Responsible Steel™ Certified Site

Presented to

ACE/2023/102839.1

APERAM INOX AMERICA DO SUL S/A

SITE NAME AND ADDRESS

APERAM INOX AMERICA DO SUL S/A, Praça 1.º de Maio, 9 - Centro, TIMOTEO, MG
35180-018 TIMOTEO, BRAZIL

CLIENT NAME AND ADDRESS

APERAM INOX AMERICA DO SUL S/A, Praça 1.º de Maio, 9 - Centro, TIMOTEO, MG
35180-018 TIMOTEO, BRAZIL

Version of the ResponsibleSteel Standard and Assurance Manual that the site was audited against

ResponsibleSteel Standard version 1.1
ResponsibleSteel Assurance Manual version 1.0

ISSUE DATE

16 January 2023

EXPIRY DATE

15 January 2026

NEXT SCHEDULED AUDIT

June 2024 (TBC)

CERTIFIED SINCE

16 January 2023

CERTIFICATION SCOPE

Design, manufacture, sale and sale of hot or cold rolled, flat of stainless, carbon and electric steel products

CERTIFICATION BODY

AFNOR Certification
11, Rue Francis de Pressensé
93200 Saint Denis
France

Any facilities and associated activities that are directly related to steel making or processing, that are on-site or near the site and that have not been included in the certification scope or audit scope

None

AUTHORISED CERTIFICATION BODY SIGNATURE

Julien Nizri, General Manager

ResponsibleSteelTM, 755 Hunter Street,
Newcastle West NSW 2303, Australia

Validity of this certificate is subject to continued conformity with the applicable ResponsibleSteel Standard and can be verified at www.responsiblesteel.org

This certificate does not constitute evidence that a particular product supplied by the certificate holder is ResponsibleSteel certified. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required ResponsibleSteel claim is clearly stated on sales and delivery documents.

Responsible Steel™ Certified Site

Annex

APERAM INOX AMERICA DO SUL S/A

ACE/2023/102839.1

SITES AND FACILITIES COVERED BY THE CERTIFICATE

2 Blast furnaces
1 Steel mill
1 Hot rolling mill
1 Stainless Cold rolling mill
1 Electric cold rolling mill

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

Aperam SA Headquarters, 12C, rue Guillaume Kroll,
L-1882 Luxembourg, Lux

ResponsibleSteelTM, 755 Hunter Street,
Newcastle West NSW 2303, Australia

PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the audit report for Aperam Inox América do Sul S/A, site APERAM Timóteo. The full version of the audit report is in the possession of the member company and the audited site.

Audit overview

Member Name	APERAM
Audited entity name	Aperam Inox América do Sul S/A
Number of sites **Names & location**	Aperam South America, Timóteo Praça 1.º de Maio, 9 - Centro, Timóteo - MG, 35180-018, Brazil Integrated steel mill, Hot rolling mill and Cold rolling mill Products: - Stainless Steel: construction/architecture, Automotive, White line, Sinks and Cutlery, Capital Goods, Tubes - Electrical Steel: GO (Transformers), NGO (Hydropower Generators, Electric Motors, Compressors - Special Carbon Steels: Automotive, Tools, Agricultural Tools https://brasil.aperam.com/
Certification scope	Design, manufacture, sale and sale of hot or cold rolled, flat of stainless, carbon and electric steel products The site comprises the following facilities: 2 Blast furnaces 1 Steel mill 1 Hot rolling mill 1 Stainless Cold rolling mill 1 Electric cold rolling mill **Ironmaking: Pig iron production ~ 600 kt/year** 2 Blast Furnace + Torpedo Car **Steelmaking - Slab production ~ 800 kt/year** 2 EAF + 3 EAF + Pre-treatment of Pig Iron (2 stations) + MRPL Converter + AODL Converter + 1 VOD 1 + 2 VOD + Trimming Station

	+ Ladle Furnace + 1 Continuous Casting + Continuous Casting 2 + Grinding machine 2. **Hot Strip Mill - Hot coils ~ 800 kt/year** Walking Beam Furnace + Pusher Furnace + Heavy Plates Table + Steckel Mill + Downcoiler + Slitting Line (TL8) + Cut-to-Length + Heavy Plate Furnace + Chemical Pickling + Heavy Plate Shears (Guillotine Shears – Plasma). **Stainless Steel Cold Rolling ~ 340 kt/year** Box Annealing (3 and 4) + Hot Annealing and Pickling Line (RB 3) + Coil Preparation Line (PB 1 e PB2) + Cold Rolling Mills (LB1, LB3 and LB4) + Hot Annealing and Pickling Line (RB1 and RB4) + Skinpass Mill + Coil Grinding Machine (1 and 2) + Slitting Line (TLs 1, 5, 6, 9) Cut to Lenght Line (TT 1) + Finishing and Packaging. **Electrical Steels Cold Rolling ~ 180 kt/year** **GO Production Route (55 kt) + NGO Production Route (125 kt)** Hot Coil Preparation Line (PB2) + Cold Rolling Mill (LB2) + Coil Repair Line (RP 1) + Coil Decarburization Line + Box Annealing (GO) + Carlite + Slitters (TL 2) + Tanden 1 + Tanden 2 + Slitter (TLE) + Cold Finishing and Packaging
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification
Certification body	AFNOR Certification 11, Rue Francis de Pressensé - 93200 Saint Denis
Audit Dates	Stage 1: 7 days. Onsite 7-8 July 2022 Stage 2: 11 days. 12/9 and 26 to 30/09/2022
Number of auditors and audit days	Lead auditor: Pascal THOMAS Auditor/s: Leonardo Landmayer
Lead auditor declaration	The findings in this report are based on an objective evaluation of evidence, derived from documents, first-hand observations at the sites and interviews with site staff, workers and stakeholders, as conducted during stage 1 and stage 2 audit activities. The audit team members were deemed to have no conflicts of interest with the sites. The audit team members were professional, ethical, objective and truthful in their conduct of audit activities. The

	information in this report is accurate according to the best knowledge of the auditors who contributed to the report. It should be noted that audits are snapshots that rely on sampling. Sampling of interview partners, of documentation and records, of observed operations and activities. The auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.
Next audit type and date	Surveillance July 2024 (min)

Contents

Introduction

About ResponsibleSteel

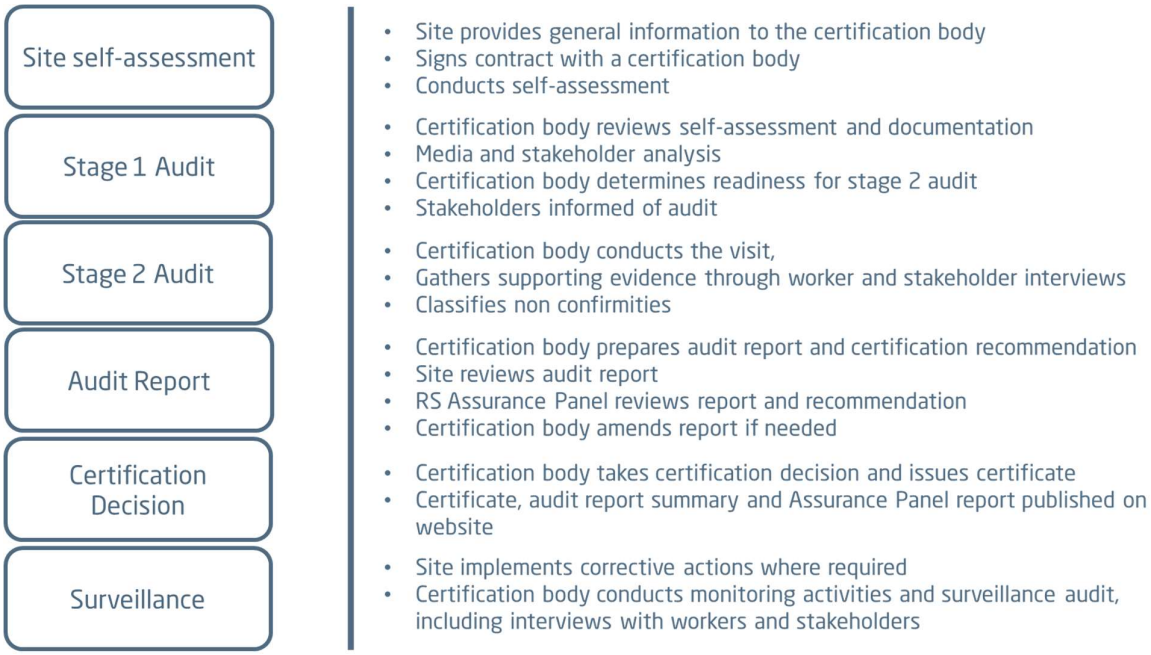
Our mission is to achieve net zero carbon emissions for the steel sector, and to enhance the responsible sourcing, production, use and recycling of steel.

We are a not-for-profit multi-stakeholder organisation founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel. We have built a consensus on what sustainability looks like for steel – including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers' rights, communities and biodiversity. We are the first global scheme for responsibly sourced and produced steel.

Our Members include steel makers, mining companies, automotive and construction companies as well as civil society organisations focused on labour rights, biodiversity, climate change and many other important issues.

Overview of the certification process

Certification against the ResponsibleSteel Standard is voluntary and follows the process below:



Sites can apply to be assessed against the ResponsibleSteel Standard on a voluntary basis. Conformity with the Standard is verified by independent certification bodies and auditors. They study documentation provided by the site, review relevant media and scientific publications on the site, visit the site to see operations first-hand, and interview site management, process owners, shopfloor workers and external stakeholders such as authorities, community and civil society representatives. The assessment is summarised in an audit report that is reviewed by an independent Assurance Panel. Only if that Panel is satisfied with the quality of the audit and the resulting report, can a site with a positive certification recommendation be certified. A ResponsibleSteel certificate is valid for three years and certified sites have to pass a surveillance audit after 18 months and subsequent re-certification audits to remain certified. The rules and processes for ensuring compliance with the Standard are laid out in the Assurance Manual and have been developed in line with the Assurance Code of Good Practice set by the ISEAL Alliance.

ResponsibleSteel provides an Issues Resolution System that any stakeholder may use to log a complaint about any aspect of the ResponsibleSteel programme. The Issues Resolution System can be accessed via the ResponsibleSteel website.

More information on ResponsibleSteel can be found on https://www.responsiblesteel.org/.

Site information

Country and town	Brazil, Timóteo
Activities and products	**Activities:** Integrated steel mill, Hot rolling mill and Cold rolling mill **Products:** - Stainless Steel: construction/architecture, Automotive, White line, Sinks and Cutlery, Capital Goods, Tubes - Electrical Steel: GO (Transformers), NGO (Hydropower Generators, Electric Motors, Compressors - Special Carbon Steels: Automotive, Tools, Agricultural Tools
Year site opened	1944
Major extensions and / or refurbishments and year(s) when these occurred	Created in 1944 under the name ACESITA for electric steel In the 70' - integrated flat stainless steel In 1994 - created ACESITA Foundation (social aspects) In 2007 becomes ArcelorMittal Timóteo In 2011 becomes Aperam
Annual production	Total capacity : Slabs 900 kt (Thousand tonnes) Stainless finished 350 kt Electrical CR: Grain Oriented 60 kt / Non-Grain Oriented 170 kt Special Carbon Steels 200 kt Produced in 2021 - 626 kt
Number of employees and contractors	Direct employees: 2401 Contactors: 1872
Carbon reduction target	Aperam's public commitment to the steel industry's decarbonization pathway is made on their official website (1,2). APERAM has a CO2 reduction objective for a long-time steel consumption: - In 2019, the action plan aims for (Scope 1+2) carbon neutrality in Europe by 2050. - In 2020, APERAM has built a roadmap to accelerate decarbonisation with a -30% objective (Scope 1+2) by 2030 vs. 2015, twice more ambitious than the first target disclosed in the 2019 report (-15%). A CO2 road map for 2030 "TP & CO2 Roadmap ASA" describes the CO2 volumes, the solutions investigated linked with the asset to reach the targets. Aperam has defined the strategies to achieve its greenhouse gas emissions target at the corporate level, as we can see below: - Definition of the Corporate strategy on CO2 Roadmap, with a roadmap according to Aperam's forecast 2030/2050 and the Brazil Roadmap 2050,

	including carbon sequestration initiatives. (1) - Presentations of TP Energy and CO2 (credible short, medium and long-term emission reduction targets and projects) (2). - Action plan on GPS Roadmap - GPS 9264 - TP Energia & CO2 (3). - CAPEX management is followed to ensure fulfilment of the CO2 commitment.
Further environmental and social information	https://brasil.aperam.com/sustentabilidade/fundamentos/relatorio-sustentabilidade/ Related to 2015 reference date : - Water Consumption Reduction: - 48% - Reduction of particulate emissions: -72% - Waste Recycling: > 97% - Reduce Purchased Energy: - 25%

Stakeholder engagement

Stakeholder engagement is an integral part of a ResponsibleSteel audit and ensures a rich and balanced collection of information and evidence. The auditors followed the methodology outlined in the Guidance on Stakeholder Engagement provided by ResponsibleSteel as well as the Introduction to ResponsibleSteel for stakeholders.

A stakeholder is a person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity of a site. Stakeholder engagement forms an important part of ResponsibleSteel audits. Stakeholders are a key source of information for the auditors and can help provide an objective view of the site. The identification of relevant stakeholders depends on the specific context and situation of a site.

For the purpose of the ResponsibleSteel audit, the sites of the ASA provided a list of external stakeholders to the auditors, based on their areas of influence, their ongoing stakeholder engagement efforts, as well as relevant media and social media articles and other publications. The auditors reviewed the list and requested that the sites identify additional significant stakeholders such as suppliers. The list was quite complete following the return on experience of the first audit of APERAM Stainless Europe. The Annex describes the areas of influence and provides the full list of external stakeholders that were identified for ASA.

All external stakeholders on the list were informed of the ResponsibleSteel audit 4 weeks in advance of the site visit. They were informed by email, in the regionally used languages. The auditors worked closely with the sites in organising virtual or in-person meetings with those stakeholders that responded to the invite and volunteered to be interviewed. The stakeholders selected are representatives of the different categories. All the stakeholders

identified in the audit plan accepted to be interviewed, see below for a list of external stakeholders that were interviewed.
No input was provided to the auditors by email.
Despite several attempts, we have not managed to have any feedback from the labour inspector. This was compensated for by the interviews of workers and unions. The stakeholder interviews were conducted by Google Meet or phone or physically.

Workers are an important internal stakeholder group since they are directly affected by the activities of the sites. About 4273 individuals (including full and part-time employees and contractors) work at Timotéo site. All sites have 3 rotating shifts:

- Morning: 07:00 - 15:00
- Afternoon: 15:00 - 23:00
- Night: 23:00 - 07:00

The auditors interviewed workers of all shifts during the site visit. The auditors preselected functions slots for interviews and, together with the sites, confirmed which workers to interview. Selecting workers for interviews needs the help of the sites to make sure that production lines can continue to operate during the interviews and to avoid safety risks for the remaining workers. Additionally, during the shop floor visit, some employees were interviewed directly at their workstations. The workers included in the interviews made it possible to cover different categories of gender, hierarchical level, arduousness and diversity in order to have a representative picture.
The auditors also held a meeting with the labour union representatives and the CIPA (Comissão Interna de Prevenção de Acidentes- Internal Commission for Accident Prevention).

Apart from interviews with process owners as relevant for the 12 Principles of the ResponsibleSteel Standard, a number of workers and external stakeholders were interviewed, as summarized here:
Additionally, to the process owners, more than 50 workers, including workers from the electric furnace, rolling mill, maintenance, water plant, waste management, supporting functions, foremen, suppliers, line managers, members of senior leadership team, union representatives and purchasing managers, human resources, health & safety, industrial risk, environment and sustainability team.

External stakeholders that were interviewed:

- Environmental administration
- Mayor of Timóteo
- Suppliers (such as logistic, handling, maintenance, cleaning)
- Customer
- NGO – (Non-Governmental Organisations, water and biodiversity)
- Fire Brigade

- Residents' committee
- Doctor
- Environmental Agency : The auditor interviewed the Municipal representative (CODEMA) and also the MG state representative (SUPRAM)
- School
- Temporary Agency

Overall, the input provided by internal and external stakeholders was mainly positive in nature. The needs and expectations did not show any new sensitivities that were not known by the company and that were shared during the audit of the owners of the principles. With regards to stakeholder's management, higher expectations were requested from the neighbourhood, especially with regards to the noise issues and dust. They acknowledge that the site is making efforts in communication to deal with complaints and to reduce dust emissions. Furthermore, as the commitment to the Responsiblesteel programme is recent, a better understanding of this standard is expected.

Also, relevant input from external stakeholders came from governmental bodies (environment inspectors), suppliers, municipalities and from stakeholders that have a strong relationship with the site (for example, the suppliers, temporary agency, city). Their provided input may be impacted by the business relationships they have with the sites. The internal stakeholders like workers, unions and the doctor provided important input as well. They recognised the site's commitment to occupational health and safety, the environment, social issues and social protection. In the very religious context, parts of the population/some stakeholders may have difficulties with respect to the acceptance of the (numerous) actions carried out by the site in favour of diversity - see Principle 5 and 6. Relevant input from internal and external stakeholders has been captured in the requirements table below to substantiate the auditors' findings..

Summary of Audit Findings

Conform	Conformity, the requirement is fulfilled.
Opportunity for Improvement (OFI)	The respective requirement or criterion has been implemented, but effectiveness or robustness might be increased, or it is a situation that could lead to a future non-conformity if not addressed.
Minor non-conformity (NC)	Isolated, unusual or non-systemic lapse. Or a lapse with limited temporal and organisational impacts. A non-conformity that does not result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. Sites can become certified with minor non-conformities, but they must have addressed them by the time of their next audit.

Major non-conformity (NC)	A non-conformity that, either alone or in combination with further non-conformities, results in or is likely to result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. For example, non-conformities that continue over a long period of time, are systemic, affect a wide range of the site's production or of the site's facilities. Sites with major non-conformities cannot be certified.
Exclusion	The requirement is either **not applicable**: excluded from the audit since it is not applicable to the sites; or **not rated**: the requirement is very closely linked to another requirement where a non-conformity (NC) or opportunity for improvement (OFI) has already been raised. Sometimes, when requirements are linked to one and the same subject-matter, it is appropriate to count NCs or OFIs only once to avoid repetition.

The performance of APERAM Brazil in relation to the Principles and Criteria of the ResponsibleSteel Standard is summarised in the table below.

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	#Exclusions
Principle 1. Corporate Leadership					
Criterion 1.1: Corporate Values and Commitments (6)	6				
Criterion 1.2: Leadership and Accountability (5)	5				
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (6)	5	2	1		
Criterion 2.2: Responsible Sourcing (6)	6	2			
Criterion 2.3: Legal compliance and signatory obligations (6)	6				
Criterion 2.4: Anti-Corruption and Transparency (8)	7				1
Criterion 2.5: Competence and awareness (5)	5	5			
Principle 3. Occupational Health and Safety					
Criterion 3.1: OH&S policy (6)	6				
Criterion 3.2: Health and Safety (OH&S) management system (10)	9	2	1		
Criterion 3.3: Leadership and worker engagement on OH&S (10)	9		1		

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	#Exclusions
Criterion 3.4: Support and compensation for work-related injuries or illness (8)	8				
Criterion 3.5: Safe and healthy workplaces (5)	2		2		1
Criterion 3.6: OH&S performance (2)	2				
Criterion 3.7: Emergency preparedness (6)	6				
Principle 4. Labour Rights					
Criterion 4.1: Child and juvenile labour (9)	8				1
Criterion 4.2: Forced or compulsory labour (7)	7	2			
Criterion 4.3: Non-discrimination (9)	9				
Criterion 4.4: Association & collective bargaining (12)	11				1
Criterion 4.5: Disciplinary practices (5)	5				
Criterion 4.6: Hearing and addressing worker concerns (5)	5				
Criterion 4.7: Communication of terms of employment (5)	5				
Criterion 4.8: Remuneration (11)	8				3
Criterion 4.9: Working time (7)	7				
Criterion 4.10: Worker well-being (2)	2				
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	5				
Criterion 5.2: Security practice (9)	8				1
Criterion 5.3: Conflict-affected and high-risk areas (5)	0				5
Principle 6. Stakeholder Engagement and Communication					
Criterion 6.1: Stakeholder engagement (10)	8	3	2		
Criterion 6.2: Grievances and remediation of adverse impacts (12)	12				
Criterion 6.3: Communicating to the public (7)	7				
Principle 7. Local Communities					

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	#Exclusions
Criterion 7.1: Commitment to local communities (8)	8				
Criterion 7.2: Free, Prior & Informed Consent (3)	0				3
Criterion 7.3: Cultural heritage (7)	0				7
Criterion 7.4: Displacement and Resettlement (9)	0				9
Principle 8. Climate Change and Greenhouse Gas Emissions					
Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement (8)	8				
Criterion 8.2: Corporate Climate-Related Financial Disclosure (2)	2				
Criterion 8.3: Site-level GHG emissions measurement and intensity calculation (3)	3				
Criterion 8.4: Site-level GHG reduction targets and planning (11)	11				
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	8				
Principle 9. Noise, Emissions, Effluents and Waste					
Criterion 9.1: Noise and vibration (7)	7				
Criterion 9.2: Emissions to air (8)	8				
Criterion 9.3: Spills and leakage (9)	7		2		
Criterion 9.4: Waste, by-product and production residue management (11)	10		1		
Principle 10. Water Stewardship					
Criterion 10.1 Water-related context (7)	7	1			
Criterion 10.2 Water balance and emissions (8)	8				
Criterion 10.3 Water-related adverse impact (6)	5		1		
Criterion 10.4 Managing water issues (8)	8				
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	25	2			

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	#Exclusions
Principle 12. Decommissioning and closure					
Criterion 12.1: Decommissioning and closure (13)	0				13
Total (370)	314	19	11	0	45

* Note that the Total in the table does not correspond to the sum of Conform, OFI, Minor NC, Major NC and Exclusion due to the way that requirements and conformity classifications are counted.

Strengths

Good practices have been developed in the Timóteo site that help implement the ResponsibleSteel Standard. The main strengths that the auditors identified are summarized here:

- A strong commitment of the Top management and management (head of department and intermediate) was demonstrated during that audit (1.2)
- A rich and intelligent information system facilitates the management of KPIs, the monitoring of actions and risks and the management of documentation (2.1.2)
- The recognition scheme implemented in the maintenance of electrical CRMs(Electrical steels cold rolling mill department) is a good practice to encourage safety prevention and develop a positive safety culture (3.6)
- An inclusion and diversity plan have been set up with affinity groups and is led by volunteers to combat stereotypes (4.3)
- The interviews conducted with the workers highlighted their desire to contribute more to positive actions related to social responsibility (6.1)
- The multiple interviews made it possible to gather globally positive feedback from stakeholders (internal and external) by using accessible communication tools and social networks (6.3)
- Through the Acesita Foundation, APERAM supports the local community in various areas: improving the quality of education, strengthening local culture, social development and environmental protection (7.1)
- An ambitious roadmap to reduce greenhouse gas emissions. The results are fully aligned with the expectation of the requirement of the principle (8.1)
- APERAM is working with other companies to improve rainfall control. The project consists of reducing water runoff and allowing a better residence time of water that feeds the water tables. It involves the prefecture, farmers and FIEMG as well as industry and universities. The project

reduces flooding, contributes to biodiversity and the preservation of water resources. It covers 48,000 ha (10.1)

An OIKOS biological reserve has been created by APERAM (through the Acesita Foundation). It covers 989 hectares and is located in the areas of the Atlantic Forest and the urban perimeter of Timóteo, surrounded by secondary forests, springs and a great diversity of plant and animal species. It functions as Aperam South America's environmental education centre and is a reservoir of biodiversity (11.1)

Areas for improvement

The audit did not uncover any major weaknesses, which is underlined by the fact that only a relatively low number of minor non-conformities were raised by the auditors. Many of the identified non-conformities are linked to knowledge and understanding of the requirements of the ResponsibleSteel Standard. The Standard brings a lot of new concepts and a new vision of corporate responsibility, so internal knowledge and understanding needs to be reinforced to fully embrace the new requirements.

The minor non-conformities are summarised below and will have to be fully addressed by Aperam by the time of the surveillance audit against the ResponsibleSteel Standard. Also, improvements are proposed to the site to strengthen their practices.

- External communication tools are very rich and allow for effective communication. Nevertheless, these tools would benefit from being used for internal communication (1.1).
- The auditors invite the top management to balance the middle management and the operators with indicators better aligned with ESG and not only based on production to reinforce their involvement (2.1.2)
- The compartmentalisation of the QSHE management systems would benefit from being less compartmentalised and the site is encouraged to better harmonise its practices (2.1.2)
- Even if coordinated actions have been taken with suppliers, it will be necessary to ensure the effectiveness of this action plan in relation to the ESG assessment (2.2)
- Difficulty in achieving consistency between risk analyses and the overall risk analysis (context matrix) (2.1)
- The rating of social aspects of service providers could be improved in order to better detect any deviation (2.2)
- The identification of chemical skills to be implemented with regard to Safety Data Sheets would benefit from being qualified (2.5)
- The new methodology for analysing the risks of the occupational health and safety system does not clearly allow risks to be prioritised with regard to the quotation method, which is not sufficiently discriminating (3.2)

- The traceability of risk analyses following an event (health and safety at work or environment) would benefit from being reinforced in the management systems in place (3.2)
- Hazard perception should be developed in order to avoid becoming accustomed to their exposure, which could lead to risky situations. A strengthening of shared vigilance in situations of co-activity is expected (3.3.3)
- The prevention of risks relating to infrastructure and safety equipment needs to be strengthened (access to crinoline ladders, monitoring of fire hoses, eyewash) (3.5.1)
- An improvement in operational control for occupational health and safety and the environment is expected, particularly in part of the changing rooms and the chemistry laboratory of the cold rolling mill (3.5.2)
- Although various communication tools are in place, the understanding of external stakeholders could be improved in order to make the commitment to ResponsibleSteel visible (6.1).
- Dust emissions are still a concern for the local population even though significant actions are being taken by the site (9.2)
- A better prevention of the risk of pollution of the ground is expected (retention, treatment of the leaks, management of the retentions, area of discharge) (9.3.1)
- The control of the destination of the waste by hazard class shows a failure in relation to the supplier's capabilities (9.4.1)

The risk analysis in place as part of the environmental analysis (ISO 14001) shows weaknesses due to the failure to take into account future water-related risks (10.3.1)

Exclusions

2.4.5 - Aperam does not make financial or in-kind contributions to political parties, politicians, civil servants and other politically exposed persons (PEP) as can be seen in NTA39-0010 - Donations and Sponsorships

3.5.3 - No on-site housing is provided to workers.

4.4.2 - Where national law restricts workers' organisations. Article 8 of the Brazilian Constitution says: Professional or trade union association is free.

4.8.5 - There are no stores in the Timóteo plant

4.8.6 - No on-site housing or accommodation is provided to workers

4.8.7 - The living wage had not been requested.

5.2.2 - The site is not located in a conflict area.

5.3.1. & 5.3.2 - Timóteo is not operating in a conflict area

7.2.1 & 7.2.2. & 7.2.3. No indigenous people

7.3.1. - 7.3.5. There is no cultural heritage site

7.4.1 to 7.4.7. No displacement of communities - The village has been developed since 1940ies, surrounding the site, and after its implementations

8.5.1 b - Aperam Timóteo did not acquire / import external heat and steam.

11.1.2 a,c,e - No adjacent World Heritage sites, indigenous sites, Key Biodiversity Areas to the APERAM' site

Principle 12 full scope: no planned closure or decommissioning for this company.

Assurance Panel Declaration

In line with the ResponsibleSteel Assurance Manual, three members of the Assurance Panel reviewed the full audit report for APERAM Brazil, including the auditors' findings for each individual requirement of the ResponsibleSteel Standard. Subsequently, the Assurance Panel members met online to discuss individual findings and to align their views on the audit report. We sought clarification and asked for reconsideration of conformity classifications where the auditors' conclusions were not sufficiently substantiated. Following review of the changes that were made by the auditors, we support the certification recommendation for Aperam Inox América do Sul S/A, Brazil.

The Assurance Panel's conclusions on the final audit report are as follows:

- The audit report contains sufficient detail to support an informed certification decision
- The supporting evidence and rationales given in the audit report support the auditors' conformity classifications
- The certification recommendation based on the audit report is conclusive

This statement has been approved by the three members of the Assurance Panel who reviewed the audit report on 16 January 2023.

More information on the audit process and the role of the Assurance Panel can be found in the ResponsibleSteel Assurance Manual.