

Aperam Climate Action & Energy Transition Policy

Approved by the Disclosure Committee on 2025/03/28

Note: This policy is released in English. In case of divergence between the English version and other translated versions, the English version will prevail.

Scope:

Relevant to all employees of Aperam.

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1. Purpose

As a global leader in stainless, specialty steel solutions and recycling with its own FSC-certified forestry, Aperam acknowledges its responsibility as a member of the heavy industry and agroforestry sectors, in particular with respect to the fight against Climate Change and the adaptation to its expected aftermaths. In that context, we support the Paris Agreement of December 12, 2015 (COP21), which seeks to limit global warming well below 2 degrees Celsius above pre-industrial levels and we commit to report publicly on the matter.

This policy aims to establish a unified framework for setting targets and implementing actions in line with Aperam's commitment to:

- efficient energy consumption,
- reducing greenhouse gas emissions as Aperam's contribution to global carbon¹ neutrality by 2050,
- the company's financial stability.

This policy continues the group's commitments to comply with various regulatory frameworks, such as the EU Taxonomy requirements, the Corporate Sustainability Reporting Directive (CSRD) requirements, and the EU Climate Law, as well as our voluntary commitments to various standards (ResponsibleSteel™; ISO 14064—Quantification and Reporting of Greenhouse Gas Emissions and Removals; and the Greenhouse Gas Protocol Corporate Standard).

This policy provides all employees with the necessary guidelines for establishing a successful and sustainable energy management program.

2. Principles

2.1 - General Approach and Objective:

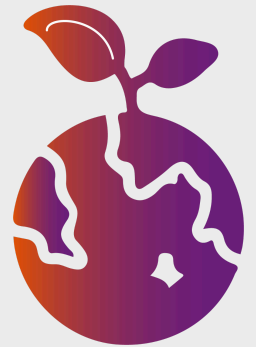
The approach depicted in our Climate & Energy Policy is applicable to all Aperam operations, locations, and subsidiaries, ensuring a cohesive and unified approach to our decarbonisation roadmap and energy management across our entire organisation, all while leveraging local opportunities. It encompasses all aspects of our business activities, keeping in mind a clear prioritisation of our efforts linked to a sound understanding of our impacts.

Typical to our industries, our impacts are primarily driven by:

1. Our direct energy consumption, essentially at our steelmaking operations (Electric Arc Furnaces, Hot Rolling Mills, etc.)
2. The emissions of Greenhouse Gas emissions through the industrial process of our steelmaking and charcoal carbonization sites, mainly the CO₂ emitted in the furnaces from the carbon in the raw material input², the

¹ In this policy, carbon footprint will be used as a short synonym for CO₂-equivalent footprint, CO₂e or GreenHouse Gas emissions.

² In the primary raw materials of the carbon content from the scrap



For more, see
Aperam policies

► [Aperam Environmental Policy](#)

► [Responsible Procurement Policy](#)

► [Aperam Freight Transport Charter](#)

emissions due to the natural gas consumption and the methane that is emitted from BioEnergia kilns.

3. And even more importantly, because it is almost twice the average stainless steel CO₂e footprint (scope 1+2)³, the Carbon footprint of our upstream supply chain (often referred to as scope 3.1): these emissions are mostly related to the extraction of primary raw materials such as chromium, nickel, other metallic ores and, to a lesser extent, to the extraction and transformation of other consumables.

Other emissions, in relation to waste from operations (scope 3.5), transportation (scope 3.4), travels (scope 3.6), downstream processing (3.10) will also be tackled in parallel although they are much less significant overall.

In line with the best practices, the Paris agreement, EU laws and Aperam's historical track record, the company aims to commit to and periodically review stringent objectives in intensity and in absolute values that will address the full scope1/2/3 spectrum and the relevant horizons needed to contribute to global carbon neutrality by 2050.

Likewise, Aperam aims to address its direct impacts through a roadmap intended at the first two levers above while reducing its upstream supply chain footprint through its strategic action plans. Offsets will only be used as a complementary lever in order to close the gap to our target as part of our general de-fossilisation paradigm.

As a result, we, as Aperam employees from any Aperam entity, are committed to always strive to in the following directions:

2.2 - Direct emission and energy footprint enhancement

- For the main production sites, implement an **Energy Management System** (EnMS) based on ISO 50001, define the roles and responsibilities for energy management and implement continuous energy improvement through systematic performance evaluation (audits & assessments) ;
- Improve **energy efficiency in all operations** by adopting energy-efficient technologies and practices, and establishing performance indicators and targets ;
- Increase the **share of renewable energy in the energy mix** by investing in renewable energy projects, generating renewable energy on-site through sources such as biologic charcoal, hydraulic power plants, solar and wind, and shaping our energy sourcing portfolio ;
- Ensure the direct emissions are eradicated through low carbon technologies and innovations, as is the case for heat recovery or for the methane emissions avoided by our advanced charcoal carbonization process.

³ In CO₂e intensity, Worldsteel data 2020– Mainly EU Plant - See [\[MadeforLife 2023 p34\]](#) for further reference

2.3 - Direct Carbon Captures or Removals

- Continue with our state-of-the-art forestry management and advanced genetic selection to remove and capture more carbon every year in the ecosystem from our forestry and uncultivated reserves.
- Envisage further Carbon Capture or Removals technologies for our steelmaking or agroforestry processes, as we initiated with the biochar applied to the soil of our planted forests.

2.4 - Deployment of our Circular Economy strategy

- Further the integration of circular economy principles to minimise carbon footprint throughout the value chain, with a particular focus on the raw materials used as input in our production process:
 - Maximizing the scrap ratio on total input, in replacement of extractive primary materials, leveraging the Aperam Recycling segment⁴
 - Extracting valuable metallic ores from our metallic wastes in the form of dust and sludges, through Recyco
 - Developing further initiatives directly or through joint-ventures
- Development of circular economy solutions for other wastes and co-products, as is the case for the tar generated by BioEnergia carbonization process, transformed into a valuable biofuel.

2.5- Active management of the Supply Chain footprint

- Develop portfolio management and substitution strategies for high emission purchases, and engage with the relevant Suppliers.
- Incentivize all our suppliers to adopt ambitious energy management goals and practices, by embedding such criteria in our supplier's selection process, in consistency with our overall Responsible Sourcing policy.
- **Optimise the loading efficiency (trucks, rails) and deliveries** while meeting customer deadlines, favouring suppliers with fleets that meet the highest environmental standards, and considering rail, waterways, and multimodal options when compatible with logistical and economic demands.⁵
- **Support the Customers** through low-carbon solutions and collaborate for the enhancement of their metal transformation processes or the energy-efficiency of their final product..

⁴ Also referred to as ELG

⁵ To cover all impacts of the freight transport, including health, safety and social aspects, Aperam has implemented a specific policy. See: Aperam Freight Transport Charter.

2.6 - Partnering for the Energy transition and the fight against Climate change

- Invest in **R&D for energy-efficient technologies** ; collaborate with academic and research institutions and promote innovation in energy management and conservation.
- **Monitor and report** regularly to stakeholders Aperam CO₂e and Energy Key Performance Indicators and metrics against relevant targets.
- **Ensure compliance and governance** through adherence to Aperam's standards, conducting internal audits and reviews, and maintaining a robust continuous improvement structure for energy management.
- **Communicate and engage** with :
 - i. employees, for a company-wide commitment and accountability in energy performance ;
 - ii. suppliers and contractors, for awareness and respect of Aperam's Climate & Energy policy, and possible partnerships,
 - iii. Sector-specific initiatives to share best practices and drive further progress in our Supply chain
 - iv. Policy-makers through our professional associations for the implementation of relevant Climate-Change policies and initiatives, including about the European Trading System and the Just Transition ;
 - v. all other stakeholders affected by Aperam's operations.

For more guidelines on these topics ➤

3. Deployment

Aperam is committed to extending the principles of this Policy beyond our direct operations, influencing our broader supply chain and stakeholders. We aim to foster a culture of energy awareness and sustainability through continuous dialogue and collaboration. In particular:

- All Aperam employees are responsible for understanding and implementing the measures and practices defined in this policy. Training and engagement programs will be provided to empower employees to contribute actively to Aperam's objectives.
- Contractors working on Aperam sites or projects must comply with this policy, ensuring that their operations align with our decarbonization roadmap, our energy efficiency and sustainability goals.

This way, Aperam ensures that all parts of our organisation and our sphere of influence are aligned with our commitment to decarbonization, circularity, energy efficiency and sustainability, supporting the overall goal of reducing our environmental impact and promoting sustainable economic development.

For more, see
Aperam policies

► [Communication policy](#)
(internal)

► [Communication & Confidentiality guidelines](#)
(internal)