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## Our commitment to a better world

In 2018 we saw improvement in nearly every area of our plan for sustainable development. This demonstrates our ability to make steady progress. The businesses that are successful in these times are those which are capable of adapting and which are constantly pushing the envelope. We are committed to this course and we must continue our efforts.

In 2018, in order to address our need for skilled workers, Aperam's Belgian sites put into place a recruitment strategy that allows us to improve our visibility and better present our wealth of job opportunities and the passion that drives our workers. We have also developed our partnerships with schools and universities in order to spark interest in vocations among young people and to increase the value of our profession.

Having a foundation in the local community is very important for our sites and we are always seeking to strengthen it, notably by the organization of "open days" and participation in Genk's first Warmathon and in "Cleaner Wallonie." An industrial site is not always welcomed in a town, by residents or authorities, but once you demonstrate openness, create an ongoing and respectful dialogue, and respect the legitimate concerns of everyone involved, things become much easier. Several steps have been taken in that direction this year and we count on that continuing in 2019.

In terms of safety, our overall results show a net improvement over the past two years (see the table on the following page). Unfortunately, the tragic accident at the Genk site in September 2018 reminds us that nothing can be taken for granted and that shared vigilance must be everyone's priority. We have learned the lessons of this accident and all the Aperam sites have put considerable thought into how we can avoid another such accident in the future.

On an environmental level, we have continued our efforts notably in the area of renewable energies. After the installation of the wind turbines at the Genk site in 2016, this year we installed more than 1,000 solar panels at the Châtelet site. In our production process we use 80% recycled scrap and we intend to increase this percentage as we work towards our goal of "zero waste."

Therefore we will begin 2019 with a significant Health and Safety initiative, team training, improvement of our industrial practices — and a continued open dialogue with all our stakeholders. This report is just one proof among many!



### 3 sites in Belgium

#### Châtelet (Hainaut)

- > melt shop & hot rolling mill

#### Genk (Limburg)

- > melt shop & cold rolling mill
- > service center

### The main challenges for 2019 will be:

#### Gender equality is at the forefront of the Group's concerns.

Various efforts have already been undertaken at the Belgian sites in 2018. Local working groups were created and concrete action will be taken in 2019.

#### Allow access to digital communications to all workers

In 2018, the HR platform was developed, specifically in e-learning. The managers successfully tested the system. In 2019, we will open access to all employees. A working group is considering the best way to grant access to the HR platform to workers directly in their workplaces, which is not yet the case in all the factory's workshops.



## Our People

In 2018, our Belgian personnel increased by 5%. This is the result of a recruitment strategy focused on visibility and on more marked employer branding. The way we distribute our job offers was reviewed along with our participation in job fairs, namely for a more concrete approach to potential candidates. Partnerships with various schools such as the University of Mons were strengthened.

For the Châtelet site, 2018 was a pivotal year, as they had to create a 4th Hot Rolling team.

As for the Genk team, they took advantage of the October open houses to organize an employment event. Potential candidates were thrown directly into the work environment. This was an unqualified success and improved the visibility of Aperam Genk.

### Health & Safety

In this area, which is Aperam's number one priority, local efforts are combined with programs launched by the Group.

In 2018, safety training on the 7 red rules (rules that if not respected could lead to a fatal accident) was begun. Furthermore, the Genk site organised working group to educate its employees about personal resilience and preventing burnout. At Châtelet the code of behaviour that comprises 10 fundamental rules to ensure a safe workplace was relayed by a poster campaign featuring our workers. This, coupled with the past two years' concerted efforts, particularly the nearly 96% participation rate in SAFE training (a specific training course of 40 hours over one week, awarded by our professional association ISSF in 2018) kept the site accident-free for 100 days.

In November 2018 all Aperam sites participated in a satisfaction survey organized by the Group. A specific communication campaign was led by the people on the ground

in order to ensure that all were represented. The Belgian sites had good participation at all levels. In 2019 the results will be analyzed at each site and an action plan will be put in place

### Employee engagement – Digital

In 2018, Châtelet installed computers for the workers directly in the factory, so they could respond to the satisfaction survey organized by the Group. This made it possible to achieve a much higher level of participation than previously. Making computers available to workers permanently is now being considered.

At Genk, following the global launch of MyHR, the new centralized e-learning platform for those on the executive track, a pilot platform is being launched for workers and employees. Initially, the priority will be safety training.

### Employee engagement by training

In 2018, employees received nearly 60,000 hours of training. These hours were mostly spent in safety-related training (SAFE, 7 red rules) and to accompany major recruitment drives in 2018. At Châtelet, following the installation of a new organization at the Melt Shop, the newly appointed foremen each were coached and underwent training for basic management skills.

### Employee engagement – Promoting diversity

In 2018 a working group launched a deep inquiry into gender equality which resulted in a charter and an action plan for the Aperam Group. At Châtelet the first concrete action was to verify that all the prerequisites for hiring more women were met. At Genk, this led to a recruitment campaign for operational positions aimed at women.

### Aperam Employees in Belgium

Type	Gender	Permanent	Fixed-term	TOTAL	Full-Time	Part-time
Blue Collars	Female	0	0	0	0	0
	Male	1,257	19	1,276	1,148	128
White Collars	Female	34	19	54	54	0
	Male	339	7	347	346	1
Exempts	Female	30	3	33	33	0
	Male	231	4	235	235	0
<b>TOTAL</b>		<b>1,891</b>	<b>53</b>	<b>1,945</b>	<b>1,816</b>	<b>129</b>

Aperam Stainless Belgium, Total of Full Time Equivalent, as of 31/12/2018. (GRI-102-8).



## People Management

Indicator	2018	2017	2016
Safety Frequency <sup>1</sup> rate	2.58	4.32	3.80
Safety Severity <sup>1</sup> rate	0.26	0.61	0.36
Absenteeism (%)	4.37	4.06	3.90
Training (hours)	58,050	47,71	30,35

GRI-G4<sup>2</sup>-LA6/LA9

<sup>1</sup> Aperam employees, interim and subcontractors

<sup>2</sup> GRI: Global Reporting Initiative, an international standard for sustainability reporting (4<sup>th</sup> version)



Aperam Châtelet at Talentum



Aperam Genk aims to recruit women for operational positions



Poster N°9 of the «My code of behaviour» safety campaign for the Châtelet site

## Our openness to others

From an economic standpoint, Aperam has followed through with its contribution to the local economy. We distributed 156 million Euros in salaries in 2018, paid 70 million in taxes, and 48% of our purchases (aside from raw materials) were made in Belgium, demonstrating our commitment to integration into the regions where we are located.

### Aperam - a community company

The Aperam sites in Belgium regularly open their doors to students. Aperam Châtelet and Genk respectively organise at least a dozen visits per year to technical schools in their region and Aperam Genk organizes each year a "Juniors Day" for young people to discover the world of industry. This time that we dedicate to young people is crucial as it plays a part in our role as a community company. Essentially, it is our duty to raise awareness among young people about the steel industry. The technical schools teach them theory and we allow them to see what that means in practice. We regularly hire young people who first visited us or had an apprenticeship with us. These experiences can lead to real vocations.

### Aperam - a company invested in its environment

For Aperam, it is important to take part in the local life of the regions where its factories are located. In 2018 one group of workers from Genk participated in the first annual Warmathon, organized by the town. This consisted of a 3.6 km team event, either walking or running, to benefit a good cause. The Genk team of more than 90 people raised money for a charity that deals with children and young people suffering with emotional and behavioral difficulties.

For its part Châtelet organized a large spring cleaning operation in solidarity with the "Cleaner Wallonie" movement organized throughout all the townships in Wallonie at the end of March. 2018 was the first year the employees participated in this movement and in 2019 they decided to up their game, collecting 1m<sup>3</sup> of cans and scrap (sent directly to the electric shop) 1m<sup>3</sup> of plastic, metal waste, cartons (PMC) and 6m<sup>3</sup> of ordinary industrial waste (DIB).

### Aperam - a company that takes care of its subcontractors

Efforts to raise awareness of safety in subcontracting companies were enhanced in 2018. When the facilities were shut down as part of the annual maintenance the Châtelet site organized a preparatory meeting with all the external companies to raise their awareness of safety. During this phase, deviances were noted by the security team which has stopped its current projects to gather all the external companies for a second time to remind them of the rules and best practices for security. This close monitoring of subcontractors helped to prevent accidents.

### Aperam - an open company

2018 was an important year for the employees at Genk who participated in heritage days on the 7th of October, and opened the doors of the site to the public and the workers' families. The operation was deemed a success, as more than 1,600 visitors were able to discover Aperam Genk. 102 guided visits were led by 73 experienced guides. Not forgetting the 52 volunteers who worked hard to ensure that the day went perfectly and in complete safety. The visitors left very impressed by our work and by the size of our operations.

## Aperam contribution to local economy

Indicator	2018	2017	2016
Total Employee Wages & Benefits (million Euros)	156	155	146
Total Tax Contribution* (millions Euros)	70	64	57
Share of spent at main sites ( excl. Raw Materials made in Belgium (%)	48	54	55

\* Sum of all the amounts levied with respect to Corporate tax, other taxes (taxes on assets, environmental tax, etc.), including social contributions (employer and employee share), the latter being also included within Employee Wages & Benefits (GRI-204-1)



Cyril Della Giustina visited Aperam Châtelet student and it made him want to work there



Spring cleaning in Aperam Châtelet



Aperam participated in the 1st Genk Warmathon



1600 visitors discovered Aperam Genk

# Environment

Concerning the environment, not only do our sites function in strict compliance with our operating licenses, they also assist our efforts to attain our new objectives for 2030.

Below is the progress we have seen in 2018.

In terms of energy, our usage has again decreased slightly (-0.5%). In addition to the plans to install LED lights, led by the Genk factory and the Service Center in 2016, and the plans currently in progress for energy optimization, our sites are following through with their experiments in renewable energies. After the wind turbines constructed in 2016 in Genk, our Châtelet site turned its attention to solar energy, with 1,368 solar panels put into service in November 2018. They should produce more than 421 MWh of energy in 2019. All these plans should improve our energy gains in 2019.

In terms of waste, our factories traditionally use more than 80% scrap (in place of raw materials) in their melt shops, all while continuing to improve their sorting and recycling of other waste and byproducts, making us a key player in the circular economy. This progress translates into a 5% reduction in landfills compared to 2018, but further efforts are necessary to achieve our goal of zero waste. Efforts are underway to develop recycling solutions for our most dangerous waste products, such as acids.

Thanks to a conscious use of energy and an intensive use of scrap, our carbon footprint in Belgium reached 0.4tCO<sub>2</sub>/ton of slab, remaining stable compared to the previous year. At the Group level, our carbon footprint is one of the best in our sector. Concerning water, we have seen an improvement of +0.3 points in our water re

cycling (mainly thanks to Châtelet), which confirms the scrupulous attention paid by our sites to maintaining a minimum level of water supply. However, two waste water quality incidents occurred on our Châtelet site. Each time our teams reacted rapidly, stopping production, quickly advising the authorities, checking all the valves and even buying equipment to increase the speed of de-pollution. These efforts continued until all traces of pollution had completely disappeared. The efficiency of the action plan was recognized by the Association of the Sambre river, which invited Aperam to speak at a conference on the subject. Overall, thanks to continuous efforts, the amount of suspended solids in the water has decreased by more than 30% since 2016.

Particle emissions remains a major challenge for our Belgian factories which are situated near residential areas. Our two steelworks can take pride in having developed over the years two solid plans for continuous improvement, lauded by our industry with the ISSF recognition awarded to Genk in 2015. However, after years of continuous improvement, our particle emissions in 2018 increased compared to 2017, mainly due to the Châtelet steelworks where we experienced several malfunctions in the first trimester. After the replacement of 300 dust filtration sleeves (at the EAF and at the grinding station), the situation has returned to normal and we hope that this will be evident in the 2019 results. Effectively, these efforts, including the gradual hedging of open-air operations, to be continued in 2017-2018, with coverage of operations at the two factories' slag tanks and the addition of a new protective screen at Genk (see photo). All these initiatives allow us to demonstrate our desire to operate in harmony with our natural environment and with local communities.

## Our industrial impact

Indicator	2018	2017	2016
GHG <sup>3</sup> emission intensity (tCO <sub>2</sub> /t. of crude steel, scope 1 and 2)	0.40	0.40	0.41
Energy intensity (GJ/t. of crude steel)	6.07	6.10	6.14
Landfilled residues (tonnes)	33.2	35.0	33.7
Water consumption in closed circuits (%)	98.6	98.3	99.1
Dust emissions (t)	21.2	18.0	18.0

<sup>3</sup> GHG Green House Gas, here Carbon Dioxide (CO<sub>2</sub>)



Installation of the photovoltaic panels by proud teams



Best practices from Genk



Motivated teams during the Cleaner Wallonia Day in Châtelet.