



aperam

Made for life

Sustainability Report 2015



Overview

Our vision

Who we are, where we are going and how we're going to get there.

At a glance

A world-class business. Aperam's business divisions across three primary operating segments.

Message from the Chief Executive Officer



Strategy and performance

Materiality: How Aperam builds its Sustainability strategy and reporting.

2015 in numbers



People

Safety is always our top priority. Beyond this first duty to our people, motivating and developing our staff is a key item in our strategy, as was reflected in our 2015 actions.



Environment

Our new Sustainability governance drives change and ensures that we progress on environmental issues.

In 2015, Aperam met its 2020 energy intensity target already and continues with its environmental action plan.



Stakeholders

Aperam's name is based on the word "aperture" which means openness. This intrinsic value of the company is put in motion in the continuous dialogue we have with our many stakeholders. It helps us to be aware of risks and opportunities and to find sustainable and mutually profitable ways forward.



About this report

Assurance statement

GRI Index

Supplements

Methodology Supplements - United Nations' Global Compact reference; Report Materiality process at Aperam; GRI-4 Index for 2015 report and Disclosures on Management Approach (DMA).

About Aperam

our vision

We are a leading global stainless and specialty steel producer. Our vision is to constantly challenge the status quo in order to reshape the future of stainless and specialty steel to the benefit of our customers and stakeholders. We see ourselves as a young breed always looking for the next and best innovative solutions to current global challenges and changing consumer patterns. We believe that our steel products are integral parts of a sustainable consumer society and of this we are very proud. We stand firmly behind our sustainability strategy because we understand it is a key lever towards realising our business ambitions without ever compromising our values.

Our values also define...

At Aperam, we focus on what is important to us and we move forward at our own pace, transparently and confidently. We earn our successes thanks to our own efforts whose strength stems from our values: Leadership, Ingenuity and Agility.

When we commit to something, our organisation swings into action putting trust in our leadership because we have defined common goals. We have the agility of a young company and can adapt new ideas and solutions ingeniously but we also have the experience and expertise to be successful in these endeavours.

Our "Aperam Way" commitments

Our core values come to life through a variety of pragmatic behaviours and commitments, what we call the Aperam way.

(safety + sustainability)

(teamwork + diversity)

(proximity + exemplarity)

(transparency + reliable appraisal)

(competencies + employability)



Leadership



**Sandeep
JALAN**
CFO

"Our Leadership style is to energise and motivate our people so that collectively, Aperam produces the extraordinary results we are capable of while never compromising our values."

Ingenuity



**Nicolas
CHANGEUR**
Chief Marketing
Officer

"To me, innovation is about seeing things from different angles, expanding the spectrum of our possibilities, forgetting about what is considered as impossible... We overcome deadlocks by inventing new solutions – that is where Aperam ingenuity best comes into play."

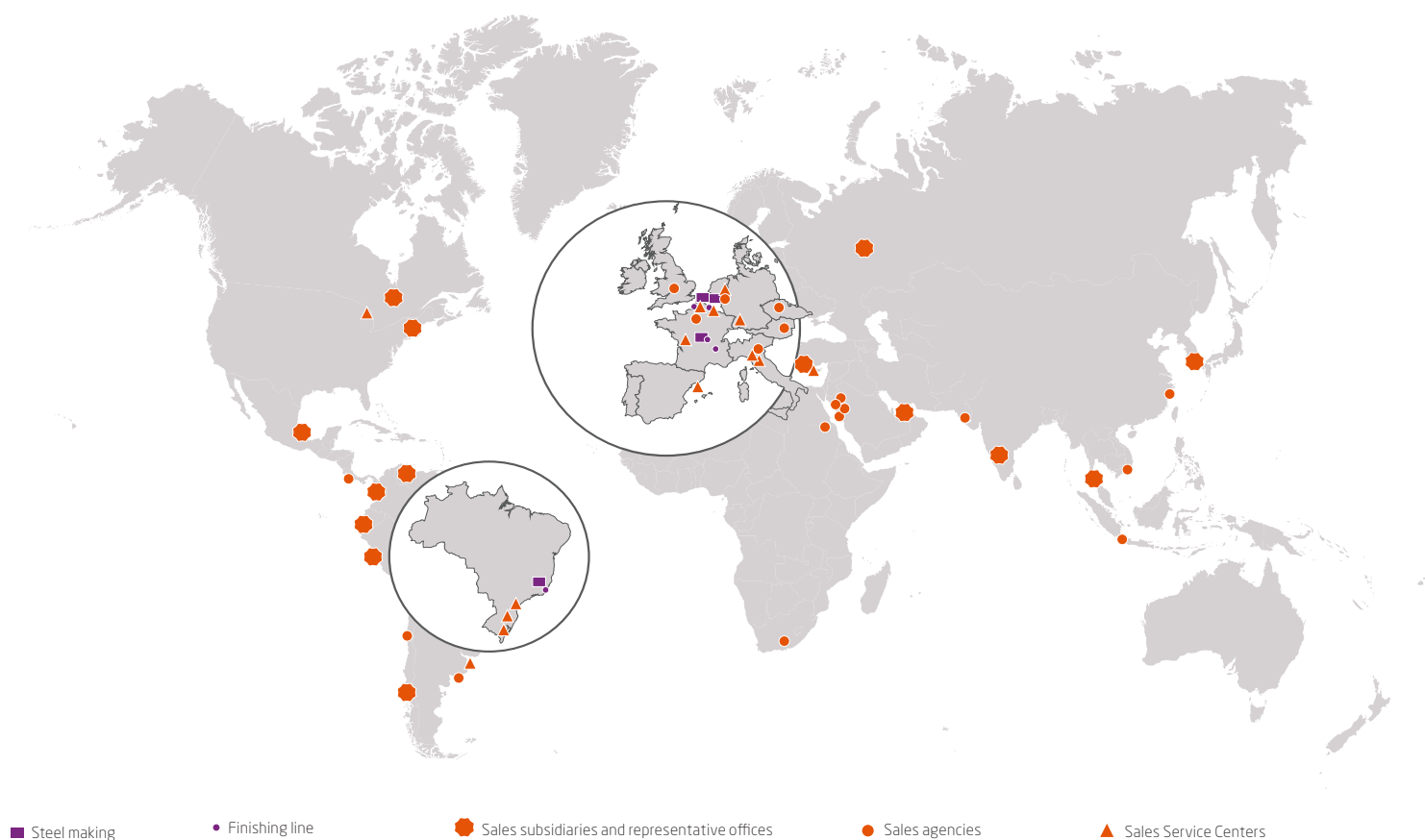
Agility



**Johanna
VAN SEVENANT**
CEO
Services &
Solutions

"Agility for us means not only an absolute willingness to adapt ourselves speedily to our customers' needs and provide great services by being flexible, it also means allowing our people to develop on career paths that aren't constrained – to flourish in the right direction for them and for Aperam."

At a glance



Public limited company based in Luxembourg with shares listed on the stock exchanges of Luxembourg, Euronext Amsterdam, Paris and traded in the US as NY registry shares over the counter.

9 522 employees (FTE)

50 nationalities



2.5 mt flat stainless steel capacity

4 melting shops: Châtelet, Genk (Belgium), Timóteo (Brazil), Imphy (France)

5 cold rolling sites: Genk (Belgium), Timóteo (Brazil), Gueugnon, Isbergues & Imphy (France)



BioEnergia's Charcoal production facility and eucalyptus forestry (Brazil)

(1) Differences between "Global Aperam" and the sum of the different regions and segments are due to all operations other than those that are part of the Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties operating segments, together with intersegment eliminations and/or non-operational items which are not segmented.

(2) Operating costs include R&D costs of \$18m for Aperam Group Company Profile (opposite page).

(3) Payments to providers of capital = Net Cash Interest paid to capital providers during the year, in line amount of interest paid stated in the cash flow statement of the annual report.

Aperam Global Performance

USD millions (unless otherwise stated) ⁽¹⁾	2015	2014	2013
Shipments (mt)	1,89	1,81	1,73
Revenues	4,739	5,485	5,190
Operating costs ⁽²⁾	3,655	4,259	4,141
Employee wages & benefits	555	681	705
Payments to providers of capital ⁽³⁾	26	65	76
Payments to government	70	67	62
Community investments	1	1	1
EBITDA	501	547	292
Economic value retained	439	393	194
Direct economic value generated	4,739	5,485	5,190
Economic value distributed	4,300	5,092	4,996

G4-EC1

Transparency ensures engagement and credibility

We are committed to fair, accurate and honest disclosure of our progress towards sustainability. This drives trustful dialogue with our stakeholders and contributes to elevating the standards of business ethics.

Aperam supports the claims for higher transparency and prompts for responsible business behaviours promoted by many stakeholders, amongst which:

- United Nations Global Compact
- Global Reporting Initiative
- Carbon Disclosure Project
- OECD Guidelines for Multinationals

Aperam based many of its policies on the highest Human Rights standards such as International Labour Office or United Nations Human Rights charter and is a signatory to:

- United Nations Global Compact
- ISSF Sustainable Charter
- WordSteel Sustainable Charter

More information regarding our business, and in particular all our policies, can be found on our internet site.

Check: www.aperam.com



Division Performance			Stainless & Electrical Steel		Services & Solutions	Alloys & Specialties
Aspect	Indicator		Europe: Genk, Châtelet (BE), Gueugnon, Isbergues, incl. Recyco (FR)	South America : Timóteo (BR), BioEnergia (BR)	Worldwide: - 13 Steel Service Centres - 7 transformation facilities - 19 sales offices	Worldwide: Imphy (FR) Amily (FR) Rescal (FR) Imhua (PRC) Indore-ICS (IN)
People	Own staff ⁽⁴⁾	FTE (EOP)	3053	3321	1939	1157
Shipments	Steel shipments	mt	1,18	0,65	0,77	0,03
Economic Contribution	Revenues	millions of USD	2,765	1,002	2,118	563
	Employee Wages & Benefits		257	97	122	67
	Payments to Providers of Capital ⁽³⁾		70	45	2	1
	Community Investments		0	1	0	0
	Payments to Government		23	24	12	6
	EBITDA		243	195	42	44
	Economic value distributed		2,571	882	2,086	520
Site Management System Certification	OHSAS 18001	% sites	100%	100%	90%	100%
	ISO 14001		100%	100%	55% (excl. Sales offices)	80%
	ISO 9001		80%	50%	95% (excl. Sales offices)	100%
	ISO 50001		40%	0%	1 Transformation Unit	0%
	Others	Total		1 site FSC ISO TS 16949		1 site ISO 26000 2 sites EN 9100

⁽⁴⁾ There are 52 FTE in our Luxembourg headquarters compared to 56 FTE in 2014.

Message from our CEO



Timoteo Di Maulo
Chief Executive Officer

"It is a great pleasure for me to present to you our latest Sustainability Report, similar in look to that of 2014 but full of new and inspiring stories. I strongly believe that this report offers a more comprehensive coverage of our sustainability strategy and key actions and also reflects the expectations of our stakeholders."

In the context of the highly anticipated COP21 Paris Climate Conference, we appreciated an unprecedented level of interaction with our external stakeholders. At the same time, on the Aperam side, we also conducted a number of surveys to collect feedback from our own people. I am happy to report that all these exchanges have proved fruitful. It is this very mix of dialogue and trust that we aim for because it spurs on our appetite for innovation and challenges.

As a consequence, in 2015, we gained more clarity on our stakeholders' concerns and were able to elaborate on our plans and constraints accordingly. Also, as we detailed our actions, some were noticed in the form of recognitions or awards, such as the ISSF Sustainability Award, the EcoVadis Gold label, or Oekom Prime rating which you can read about in more detail. This motivates our teams to progress even further.

Although our progress will be described in further details in the report, I wish to underline the key achievements of the year.

Let us start with Health and Safety, as we always do. At the same time that we report an improved LTIFR at 1.0, our entire Aperam family is grieving over the fatality that occurred in 2015. This shows us in the toughest way that only a true embedding of safety vigilance and a change of cultural mindset will bring the result that we aim for; a Sustainable Safe Company with "zero accident and zero injury". As a consequence, we have engaged all our employees to commit to and reflect on Health & Safety as our utmost collective challenge. They, in turn, have granted us their confidence and support.

Healthy dialogue and the improvements that stem from it are in evidence throughout this report. In terms of communications, we improved channels last year, with a blend of modern means and proximity rituals. Also, new programs were established to help our staff develop further and thrive through regular and fair appraisals, training and a new clear focus on quality of life at work. We care about our people and I believe our long term efforts are paying off. In Brazil, we obtained a Preferred Employer Award from the Guia Voce for the 6th consecutive year; we report positive evolutions of our climate surveys, proof of the support of our Aperam people. We are proud of these results and will aim for more.

Turning to the environmental side, Aperam achieved in 2015 its 2020 objective in terms of energy intensity and continue to progress. For instance, two more units have passed the ISO 50001 certification in France, and numerous initiatives are also mushrooming across the organisation to reduce our industrial impacts.

Let us mention the four windmills and the anti-dust equipment installed at our Belgian sites or the usage of blast furnace gas (a byproduct of our process) in replacement of fossil fuels in Timóteo (Brazil).

Unfortunately, technical challenges led us to reduce temporarily the use of charcoal in our blast furnace, which has caused our CO₂ reductions to stall - but, as the situation will be back to normal by mid-2016, we aim to resume our progress to a -35% CO₂ intensity reduction by 2020 (vs. 2007). Projects have been identified to further improve our environmental performance, and we hope to see results in 2016 soon.

In terms of governance, we continued the roll-out of our Compliance Program, training all staff on-site in local languages. We also upgraded our policies to prevent any risk and instructed accordingly targeted populations on specific topics (anti-corruption, money-laundering, data privacy to name only a few). Moreover, we have set up a highly efficient ESG (Environmental, Social, Governance) committee that demonstrates our commitment with the aim to ensure that our Sustainability targets are fully embedded in Aperam's Strategy and actions.

Indeed, we are convinced that our 100% recyclable, energy and resource efficient steel products are part of the solution to the environmental and social challenges that the world faces today. We support the global initiatives aimed at accelerating the transition and we are ready to do our share. Thus, we have responded to the transparency expectations of our stakeholders with the public release of the numerous policies explaining how we work, in our own Aperam way. We also hope that this report, with its extended disclosures, will further earn your support in our modest, yet faithful, path towards Sustainability.

Sincerely,

Timoteo Di Maulo
Chief Executive Officer

The Aperam Way

The way we do business at Aperam is guided by our culture which encourages teamwork, transparency and proximity.



Sustainability Strategy

Though still a young Group, we are proud as we watch Aperam grow as a sustainable, profitable company leveraging our values of Leadership, Ingenuity and Agility. These are not just words; they are at the core of our daily operations. This 'Aperam Way', now natural to us, is constantly reinforced by our commitment to a culture of teamwork, innovation, transparency and respect.

Logically, this means that the relationship with our stakeholders follows this same pattern. We aim to deserve their trust and our licence to operate.

Since early 2015 and the numerous exchanges that we had with our external stakeholders, Aperam has undergone a full review of its Sustainability organisation. This allowed us to further define and enhance our Sustainable Strategy alignment.

Re-shaping our sustainability strategy and governance in 2015

Beyond our Board of Directors who define business objectives advised by the Leadership Team, the CEO has ultimate accountability for sustainability performance and compliance.

At Board level, sustainability topics are now covered on a quarterly basis within the Audit & Risk Management Committee, which is responsible for ensuring the risks are well assessed, in particular with the long-term perspective suitable for Sustainability, and appropriately addressed. The Audit and Risk Management Committee reports its findings to the Board of Directors.

At management level, a new Environment, Social and Governance Committee was set up to take over from our previous Sustainability Steering Committee and accelerate progress. Comprised of six members, of which three are from the Leadership team, this committee is chaired by the Head of Human Resources, Communications and Sustainability. This committee proposes Aperam's Sustainability Strategy, validates our mid-term objectives, steers and monitors action plans and coordinates reporting activities. This senior management commitment and steering greatly supports our progress in our most material topics and makes sure that key messages cascade across the organisation.

Our G4-based approach to define what is material

Since 2013, we have adopted the G4 (G4 Sustainability Reporting Guidelines) standard principles to define in a structured and transparent manner Aperam's most material sustainability issues and their impacts.

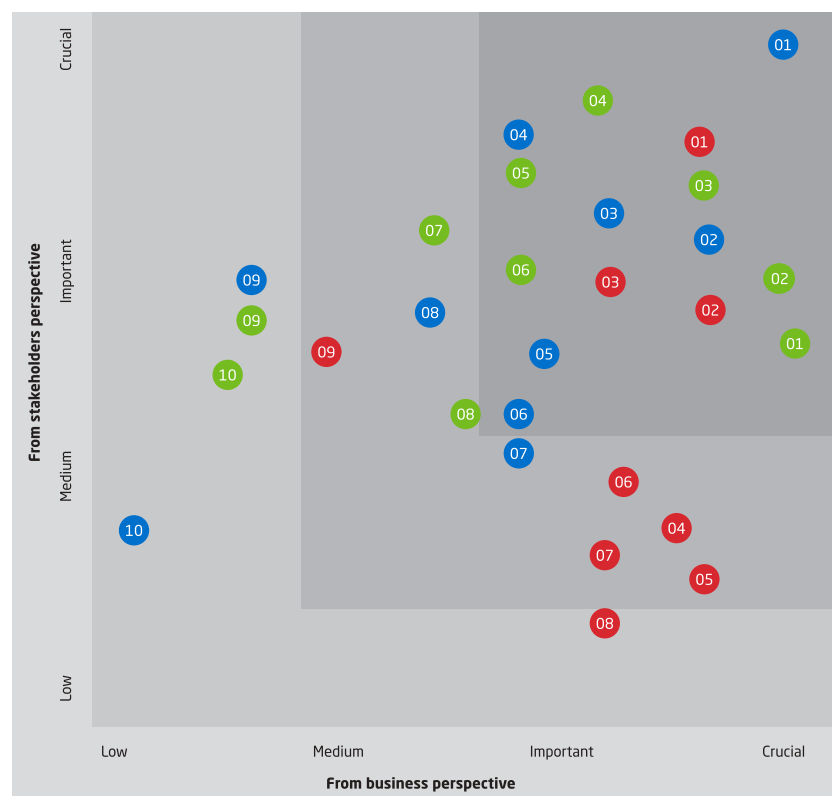
The materiality of an issue is determined based on its potential impact both on the Company and on our stakeholders. This assessment, based on a 4-level scale from minor to critical, is regularly reviewed, at least on a yearly basis.

In 2014, we had defined our materiality matrix based on our stakeholder dialogue

conducted at our 6 major sites, which was then completed with the input of our Sustainability Steering Committee, representing the headquarters' perspective.

In 2015, we decided to base our yearly assessment update on a direct survey of our closest stakeholders; our own people. We initiated a survey asking our people to assess the criticality of a number of topics and we confirmed that our efforts are correctly targeting those that are most important. Their five top priorities are: safety, health, employee motivation, air quality and customer satisfaction as the best way to sustainable profitability - which is very much in line with Aperam full matrix below.

Materiality Matrix



G4-19

People

- 01 Occupational Safety
- 02 Employee Engagement
- 03 Social Dialogue
- 04 Community Engagement
- 05 Competencies & Employability
- 06 Occupational Health
- 07 Supplier Labour Practices
- 08 Diversity & Equal Opportunity
- 09 Philanthropy
- 10 Data Privacy and cyber-criminality

Environment

- 01 Raw Material Consumption
- 02 Energy Consumption
- 03 Waste/Recycling
- 04 Air & Dust Emissions
- 05 Pollution Prevention
- 06 Water Consumption
- 07 Climate Change
- 08 Product Innovation
- 09 Transport Emissions
- 10 Biodiversity

Stakeholders

- 01 Sustainably Profitable
- 02 Legal & Fiscal Compliance
- 03 Customer Satisfaction
- 04 Anti-Dumping
- 05 Cash, Debt & Financing
- 06 Fair Business Practices
- 07 Economic Sanctions
- 08 Market Dynamics
- 09 Supplier Environmental Practices

Our sustainability strategy

Our sustainability strategy is a key lever towards realising our business ambitions without ever compromising our values.

Performance

2015 performance

Measuring 'how we do' is key for progress, for the quality of our products as well as for the sustainability of our management



For the Group					
Aspect	Indicator	Unit	2015	2014	2013
Occupational health and safety (G4-LA6)	Fatalities (all staff)	Total	1	0	0
	Lost time injury frequency (all staff)	/1,000,000 hours	0.98	1.12	1.34
	Severity rate (all staff)	%	0.07	0.11	0.08
Motivation (G4-LA6)	Absenteeism	%	2.26	2.03	2.05
Learning & Development (G4-LA9) (G4-LA11)	Training hours	Total	309,206	314,655	n/a
	Employees receiving regular performance review: exempts / white collars non-exempts	%	96% / 85%	95% / 87%	96% / 86%
Materials consumption (G4-EN2)	Proportion materials used that are recycled input materials	%	30.0%	28.0%	26.5%
Energy consumption (G4-EN5)	Energy intensity	(GJ/t)	12.8*	13.0	13.6
Emissions (G4-EN18) (G4-EN21)	Greenhouse gas (CO ₂) emissions intensity (scope 1+2)	tCO ₂ e/t	0.54*	0.48	0.48
	Significant air emissions (ducted dust)	tons	521.0*	441.8	400
Water consumption (G4-EN8)	Total water withdrawal	million m ³	22.1*	22.3	22.5
	Water withdrawals from local rivers	%	92%	93%	93%
Economic Performance (G4-EC1)	Direct economic value generated and distributed	USD million	4,300	5,485	5,190
Procurement practices / Local development (G4-EC9)	Proportion of spent realised with local suppliers at significant locations of operation (G4-EC9)	% of purchases	58%	62%	57%
Product stewardship, customer service (G4-PR5)	Results surveys measuring customer satisfaction (score)	Satisfaction (score/10)	7.4 (Europe) 9.2 (Alloys)	7.8 (Brazil) vs. 8.05 in 2012	7.1 (Europe) vs. 7.1 in 2011

* There are 52 FTE in our Luxembourg headquarters compared to 56 FTE in 2014.

Our Divisions progress at their own pace, respectful of their specificities and priorities



For the divisions						
Aspect	Indicator	Unit	Stainless & Electrical Steel		Services & Solutions	Alloys & Specialties
			Europe: Genk, Châtelet (BE), Gueugnon, Isbergues, incl. Recyco (FR)	South America: Timóteo (BR) BioEnergia (BR)	Worldwide: - 13 Steel Service Centres - 7 transformation facilities - 19 sales offices	Worldwide: Imphy (FR) Amily (FR) Rescal (FR) Imhua (PRC) Indore-ICS (IN)
Employees (G4-LA6)	- Fatalities	Total	1	0	0	0
	- LTFR (internal +external staff)	/1.000.000 hours	2.43	0.27	0.87	0.87
	- Severity rate	%	0.23	0.0	0.05	0.02
Motivation (G4-LA6)	Absenteeism	%	3.55	0.99	2.72	2.96
Materials consumption (G4-EN2)	Materials used that are recycled input materials 2015 2012	%	56% 59%	8.2% 6.1%	N/A N/A	42% 50%
Energy consumption (G4-EN5)	Energy intensity 2015 vs. 2014 2015 vs. baseline (2012)	(GJ/t)	-0.7% -7.4%	+ 3.1% + 4.1%	-8.3% -32.2%	+2.8% +14.5%
Emissions (G4-EN18) (G4-EN21)	CO ₂ emissions intensity trends (scope 1+2) 2015 vs. 2014 2015 vs. baseline (2007)	tCO ₂ e/t evolution	-0.6% -9.7%	+46.0% -47.1%	-5.7% -27.2% vs 2009	+3.0% +26.9%
	Ducted dust trends (2015 vs 2014)	tons evolution	+32.3%	+18.3%	N/A	-5%
Water consumption (G4-EN8)	Total water withdrawals m ³ 2015 vs 2014 m ³ 2015 vs 2012	% %	+3.5% -0.3%	-2.6% -4.4%	+10.3% -6.9%	+ 7.3% +3.7%
Economic Performance (G4-EC1)	Direct economic value distributed	Millions of USD	2571	882	2086	520
Procurement practices / Local development (G4-EC9)	Spent on local suppliers at significant sites of operation	% of spent	60,0% (65% in 2014)	48,0% (49% in 2014)	N/A	68,0% (71% in 2014)
Product stewardship (G4-PR5)	Customer satisfaction (result of survey)	Rating (/10)	7.4 in 2015 vs. 7.1 in 2013	7.8 in 2014 vs. 8.05 in 2012	N/A	9.2 vs 9.1



People

people first!

Our people are not only our first asset but also colleagues with whom we share true values and a common future.

This is a statement we often make because we believe it. And it is because we feel this way that we were all so deeply affected as we experienced this so serious setback; that in spite of huge efforts and generally positive trends, a fatality occurred last year.

Our 2015 headcount reports 9,522 own employees (FTE), of which 10% are exempts and over 98% permanent, and 439 FTE supervised workers. For all of them, Safety remains our non-negotiable priority and we have engaged in new ways and methods to prevent such a terrible tragedy as a fatality ever occurring again.

Beyond this first and foremost priority, motivating and developing our people is a key item in our strategy, as was reflected in our 2015 actions.



Health and safety

This is simply the top priority of our company and our first duty as an employer. This commitment is reflected in our culture and in all the programs which are there to foster risk awareness and shared vigilance for all at every moment.

Learning the hard way

On May 19 2015, during routine maintenance operations at the Electric Arc Furnace of Châtelet (Belgium) melting shop, one experienced Aperam employee fell from installations and, in spite of prompt rescue, succumbed to his injuries. At the plant, production was instantly stopped and immediate measures taken to address the grief and shock of employees. A committee was formed to analyse the causes of the accident.

Although it brings no relief, this fatality of a careful and esteemed colleague seems to be the tragic consequence of a momentary lapse of attention. To prevent such a terrible thing from happening again, Aperam is committed to further developing our 'shared vigilance' policy. We need to change our mind sets and embed vigilance so deeply so that our safety practices become as natural as **breathing**.

The full action plan is detailed further and builds on existing programs. Overall, we recorded a 0.98 LTFR in 2015 (versus 1.12 in 2014) and will continue to improve. **G4-LA6**

Indicator	2015 target	2015	2014	2013
Employee (FTE)	n/a	9,522	9,424	9,533
Fatalities - All	0	1	0	0
Fatalities - Employees	0	1	0	0
Fatalities - Contractors	0	0	0	0
LTFR - All	1	0.98	1.12	1.34
LTIFR - Employees	1	1.03	1.24	0.95
LTIFR - Contractors	Below 1	0.87	0.82	2.32
Absenteeism	2.0	2.26	2.03	2.05

G4-LA6

Voices

"Although this year's indicators display undisputable positive trends with LTFR at 1.0, I cannot be content as long as there is one person harmed working at or for Aperam.

We can use this terrible loss of a colleague in 2015 as a constant reminder that we can never do enough on this topic, that we have to continue relentlessly to do more and that we must aim for no less than zero fatalities, zero accidents."



Timoteo Di Maulo, Chief Executive Officer



Health & Safety 2015 Day in Genk

Our people are our greatest asset.

They are also our colleagues, with whom we share values and a common future. Their safety is our non-negotiable priority.





People continued

Shared Vigilance - Cornerstone of our H&S policy

1. "I practice **shared vigilance** when it comes to potential H&S risks. I immediately take the necessary precautions when I see a potential risk and alert others of the risk"

2. "I prepare a risk **awareness analysis** prior to starting any new operation"

3. "I **lead by example**. My behaviour, when it comes to H&S, is an example to others"

4. "I respect the **golden rules** and **fair play policy**"

5. "I am **accountable** for my own safety and that of others around me"

Aperam Leadership Team's call from H&S Workshop feedback newsletter.

After the shock

Deeply moved by the fatality accident as were we all, Aperam Leadership Team mobilised the entire organisation at once. Thus an unprecedented dedicated program was launched across the entire organisation, in addition to our usual Health & Safety yearly roadmaps. Starting July 2015 and throughout the fall, all Aperam employees, including permanent contractors, were invited to Health & Safety workshops.

The aim was to share and discuss the videos and testimonies collected after the tragic accident, acknowledging the collective emotion and using this to change mindsets. These feedback sessions caused our company to reflect upon our Safety attitude and captured more than 300 ideas and suggestions. All this material was then reviewed by the Leadership team to fuel their thoughts and define the way forward. Beyond the actions to be addressed by sites' local management, a series of actions have been set up at global level. We will:

- Strive to become a "learning" organisation with a real safety mindset. Use new learning methods and technologies so as to catch attention in ever-renewed ways, raise personal involvement and produce long-lasting results.

- Develop a safety attitude test in our staffing procedure

- Continue to reinforce our Golden Rules and Fatality Prevention standards communication actions, amongst which:

- > Safety cones (safety distance to be kept by workers from loads in order to avoid crushing or pinching at our workshops)
- > Videos for all serious occurrences in order to share with all staff and learn collectively

Our strategy and roadmap

Aperam's organisation for Health & Safety is built on a strong foundation of 100+ people dedicated to Health, Safety & Environment, driven by our Chief Technical Officer's leadership and covering all of Aperam.

To reinforce the priority of our commitment we have woven into our daily rituals that all meetings start with a significant Health & Safety focus. This also applies to our Leadership Team's meetings and to any management seminar.

Our 2015 roadmap was the following:

1) A 2015 versioning of our generic Fair Play Policy in the form of a massive Training program aimed at all staff with management responsibilities, from shift leaders to plant manager. Conducted in a "coaching mode" to develop autonomy and interactions, this training was intended to help leaders understand the need for a profound change and to provide guidance on how to foster and strengthen this transformation with their own teams.

This program also encompassed tips on how to deal with breaches from team members, how to sanction recurrent risky behaviour and how to recognise and promote exemplary safety mindsets.

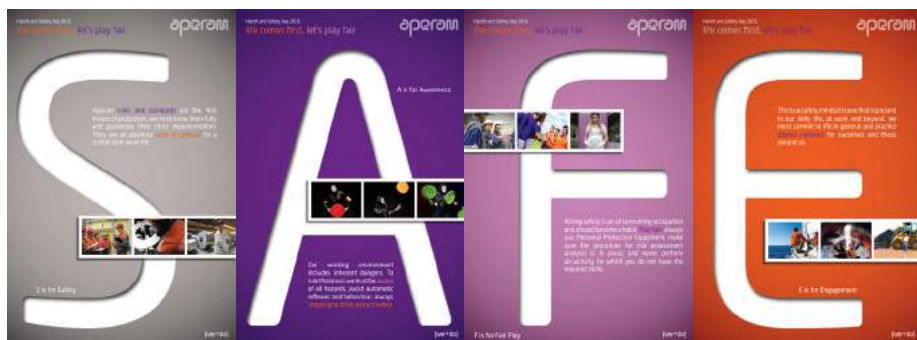
2) A systematic focus on "near misses".

These cases, also called "serious occurrences" or "potential significant incidents or fatalities" (PSIF) can be used to raise awareness and work on prevention, especially in detecting under-estimated risks. According to our procedures, PSIF have to be reported centrally in the first 48 hours, with their root cause analysed and corrective measures proposed in the following four weeks. All are discussed with our H&S network the following month. In 2015, 14 PSIF cases were recorded. This process led to a series of new preventive measures. For example, following a spill of hot metal that damaged cable tunnels in Timóteo (Brazil) melting shop, a systematic review was made regarding the cables that may be at risk of hot metal spills, sparks or other ignition sources.

3) A preventive thorough scrutiny over "grey areas" and risk assessments reviews.

Operational excellence requires a continuous improvement of our methods and organisation, but also adaptation of workstations so that they are safer and more efficient.

A bottom-up process including blue collar feedback started in 2015 with the aim of workstation safety optimisation. An inventory of all "grey areas", identified based on our new standards, was organised in each plant. A continuous monitoring of the new safety solutions designed and the implementations is now in place for all our facilities.



"S is for Safety, A for Awareness, F for Fair Play and E for Engagement"
Health & Safety Communication Campaign 2015

Energising our staff

The first of our Safety Golden rules states that: "I will come to work in a fit and able condition". It is a prerequisite to be able to assess risks and follow safety instructions, and it is also a prerequisite for quality work and a sustainably successful company.

Health awareness

A wide range of local initiatives are in place to make sure that this golden rule applies everywhere at Aperam.

A good initiative example is the usage of the "Agile" internal newsletter, released every two months in Gueugnon (France) in a digital French version that is also posted in workshops to gain the maximum audience.

In order to raise the awareness of its 700 potential readers, each release of this newsletter communicates on projects, production and commercial successes. It also contains one dedicated chapter prepared with local medical staff to tackle various topics on risks pertaining to health and on good practices.

So, in addition to the April special issue, which was fully dedicated to Health & Safety day, the 2015 topics were: breathing and lungs (with tips on when to consult a physician), hearing, dietetics or coronary diseases, including emergency procedures. During the summer, risks related to bathing and swimming were also tackled to protect not only our employees but also their relatives and children. Overall, this newsletter is an efficient way to raise a manyfold awareness on health and safe behaviours.

In Brazil, Health programs are manyfold. For example, to prevent the spread of mosquito generating dengue or Zika, Aperam contributed to raising awareness, cleaning areas to eliminate nesting spots and also fought with specific thermal fog guns to atomise insecticide with more efficiency. For the fogging only, Aperam expensed over 12,000 USD for a campaign to last until the end of May 2016. In parallel, we launched a multifaceted campaign "We Practice Health" targeting employees and their relatives. It promoted prevention practices (sports, dietetics, ..) and ran as a pilot program the individual monitoring of 241 chronic cases. Thanks to this personal follow-up, 100 of them reduced their health care needs. The program will go on in 2016.

Voices

"Receiving such a positive result makes me feel very glad in my first year as COO of Aperam South America. The yearly evolution shows progress and reaffirms our position among the best companies to work for in Brazil.

I see this as just the beginning of a trajectory because first place is not far away and can be ours in the future."



Federico Ayres Lima
Chief Operating Officer Stainless & Electrical Steel South America



Personal health is also linked to the ability to sustain contemporary work paces with a mind in peace. Knowing this, Aperam avails teams with the right range of tools to adjust their organisation, prevent or alleviate stress or turn into positive energy, and identify risks of over-exposure.

Quality & balance of life

Based on the sound principle that prevention is better than cure, Imphy Alloys have developed a tailor-made training module in partnership with the professional training public institution of the region (GRETA 58).

71% Satisfaction rate

(vs. 68% in 2011 and 2009)
Global survey made in 2015 for all exempts.

Our third survey collected an excellent response rate of 78%. With a 71% satisfaction rate, figures demonstrate clear improvements. This is encouraging because it reflects the actions undertaken and confirm that we can realise more.

Some of the positive take-aways are linked to Aperam identity and strategy, in a context of which could have been fragilised by the challenging market conditions: 81% of respondents are generally optimistic about Aperam's future, which shows a trust in our management and in our strategy to rely only on our own efforts to become more resilient.

Some areas of improvement were also identified. There, we have not only transparently reported on these areas but we have also put in place a concrete action plan to address them.

Not everybody thought that we would act on the outcome of this survey - in fact, it was one of the survey questions - but we are proud to say that we have.

One of the best employers in Brazil in the steel industry



For the sixth consecutive year, the guide "Best Company to Work For" in the Brazilian magazine Voce S/A highlights

Aperam Brazil performance. Indeed, Aperam won 79.5 points to reach the 3rd place in the steel sector - and it now aims even higher!

In addition, the results of the annual Brazilian climate survey concluded to an 82% rate of employee satisfaction.

These results demonstrate that Aperam is successful in making the company increasingly welcoming and stimulating for its employees.



People continued

Since November 2015, four groups of participants have attended this brand-new 7-hour training and pioneered these specific tools and methods aimed at recovering a sense of serenity. The range of techniques presented covered cardiopulmonary synchronisation for a greater coronary balance, live tests via a dedicated software to help adjust and control breathing rhythm, flash recovery and relaxation exercises, as well as positive thinking and visualization.

Building on this success, this homemade training will be further rolled out in 2016, with 40 more trainees expected.

Considering the importance of a good quality of life at work, Aperam has decided to enter into a pilot experimentation. In 2015, beyond the legal demands and the common practices such as measuring employees' satisfaction, a program "Accord Qualité de Vie au Travail" will be deployed on the full French perimeter by the end of 2018, based on two strong principles: prevention; and shared vigilance, so that all staff feels concerned. Each entity will tailor the actions to the site's specificities, (in liaison with a committee of experts specifically trained for that purpose and comprising employee representatives), proposing stress prevention sessions or encouraging employees to disconnect after normal working hours, for example. This pilot will be continuously monitored with clear indicators and discussed at National and Group level, opening the door for further progress looking ahead.

While taking care of our people is our top priority, we also have to invest in their development in our own Aperam Way, based on team-work, respect and transparency, in order to make our future together a common success.



Timóteo plant (Brazil)

Voices

"The conclusions of our workforce planning analysis are very clear- many of our skilled people will retire in a near future! To mitigate this issue, we have decided to create an internal school to accelerate the skill transfer – a short term focus for a long term vision"



Jean-Christophe Trontin
Alloys Imphy Plant Manager

Employee development and employability

With the objective to continuously improve motivation and performance at all levels, an annual "Global Performance and Development Management" (GEDP) process ensures transparency, mutual respect as it captures learning needs and development opportunities with the workforce. Not only does it allow us to define the best possible individual solutions, it also ensures proper monitoring of the global competency planning for Aperam.

In 2015, 96% of Exempts, 85% of Non-Exempts White-Collars and 65% of Blue collars participated to this new iteration of the process. (LA-11)

Aperam Alloys Internal School - EMA (Ecole des Métiers des Alliages)

Since 2012, the EMA internal school provides trainings at our French Alloys & Specialty site of Imphy. Initiated to strengthen the skills of a few selected production operators by a 1-year degree course, this program got reshuffled in 2015 and opened to all joining production operators.

To address the needs of both the individuals and the Company, three topics were covered. The first dealt with Aperam Values & Culture, with focus on Team Management processes, Quality Management Systems as well as shop-floor visits. The second provided Metallurgy education, with theoretical trainings in addition to on-the-job experiences. A last set of generic courses encompassed problem-solving methods and teamwork, as well as a much applauded Economics course based on a serious game: "my small business", which triggers entrepreneurial and innovative values.

In 2015, 109 employees have benefitted from EMA courses - some for up to 57 hours ! - and a total of 2,166 hours of training was recorded. In 2016, EMAs offer should be extended to all employees, for a program of core skills in line with the unit culture and one brand-new course, "Health at Work".

Our policy states "Fulfilling our "Made for Life" brand promise requires an ever-renewed outstanding technical mastery and executional excellence". So in 2015, Aperam reported 309,206 hours of training for a total amount of 4,9 million \$. The total number of training hours is similar to 2014 but the total cost of training is impacted by the €/€ evolution. (G4-LA9)

2015 Training follow-up

TYPE	2015		2014	
	Hours	Cost k\$	Hours	Cost k\$
Belgium	42,642	2,667.1	41,016	3,193.5
Brazil	186,788	868.4	193,984	1,232.9
France	56,481	979.7	55,384	1,173.1
Germany	2,965	94.2	1,880	112.8
Italy	3,831	39.9	4,579	47.8
RoW	16,500	234.5	17,812	280.8
TOTAL	309,206	4,883.8	314,655	6,040.8

Aperam Consolidated, Total of external training hours and spent reported, without internal costs. (G4-LA9)

Providing continuous skills enhancement for an entire workforce necessitates the right organisation. Needs have to be based on workforce plans, company's expected skill gaps and individual appraisals. Also, training services have to be monitored to combine quality-for-value, long-term efficiency and lower administrative burden - all without jeopardizing production planning.

Training platforms

In 2015, a training platform was set up in Isbergues (France) to federate the 15 local establishments, centralise needs and resources and simplify the follow-up for the French perimeter. Based on the payroll software, a specific tool was built to facilitate the process.

Since then, some 350 team leaders can access the 200-trainings catalogue daily, fill in their staff needs and check history and status. On their side, Human Resources will be able to consolidate needs more simply and review them against priorities for final validation before the year starts. One of the main challenges is to continue to improve the system, which facilitates a rigorous gap analysis of actual trainings versus plans and allows for easily-made follow-ups by gender, status or age, as needed. These data will be analysed during monthly meetings led by the Training Platform experts with their customers, the local Human Resources teams.

For its first full year, over 58,500 hours of training were reported for France. This is a real success considering the colliding updates in national legislation and the significant change management to be conducted. In addition, a 'brush up' of some training programs was carried out. For example, a 3-year set language course was built with the aim to guarantee the skills improvement thanks to an innovative blend of methods (online/ physical sessions). Also, specific modules on Finance (a 2-day course "Basics for non-financial professionals") or soft skills for managers have been tailored to our business specificities in order to promote Aperam's culture.

In 2016, training efficiency indicators will also be rolled out to optimise the ROI (return on investment) for both for the individual and the Company. Finally, employees will gain access to training history and complete training online assessment. More features will allow reduced administrative costs.

On-the-job learning & development

At Aperam, we believe that learning is an everyday task and part of everyone's job. So, beyond formal trainings, we promote on-the-job learning and versatile experiences to build strong skills sets, enlarge people's vision and spur innovation. Moreover, this also enhances our staff employability, within or out of Aperam, broadening their scope of opportunities.

Different programs are tailored to the needs of our employees. Beyond local induction programs for joiners, we also run curriculae to allow non-exempts to grow and develop into exempts. We have recorded 15 such evolutions worldwide, in 2015.

Voices

"Using the Combined Assurance department as a training ground to develop future leaders is a strategy successfully implemented by cutting edge companies. This project is since 5 years successfully deployed in Aperam where already 4 persons went back to the business, taking high responsibility jobs. And currently this project will be reinforced, also thanks to the support of our CEO, with new young talents joining Combined Assurance."

Lieven Houben,
Head of Combined Assurance

We also arrange "Short-term assignments" for those of our professionals (Talents) who wish to thrive and mature through a six-month expatriation period. In 2015, we implemented 2 Short-term and 2 Long-term assignments and we hope to raise the number of participants in 2016. We also have Career Acceleration projects, with temporary missions in the Combined Assurance function for an on the job training on internal Assurance, Risk Management and Fraud Prevention, Detection & Investigation; or on special projects. Mentoring programs for senior employees willing to coach younger colleagues also complete the offer.

In short, we encourage anyone in our organisation to aim for management positions, or change field of activity. In such case, they are provided with learning opportunities and training courses.

★ Careers: from Operator to Manager



"My name is Glautiere. I have been working at Timóteo plant since 1997, first, as intern in Melt Shop Department, until I graduated as Chemistry Technician. On August 3, 1998 - a special day for me, I was hired as Melt Shop operator.

In 2001, I started a degree course to become an Environmental and Sanitary Engineer, and started to study English. Working hard at Aperam in parallel, I was offered new opportunities and became main operator of secondary Metallurgy (Ladle Furnace and VOD1 operator). In 2008, two years after my graduation, I have been selected as the first Timóteo employee to participate to the Group's (then ArcelorMittal) International Talent Program.

For 6 years, I have been working as an Environmental Engineering Specialist until I was appointed as a Safety and Environmental Manager for the full plant, with responsibilities for a team of nine.

And now, I have started to learn French!"



Rolinox team, Champion of Aperam South America Continuous Improvement Seminar in 2015



People continued

★ Careers: from Interim to Executive



Some career paths are inspiring examples. See Laura's...

Having joined the group as interim receptionist

in 2001 in Milano (Italy) Service Centre, Laura promptly showed a swift thinking and perfect efficiency that led local management to hire her as Junior Credit Controller. After a successful path in that field, she started the one-year curriculum to pass exempt. Then, Laura decided to go to night classes in Economics (5 years!) so as to graduate and prepare for further opportunities. In 2009, she became Italy Country Credit Manager. Then, she expatriated in France in 2012 to take over Service & Solution's Credit Management coordination. To keep on developing, Laura took the risk to change functions in 2014 and joined Headquarters' Human Resources, a different field to learn and adapt - and so she did. Today, Laura proudly stands amongst Aperam's top 100 executives as Manager, Head of Aperam Compensations & Benefits and International Mobility, to demonstrate what is possible.

A balanced and diverse workforce

As reflected in policies and code of ethics, Aperam promotes equal opportunities and commits to fairness in employees' treatment, so that career developments be only linked to personal performance: we do not tolerate any kind of discrimination. To be able to unlock their full potential of innovation and teamwork, we need a staff at peace, that is skilled and reflects the diversity of our base population.

We are happy to report that women are well represented in the company, 20% of Exempts and 10% of overall workforce. Likewise, our diversity is also linked to the blend of generations and talents. Our staff average age is 42 years old (45 in Europe, younger in Brazil), which is a topic that we have to tackle, and this also explains why we encourage apprenticeship.

2015 Aperam total workforce

TYPE	Gender	Full-Time	Part-Time	TOTAL	Exempts	N-Exempts
Permanent Contract	Female	993	113	1106	197	909
	Male	8143	127	8271	775	7496
Fixed-term Contracts	Female	14	0	14	0	14
	Male	131	0	131	0	131
TOTAL	All	9281	240	9522	972	8550

Aperam Consolidated, Total of Full-Time Equivalent employees, End of Period. (G4-10)

In Brazil a program was initiated to allow the different generations to interact within the company. Each generation has different characteristics and Aperam wants to leverage and enhance the diversity of experiences and attitudes.

So, in 2015, some of the workshops gathered retired employees and future pensioners, to help them plan this major life change. Others focused on the generations Y and Z to understand their logic and perception of the company. As Claudio Zanetti, 56, a financial analyst who belongs to the category of Baby Boomers and works in Belo Horizonte (Brazil) puts it, "With different perspectives, we can drop the old methods and find new ones leveraging new technologies of behaviours for improved efficiency." He advocates, as the Company does, the blend of people of different generations to spur continuous learning.



Enrolling trainees in Brazil

Step up to the professional ladder

One of the mutually profitable way for young people to integrate smoothly into the complicated world of work and for the Company to source the skills and energy it will need is through trainings and apprenticeship. As a result, these learning paths are increasingly promoted by local regulations. Aperam is often engaged with local educational institutions and partners on such patterns.

A blend of talents

20% of Women

In Aperam Worldwide Exempts

30% of under 35_{y/o}

50% nationalities

In Aperam Worldwide Workforce

Voices

"Our sector does not have a fair image, externally, but our people know that our work is often thrilling. We try to leverage this passion, identify talents and promote in-house growth opportunities to our people.

This is all the more so important knowing that our age pyramid will soon deprive us of experienced staff. We need to breed the qualities of our future leaders."



Bert Lyssens
Head of Human Resources,
Sustainability & Communications

Indeed, as we reported in our 2014 report, last year witnessed the commercial repositioning of our Gueugnon operations (France) and the design of their strong capacity building plan. So, in 2015, in addition to the 27 workers recruited (of which 22 were former interim employees), 25 applicants were selected for the kick-off of a dedicated 1-year apprenticeship program, including a combination of theoretical and operational learnings and the support of dedicated Aperam local tutors. This degree course, organised with the French Metallurgy Federation (UIMM), alternates one-week lecture period at school with a 3-week on-the-job training at Aperam's rolling mill or finishing workshop.

The 450-hour annual course gathers technical classes on mechanics, hydraulics or automatisms but also generic sessions on writing and speaking skills. Naturally, the key topics of Safety, on the one hand, and Aperam key business practices, on the other, are thoroughly covered. As a result, in 2015, 25 individuals from 21 to 48 years old have benefited from this launching or conversion experience. After due report defines, the first class should integrate Aperam payroll in June and the second in November 2016. Another team of candidates is being selected for full-time integration in June 2017.



Aperam Gueugnon apprentices (1st team integrated in May 2015, second team would join in November).

In Brazil, a similar program is in place and 60 new participants have joined the 2015 sessions. Amongst these, 20 are Aperam BioEnergia's apprentices in Agricultural Machinery Maintenance, in partnership with the (near-by) Senai School of Agriculture.

Curriculum was jointly discussed with Aperam and responsibilities are shared: Senai avails instructors and teaching materials and Aperam tools and on-the-job trainings. "Instead of using a lab, students practice within our plant.

Contacts with real situations and interactions with employees make the learning experience both more efficient and more exciting," says Flavia Magalhaes, HR analyst BioEnergia. As a matter of fact, trainees benefit from 750 hours of lectures or practice.

Aperam BioEnergia produces charcoal, which will be used as a coke substitute in Timóteo plant's pig iron production thanks to a fully mechanized process (from planting to extraction of eucalyptus tree). Therefore, the overall production efficiency depends on the reliability of equipments (tractors, excavators, shovel loaders), so having skilled machinery maintenance specialists is key. This program represents also an opportunity for a region with a high unemployment rate.

At Aperam in Brazil, eight apprentices out of ten in average, get a job offer at the end of the program.

Socially Responsible Reorganisation: Follow-up of 2014 report

Isbergues: After a large redundancy plan in 2006, 223 more jobs were cut in 2011. Beyond the individual packages, a 1.2m€ local revitalisation agreement was initiated.

2014 status: 203 jobs creations were reported, against the 223 revitalisation plan target.

> In 2015, due to the difficult economical context and the closure of our revitalisation agency, only 14 new jobs were created. So finally, a decision was taken with the Mayor and local government to allocate the unspent money from the initial fund to the urban area, for a river port project - the employment impact assessment is in progress.

> **Final status:** 217 jobs will have been created since 2012 (without the river port) and 1.2m€ spent ; links with local authorities further improved.

Firminy: The site closure was decided in 2013 but personal cases were already being analysed and tackled before the final decision was taken.

2014 status: 64 out of the 71 employees impacted had a permanent employment solution.

> In 2015, the 7 outstanding cases benefitted from 75 training hours, including personal coaching and one degree course. In the end, 4 cases had reached a satisfactory outcome.

> **Final status:** Some 1000 training hours (incl. 2 degree courses), 27 relocation allowances, 14 pre-closure external reassignments and 5 business start-ups were reported. At the end of the support program, 3 people still had no permanent solution but local authorities have recognised Aperam's full commitment.



Aperam BioEnergia apprentices to graduate in June 2016



Environment

sparing resource & spurring ideas

Although 2015 may remain as an historical starting point, with the unprecedented positive outcomes of the Paris COP 21 negotiations, mitigating our environmental impact is not a new topic to us.

Voices

"After a year of study, we are happy to start 2016 with a clear roadmap, the financial means and the management commitment to go one step further."



Bernard Hallemans, Chief Technical Officer

As an energy-intensive industrial (Iron & Steel account for 4% of the Global 2005 CO₂ emissions according to the World Resource Institute), environmental consciousness is a duty to the public-at-large and a trigger to our sustainable profitability.

Reducing our industrial impact

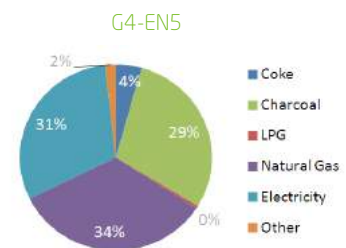
Metallurgy is a heavy industry requiring huge power and hazardous substances to transform raw materials into the precise blend of alloys requested by our clients. Together with cost awareness, this has resulted in a specific mindset, where resource efficiency is seen as "second nature". Aperam has always been systematic in its efforts to optimise the efficiency of processes independently from evolving regulatory standards. Resource efficiency topics rank high on our priority list and also encompass key areas such as waste management or recyclability.

Primary resources

As any metallurgy industry, the stainless steel production process requires various extractive materials, coal and iron ores, Chromium, and Nickel but also Molybdenum, and others such as lime. These are expensive materials, sourced from a few mines in the world only and subject to a high price volatility. Currently, these materials are usually not considered at risk of mid-term depletion, especially as technologies allow deeper extraction. Because the characteristics of various grades, as well as energy intensity, depend upon the right dosage of these different expensive ores, consumption of raw materials is monitored closely and key to profitability and product quality. Also, as primary materials are more expensive than scrap, for companies as for the society at large,

usage of recycled materials is actively promoted by the industry.

2015 Energy split (%)



Regarding our energy mix, we can report that 29.4% of total energy consumption was from renewable sources in 2015, namely charcoal, with very limited usage of fossil fuels such as coke or coal. This result, although impressive, is lower than that of 2014 (36%) because we had to switch back to coke in one of our Blast Furnaces during a period starting in November 2015 and expected to end by mid 2016.

Technical challenges led us to this temporary solution but we believe in charcoal as an efficient and sustainable substitute to fossil fuels and will do our most to promote it. Indeed, we follow the best standards in our charcoal production patterns: our forestry is recognised as one of the best managed in Brazil and it is FSC-certified every year. Moreover, we do not use any fuel but wood, in our charcoal making process (except for transportation).

EN5 EN6 EN18 EN21 EN23 EN8

Indicator	Unit	2020 target	2015	2014	2013
Energy Consumption	GJ/ton crude steel	-5% vs. 2012 ie target of 12.9 GJ/t	12.8*	13.0	13.6
CO ₂ emissions	t/crude steel	-35% vs. 2007 ie 0.48	0.54*	0.48	0.48
Dust emissions	t and g/tcs	-12% vs 2015 in intensity ie target of 211g/t	521.0* 240 g/tcs	441.8 213 g/tcs	400.0 211 g/tcs
Wastes - all	kt	Zero waste for landfill	103	110	80
Wastes: hazardous	kt	Zero waste for landfill	35.8	54	29
Wastes: non-hazardous	kt	Zero waste for landfill	67.2	56	51
Water intakes	(million m ³)	-5% vs. 2015 ie 21.5 millions m ³ t	22.1*	22.3	22.5

Improving our environmental performance

We are committed to reducing our impact on the environment and using finite resources wisely. We have identified our most material issues and set relevant objectives for all our sites.



Environment continued

Energy reduction

Aperam is involved in an energy efficiency programme with a -5% target in intensity reduction in total energy consumption by 2020 (from a 2012 baseline). In 2015, we have over-performed our 2020 objective, achieving 12.8 GJ per ton of crude steel* (with 8.5mGJ in indirect and 19.2mGJ in direct energy consumption). We will focus to retain this performance and may even re-consider our objectives for 2020 and beyond. **G4-EN5**

To reach such good results, our largest production sites need to make substantial changes in the way they operate. The revamping of large installations generates energy savings, but these are costly measures and long-term projects that cannot be operated in all our plants in one go. To sustain the momentum, some sites are deploying a continuous improvement process under the ISO 50 001 framework.

In 2015, leveraging on the experience of Aperam's Gueugnon plant, three additional sites have undergone this virtuous exercise, targeting again around -5% absolute value reductions for 2016. Thus, supported by the regional Chamber of Commerce and benefiting from workshops with other industrial companies organised with AFNOR certifying agency, Aperam Precision rolled out a full program in nine months. Starting April 2015, indicators have been reviewed in order to decorelate energy consumption from external factors such as occupying rates or weather conditions with the aim to allow swifter reactions. Operating modes have also been revised, altering shutdown and restart procedures. Last but not least, the ZR4 cold rolling mill revamping (one of the local biggest tools) brought some 50% energy savings to the tool. Aperam precision have received the ISO 50 001 certificate early February 2016 and have plenty of actions planned: they count on a new 5% decrease in absolute energy consumption for 2016.

Isbergues has been even quicker: receiving its certification in October, for a perimeter including all the LC2I rolling mill tools, R&D and administrations. After several years of energy-savings programs, plans for 2016 focus on actions raising awareness as well as scrupulous capture and monitoring of all local consumption. The objective is to decorelate consumption from those of the few companies hosted on the site and to react more quickly. Also, Recyco is studying the feasibility of transforming the heat generated by its furnace into power, in partnership with the Chamber of Commerce and a specialised firm.

In Brazil, a new Energy Management System was deployed in 2015. The Viridis ('green' in Latin) software, targeting a substantial reduction in absolute value in primary energy consumption (vs. 2014), is now monitoring the energy efficiency of the entire plant. Currently rolled out with the appropriate routines to control power and send real-time alert in case of over consumption - it will also be configured in the future to cover charcoal and coke.

On top of that, local teams are studying a change in the production pattern: replacing 70% of natural gas used for heating the refractory in the steelmaking process by blast furnace gas, a by-product generated during the production of pig iron. This project is expected to generate significant savings both in financial and energy terms. Works are already underway and significant benefits should be observed as from 2015. As a result, 42,000 GJ of fossil fuel energy was saved in 2015, thanks to the nine ladle heaters (out of 12 planned) already converted in the course of the year.

GreenHouse Gas Emissions (Scope 1+2)

35%

Targeting a 35% cut in CO₂ intensity by 2020 (2007 baseline)



Installing wind mills at Genk plant (Belgium) in 2015

CO₂ price

15 USD \$/ton

Is the internal price set up by Aperam for a ton of CO₂ emission

Lowering CO₂ emissions

Mitigating scope 1+2 emissions

Aperam has committed to a -35% decrease in CO₂ intensity (scope 1+2) versus 2007. As a matter of fact, our carbon footprint is substantially lower than worldwide sector average. This is due to our extensive usage of charcoal in replacement of extractive coke in Brazil, on the one hand, and to the fact that our European plants are relying on recycled stainless steel scrap input material melt in Electric Arc Furnace, on the other hand. Our 2014 CO₂ intensity was 0.48 tCO₂/ton of crude steel, compared to 0.98 standard stainless steel ratio from Stainless Steel syndicate ISSF. In 2015, our emissions have risen to 0.54 tCO₂/ton of crude steel* due to the temporary reduction of charcoal usage as a coke substitute.

G4-EN18

However, to materialise the importance of this topic, we also decided to allocate a 15 USD/ton value to CO₂ emissions that will have to be assessed in the profitability analysis needed for the validation of any investment file. This will help the Company to orient its resources to low-carbon solutions.



BioEnergia's forestry and charcoal

Starting to tackle our scope 3 emissions

As we started to evaluate our scope 3 impact in the course on 2015, Transport soon appeared as very significant. For Aperam, first estimates of the CO₂ emissions linked to freight transportation amount to over 20% of our (scope 1+2) emissions, with large differences in performance and improvement opportunities depending on regions.

Moreover, we are aware of the general impacts of freight on safety, especially those pertaining to trucks: truck accidents are infrequent but they foster more severe consequences (we will come back to this point in our Stakeholder section). In addition, beyond road danger, the social impacts of transportation also encompass the noise generated, urban congestion and the loss of time.

Taking all these elements into account, we have decided to enrich and disclose our transport policy to build on our current processes and clarify our way forward.

We aim to promote the best social and environmental standards and will engage with our partners carriers on these topics. In addition, we plan to report in a global consolidated manner a series of metrics that we follow internally to monitor the efficiency of our logistics.

These indicators, to be disclosed in 2016 report, are:

- > Estimated split of ton-kilometers by transportation mode
- > Trucks average loading
- > Eco-driving or quiet-driving training hours at Suppliers (Trucks)
- > Number of safety audits realised at sites' entry checkpoints (Trucks)



Black Coils on wagons around Châtelet (Belgium)

This policy is being converted into regional guidelines that will take into account the diversity norms and transport in infrastructures around the globe. These guidelines will come into force throughout Aperam in the course of the first semester of 2016. In 2015, we can already detail for our Stainless & Electrical Steel Division in Europe the following data for the transport of semi-finished and finished goods:

- Estimated split of ton-kilometers: Rail 63%, Road 31%, Sea/Rivers 6%
- Trucks average loading: 22.3 tons (91% of reference maximum load of trucks 24.5t)

Given our products' weight and size and our global customer portfolio, loading and route optimisation have been given much thoughts already, but we keep on testing ideas. Thus, we are discussing with our partners to change the invoicing pattern and pay rail transport per train (and not per kilometer). The idea is to further enhance our loading rate by leveraging the excellent coordination of our production planning with our logistical services. Likewise, we have encouraged units to make use of local infrastructures and low-carbon solutions. For example, in 2015 we rewarded one unit for using waterways for 92% of their volumes shipped, up by 8 points versus 2014.

Obviously, not all Aperam units are located near waterways -or railways-, but all of them are trying to maximise loading and to avoid, wherever possible, empty return trips.



Using water wisely

Aperam operates in areas with no hydric stress, except for our Forestry unit. So BioEnergia decided in 2015 to partner with UNILESTE (a University Research centre) on a new 3-year hydric monitoring program covering the eucalyptus silviculture full-life cycle.

-5%

Water intake

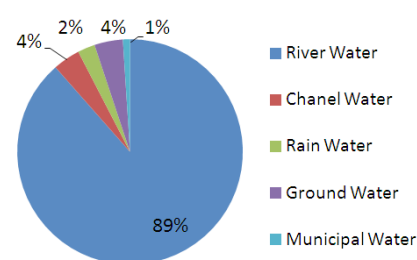


Targeting a -5% cut in water withdrawals by 2020 (2015 baseline)

The aim is to compare the impact of forestry and agriculture, assess BioEnergia water management both in terms of intakes and in terms of impact on surface waters quality, in particular via aquatic ecosystems screening. To obtain robust data, samplings will be bi-monthly until September 2018.

In the rest of the group, hot processes require a lot of cooling water. This is why water treatment and reuse is important. In 2015, we report a -2.3% decrease in water intake at 22.1m³ (G4-EN8), with 95.4% of our consumption from closed circuits (G4-EN10).

2015 Water intake by source (%) G4-EN8



We try to eradicate leakages and evaporation in order to reduce the fresh water intake needed as much as possible. Water discharge quality is also closely monitored. In Amilly (France), a new weekly monitoring set up in 2015 on the major equipment (70% of consumption) delivered a 50% saving in water intakes.

Aperam commits to reduce its water intakes by 5% from 2015 to 2020, and has started to engage with its employees to raise awareness and use water with economy (see further).

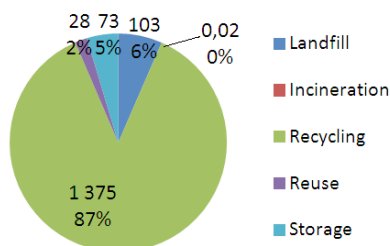


Environment continued

Waste reduction

On the one hand, metallurgical by-products and scraps are considered as valuable resources and largely recycled (see Recyco) ; on the other hand, some of our wastes are aggressive fluids such as ammonia or acids. This explains why waste management is operated scrupulously in Aperam, starting with a careful sorting and mindful handling. In 2015, we finalised the full mapping of our residues in order to be able to determine the necessary actions to reach our zero-waste (for landfill) target by 2020. Last year, we recorded 103 ktonnes of landfilled wastes (of which 35.8ktonnes of landfilled hazardous wastes). **G4-EN23.**

2015 Residues split (ktonnes, %)
G4-EN23



Various actions are under way to systematise reuse or recycling. In 2015, 88.8% (**G4-EN23**) of our residues are either reused, recycled or sold. For example, 100% of electrodes are recycled thanks to the agreements in place with our suppliers that collect broken or used electrodes for repair or recovery of materials. The same goes for many materials.

In Gueugnon (France), since 2009, 760 tonnes of packaging paper have been recycled, fostering financial savings of up to 500k€. In April 2015, a new 250,000€ investment was realised and an additional machine installed to improve the recycling rate of paper, increase recycling speed (minimum 20% time gain) and improve the staff's working conditions. In 7 weeks, 130 tonnes of paper had already been recycled and the tool should be able to operate around 1000 tonnes per year, thereby doubling the recycling capacity of the workshop. A new gain for the planet and for the Company.

Also, in 2015, some smaller plants have started to do their share.



Visit in Recyco - Furnace in action

Some invoice the packaging, like our Tube business in Annecy (France), others recuperate the pallets sent out to customers, as our Buenos Aires (Argentina) Service centre or they may also reduce the pallet size as in Gebze (Turkey) or Campinas (Brazil) service centres, all in order to raise awareness at Customers' and reduce the unnecessary materials consumption.

Altogether, taking also into account the re-use of scraps, these efforts lead Aperam to record a manufacturing input from recycled sources up by 2% compared to 2014 at 30 % (**G4-EN2**).

Improving air quality

Air quality is a crucial topic for our relations with our neighbours. We monitor our dust emissions in order to be able to identify potential problems in de-dusting systems and key areas where progress is needed. We also try to expand diffuse dust control. To do that, Isbergues (France) innovated in 2015: they hired a specialised firm to install beehives on the site. Knowing that the bees gather on two-to-three kilometre areas around their hive, the dust collected on them is a good metric of local diffused dust. The regular samples planned (twice a year on a few years) allow a follow up of dust and other pollutants (lead, PCB, etc.). All this is without having to set up sensors

★ Recyco: our wastes-to-value unit

From its birth, Recyco can be considered a good example of recycling, starting with the re-usage of competencies and skills. Indeed, this Aperam entity was built as part of the local revitalisation plan with the aim to re-use the Electric Arc Furnace (EAF) that had been idled after the closure of the Isbergues (France) melting shop in 2006. Simply put, Recyco is allowing the re-use of metallurgy wastes. After a special preparation phase to agglomerate and then dry up the dust or mud collected from hot rolling mills and melting shops, the plant uses the EAF to melt these substances, separate them from the slag and cast them into ingots. This process allows the recovery of the metallic content - primarily nickel - from melting shops wastes and to send this valuable input back into the economy. It also reduces landfill costs and concerns.

In 2015, Recyco expanded its customer base, firstly within Aperam, with the processing of Aperam Alloys sludges from water treatment and, later, with external steel company Ugitech. A new step for this circular economy player - but more is expected in 2016!

and collect them: the gathering is made daily by the bees!

With the aim of avoiding diffuse particles from flying, we may use sprays to reduce the volatility of materials stored in piles or cover the most emitting workshops. In our Châtelet plant (Belgium), several key actions have been undertaken in 2015. For example, the gunitage workshop was fully revamped, adding a roof and strip curtain doors whereas it was previously in open air. Also, active carbon filters have been tried successfully to reduce the PCB in the melting shop atmospheric emissions. A permanent installation is planned for 2016. All this progress was regularly discussed with local communities in dedicated meetings arranged by the company, sometimes with external experts, such as the University professor in industrial toxicology who was invited in June in Châtelet for a discussion on diffuse dust.



Châtelet gunning shop with new roof and curtain

In the long run, our efforts prove fruitful. For example our Genk site (Belgium) gained the ISSF award in 2015 for its -72% dust reduction since 2006.

In 2015, Aperam recorded 521* tons of ducted dust (G4-EN21), a +18% increase vs. 2014. The reported increase is mostly due to Timóteo plant, which experienced problems with de-dusting systems in 2015. These have been sorted out and new sprinklers have also been implemented to humidify open-air piles and reduce the material volatility. Timóteo plant accounts for 90% of Aperam total ducted dust however remaining fully compliant to local environmental norms.

To improve in 2016, the decision was taken to intensify the monitoring of the de-dusting systems and the maintenance with the aim to preempt downturns and ensure full reliability. To ensure clear progress, Aperam has set up a minimum objective of -12% in intensity in 2020 versus 2015.

Dust emissions

-12% intensity

Targeting a -12% decrease in intensity of ducted dust emissions vs. 2015

Beyond manufacturing

In Aperam, our largest plants make the most of our environmental footprint but we have in total over 60 sites and offices so we ask everyone in the organisation to do their share.. and we try to engage with our partners to join forces.

Limiting travel and office works' impact

In Aperam, we have developed the usage of technologies that help us to be agile and ingenious, sharing ideas from afar while remaining close to shop floor reality. Since we have rolled out our platform-based organisation for central functions such as Human Resources, Finance or Purchasing, we rely on collaborative tools to ensure proximity while not travelling miles to meet for face to face unless it is truly valuable. Worldwide, office staff now uses desk video conferencing as they do telephone on a daily basis, and it is clearly stated in our policies that travel should be

Preventing pollution and emergency cases

Some of our sites store hazardous substances, be they toxic chemicals or potentially explosive fuels (natural gas, etc.). As a consequence, these plants are to be prepared for emergency situations, leakages or fires, and they have set-up action plans both in the case where the situation is contained within the boundaries of the site and in the alternative where it is threatening to trespass and jeopardise external assets and people.

All measures are taken to prevent any emergency case, but we still have to be ready for any possibility. Only the ability to react swiftly can prevent an emergency to become a catastrophe. So, to be well prepared, a protocol is in place with local authorities, including a series of communications guidelines to inform the communities and take immediate measures (alarm devices, road closures, ..). Also, simulation exercises are organised periodically at site-level, with full evacuation drills, and the emergency teams run numerous preparation trainings across the year. They are organised to work with internal teams on problems ranging from heart attacks to fire, in cooperation with local rescue squads.



In Gueugnon (France), for instance, a large fire prevention program was operated in 2015. Over 100 people involved in the security of the site benefited from a 4-hour reminder session led by 5 of the site's firemen. All staff will be also trained in order to increase their responsiveness in case of trouble. In addition, two local fire brigades were invited for a plant tour including the inspection of our emergency systems and a presentation of our procedures (see picture). This has allowed our security partners to get a clearer vision of our risks and to anticipate how to best help, should the need arise. A joint exercise is also planned to test on the field the skills of the different teams and the overall coordination.

In Isbergues (France), internal exercises are run every two months and one simulation per year is organised with local authorities. In June 2015 a leakage of hydrofluoric acid (further to the collision of a truck and a wagon) was thus simulated. The following had to be organised: first aid to victims, contacts with the Mayor and the Ministry of Environment, press release and traffic deviation. The case also dealt with the confinement of everyone in a 1000-meters radius around the site thanks to the help of local radios. According to this real-time exercise, the joint team, including Aperam, local authorities and rescue brigades managed to seal off the leakage in 60 minutes while securing local populations.

replaced by remote conferencing or e-learning. Our travel system even asks specifically to confirm that this option was not possible before confirming the booking and actively promotes travels by train.

In Rodange's service centre (Luxembourg), employee carpooling is encouraged to such an extent that the organisation of shift teams is made taking into account carpooling possibilities. Likewise, in BioEnergia, where the forestry are sometimes very remote, the harvesting team meet at the offices -where to badge- before they all go with one company car to the parcel to be harvested. These initiatives save money and emissions.

We are also being responsible in our office work, trying to avoid printing, promoting recycling and engaging with our caterers and tenants on environmental topics.

For example, several of our sites changed to low-energy solutions in 2015: ultra-low power in Podenzano (Italy), progressive move to LED bulbs in Isbergues (France), Massalengo (Italy) or Timóteo (Brazil), optimization of reactive energy in Montevideo (Paraguay). In our Campinas Service Center (Brazil), a working group has been set up to eradicate the energy wasted in meeting rooms, computers and air conditioners.

In 2016, our Indore site (ICS, India) even plans to use solar energy to light up plant alleys.



Environment

Raising awareness

Raising awareness is part of all of our management systems, in Quality as well as Energy, so actions are widespread.

In Brazil the program "Good Practices for a Sustainable Environment" was initiated to share experiences and promote conscious use of water and energy. The program benefits from an internal platform to share good practices, strengthen the awareness and guide the teams in search for sustainable alternatives. "The idea is to discuss domestic and industrial situations to develop water conservation culture and energy," says Luciano Lellis Miranda, in charge of Water and Power at Timóteo. "A person with a good practice at home is more likely to suggest something at work and vice versa," he explains. So, in March 2015, the Brazilian "Be aware, save water" campaign was also launched with systematic posting at water points. One of the actions also envisaged in the coming months is a contest of good practices - at home or at work - that will be evaluated taking into account three criteria: ease of implementation, impact and originality. We expect good ideas to be further cascaded within the organisation.

Fueling best practices

Sponsored by the Flemish Environment Minister, Aperam in Genk has initiated a new way to conduct its energy reductions. The concept, already successful in Germany, Austria and Switzerland, is based on the cross-fertilization of various local (non-competing) businesses gathering into a "club" to discuss regularly how to realise further energy savings with the help of a specialised consulting firm. So Genk unit has joined a newly-created network named VLeen (where "V" stands for Vlaanderen -Flanders- and other letters for "Leaning Energy-Efficient Network") made of nine various companies, which include a brickyard, a logistic firm, Belgium largest fruit & vegetable trader and a hospital.



VLeen network inaugurated in Genk offices



Campaign Water Awareness Aperam South America

This is in line with the work done with neighbouring companies and partners, which allowed the erection of two windmills on Aperam Genk site. Serviced in December 2015, after a few years of studies and preparation (impacts in terms of noise, shadow or wind were analysed), each windmill has a 2 megawatts capacity and will allow 15 kiloVolts to be used by the companies on the site (in 2015, it was 330 MWh to our plant).

Altogether, these four windmills will avail green power for an equivalent of 4,000 families annual consumption and reduce the yearly total CO₂ emissions (Scope 1+2) by 7,200 tonnes. A true impact!

★ Clearing for a fresh start

In 2013, Aperam took the difficult decision to close the Firminy plant, located in the centre of France, in a region severely hit by a series of economic downturns. Since the site was the heir of a complicated history started in 1854, the dismantlement was the opportunity for a full soil remediation to allow for a brighter future.

So, in a joint plan set up with several players, amongst which were regional and town authorities, Aperam undertook in 2015 a full soil treatment and depollution program. Additionally, several road network improvements have been conducted to further enhance the attractiveness of the area and facilitate the transition after the plant dismantlement.

Overall, 45,000 man-hours will have been dedicated, 1,850 tonnes of materials removed and over 2,800 tonnes of wastes evacuated, of which more 70% was directed to recycling or reuse networks, all with the help of a specialised firm.

Indeed, the land is due to host a brand-new industrial plant and an educational institution on extrusion techniques in the coming years, thereby confirming the industrial calling of the area.

Making a positive impact

Aperam Timóteo plant maintains an 8-kilometre green belt formed with local species. Built to reduce the visual impact of the 192-hectares plant located in the middle of the city (as the city developed around the plant), the area acts as a natural barrier against dust diffusion and contributes to the city landscaping, as well as to local sound and air quality.

Until the end of 2014, 10,000 seedlings were planted in the green belt (mostly sourced from Aperam Foundation's Oikos centre) and each year Aperam invests about 100,000 R\$ (over 30,000 USD) in cleaning, pruning or pest control, with the help of a specialised firm.



On-site verifications on Timóteo greenbelt (Brazil)



Stakeholders

benevolence & transparency

Aperam's name is based on the word "aperture" which means openness. This intrinsic value of the company is put in motion in the continuous dialogue we have with our many stakeholders. It helps us to be aware of risks and opportunities and to find sustainable and mutually profitable ways forward.

Who are our stakeholders? They comprise: our Employees, our Shareholders, Customers and Suppliers; Authorities, Media, NGO, Universities, or analysts and local communities to name a few.

Our numerous stakeholders do not only represent their own interests, which sometime conflict with ours, they also display the other side of the coin, the one we do not naturally look at in the first stage. However, according to our principles, our governance aims to be clear-sighted and recognises the value of dialogue. To spur honest engagement, Aperam has decided to expand the range of its disclosures, as a token of goodwill and transparency, both within this report and on its Corporate internet site.

As an employer

In 2015, a series of elements have come to strengthen our dialogue with our employees. With the objective to continuously improve our corporate governance and compliance framework, we have decided to disclose all our policies on our Corporate internet site as well as a series of data related to our 3 main countries of operations: Belgium, Brazil and France, which account in total for 84% of our global staff (see web supplement).

Staying close to employees Digital communications

First, we have launched a new version of Aperam Global intranet. This tool allows for the sharing of organisation charts, IT tips and news of all types, including our quarterly results. The latter are now systematically commented on by the CEO in a video recorded interview made available to our employees. In parallel, a series of surveys (on the efficiency of our new internal processes, on sustainability) has allowed us to collect feedback and initiate a two-way communication. This ensures that all employees worldwide understand Aperam's strategy and critical action plans, in addition to encouraging them to innovate and suggest their ideas.

On its side, intending to take its first steps into the world of social networking in 2015, Aperam South America launched its official page on Google+ platform. The "Aperam in Brazil" has become a new communication channel with the public: internal and external. There, mostly employees but also, customers, suppliers, partners and residents of the surrounding communities can learn a little more about the Company, its sustainability actions and its products, amongst other things. The page is managed by the Aperam South America's communications team. By February 2016, it recorded about 400 followers and 1.5 million views since launch (with great emphasis on the 83% viewing photos). Social events involving local communities are those that generate the highest traffic, as in the case of the Christmas events.

Likewise, the "Movember day", in favor of awareness regarding prostate cancer, recorded 1,050 views, reflecting the growing success of this kind of medium.

Leading with proximity

Physical presence and face to face contact is also necessary to get people's buy-in and to build team spirit. This was specifically promoted in 2015 by Aperam Leadership team.

A perfect example can be seen at Aperam Precision in Pont-de-Roide (France). There, the unit runs a full day of face to face meetings with all staff every year in January. To ensure that shift-workers can all attend, four sessions are organised in the day, from 8 am to 23 pm. There, local management details and explains year-end results as well as projects and challenges for the opening year. The day is also a moment for open exchanges, with unprepared questions and direct responses - often in a passionate atmosphere. In 2016, 244 people attended (87% of staff, meaning everyone but off-shift people), once again making it a real success.

Voices

"This day is always a marathon for me, but really worth it. While explaining our roadmap, I can feel the site, so I can engage and convince!

You have to be honest, but this is how you earn people's trust. This is also how you generate committed teams for difficult challenges."



Hommad Mous
Aperam Precision COO

Indicator	2015	2014	2013
Customer satisfaction	7.4*	7.8**	7.1*
Innovation (R&D spent \$m)	18	20	20
Number of EWC committees***	4	4	2***

G4 PR5 - GRI - * Europe (rated on 10) ** Brazil (rated on 10) *** EWC (European Work Council) initiated in April 2013

Getting closer to everyone who matters

We foster open dialogue with our stakeholders in order to understand the broader impacts of our business and to be a good neighbour. This helps us identify risks and seize opportunities.





Stakeholders continued

Transparent incentivization

Our last Climate Survey had highlighted improvement areas regarding the overall performance recognition and transparency. As a result, a new bonus brochure was built to be sent out to all exempts in order to not only clarify targets and calculation, but also to provide a quarterly follow-up of results versus targets.

This plan aims to encourage both individual and team performance, knowing that only transparency can ensure trust and collective success.



Bonus Brochure 2015 logo

Employee representatives and social dialogue

Sound social dialogue at all levels is a way to promote better working conditions, strengthen social cohesion and get buy-in on converging objectives.

Social dialogue in Aperam

Aperam stands as a defender of the ILO conventions and is a signatory to the UN Global Compact. One of our Aperam's commitments explicitly affirms our desire that all employees should be able to share their ideas through open communication channels. Amongst the ways we seek to achieve this are: regular dialogue with employee representatives in line with national laws and practices, and collective bargaining. Structures are in place to proactively engage trade unions and staff with a view to stimulate employee dialogue and maintain a sound social climate.

This a key to efficiency, to prevent and settle possible disputes or strikes, all the more so as poor social dialogue fosters production disruption and poor quality. In that context, we are glad to report that our operations are run in a good social climate, as evidenced by our good level of absenteeism (2.26%), our low attrition rate and a very limited number of strikes (9 days with any material impact on production at our major production sites reported in 2015), disclosed this year for

the first time as a token of goodwill and transparency.

In 2015, the social dialogue at the European level was illustrated by regular meetings of the European Work Council, with 4 occurrences of the working group dedicated to Health. In addition, this working group has been kept informed at all times of our proceedings, after the fatality, and fully involved in our 2015 works.

An efficient social dialogue is also very necessary in a context impacted by economic and raw material fluctuations or overcapacity. The consecutive need for adaptation has led the entire industrial world to review operational organisation patterns, in terms of capacity management, shifts, stoppages or staff operational flexibility.

In Aperam, we ensure this variabilisation of costs is managed in a responsible way. We do operate with interim and fixed-term staff but they represent a limited share of our staff (resp. below 5% and below 2% of permanent staff in 2015). In addition, all temporary workers benefit from the same rights as permanent ones and, when we have a job to offer that could not be sourced internally, we consider them in the first place, if they meet the requirements.

Labour practices of suppliers

The suppliers or contractors' social climate can also strongly affect Aperam's own production. This is why we assess labour practices throughout our supply chain. Firstly, Aperam does not source Conflict minerals and specifically ensures that its tungsten purchases are not from Democratic Republic of Congo or adjoining countries. Also, we regularly run formal processes to evaluate significant suppliers. We designed in 2015 a global application named SAGA to assess our Suppliers based on forms drilling into their Safety and other Human Rights standards. Launched in March 2016, it gathers over 200 Non-Raw Materials Suppliers assessments as well as the corrective measures requested after the analysis, if any, or red flags, in case of severe breaches to our standards.

In 2015, we assessed 76 raw material suppliers (61 in 2014) for significant negative socio-economic risks. Amongst them, 8 suppliers may have negative impact on labour practices (specifically health & safety); no contracts were terminated but accrued scrutiny was exercised as well as regular meetings organised. **G4- LA15**

Last but not least, we have very detailed guidelines regarding the Health & Safety policies that applies to our on-site contractors, with induction training and detailed rules and instructions, all online on our web site. No contractor can operate at our sites unless it fully complies with them at all times.



Subcontractors' quiz during H&S day, Genk (Belgium)

Voices

"A constructive social dialogue is critical to ensure the continuity of our production and further development of our business. At different levels (site, country, region Europe), we have employee representation bodies in place and we invest a lot of energy in sharing and discussing important information relating to the company and its future perspectives."



Jean-Paul Rouffiac
Aperam Stainless Europe Chief Operating Officer
Stainless & Electrical Steel Europe

As a support to our customers

Aperam sees itself not only as a manufacturer of highly technical steels but also as a provider of advice and a support to its industrial customers and distributors. To deliver this kind of service, the company can rely on our ingenious research engineers and quality production teams, but also on a network of service centres and sales teams that are talented in finding the best solutions for their customer needs.

We monitor our customer satisfaction via surveys every year, alternatively in Europe, Brazil and also in Alloys. In 2015, we recorded a 7.4/10 rating from our European clients, up from 7.1 two years ago and a 9.2 for Alloys. **G4-PR5**



"Atelier Inox" customer training

Created in 2008 to promote the then-new Ferritic grades and to assist small firms deprived of R&D capabilities, this workshop was soon offered to some of our key accounts and extended to all grades.

As a result, at 2015 end, over 110 professionals, welders, technicians and engineers from production, quality or methods departments from 360 different customers of over 10 countries have received this training organised jointly by Commercial teams and Aperam R&D experts. Focusing on the versatility of our wide range of grades with the aim to help clients identify the best possible solution to their needs, this 2.5-day program covers in detail corrosion resistance, welding and stamping, with real-life experimentations and workshop visits. To accommodate clients, the training has also been organised at customers' premises in a few countries.

This unrivalled training, fully booked every year at January end, is seen by customers as a truly valuable offer and a differentiator from competing manufacturers. Icing on the cake that comes on top of one of the largest stainless product portfolio.

Typical Recycled Content and End-of-Life Collection Ratio (IMO, 2006-10 data)

Metal	Product/Process	Recycled Content (%) ¹		EOL Collection Ratio (%)
		Specific	Global	
Carbon steel	Integrated mills	25-35	~40	70 (sheet/strip) 98 (beams, plate)
	Mini mills	90		
Stainless Steel	-	-	60-80	92
Zinc	-	-	23	33
Copper	Electrical wire	0	>40	>90
	Other products	70-95		>90
Aluminium	Sheet	0	>33	70
	Extrusions	varies		70
	Castings	100		70

(1) metallic recycled content inside material

Innovation in stainless steel products and applications

A large portfolio and application

Steel is an alloy of iron and carbon and stainless steels are steels containing at least 10.5% chromium (granting corrosion resistance and enhanced mechanical properties), less than 1.2% carbon and other alloying elements.

The alloy capabilities can be further extended, as needed, by the addition of other elements (e.g. nickel, molybdenum, titanium, etc.) to offer a wide range of grades fit for various usages. Besides, stainless steel is a material for the sustainable future of the planet, hygienic, 100% recyclable, maintenance free and it benefits from an excellent life-cycle analysis, compared to other materials.

This material also comes in a variety of forms (coils, plates cut to length, disks, strips or even tubes) as well as various sizes and finishes (surface polish). This versatility explains why we have to help our business customers identify the best solutions for their specific needs, in line with their sector demands. The following pages detail how we help.

Innovation driven through societal mega-trends

In 2015, our industry faces new threats: strong competition from low-costs countries; Oil & Gas downturn due to price drops or depletion; issues regarding the automotive sector, with lowering demand on exhausts and gearboxes. But that is only one side of the coin: there are new opportunities to be caught. Some are related to urbanisation or climate change (new energies, water management, to name a few), some to new consuming patterns. For example, the move from sales to leases fosters a need for sustainable materials like stainless steel.

Our mission is to grow stainless steel market pushing Aperam solutions faster than competition. We are organized in global platform for Research and Business Development. In order to reduce our time to market, we focus in market and applications in which we can create significant value. We also ensure a strong cooperation with the best partners.

Benefits	Applications	Developments
Healthy ("green") & recyclable	Desalination plants, wastewater treatment, rainwater collection, drinking water transport Agribusiness, catering and white goods. Domestic heating with hot water tanks and heat exchangers	Martensitic stainless, Duplex, Advanced stainless and electrical steels
Lighter, stronger & safer	Automotive industry: light body and chassis solutions, fire-proof battery casing for and electric motors for electric cars, fuel tanks for hybrid cars, fuel cell stacks for	Martensitic stainless, Stainless FeNi or FeCo alloys Advanced Electrical Steels
Smarter & fit for newer technologies	Aerospace applications Multi-liquid gas transportation tankers with controlled thermal expansion High efficiency magnetic alloys Organic LED screens	Stainless advanced additive manufacturing and 3D printing Advanced Alloys Alloys Ni alloys



Stakeholders continued

A key to increasingly green transportation solutions

Automotive is a challenging market for metal producers: Cooperation with car manufacturers, Tier 1 suppliers and design houses are key for successful new product implementation. Local or regional regulations also weigh heavily on product specifications, demanding exhaust gas filtering, promoting energy-saving vehicles or setting crash safety norms.

So, at a given performance (longevity, resistance), the best solution is a trade-off between the part's weight (which in turn offers lower energy consumption and, later, the car running costs) and its purchase cost. For example, a car chassis can be made of forged steel, Advanced High Strength Steels, Aluminium die-casted or Stainless Steels but costs are inversely correlated with weights. So, the best option is found after a reverse engineering study focused on finding the right alloy meeting the cost/weight ratio (and designing accordingly the part). Coming back to our example, a MaX 1.2 double-shell would be as light as aluminium with a 10% lower cost. See what else we propose..

Martensitics for lightweight vehicles

We believe in advanced stainless steel solutions such as our new brand new development of a martensitic ultra high strength and ultra high elongation: MaX. This new development allows to design very complex parts for hot forming (> 900°C).

The chassis is one of the most complex parts of any vehicle. Its construction and composition determines braking, steering, stabilisation, suspension and wheel control. But at the same time, weight reduction (without decreased functionality) is key.

In that context, the excellent fatigue properties together with ultra high resistance levels make our martensitics offer best suited for automotive chassis parts such as lower control arms or engine cradles. Also, the elevated crash performances make this material fully suitable for body-in-white application where energy absorption is the key, such as the front and rear rails.

A solution for energy-efficient vehicles!

Energy savings

Lower

Aperam provides solutions to reduce vehicle weight and energy consumption

K44X for improved exhaust gas

The Exhaust Gas Recirculation (EGR) Cooler is an air-to-liquid heat exchanger device that uses engine coolant to reduce exhaust gas temperatures prior to re-circulating them through the engine's intake system. EGR reduces engine combustion temperature, which prevents the formation of NOx. The material used for this type of application must be able to tolerate high temperatures and corrosive conditions.

Our ferritic range fully meets these requirements, especially the K44X grade. Indeed, the K44X stabilised ferritic grade (including high chromium molybdenum niobium) offers excellent in-use properties such as; high temperature properties (cyclic oxidation, creep and thermal fatigue resistance), a low thermal expansion coefficient and very good brasability and formability.

Moreover, the molybdenum content also warrants a high corrosion resistance that makes this grade an optimised solution for the different EGR cooler parts such as; thin wall tubes, gas exchange plates and diffusers. An added advantage is that the K44X, with its high mechanical properties, also contributes to weight savings.

Aperam is developing solutions adapted to the future EGR cooler both for the diesel low pressure EGR systems (severe corrosion conditions) and the high pressure gasoline cooled EGR (higher temperatures compared to diesel EGR).



EGR cooler



Automotive decoration in response to changing trends

Changing trends are responsible for the growing attractiveness of stainless as a material for automotive decoration. The market is partly driven by the growing number of people who desire attractive cars with special features, particularly for decorative trim, window seals, logotypes, roof bars and grid decorations, etc. Stainless steel for these decorative touches offers discerning customers a winning combination of design, style and aesthetics and is becoming increasingly valued for the way it highlights the outlines of a vehicle's bodywork adding a touch of elegance for premium model cars, family vehicles and high range models.

As well as being aesthetically pleasing, stainless is the performance material of choice and thus perfectly suited for the automotive industry. To this end, Aperam has developed a range of grades and surface finishes that meet all the manufacturers' corrosion specifications while being able to withstand the most severe conditions including road salt, exhaust fumes, scratches. The aspect will not tarnish throughout the lifetime unlike plastics. The high mechanical characteristics enable the use of thinner gauges compared to aluminium which is a win in terms of price competitiveness.

Finally, stainless steel meets one more requirement in the quest to develop more sustainable solutions as it is fully recyclable, endlessly recycled and neutral to the environment.

We currently provide our product worldwide. As best suppliers to the automotive industry, Aperam is "End of Life Vehicles EU Directive" compliant and ISO TS 16949 Certified.

Fit for the most rigorous challenges and conditions

Aperam gets NORSOK approval

Continuously striving for the highest qualifications in safety, value addition and cost effectiveness, Aperam has become the third manufacturer in flat stainless steel products to receive a NORSOK approval for two Duplex grades: DX 2205 and DX1803 in hot-rolled coils and sheets up to 2m wide and up to 10mm thick according to the NORSOK standard M-650 Ed. 4.

Through their two-phase 50% austenite/ 50% ferrite microstructure, duplex stainless steels exhibit attractive characteristics for the Oil & Gas Industry. Primarily, they present superior resistance to the various corrosive media that are usually found in both onshore and offshore environments. In addition, its high strength is extremely advantageous in dealing with the high pressures encountered at great depths. However, the elevated costs involved in cases of oil exploitation failures have resulted in the strict selection and qualification of materials by Oil & Gas firms.

This is why the NORSOK standards developed by the Norwegian petroleum industry are so important: they serve as a reference to qualify producers of Corrosion Resistant Alloys and are – as far as possible – intended to replace oil company specifications.

Thus, the stringent qualifying audit focused on the stability and effectiveness of the heat treatment applied to duplex in order to meet the demanding requirements defined in the NORSOK standard M-630. This required tackling a twofold technical challenge at Genk Cold Rolling mill: firstly the setup of four new pyrometers to supervise soaking time and thermal homogeneity across the strip width, and finally the definition of specific annealing conditions to contain ferrite below 55% while freeing the microstructure from detrimental metallic phases.

This NORSOK qualification awards the outstanding teamwork accomplished by the people involved in this project. The approval will also contribute to establish Aperam's technical credibility regarding duplex manufacturing and help to open up new markets through Oil & Gas projects.



Managing corrosion challenges through a wide range of advanced duplex solutions (Based on ISO 9223-C1-C5 classification)

Marine C5M
PREN: 33-43



DX2507 / DX2205

Onshore C4/C5
PREN: 33-35



DX2205

Industrial C3/C4
PREN: 24-30



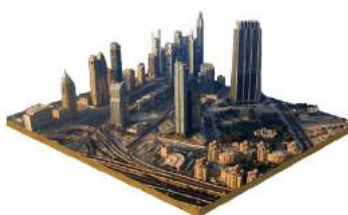
DX2205 / DX2304 / DX2202

Costal C4
PREN: 24-33



DX2507 / DX2205

Urban C3
PREN: 24-30



DX2205 / DX2304 / DX2202

Inland C1
PREN: 18-26



DX2202



Stakeholders continued

Sustainable stainless steel beauties

Visual impact of stainless cladding in French museum

The Musée des Confluences is a science and anthropology museum opened in 2014 in Lyon (France) and a stunning beauty of stainless steel. This already iconic building, designed by Austrian architects, Coop Himmelb(l)au, represents the union of a glass crystal and a stainless steel cloud. It is the layer of stainless steel over the cloud that allows it to reflect light and colour; encapsulating echoes of the sky and the city, as well as the water and the greenery.

To complete this project, Aperam Genk (Belgium) delivered 600 tonnes of 316L in a 3mm thickness to the German company, Design Factory, who performed micro-bead blasting. Micro-bead blasting of a Uginox Mat base created a uniform satin effect that offers a particularly contemporary look. Over 17,000 stainless steel tiles in 37 different formats covered the 20,000 m² coating, including the underside of the building, lobby and corridors.

Beauty and agility at work, this combination of cladding along with the stark shape of the building gives Musée des Confluences its stealthy appearance that may change with the light, creating the impression of a solid behemoth or a soft cloud.

Familistère (Family Lodgings) in Ferritic Uginox® Bright

Familistère is an exercise in highlighting the abilities of five partners in one



Family lodgings, Montreuil, France - archi5 © Sergio

architectural practice, archi5, who rose to a challenge to build their own homes together in Montreuil, France next to their offices. The idea was to design a building with a light touch to avoid an overpowering visual impact.

KARA® stainless steel was chosen to achieve the building's façade - lightly fluted with shallow waves adapted to suit the scale of the building - reflecting sunlight to surrounding buildings during the day and street lights at night. The Uginox® Bright covering, with its brilliant finish, takes on all the colours of the seasons. The result is a façade with a genuine sense of motion.

KARA® is Aperam's unique brand of ferritic stainless steels, which, unlike other stainless steels, do not contain nickel, rendering KARA® immune from the erratic price fluctuations of this alloying element. This is a big advantage for the construction sector where project costing and economic design are key elements as the absence of nickel holds prices for these products at a more stable level over

São Paulo's Allianz arena in stainless laces (Brazil)

Stainless is often used in architectural

avant-garde spaces to blend modernity and daring on the one side, and practicality on the other side. A superb example is Allianz Park arena, in Brazil, as it is fully lined with perforated sheets of stainless steel K44.

The 24,000 m² of facade of the arena consumed 280 tons of stainless steel supplied by Timoteo plant (Brazil) and tubes produced by Aperam in Montevideo (Uruguay). Further to the unparalleled aesthetic effect, this steel lacing provides enhanced acoustic insulation, better heat dissipation, improved corrosion resistance and low maintenance cost. Perforations allow also the wind circulation in the building, thereby lowering temperature.

The fact that Stainless steel is 100% recyclable contributed to the great works being certified by LEED (Leadership in Energy and Environmental Design), an international certification system and environmental orientation for buildings. Allianz Park has 43,600 seats, 178 cabins, an amphitheater for 12,000 spectators, also parking for two thousand vehicles. Even so, the arena designed by Edo Rocha, architect of the project, provides excitement not only to regulars to the site, but to all the people who pass near the stadium.



Allianz Parque, São Paulo, Brazil - Edo Rocha © Tanio



Musée des Confluences, Lyon, France - COOP HIMMELB(L)AU © Duccio Malagamba

Stainless in Construction

Designing stainless steel buildings guarantees excellent overall cost, taking into account project cost and life cycle. This is due to the exceptional durability of these buildings and the almost non-existent maintenance. Stainless steel's longevity meets the requirements of sustainable construction, with an actual recovery rate close to 100% in the sector.

Besides, stainless steel's high mechanical performances allow thinner gauges and this material is inert, it does not leach compounds. These qualities make it a material ideally suited to building and construction applications: roofs, facades, rainwater recovery systems, domestic water pipes and swimming pools as well as bridges. Finally, a suitable choice in terms of grade, surface finish, installation and maintenance guarantee the user unrivalled service life.

A full range of surface finishes



Uginox Sand



Uginox Leather



Uginox Méca 8 ND



Uginox Coloured



Uginox Rolled-On



Uginox Top



Uginox Bright



Uginox Linen



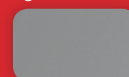
Uginox Squares



Uginox Lozenge



Uginox Mat



Uginox Patina



New relationship pattern with distributors in Brazil

The stainless steel consumption in Brazil (some 1.7 kg per capita / year) is still small compared to other countries.

Launched with a brand-new visual identity in November 2015 to expand the stainless steel market in Brazil, the Forçalnox sales model organise the network of distributors in three categories: the integrated, the regular and the spot, with significant changes on commercial terms (The minimum order reduced from 80 to 20 tons).

The goal is to have an increase in point of sales and render more accessible the full stainless portfolio.

Distributors will rely on the expertise of the commercial team and the quality of the company's technical team, formed by engineers specialised in corrosion, forming and weldability to advise integrated distributors and end customers regarding tailor-made solutions. In the category Integrated Distributor Aperam, the partnership includes everything from seminars on trends and applications, technical training, to plant visits and the Centre Search. The exclusive distributor may also have access to information about new products and the use of the brand on communication materials.

Voices

"This is a model for innovative distribution that we believe will change the market. It should greatly assist distributors that are distant from the axis São Paulo, Rio de Janeiro and Minas Gerais."

Anelise Costa dos Santos,
Jacinox (Brasília)

Alloys & Specialties

Perfect cooking when PHYTHERM® comes to induction

PHYTHERM® is an alloy procured by Aperam Alloys & Specialties whose magnetic properties are used in induction cooking to control the temperature of pots and pans. A plate of this nickel alloy is added to the utensil to stabilise heat and offer unique cooking performance.

Manufacturers that make pans with PHYTHERM® guarantee a healthy cooking process as well as promising a longer product lifespan and increased energy savings.

After the "premium/chef" (BtoB type) markets, PHYTHERM® is being launched on the "mid-range/public" markets thanks to a business relationship with industry leaders. A new range of cookware with temperature control is due for sale in late 2016

Looking ahead, projects are underway with induction hob manufacturers to go one step further: no longer being limited by temperature controls but instead directly "reading" the actual temperature of the cooking utensil through the magnetic response of PHYTHERM® and new dedicated electronics. If these developments are successful, they should help in the medium term to regulate the temperature of the utensil at any temperature and to devise control logic adapting the temperature to the desired cooking process (completely adjustable time/temperature cycle).

The www.phytherm.com site for both consumers and manufacturers launched in 2015 aims to answer their questions about this innovative alloy (BtoC type).



PHYTHERM® web site



Aperam Imphy

Moving forward with customers

More and more customers are asking questions about their suppliers' environmental and social record. The complexity of regulations, the variety of local standards and the speed with which they change means that these customers entrust the questioning process to independent organisations.

It is against this background that Schneider Electric has appointed the Ecovadis Company to evaluate the performance of Aperam Alloys Imphy and Amilly in the field of Sustainable Development. Drawing on themes and criteria taken from international standards and adapted to our business, Aperam responded to a questionnaire that dealt mainly with the environment, social issues, business ethics and responsible purchasing.

Our responses won us 'Gold' level recognition in 2015, placing us among the top 5% of companies as rated by Ecovadis. This outstanding result has spurred us on to continue progressing along this path.





Stakeholders continued

As a trusted partner

Aperam enjoys an excellent reputation and is committed to fair business practices with all its partners. It is a key to success and a reflection of our culture and ethics.

Suppliers and contractors

Aperam's Code of Sustainable Sourcing & Purchasing states that "Suppliers are strongly encouraged to collaborate with Aperam to identify further opportunities to improve sustainable business practices in the areas of health and safety, human rights, ethics along the supply chain." Aperam is also collaborating with many partners at industrial sites, which are actively participating to our Health & Safety policy implementation monitoring (see example with our Hauler companies).

Also this year, Aperam has extended its "PQF" Supplier award in Brazil (for Supplier Qualification Program). The program, in place since 2001, recognises each year the best partners in several categories (eg. Raw Materials, Spares Parts) based on the following criteria: Quality of Service & Quality System ; Reliability ; Safety. Also taken into account are the supplier's commitment on its own formal code of conduct, ethics and sustainability.

In 2015, the innovation stemmed from the fact that Aperam also highlighted those suppliers having best contributed to Aperam competitiveness, identifying new opportunities for the improvement of our cost structure and/or providing innovative solutions. 40 specific awards were granted during a formal ceremony to further tighten links with our partners.



Welcome poster for the Awards day



Transport Day with Carriers in Genk

Voices

"We aim to be the right customer for our suppliers, with continuous innovation and TCO* leverage as a driver for our mutually beneficial partnerships."

Willem Marneffe

Aperam Head of Purchasing & TCO*

*TCO: Total Cost of Ownership

Cooperation with Authorities

Aperam philosophy

As a tenant of free market and sound business competition, Aperam strives to attain the highest levels of compliance, ethics and integrity in its operations and in all types of transactions and interactions. It commits to comply fully with all applicable regulation, and to behave in a responsible manner in all its markets. This also means that when Aperam has a request from - or a dispute arising with - any authority, the Company will fully cooperate to clarify and settle the case in the best appropriate manner and in line with its ethics, policies and code of business conduct.

The company has no lobbying activity of its own, neither staffing nor expenses to report. Although it is well aware of all regulatory updates under discussion and their potential impact on its business, the Company relies fully on trade associations (mainly EUROFER, Brazil Steel Institute and World Steel - G4-15) with respect to influencing any policy to the interests of the industry.

To materialise this sound governance and transparency, Aperam has decided to extend its disclosures and so released on the web several of its policies.

★ Partnering on security

In 2015 a first-ever safety seminar took place with one of our most important group of contractors, in terms of people involved: some 50 participants of 24 transport companies gathered with Aperam internal teams for an event dedicated to transport and loading safety in Genk (Belgium).

Reflecting the fact that our partnerships with our subcontractors are a key point of attention in H&S, a specific presentation was given by Aperam on its expectations from truck drivers. Also, a training movie was shown and distributed to be used by the different companies to train their own drivers. On their side, two contracting companies presented the topic from their perspective, with the multitude of aspects of safety and security to manage during transportation. The range is wide from the driver's condition to the truck or trailer, up to the products to be carried or to external factors (the road), loading, unloading & lashing actions and finally legislation. They also underlined the risk that the truck driver may always remain "the lonely collaborator" torn between two sets of constraints. Visits at weighbridge and loading docks completed the day that generated very positive feedback from our contractors.

This event illustrated the benefits of open discussion and partnerships to find fruitful ideas and mutually beneficial solutions.

A strong Compliance program

In 2015, our Compliance organisation completed the actions initiated last year, finalising a series of specific compulsory webinars (economic sanctions, anti-bribery etc.) and deploying at site level in local languages an extensive Code of Business conduct trainings, sometimes even thanks to e-learning tools as in Brazil.

On top of that, a new program was launched to address any potential risk of money-laundering. Building on Aperam efficient economic sanctions policy and credit risk procedures, our Compliance organisation implemented a full set of instructions regarding money laundering: official multilingual policy, practical guide with details on when and how to operate

customers' periodical checks (according to risk level) and preparation of third-party risk assessment workshops for key functions planned in January 2016.

In addition, works have been launched to prepare for the European Data Privacy policy updates anticipated in 2016. A new mapping of data was organised, allowing us also to enhance the security procedures protecting Aperam from cyber malevolence.

Finally, a specific communication has been prepared to raise further the awareness of Aperam employees and partners and promote our ethical Aperam Way. A set of posters (see aside) will be dispatched to all sites early 2016, displaying the contact details of the people to reach for any enquiry or alert, at local and central level. A good way to prevent malpractices via a new 'shared vigilance' deployed from office to shop floor, across all Aperam sites.

As an influential neighbour

Aperam's impact -and responsibility- goes beyond direct jobs, payment of wages and taxes. Overall the company has contributed by 4,300 million USD (Economic Value Distributed) to the economy, as is indicated in our table page 4. (GA-EC1)

For example, Aperam is aware of its extended responsibility, as for example the need to deal with possible nuisances (traffic, noise) in partnerships with local authorities. Similarly, closures are to be handled in a responsible way to mitigate the impact on society, as epitomized by the recent examples of Firminy and Isbergues revitalisation (page 19).

In addition, it is Aperam's culture to proactively engage with neighboring communities, officials and associations and to contribute to the local life and attractiveness. It is clear that an organization can indirectly attract additional revenues to the local economy by supporting local partners in the supply chain, especially in remote settings or areas with high unemployment rates. This contribution can be assessed by the rate of local spent at significant locations of operations. In 2015, Aperam can report that 58% of total procurement (excluding raw materials, which Suppliers are too concentrated, globally, to allow a significant ratio) was from national suppliers at significant sites of operations (to compare with 62% in 2014). (G4-EC9)

Raising interest for our industry

In Genk (Belgium), every year in February, all 17-year-old children of our employees are invited to visit the site.



Aperam Compliance poster



Juniors' Day in Genk's Lab



Juniors' Day in Genk's workshops

In 2015 we had about 40 participating children.

After safety instructions, they were shown the steel plant and the cold rolling plant and they also went to the workshops of their own parents. In the afternoon explanation was given about the quality of our steel. In addition to a demonstration of the high technology we use in our research lab, there was a quiz using smart-phones. Other activities covered: exercises to extinguish a fire (after training, youngsters practiced a real life exercise); resuscitation on a dummy doll; animated safety quiz; welding trial in the mechanical maintenance workshop.

The day ended with a presentation of our various potential job and internship opportunities for students. But local people are those that talk best of this event.

ESG rating agencies

In 2015, Aperam received enquiries of several ESG-rating agencies or shareholders' associations. We took good note of the topics raised and answered questions honestly and diligently, sometimes disclosing internal policies that we did not know were of interest for external stakeholders.

As a result, we have decided to release publicly some of our policies and to raise our focus on some areas.



We have also received Oekom "Prime rating", thereby our bonds and shares as sustainable investments.

Voices

"Our Junior's Day in Genk has over the years grown to one of the favourite events of our workers. They spend themselves a large part of their time and lives in our plants and so we all become part of one Aperam family.

With our Junior's day, we also involve their family at home in what is happening at our site. The youngsters get a compelling vision on what their mothers and fathers are doing, on how safety is our first value, on the ingenuity of our products and processes and leave after a very intense day at our site with a far better understanding of who we are and what we are doing.

They become real ambassadors of our Company at school and university. It clearly also helps us to extend our network and attract talents for tomorrow."

Gert Heylen
Aperam Genk Plant Manager

Aperam Acesita Foundation

In Brazil, we continuously invest through our Aperam Acesita Foundation in social programmes to help the surrounding communities where we operate and provide them with additional development opportunities. Our key initiatives are located in the region of Vale do Aço (around our Timóteo plant) and Vale do Jequitinhonha (our Forestry).

Founded in 1994, the Foundation develops projects and actions with focus on four distinct areas: Education, Culture, Environment and Social Promotion. The advisory board of the Foundation are comprised of top executives of the Company, mayors and community representatives, which meet on a regularly basis to give their views. Then, the steering committee adopts initiatives and reviews the actions undertaken by the Foundation. In 2015, R\$ 2.9 million were invested.

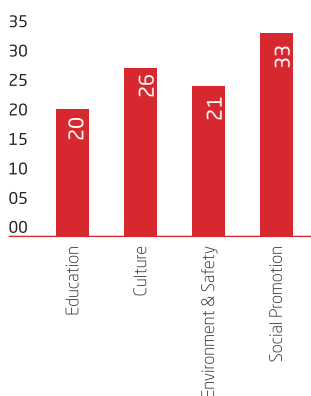
A continuous focus on education

Education

Committed to improving the quality of education in neighboring communities, Aperam Acesita Foundation promotes a number of projects in public schools, including training and updating of the qualifications of teachers, professional education and development of students of all ages.

In 2015, education (formal and environmental education) for our surrounding communities represented 41% of the investments of the Foundation. Key actions in this field were educational workshops and training benefiting more than two thousand educational professionals; Entrepreneurship Programs at schools, which involved more than 1,600 students in primary and secondary education (see case study below); and a complementary education program for the eradication of drugs, in partnership with the Military Police of Minas Gerais, which served more than two thousand students.

Acesita Foundation split of investment per focus area (%)



Environmental Education

The Environmental Education Centre of Aperam "Oikós", established in 1993, is regarded as the main space for environmental education in the Vale do Aço Region and are benefiting students, small farmers as well as local communities. In 2015, more than 11 thousand people benefited from these education center.

Safety

Safety is not only our top priority inside Aperam but we also put a lot of effort in developing a culture of safety outside Aperam. In 2015, we organised in partnership with the Military Police of Minas Gerais a traffic education program and training initiatives on safe driving. These initiatives benefited approximately 12 thousand students.



Education as a key focus for Acesita Foundation



Aperam Acesita Foundation

Community

2.9 million R\$



Invested by Aperam Acesita Foundation in 2015



Oikos Environmental Education Centre

Entrepreneurship in schools

Developed in partnership with Junior Achievement of Minas Gerais - JAMG, the Entrepreneurship in Schools program aims to awaken the entrepreneurial spirit of young people still at school, and encourage the personal development of each student. The objective is to inspire and awaken the boldness of each of them to succeed in society and in a globalised economy, transforming them into skilled and accomplished citizens who can contribute positively to the sustainable development of their region.

This program is developed in the fundamental and secondary teachings of public and private schools for students aged between 13 to 18. In 2015, the program was conducted in 33 schools based on the following programs: "Let's Talk Ethics", "The Benefits of Staying at School", "Our Community", "Skills for Success", "Our Planet, Our Home" and "Entrepreneurial Climate". The program benefited more than 1600 students, including more than 500 from the remote Jequitinhonha Valley.

An important fact in the implementation of the program is that the instructors are volunteers who register in the central volunteer of the Foundation and later receive specific training to deliver their own training. In 2015, 131 volunteers, including employees of Aperam, were involved in entrepreneurial training for young people.

About this report

We declare this report as in accordance with GRI G4 core level. Material aspects and indicators are shown on p10 and p38 of this report, detailed Disclosures on Management Approach (DMA) are in online supplement 'C'.

The scope of the information and data in this report covers worldwide operations from January to December 2015:

- Aperam's production capacity is concentrated in six production facilities located in Brazil, Belgium and France: Genk, Gueugnon, Isbergues, Timóteo, Châtelet, Imphy
- 13 Steel Service Centres (SSC)
- 13 transformation facilities ⁽¹⁾ (S&S and Alloys)
- 25 sales offices (S&S and Alloys)
- Registered office: 12C, rue Guillaume J. Kroll, L-1882 Luxembourg

Safety data cover Services & Solutions and Alloys & Specialties, as well as contractors on site. Human resources data exclude contractors.

Subject to the exclusions indicated below, environmental data cover all main industrial sites, SSCs and corporate offices. Environmental information is compiled locally, and then aggregated centrally. In our greenhouse gas emissions calculation we apply the standards of ISO14040-1 and ISO14040-2, which state that biomass is considered to be carbon neutral. The CO₂ emissions data relate to Scopes 1 and 2.

The following exclusions apply to the environmental data:

- (1) Raw material data exclude packaging and miscellaneous parts;
- (2) Scope 3 indirect emissions.

CO₂ and absenteeism data are restated following improvements in data systems, with no material effect on comparability or timeliness. The report represents our Communication on Progress relating to UNGC membership (see Online Supplement 'A').

The Report does not cover any joint venture operations or activities of partner organisations.

⁽¹⁾ Including: Pont de Roide, Jequitinhonha

Independent assurance statement

The 'made for life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ended 31 December 2015. The Report is composed of 5 items: the 'made for life report' and four Online Supplements – A, B, C and D. Our 2015 Report can be found on our website on www.aperam.com/sustainability, accompanied by the four online supplements. The summary report provides part of the information required to satisfy GRI G4 'In Accordance Core'.

Therefore, the summary should be read with its accompanying Online Supplements to constitute the complete Report.

Deloitte Audit Société à Responsabilité issued an unmodified opinion using ISAE 3000 limited level assurance with respect to the Report on the following subject matters: adherence to the Global Reporting Initiative G4 guidelines (the 'GRI' or 'GRI Guidelines') with respect to the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness adherence of the disclosures in the Report to the GRI 'In Accordance Core' criteria and the appropriateness of the GRI Index on pages 38-39 of the Report and; fair presentation in all material aspects in accordance with GRI Guidelines, of selected performance data, marked in the Report with a "**".

- EN5: Energy intensity (p10, p20 and p22)
- EN8: Water withdrawal by source (p10, p20 and p23)
- EN18: CO₂ intensity (p10, p20 and p22)
- EN21: NO_x, SO_x and other air emissions (only dust) (p10, p20 and p25)

Deloitte.

GRI Index	Disclosure code and label		Information or reference
Economics			
Economic performance	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 1
	G4-EC1	Direct economic value generated & distributed	Current report - page 4 ; Annual report 2015 page 4-5
Procurement Practices	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 2 and 7
	G4-EC9	Proportion of spent on local suppliers at main sites	Current report - page 37
Environmental			
Material	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 2
	G4-EN2	Percentage of materials used that are recycled input material	Current report - page 10 and 24
Energy	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 3
	G4-EN5	Energy intensity	Current report - page 10, 20 and 22
Water Consumption	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 4
	G4-EN8	Total water withdrawal by source	Current report - page 10, 20 and 23
Emissions	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 4
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Current report - page 10, 20 and 22
	G4-EN21	NOx, SOx and other air emissions	Current report - page 10, 20 and 25
Waste	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 2
	G4-EN23	Weight of waste by disposal method	Current report - page 24
Labour			
Occupational Health and Safety	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 4
	G4-LA6	Rate and gravity of injury, occupational diseases, lost days, and absenteeism, number of work related fatalities, by region and by gender	Current report - page 10 and 12 ;
Training & Education	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 5
	G4-LA11	Percentage of employees receiving regular performance reviews, by gender and by employee category	Current report - page 16
	G4-LA9	Average training hours by region, by employee, by category and by gender	
Supplier Assessment for Labour Practices	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 6
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Current report - page 29
Product and Service Labelling			
Customer Satisfaction	G4-DMA	Disclosure on Management Approach	Online Supplement C - page 7
	G4-PR5	Results of surveys measuring customer satisfaction	Current report - page 10, 27 and 30

GRI Index note

To facilitate stakeholders' understanding of our corporate responsibility performance, our reporting follows the Global Reporting Initiative G4 framework, an internationally recognised set of principles and indicators for economic,

environmental and social aspects of business performance. The GRI framework helps companies select material content and key performance indicators.

See www.globalreporting.org. We have duly accounted for the GRI mining & metals sector supplement (MMSS) in our Report preparation; we refer to it in this Index as well as in the Online Supplement B.

General Standard Disclosure		Information or reference	Information or reference										
Strategy & Organisation													
G4-1	CEO Statement		Current report, page 4										
G4-3	Name of organisation												
G4-4	Primary brands, products, and services		Back cover										
G4-5	Location of headquarters	12c rue Guillaume J. Kroll, L-1882 Luxembourg	Annual Report 2015, page 8										
G4-6	Countries of operation	Production facilities are listed by geography in Aperam Annual Report 2015, page 9	Current report, page 1										
G4-7	Ownership and legal form	Public limited company in Luxembourg	Annual report, page 73										
G4-8	Markets served	Sales by destination are also listed in Aperam Annual report 2015, page 103	Annual report page 8, 12-14										
G4-9	Scale of organisation	Aperam Annual report 2015, page 8	Current report, page 2										
G4-10	Employees and workforce	<div><div>Figures based on FTE as of December 2015, Full time own employees at year-year including Aperam Drosbach (52) and excluding Haven Genk.</div><div>Female workers: 12% of the Aperam overall; 20% of exempts.</div><div>The small workforce at BioEnergia in Brazil is subject to variations due to seasonal factors (growing cycle of the trees: planting, harvesting etc.) Alloys ICS is included starting 2015 reporting (60 FTE).</div></div> <div><div>Supervised workers</div><table><tr><th colspan="2">Full-Time Equivalent 2015</th></tr><tr><td>Europe</td><td>416</td></tr><tr><td>South America</td><td>12</td></tr><tr><td>Rest of the World</td><td>11</td></tr><tr><td>Total</td><td>492</td></tr></table><div>Average of period</div><div>Part of Aperam's work is done by contractors, e.g. maintenance, site utilities, security; estimated at around 1,100 FTE in 2015, as some 200 FTE in maintenance have been internalised in Brazil.</div></div> <div></div> <td>Current report page 18 Online Supplement C - p3</td>	Full-Time Equivalent 2015		Europe	416	South America	12	Rest of the World	11	Total	492	Current report page 18 Online Supplement C - p3
Full-Time Equivalent 2015													
Europe	416												
South America	12												
Rest of the World	11												
Total	492												
G4-11	Collective bargaining agreements	100% of the Aperam employees are covered by collective bargaining agreements											
G4-12	Description of supply chain	Description of supply chain available within our Online Supplement C – p1											
G4-13	Changes to organisational profile	Changes between 2013 and 2014 as as follows: Sales of Vietnam Service Centre and China Service Centre											
G4-14	Precautionary approach	Our risk management process anticipates the impacts on stakeholders and the environment and so the sustainability topics are covered at the Audit & Risk Board committee. The ESG Committee members feed into such deliberations.											
G4-15	External initiatives	We also operate in partnership with various organisations, principally via the Aperam Acesita Foundation in Brazil.	Current report, page 4										
G4-16	Associations and advocacy organisations		Current report, page 29										
Identified Material Aspects and Boundaries													
G4-17	Entities included in consolidated financial statements		Annual Report, page 154										
G4-18	Process for defining report content	In line with the GRI-4 framework	p6-7, Online Supplement B – p										
G4-19	List of material aspects		p7, Online Supplement B – p2										
G4-20	Aspect boundaries within/ - and without/ the organisation		Online Supplement B – p1-2										
G4-21													
G4-22	Restatements	Restatements may result from: Mergers or acquisitions. Change of base years or periods. Nature of business. Measurement methods											
Stakeholder Engagement													
G4-23	Changes in scope and boundaries	No significant changes on scope and boundaries											
G4-24	Stakeholder groups												
G4-25	Basis for identification and selection of stakeholders		Current report, page 8 Online Supplement B – p1-2										
G4-26	Approach to stakeholder engagement												
G4-27	Key topics and concerns	P7, Online Supplement B – p3-4	P7, Online Supplement B – p3-4										
G4-28	Reporting period	Calendar year 2014 (Annual)											
G4-29	Reporting cycle	Made for life Report 2014. Calendar year 2014											
G4-30	Previous report												
G4-31	Contact point	contact@aperam.com											
G4-32	Content Index	Reporting to GRI G4 in accordance at Core level.	Current report, page 38-39										
G4-33	External assurance	Main report, and online supplement bundle.	Current report, page 38										
Governance, Ethics and integrity													
G4-34	Governance structure	p7, Supplement D – p1, Annual Report, p48	p7, Supplement D – p1, Annual Report, p25-26										
G4-56	Values, principles, standards, and norms	Aperam Code of conduct – available on the web											

**Aperam**

12C, rue Guillaume J. Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

Email: contact@aperam.com

For more information please visit our
website: aperam.com/sustainability



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In this Sustainability Report, Aperam has made certain forward-looking statements with respect to, among other topics, its financial position, business strategy, projected costs, projected savings, and the plans and objectives of our management. Such statements are identified by the use of forward-looking verbs such as 'anticipate', 'intend', 'expect', 'plan', 'believe', or 'estimate', or words or phrases with similar meanings. Aperam's actual results may differ materially from those implied by such forward-looking statements due to the known and unknown risks and uncertainties to which it is exposed, including, without limitation, the risks described in the Annual Report. Aperam does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Please refer to the 'Summary of risks and uncertainties' section of the 2015 Annual Report page 48 as well as 'Risks related to the Company and the stainless and specialty steel industry' page 179. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not necessarily be viewed as the most likely to occur or standard scenario. Aperam undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise.

Unless indicated otherwise or the context otherwise requires, references in this Sustainability Report to 'Aperam', the 'Group' and the 'Company' or similar terms refer to Aperam, 'société anonyme', having its registered office at 12C, Rue Guillaume J. Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg, and to its consolidated subsidiaries.