

Gift & Entertainment policy

Approved by the Leadership team on 2017/11/17, updated on 2022/11/29

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 policy is applicable to all employees of Aperam

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PURPOSE

In the business world, exchanges of Gifts have always been part of normal relationships. However, Corruption could weight up to 5% of global GDP¹ and clearly impedes sustainable development and social justice. For this reason, regulations have multiplied to combat corruption and promote good practices such as internal code of conducts or gift policies.

The present Policy is meant to:

- ensure all employees understand Aperam's "no gift" policy principles
- clarify what gift can be exceptionally received (see also summary in Appendix 1);
- ensure no gift granted by Aperam can be confused with a corrupt practice.

For more guidelines on this topic ➤

DEFINITIONS

- "Gift" means any payment, gratuity, benefit, gratification, present or advantage, offered, promised, given or received, without any direct compensation.
 ⚠ Gift of cash or cash equivalent (vouchers, gift cards, etc.) are **never** allowed.
- "Hospitality" means all forms of travel or lodging at outside establishments or invitations home as guests - to the exclusion of simple meals taken on premises.
- "Outside Meal" means lunch or dinner taken outside the Company premises. Working lunches with meal trays or at Company restaurants are considered as meeting snacks and authorized.
- "Entertainment" means all forms of invitation to sporting, cultural or social events.

GENERAL PRINCIPLES

Aperam's Code of Business Conduct addresses the topics of receiving gifts or benefits offering gifts and entertaining, stating in particular:

"We must not profit from our position within Aperam to derive personal benefits conferred on us by persons who deal or seek to deal with the Company. Consequently, accepting any personal benefit, such as a sum of money, a gift, a loan, services, pleasure trips or vacations, special privileges or living accommodations or lodgings, with the exception of promotional items of little value, is forbidden."



References

◀ USA's FCPA, UK Bribery Act, Brazil's Anti-Corruption laws or the United Nation's Convention against Corruption

▶ [Appendix 1: Gift Policy Summary](#)

For more, see
[Aperam policies](#)

▶ Code of Business Conduct

▶ Anti-Corruption and money laundering policy

¹ World Economic Forum mentioned by OECD

Receiving gifts

Aperam's policy is a no-gift policy, so gifts should generally be refused, except:

- “Modest” advertising articles (eg. with a logo), as well as snacks, if offered equally to anyone having the same relationship with the organization
 - examples: notebooks offered to all members of the public at trade shows.
- Promotional premiums or discounts offered to all employees of Aperam by restaurants, transportation companies, auto rentals or others.
- Cards, certificates, trophies or other forms of thanks and recognition.

Offering gifts

Aperam shall refrain from offering gifts to specific representatives of our business partners, except Aperam-branded articles or other low value items made of our (stainless) steels and alloys. In addition:

- Before any offering, it is compulsory to check its acceptability under the Code of Conduct of the recipient - and its compliance with this Aperam policy.
- **It is prohibited to offer entertainment to public officers and assimilated** (see definitions from our Anti-Corruption and money laundering policy) unless prior approval from Group Compliance officer, to avoid any semblance of conflicts of interest or corruption.

For more guidelines on this topic ➤

Receiving & offering outside meals and entertainments (and site visits)

There are no double standards: invitations to outside meals or entertainment can be set up or accepted to develop mutual understanding - if they meet our Anti-Corruption and money laundering policy and:

- They always take place in presence of the inviter
- They are occasional and preferably reciprocal
- The chosen establishments will neither be dubious nor luxurious (see validation principles).
- They will be reasonable in cost (see validation principles) and number of participants.

Exceptions on thresholds (special events, etc.) or the participation of non-business affiliates (spouse, etc.) will be subject to authorization from LT members with a copy to the Group Compliance Officer.

⚠ For site visits or audits organized for -or by- Aperam partners, travel arrangements will focus on the visits while taking into account the necessary time for comfortable transfers, but they will not be extended to allow tourism.



For more, see
[Aperam policies](#)

► Anti-Corruption and money laundering policy

Guidelines for Charity events and donations to non-profit organizations

Aperam's participation to charity events shall be validated upfront by the Group Compliance officer (and then recorded appropriately), provided:

- They are serving a cause that is consistent to Aperam's value and cannot be confused with a political stance (donations to political parties are prohibited).
- The events or non-profit organizations enjoy a positive reputation.
- The funds raised are allocated to the cause, in compliance with all regulatory requirements and a proper financial follow-up is in place.
- A receipt is provided to Aperam in exchange of the donation.

For more guidelines on this topic ➤

► [Appendix 3: Guidelines regarding Charitable Contributions](#)

VALIDATION PRINCIPLES

Self-Approval test

In addition to the guidelines above, a set of questions helps decide whether a gift is appropriate and shall be used for self-approval test and validation of exceptions. (See appendix 2)

They focus on 7 key principles: Intent ; Legality ; Materiality & frequency ; Proportionality with the role of the recipient ; Compliance with our counterpart's Code of Ethics and Compliance policies ; Transparency ; No Double standards.

For more guidelines on this topic ➤

► [Appendix 2: Self-approval set of questions](#)

Maximum value for Gifts, Outside meals and Entertainments

To avoid confusion about what "modest" in a global organization, the below values can be converted downwards based on a purchase power parity principle.

"Modest" means for Aperam:

- Gifts of value not exceeding **50€²** for Europe or equivalent in local currency
- Individual meals not exceeding **75€³** for Europe or equivalent in local currency
- Entertainments not exceeding **100€⁴** for Europe or equivalent in local currency

For local roll-out, more restrictive guidelines in the spirit of this general rule can be set up.

Exceptions will need consent from the concerned LT member, with a copy to the Group Compliance Officer.

For more guidelines on this topic ➤



References

◀ See OECD Purchase Power Parities here: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>

² as of 2017 November, corresponding to approx. 5 man-hours of local minimum hourly wages.

³ as of 2017 November, corresponding to approx. 7 man-hours of local minimum hourly wages.

⁴ as of 2017 November, corresponding to approx. 10 man-hours of local minimum hourly wages.

BREACH TO THIS POLICY

This policy should be applied at all times. Any material breach to this policy may give way to disciplinary sanctions in accordance with the principles set up in Aperam's Code of Business Conduct. Costs of gifts or meals that do not respect the guidelines will not be reimbursed.

DISPATCH, TRAINING AND INTERPRETATION

This policy should be communicated widely across the Aperam group and to our partners.

- Aperam's agents or other third parties representing Aperam or conducting business on its behalf should be requested to comply with its provisions (or equivalent).
- Other partners not operating on behalf of Aperam such as Customers, Suppliers, Auditors, etc. should be informed of this policy and of Aperam's anti-corruption policy.

INSTRUCTIONS FOR ANY INCOMING GIFT

Our partners shall be informed of our policy so that very few incoming gifts are proposed to Aperam employees. However, in any such case:

- The gifts shall be returned with apologies for not having clarified Aperam's policy.
- In the rare case where the return is difficult (perishable gifts, risk of offending the donator, etc.), a note will still be sent out to the originator but the gift will either:
 - be kept as Company property in a public space (lobby, etc.).
 - be donated to a local charity selected by the site.

In special circumstances, gifts can be considered acceptable, provided this is validated by the respective LT member and Group Compliance Officer.



References

◀ The first training to be taken is a [7-minute web-based module from the United Nations](#) illustrating the exact same principles as from Aperam's policy.

Appendix 1: Gift policy Summary

Aperam's policy is in principle a no-gift policy. Acceptance of small items and hospitality is tolerated according to the below principles:

Self-approval principles:

- Intent: Is it to promote a product/business relationship - or gain influence?
- Legality: Is it legal according to local norms - could it be suspicious?
- Materiality & frequency: Is it modest and infrequent? In terms of value, see table.
- Proportionality with the role of the recipient: Is it in line with business practices and with the recipient's role?
- Transparency: Could one feel embarrassed, if it was known - internally or externally?
- No Double standard: Only offer what you feel comfortable to accept - and vice versa.
- Compliance with our counterpart's Code of Ethics and Compliance policies: have you checked that the offering is allowed under the rules your Counterpart is subject to?

Other relevant questions:

- Is it for a select few or for a wider selection of people?
- Is there a visible logo of the company giving the gift?

Type	Red line	Other condition	Comment
Modest Gifts	EUR 50*	▲ No cash-equivalent (gift card, voucher) ▲ Never during negotiation periods	Promotional items Mostly during events or seminars.
Hospitality & Outside Meals (by person)	EUR 75*	▲ Systematic attendance of offerer ▲ Occasional & reciprocal ▲ Neither in dubious nor luxurious places	Affiliates' attendance and special events subject to LT members' approval and proper recording
Entertainment (by person)	EUR 100*	▲ Systematic attendance of offerer ▲ Occasional & reciprocal ▲ Neither in dubious nor luxurious places	Affiliates' attendance and special events subject to LT members' approval and proper recording

*Note: Amounts for Western Europe/USA as of. Nov 2017 - **conversions to be done using Purchasing power parity principle** (See OECD source here: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>)

Equivalence of thresholds:

Type	EUR	USD	GBP	BRL	RMB/CNY
Modest Gifts	50	50	50	180	300
Hospitality & Outside Meals (by person)	75	75	75	270	450
Entertainment (by person)	100	100	100	350	600

⇒ **Any doubt? contact the Compliance Officer.**

Appendix 2: Self-approval set of questions

- **Intent** - is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
 - In the case of gifts: is the intention of the donor essentially to promote his products or services?
 - In the case of entertainment: is it a trade fair or a conference to promote products or to visit a plant? If not, is there any other business component in entertainment? Will the person offering entertainment attend the event?
- **Legality** - are you sure the gift or entertainment is legal under *local*, as well as international anti-corruption laws? A significant number of anti-corruption laws prohibit not only corruption of government officials but also private-to-private corruption. However, *bona fide* (see "Intent" above) hospitality and promotional business expenditure to improve the image of a commercial organization, to better present products or services or establish cordial relations are, under international standards, generally considered legally acceptable provided they remain reasonable, proportionate and in line with the other criteria set out hereafter (see table on Appendix 1). Any illegal gift, meal or entertainment is obviously *per se* unacceptable.
- **Materiality and frequency** - is the gift or entertainment modest and infrequent or could it place, or appear to place, the recipient under an obligation? For example, offering to, or receiving from the same person, more than 3 gifts a year would generally not be acceptable and would in any case require prior approval.
- **Proportionality** - is the gift or entertainment in line with the recipient's position in his/her company?
- **Compliance with the Code of Ethics and Compliance policies the other person is subject to** - is the receipt of gift or entertainment allowed by the recipient's organization? In case of doubt, written confirmation should be sought from the other person.
- **Transparency** - would you be embarrassed if your manager, colleagues or anyone outside Aperam became aware? If so, there is probably something wrong.
- **No Double standards** - we should only offer what we would feel comfortable to accept (and vice versa).

Appendix 3: Guidelines regarding Charitable Contributions

Purpose and principle

Every charitable contribution (sponsorship, donations, community investments, philanthropy, impact investing, be they monetary or in kind⁵) should always be in line with Aperam's corporate responsibility objectives defined at corporate and/or local level. Consequently, any charitable contribution should be in line with Aperam's values, branding and main focus i.e.:

- Health & Safety (no dangerous activity should be granted any contribution),
- People development, inclusion, well-being and fight against discrimination,
- Preservation of the Environment and biodiversity ; fight against Climate Change,
- Recycling, and sustainable consumption,
- Local development and infrastructures, and industry promotion initiatives,
- Innovation, Sciences, and capacity building,
- Arts, culture and traditions.

Mandatory requirements and approvals

As a reminder, all such contributions are subject to the following requirements:

- Adequate due diligence on the **partner/recipient** according to our third-party risk assessment procedure to ensure that they comply with applicable laws, especially anti-corruption laws.
- In principle, no contributions should be made to individuals but only to organizations.
- Proper approval in writing (simple email is sufficient) of contributions above an equivalent of **EUR 5,000** in total value (tax included) by the Group Compliance Officer, on top of the local validation according to standard delegation rules for expenses and/or contracts.
- Proper record keeping in financial accounts and inclusion in internal financial and management reporting-

More detailed guidance is provided in the Anti-Corruption and money laundering policy and related procedures.

Practical examples (non exhaustive list)

Acceptable Charitable contributions	Unacceptable Charitable contributions
Road safety initiatives	Mechanical sports contest (no support to dangerous sports/activities)
Anti-corruption initiatives	Political contributions (no partisan position)
Environmental awareness-raising	Activities harming the environment
Activities promoting non smoking	Events related to the consumption of alcohol
Work lounge and educational events	Events associating the donor to dubious associations or controversial topics
City fair	Global event (unless validated by Corporate Communications)
Pink October, Red-Cross fair	Individual personal projects (e.g. world tour, sailing, personal subsidy to participate to a charitable event, songs album)
Female Soccer contest	Windsurf challenge (no link with our sites, nor with our corporate responsibility objectives)
Donation of steel, protection equipment, etc	Donation of defective or hazardous material

In case of questions, contact your local Compliance Correspondent or the Group Compliance Officer or the Company Secretary Office.

⁵ any donation of equipment and/or product must be given "as is" with no warranty of any kind.