

ESG – At the Heart of Our Strategy



ENVIRONMENTAL



SOCIAL



GOVERNANCE



Aperam's mission is to produce superior products in a **sustainable and responsible** way, which is why the principles of Sustainable Development (also referred to as **Environment - Social - Governance, or ESG**) have always been at the heart of our strategy.

To learn more about what this commitment looks like in practice – and what makes Aperam a leader in the field – we sit down with **Aperam Group CEO Tim di Maulo**.



### Aperam has long positioned itself as an environmental steward, championing the responsible use and protection of the natural environment through conservation and sustainable practices. Can you tell us more about this?

**Tim Di Maulo:** We work with a product that is, by its very nature, sustainable. That's because stainless steel is long-lasting and infinitely recyclable. For instance, we stand out in the fact that our European production processes use about 90% scrap metal.



We are also unique in that we produce charcoal from our own FSC®-certified forestry in Brazil (BioEnergia), which is used in our steel-making process as a natural and renewable substitute for fossil fuels (coke).



Thanks to efforts like these, which go above and beyond what is required, Aperam's CO<sub>2</sub> footprint<sup>1</sup> ranks as one of the best in our sector. Furthermore, our overall ESG performance consistently receives top ratings from external analysts.



### What is Aperam doing to ensure it continues to lead the way in environmental sustainability?

**Tim Di Maulo:** In addition to our ongoing efforts to reduce our carbon emissions and to become a carbon neutral company, we are also making moves to increase our use of renewable energy. For example, after installing windmills at our Genk facility (2017) and photovoltaic panels at our Châtelet facility (2018), our Isbergues and Genk sites are now moving towards solar energy.



The Genk installation is particularly impressive as it anticipates an annual energy production of 20,300 MWh. This means that every year we will avoid emitting 7,300 tons of CO<sub>2</sub>. This is equal to the annual emissions of 5,900 average households and/or what can be absorbed by a 720 ha of forest. Once operational, by the end of 2021, it will be the second biggest photovoltaic installation in Belgium, and our Genk plant will consume at least 97% of the generated power.

<sup>1</sup> Scope 1+2. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

Speaking of Genk, our new rolling line that we installed there in March further consolidates our leadership in terms of costs while also cutting our energy consumption by a third.



On top of all this, we also use an internal price for CO<sub>2</sub>. This internal price has been applied to all planned investments since 2016, meaning that our profit calculations include the financial impact of our carbon footprint.



Finally, we are proud to have announced the signature of a Share Purchase Agreement to acquire ELG with Franz Haniel & Cie. ELG is a world leader in the recycling of stainless steel and alloys and subject to the necessary regulatory approvals, this acquisition will place Aperam at the forefront of the circular economy.

### What about the Social and Governance components of Aperam's ESG strategy?

**Tim Di Maulo:** Our particularly strong emphasis on the health and safety of our people, promoting diversity, supporting the communities we work in, and upholding a zero-tolerance policy on ethical issues results in exceptional team cohesion and excellent risk prevention. Regarding health and safety, thanks to a deeply embedded health and safety culture, we were able to take immediate and swift actions at all our plants and offices during the COVID-19 pandemic, guaranteeing a safe workplace for our employees.

### Does Aperam also offer stainless steel solutions aimed at enabling a sustainable future?

**Tim Di Maulo:** Our product portfolio offers a wide range of sustainable solutions. These Sustainable Stainless solutions include everything from products for renewable energy

systems, including hydrogen, wind, and solar, to products for electric vehicles, more efficient home appliances, and safe water treatment.

### Would it be correct to say that being a leader in ESG, and therefore standing as a responsible company, is at the heart of Aperam's strategy?

**Tim Di Maulo:** That is absolutely correct and is why Aperam is proud to be the first stainless steel company to have joined ResponsibleSteel™ in 2019, the industry's first global, multi-stakeholder certification program. I'm happy to report that we are well on our way to becoming one of the first ResponsibleSteel™ certified companies. This independent label will recognize our commitment to sustainability and will give our customers confidence that the stainless steel they purchase has been produced in accordance with the best ESG practices.



> Visit our [Website](#) for more information about ESG



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