

Aperam Freight Transport Charter

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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 :

This corporate policy aims to give orientations to our downstream and upstream transports, more specifically for transports outsourced or directly operated by Aperam, for goods procured in all incoterms except DDP¹ or goods sold and shipped in all incoterms except ex-works, taking into account geographical differences between all areas of the world and local transport conditions.

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¹ Delivery Duty Paid

Introduction

Context

Aperam is a global player in stainless, electrical and specialty steel and recycling. With customers in over 40 countries, Aperam is fully committed to be the leading value creator in the circular economy of infinite, world-changing materials.

Aperam essentially outsources its freight transports to external companies and strongly depends on them, with some exceptions.

Aperam's Freight Transportation impacts, although indirect, are therefore still significant and encompass the following:

- Safety impacts:
 - According to different studies², the share of road accidents involving heavy-weight vehicles is limited, but they are more severe, especially in front of vulnerable users. In Europe, National statistics over 2020-2023 show that between 10 and 15 % of road fatalities result from accidents involving heavy duty vehicles ; in Brazil 33% of accidents involve a truck and 25% of victims were injured or killed in an accident involving a truck.³
 - In addition to driving, loading finished goods or unloading incoming material in our sites are sometimes dangerous operations requiring strict observance of internal safety rules.
 - Subcontracting is a common practice in road freight transports and drivers hired as subcontractors are mostly independent professionals or employees of very small and fragile companies. Having major transport companies apply our safety rules is set as a contract obligation and as a clause for contract termination in case of failure, but these rules also have to be conveyed by all their subcontractors, regardless of size.
 - Legal constraints and well-being objectives supporting safe driving such as driving time frame, mandatory resting periods or speed limitations happen to compete with respect to customer service requirements (in case of quick delivery requests).
- Environmental impacts⁴:
 - Transportation services foster 24%⁵ of global greenhouse gas (mostly CO₂) emissions in the World and road freight transport count for 29% of the perimeter's emissions. The impact varies to a large extent depending on the transportation mode. The transport with the lowest emissions is Rail (11 g/ton.km in Europe and even 1,3 g/ton.km in France), Sea freight (between 10 and 35 g/ton-km in container vessels) whereas Air cargo records 1.15 kCO₂/ton-km. Road Transport accounts for the largest part of our flows. Emissions reach at least 85 g /tons.km in semi-trailer but the emissions are higher with smaller vehicles.
 - Transportation services emit Sulphur oxides (SOx) and Nitrogen oxides (NOx), which are substances responsible for acid rains, but also particles of heavy metals such as lead or cadmium, with very significant

² European Commission (2012), EC Statistical Pocket Book, Transport in figures.

³ [Science Direct, Dec. 4th, 2024](#)

⁴ OECD's International Transport Forum (2009) ; International Energy Agency.

⁵ Our world in data <https://ourworldindata.org/co2-emissions-from-transport>, consulted on [20/02/2025]

- impacts on atmospheric pollution and ultimately on Human health (also those of cattle, wildlife and flora).
 - Maritime Transports emit CO₂e and are sometimes responsible for oil spills or other forms of sea pollution.
- Social impact on Communities & Stakeholders
 - Transportation services (mostly land & air transportation) generate noise that is resented by neighbouring communities
 - Truck drivers sometimes stay overnight or make stops in communities around our facilities or on their way and may wrongly disturb or fail to respect the local ways ;
 - Frequent transit of heavy trucks accelerates the roads' degradation, requiring more frequent repair or maintenance.
 - Beyond raising road dangerousness (see above) for pedestrians, road vehicles contribute to urban congestion, which in turns generates losses of time with subsequent impacts on quality of life and GDP losses (1% in OECD countries).
 - Illegal employment or non-respect of national labor laws is unfortunately common in truck transport, especially when major companies outsource their services to smaller companies or self-employed drivers.
 - Truck transport happens to be used in clandestine transport of migrants or other criminal activities such transport of illegal substances including drug trafficking.
 - Maritime transports :
 - Human right violations such as identity documents confiscation and harsh working conditions are often reported in maritime transports ;
 - Maritime freight forwarders keep having their used vessels dismantled in yards located in low-cost countries in extreme working health & safety conditions.

Purpose

Stakeholder and community engagement stands as a cornerstone of a modern and collaborative approach for a sound decision-making process aiming at a more equitable and sustainable world, as articulated in the United Nations Sustainable Development Goals, United Nations' Guiding Principles on Business and Human Rights or OECD Guidelines for Multinationals.

Actively involving stakeholders and communities in the planning and implementation of relevant programs ensures that the action plans are designed integrating proper impacts, risks and opportunities assessment, fostering transparency, accountability, and protecting the company's social license to operate.

Unlike legal permits, a social licence is based on public perception, reputation, and community sentiment rather than formal approval. Without community acceptance, projects can face protests, delays, or even cancellation and foster a deterioration in relationships with local authorities, regulators - and even customers and investors.

◀ United Nations principles of sustainable development
united nations

◀ United Nations business and human rights guiding principles

◀ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct



In line with our values and commitments for Sustainability, Aperam aims to reduce these impacts while maintaining customer satisfaction and cost-effectiveness thanks to the implementation of this Freight Transport policy.

This charter, under the responsibility of the Chief Sustainability Officer (also LT member), aims to mitigate and monitor freight services impacts through a primary focus on the following on safety impact of transports linked with accidentology, environmental impacts of transports and social impacts on business partners - including freight forwarders - and local stakeholders.

Our transport sustainability targets

Legal Obligations

Aperam will comply with all local legal obligations regarding transports of goods regardless of transport mode, especially obligations related to transport safety, environment protection, governance and labour laws, in all the countries where Aperam has operations, and in all the countries where Aperam procures materials and delivers goods under its responsibility.

Aperam will collaborate with its freight forwarders in fighting against all kinds of illegal practices present in freight transport such as human trafficking or transport of illegal goods including drug traffic.

Aperam aims to work only with freight forwarders that comply with all legal rules, norms & regulations that apply in their business area.

◀ European Union
Regulation on Road Freight
Transport

ESG principles for transport management

Safety

Safety impacts linked to accidentology

- Aperam aims to engage freight services providers to increase focus on safety through:
 - Regular trainings on safe driving practices and eco-driving
 - Training on safe practices of loading / unloading goods, especially in case of dangerous goods
 - Drivers frequent medical check-ups and addictions prevention plans
 - Regular (at least yearly) exchanges on accidents Frequency & Severity rates
 - Enforcement of cargo securing rules designed for our products, including fastening equipment for Aperam finished goods and wearing Personal Protection Equipment in accordance with our internal rules,
 - Respect of National laws and International Standards of ILO with regards to : driving time limitations, salaries, social protection
 - Disciplinary actions against freight forwarding companies that repeatedly violate these rules and regulations
- Aperam will favor :
 - Road carriers availing the fleets equipped with the best existing safety standards for the rolling material, the goods transported, their drivers and the other road users

- Road carriers that comply or follow the recommendations of the ISO 39001 regarding Road Transport Safety.
- In the places where Aperam directly operates transport of goods, Aperam will observe the same principles as with its freight services providers.
- Aperam aims to increase its own on-site verifications:
 - At entrance gate, for key requirements
 - Via regular security/safety audits of vehicles and drivers' awareness of rules, including verification of mandatory equipment and systematic load check before departing.
 - Via regular audits of loading/unloading operations' compliance to Aperam procedures.
- Aperam will make every effort to make its safety instructions on site available and understandable in all drivers' native languages.

◀ ISO 39001 Road Safety and Safe Driving Procedure

◀ BioEnergia Safety & Cargo Securing Rules

Environmental impacts

In order to limit its environmental impact to the minimum, Aperam will :

- Keep up internal efforts to optimize loading (trucks, rails) and tours while respecting customer deadlines
- Favor Road carriers availing the fleets equipped with the best environmental standards
- Value freight forwarders with environmental certification (ISO14001 or any other certification relevant in the sector)
- Where compatible with logistical and economical demands, promote rail or multimodal options both for downstream supply chain and procurement, especially for raw materials where fluvial and rail are good options for our melt shops in some geographic locations.
- Favour any public initiative to maintain, renew or open again old railways or ports, and integrate their use in its supply chain strategy.
- Where compatible with logistical and economical demands, favor transports operated in trucks powered by non-conventional fuels (bio-fuels, hydrogen...) or electrical, as proposed by the freight forwarders.
- Try every effort to avoid air transportation.

Social impacts on communities & stakeholders

- Aperam shall be considerate of truck drivers coming for deliveries or shipments on its sites and shall put rest room & drink water at their disposal.
- In geographical areas or cities where truck traffic is mostly due to Aperam's activity, Aperam shall make every effort to mitigate damages to the roads or streets, nuisance for local communities, whether the transports are outsourced or directly operated by Aperam.
- Wherever possible, Aperam will actively collaborate with freight forwarders and local Stakeholders to define itineraries bypassing inhabited areas and/or inconvenient times of delivery and pick-up.
- When Aperam directly operates transports, Aperam drivers shall be considerate and respectful of local communities at points of departure, arrival, or in rest areas.

◀ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

◀ International Standards of ILO

◀ Aperam External Stakeholder Engagement Policy

◀ Road Safety and Safe Driving Procedure

◀ Aperam Human Rights Policy

- With its maritime transport partners, Aperam will promote the best standards in terms of working conditions & human rights during transport and vessel dismantling.

Governance

- All Aperam employees involved in or concerned with freight transports of incoming or outgoing goods are requested to observe the Code of Business conduct and all policies related to Human Rights, Environment and Purchasing.

Sustainability Assessment of Freight Forwarders

Consequently, the performance of freight forwarders will be regularly assessed on the basis of indicators related to :

- Safety : respect of driving rules within our sites and outside ; number of incidents / accidents ; respect of cargo securing rules ;
- Environment : (non-exhaustive list)
 - Training hours to eco-driving / truck driver
 - Tons.km transported by any form of multimodal transport
 - Tons.km transported in trucks powered by non-conventional fuels (bio-fuels, hydrogen...) or non-thermal engines (electrical).
- Full ESG performance assessment.

Implementation

This charter will be implemented thanks to detailed instructions adapted to geographical specificities and constraints and monitored thanks to metrics transparently reported on a yearly basis within Aperam Sustainability reporting.

- ◀ Hong Kong Convention
- ◀ ILO Maritime Labour Convention
- ◀ ILO Seafarers Identity Documents Convention
- ◀ Aperam Code of Business Conduct
- ◀ Aperam Health & Safety Policy
- ◀ Aperam Human Rights Policy
- ◀ Aperam Responsible Sourcing Policy