the heavy
industry and
material sector
(Capital)