# 2022

# Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

eramet

CONTENT



Elements constituting the annual financial report are clearly identified in the contents with the AFR

# 2022

# Universal Registration Document

## INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed with the Autorité des marchés financiers (AMF) on 13 April 2023, in its capacity as the competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of said Regulation. This Universal Registration Document may be used for the purposes of a public offer of securities or admission of securities for trading on a regulated market if accompanied by a prospectus and, if applicable, a summary and any necessary amendments to the Universal Registration Document. All of the above is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a copy of the official version of the Universal Registration Document, including the 2022 annual financial report, which was prepared in European Single Electronic Format (ESEF) and filed with the AMF, and which is available on the Company's website and on the AMF's website.

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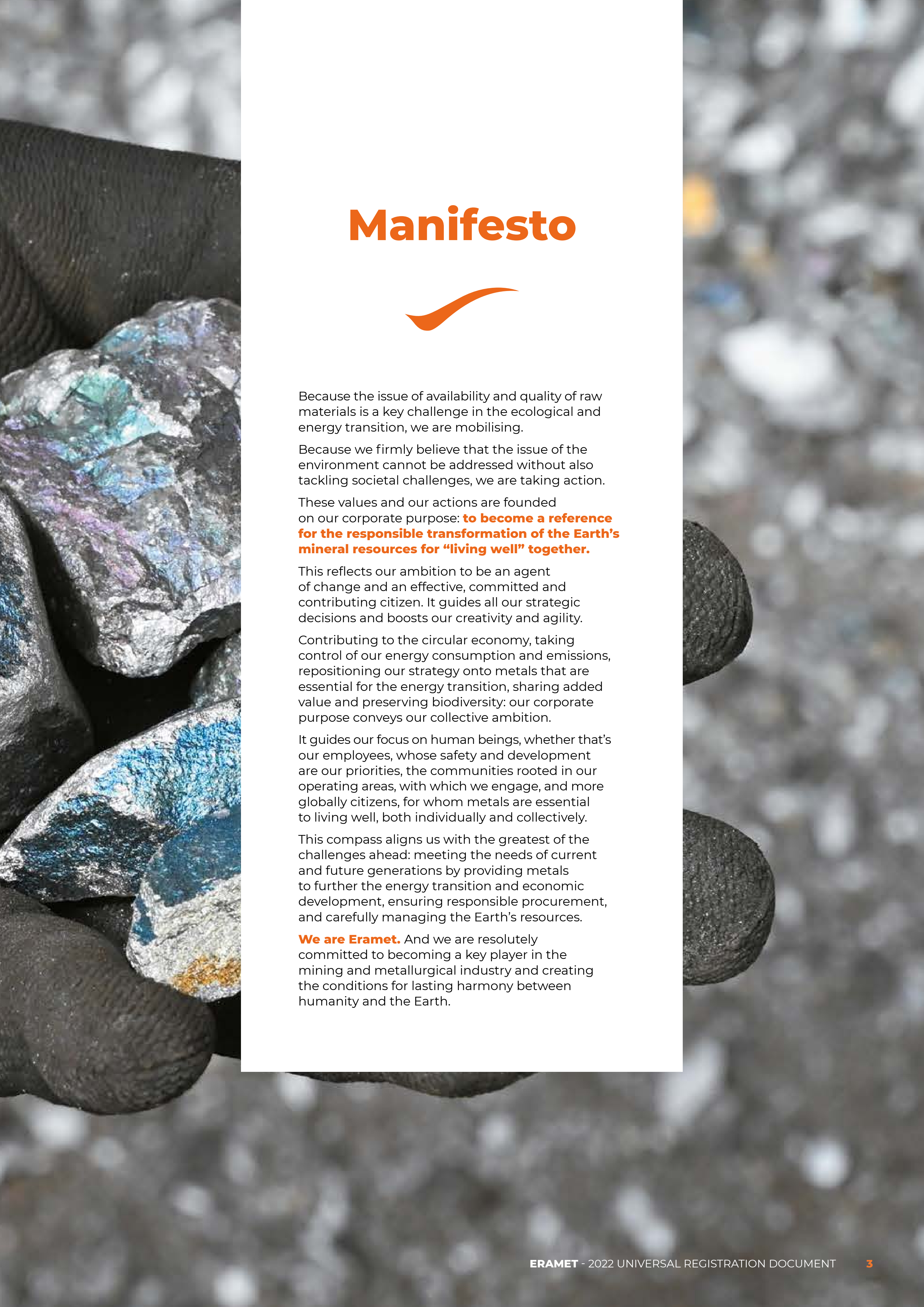
The purpose of the integrated report is to communicate to stakeholders the challenges Eramet is helping to address and how the Group's activities create financial and non-financial value. It draws on the reference framework established by the International Integrated Reporting Council (IIRC) and complements our other publications. The information presented has been selected based on its relevance and materiality. The integrated report is included in the Universal Registration Document (URD) and is also available as a standalone publication on Eramet's website.

*IIRC is a member of the Value Reporting Foundation, a global non-profit organisation that offers a comprehensive range of resources designed to help companies and investors develop a common understanding of corporate value and how it is created, preserved or eroded.*

## Contents of the integrated report



*Unless otherwise stated, the figures presented in this integrated report exclude discontinued operations (Sandouville, Aubert & Duval and Erasteel), pursuant to IFRS 5.*



# Manifesto

Because the issue of availability and quality of raw materials is a key challenge in the ecological and energy transition, we are mobilising.

Because we firmly believe that the issue of the environment cannot be addressed without also tackling societal challenges, we are taking action.

These values and our actions are founded on our corporate purpose: **to become a reference for the responsible transformation of the Earth's mineral resources for "living well" together.**

This reflects our ambition to be an agent of change and an effective, committed and contributing citizen. It guides all our strategic decisions and boosts our creativity and agility.

Contributing to the circular economy, taking control of our energy consumption and emissions, repositioning our strategy onto metals that are essential for the energy transition, sharing added value and preserving biodiversity: our corporate purpose conveys our collective ambition.

It guides our focus on human beings, whether that's our employees, whose safety and development are our priorities, the communities rooted in our operating areas, with which we engage, and more globally citizens, for whom metals are essential to living well, both individually and collectively.

This compass aligns us with the greatest of the challenges ahead: meeting the needs of current and future generations by providing metals to further the energy transition and economic development, ensuring responsible procurement, and carefully managing the Earth's resources.

**We are Eramet.** And we are resolutely committed to becoming a key player in the mining and metallurgical industry and creating the conditions for lasting harmony between humanity and the Earth.

# Christel Bories

## CHAIR AND CHIEF EXECUTIVE OFFICER

**"After a record year and having completed our strategic refocusing on our core business, Eramet is positioned as a key stakeholder in the beneficiation of responsible metals".**

Adjusted EBITDA of €1.9 billion, an increase of 58%, free cash flow of €824 million and net debt reduced to €344 million.

These historic achievements highlight how successfully **Eramet has found a path towards profitability and growth.** We ended 2022 in a much stronger financial position: our debt is the lowest it has been in nearly 10 years, our asset base is extremely solid and has demonstrated its ability to generate cash. This excellent performance once again reflects the commitment of our teams in a year that has been hit by successive crises, each multiplying the destabilising impact on our economies.

In this context, being both a model of stability and agility is a challenge. Ending the 2022 financial year in a strong financial position is, therefore, a source of satisfaction in itself.

We have other causes for celebration as well.

We have completed our strategic refocusing on our core business, positioning Eramet as a key stakeholder in the beneficiation of responsible metals moving forward, building on a solid base of high-quality and growth-generating assets.

**The nickel mine that we operate in Indonesia is the largest in the world**. This activity started just two years ago and has been a great success, with the volume of ore it produces having doubled compared to the previous year.

Similarly, **we operate the world's largest manganese mine, in Gabon**. In 2022, it produced 7.5 million tonnes of ore, and still has significant potential for development over the coming years.

In addition, **we have several very promising projects underway focusing on strategic metals for the energy transition,** an area in which we have internal resources and know-how that is essential to success.

**In lithium**, the start-up of our plant in Argentina is scheduled for the first quarter of 2024. To tap into the extremely rich deposit of this site, we are looking into the possibility of expanding in order to quickly triple production, with an overall annual target of 75,000 tonnes.

Also with regard to lithium, we are jointly studying with Électricité de Strasbourg a production project in Alsace of around 10,000 tonnes per year by the end of the decade from geothermal brines.

In **battery-grade nickel-cobalt** in Indonesia, we are continuing feasibility studies with BASF, with a view to making an investment decision by the end of 2023.

Finally, we have entered into a partnership with Suez in the **ReLieVe project** to become a major stakeholder in recycling in Europe. The common goal of all of these projects is to position ourselves as a key stakeholder in the value chain of batteries for electric vehicles.

We are therefore not short on ambition when it comes to building the Eramet of tomorrow: **a key producer of the metals that the world needs and a responsible stakeholder that applies the highest ESG standards to its operations.**

## "We have very promising projects under way focusing on energy transition metals".

We made further progress in this area as well in 2022. Our progress has been recognised by non-financial rating agencies – we have been rated Gold by EcoVadis and A- by the CDP Climate Change, placing us among the best-rated companies in the sector.

**The number of accidents fell by 27% in 2022.** We have achieved a more than six-fold reduction in five years, making us the leader in our industry.

We also continued our employee development programmes and our efforts to strengthen diversity within our teams. At the end of 2022, women accounted for nearly 26% of managers.

We have continued to develop our outreach programmes targeting local populations located close to our operations, and maintain our particular focus on rehabilitating sites and preserving biodiversity with the development of local nurseries and a commitment to an exceptional level of restoration for cleared areas.

**We believe that responsible mining is not only possible but in fact essential**. That is why we are ramping up our initiatives to progress faster and meet the increased demands of host countries and populations, as well as the need to accelerate the decarbonisation of our industries in the fight against climate change.

We are resolutely focused on the future, ready to seize the opportunities that will be offered to us. The necessary energy transition has profoundly and permanently changed expectations. Europe has changed, investors have changed, and decision-makers have changed. Now stronger than ever, **Eramet is on its way to achieving its goal of becoming a champion of the new era of metals**.

# Eramet in 2022

**An international player, refocused on its mining and metallurgical activities, a leader in its business lines and supported by teams committed to a demanding responsible approach.**

**1st** — LARGEST PRODUCER OF HIGH-GRADE MANGANESE ORE AND LARGEST PRODUCER OF REFINED MANGANESE ALLOYS IN THE WORLD

**1st** — LARGEST NICKEL MINE IN THE WORLD, AT WEDA BAY (INDONESIA)

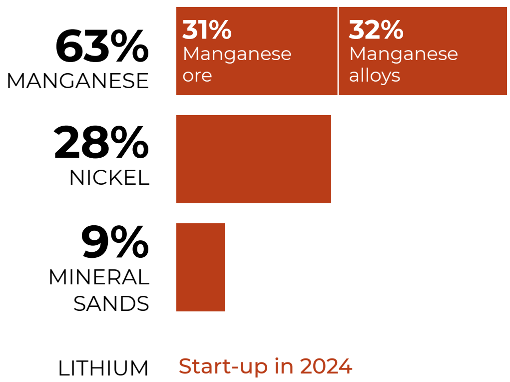
**1st** — EUROPEAN COMPANY TO DEVELOP LARGE-SCALE SUSTAINABLE LITHIUM PRODUCTION

**4th** — LARGEST PRODUCER OF TITANIUM-CONTAINING RAW MATERIALS AND THE FOURTH-LARGEST PRODUCER OF ZIRCON IN THE WORLD

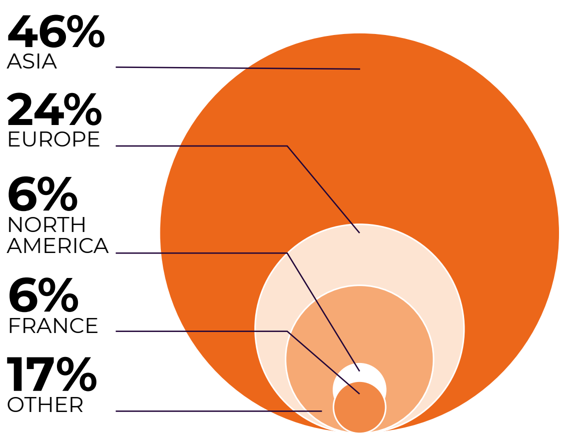
**€5.0 billion**

TURNOVER (1)

## Turnover by activity




## Turnover by geographical area(1)




(1) *Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the financial and non-financial performance indicators presented do not include discontinued operations (see Chapter 2, Notes 2.1 and 3.2 and Chapter 5 of this document). Excluding the IFRS 5 restatement, Group sales amounted to €5.851 billion in 2022, adjusted EBITDA to €1.908 billion and free cash flow (FCF) to €610 million. Including discontinued operations, the FR2 was down -27% and the workforce included 13,764 employees worldwide at the end of 2022.*

(2) *Data including Eramet + temporary workers + external companies, excluding discontinued operations(1).*

(3) *Adjusted EBITDA and adjusted leverage are defined in the Financial Glossary.*

## Employees

**9,090**
NUMBER OF EMPLOYEES WORLDWIDE AT THE END OF 2022[1]

**30%**
OF EXECUTIVES RECRUITED ON PERMANENT CONTRACTS IN 2022 WERE WOMEN

**-21%**
REDUCTION IN THE NUMBER OF ACCIDENTS IN 2022[2]

**0**
FATAL ACCIDENTS

## Financial performance

**€1.9 billion**
2022 ADJUSTED EBITDA[1][3]

**€824 million**
2022 FCF[1]

**0.2x**
2022 ADJUSTED LEVERAGE[1][3] (NET DEBT/EBITDA)

## Non-financial performance

**-40%**
REDUCTION IN $TCO_2$/TONNE OUTGOING PRODUCT (REFERENCE 2018)

**60,000**
PEOPLE HAVE IMPROVED ACCESS TO HEALTHCARE AND MEDICINES

**1.21**
REHABILITATION RATE OF CLEARED SURFACE AREA

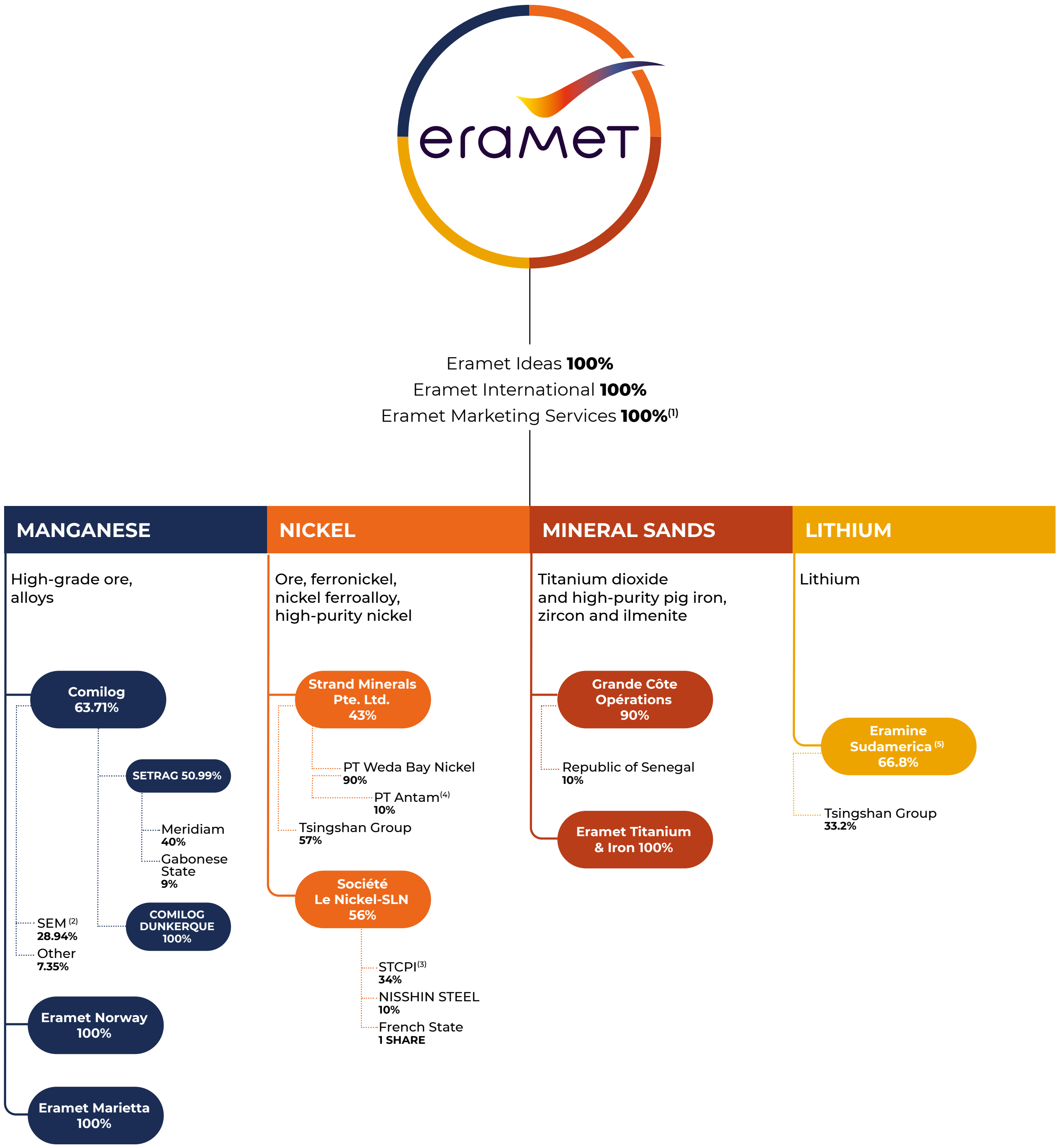
## History of the Eramet Group

- 1880 — **Société Le Nickel created**
- 1985 — **Eramet-SLN created**
- 1991 — **Erasteel acquired** (diversification into high-speed steel production)
- 1994 — **Initial public offering of the Eramet Group**
- 1997 — **61% of Comilog acquired** (diversification into manganese)
- 1999 — **Aubert & Duval acquired,** the Duval family becomes an Eramet shareholder
- 2009 — **Tinfos acquired** (diversification into manganese alloys)
- 2011 — **Diversification into ilmenite and zircon production through TiZir in Senegal and Norway**
- 2012 — **Lithium deposit discovered in Argentina**
- 2020 — **Mining operations and Weda Bay Nickel plant start up in Indonesia**
- 2021 — **Construction of the lithium plant in Argentina begins**
- 2022 — **Contract for the sale of Aubert & Duval signed**

*For a detailed history, refer to p.96 of this document.*

# Group structure

**Eramet is structured into business units that reflect its main markets. The organisation is supported by an R&D and innovation centre – Eramet Ideas – and an international network established close to its customers.**




*(1) Until 1 January 2023, the date on which the Eramet Marketing Services entity merged with Eramet S.A.*
*(2) SEM: Société Équatoriale des Mines (state-owned company – Gabon).*
*(3) STCPI: Société Territoriale Calédonienne de Participation Industrielle (entity held by the provinces of New Caledonia).*
*(4) PT Antam: State-owned company – Indonesia.*
*(5) The respective percentage holding after full injection of capital by Tsingshan is expected to be 50.1% by Eramet and 49.9% by Tsingshan.*


# OUR ACTIVITIES

Eramet extracts ores, which it sells or processes into metals that are essential for economic development and the energy transition, applying the highest standards in terms of corporate social responsibility. Our customers are companies mainly in the steelmaking, stainless steel production, pigment, energy and new-generation battery industries.

# Mining and metallurgical activities

**The Group has specific expertise in geology, mining and ore processing (pyrometallurgy and hydrometallurgy) and relies on reserves and resources with prospects of several decades, positioned in the first quartile of the mining industry cost curve.**

## Manganese

Eramet is the world's largest producer of high-grade manganese ore thanks to its Moanda mine in **Gabon**. The extracted ore is transformed into manganese alloys, which are essential to the production of carbon steel (approximately 90% of the market), particularly for the construction and automotive industries. The high grade of the ore produced allows the Group to offer its customers a lower carbon intensity.

Eramet is also the world's largest producer of high value-added manganese alloys, "refined alloys", relying on six pyrometallurgical plants in **Europe** (three in Norway, one in France), the **United States** (one in Ohio) and **Gabon**. The Group also has one of the lowest carbon footprints among producers of manganese alloys. Thanks to decarbonised electricity in Norway and France coupled with efficient production processes and energy recovery, its $CO_2$[2] footprint is 60% lower than the industry average

MORE THAN **20** YEARS of manganese content reserves[1]

**7.5** Mt of manganese ore produced

FOB cash cost[3] of **2.3** USD/dmtu

**677** Kt of manganese alloys produced

**4,625** employees

**€3,151** MILLION turnover

## Nickel

Eramet beneficiates nickel ore in Indonesia and New Caledonia. Ore is extracted to be transformed into nickel ferroalloys, mainly used for producing stainless steel (close to 70% of the market), but also into nickel/cobalt for the electric vehicle value chain. The Group is one of the world's leading producers of ferronickel.

In **Indonesia**, Weda Bay Nickel, a joint venture with Tsingshan (a Chinese steel group), operates the world's largest nickel mine, with a position in the first quartile of the cost curve. The nickel extracted is supplied to pyrometallurgical plants, which process the ore into nickel ferroalloys, as well as hydrometallurgical plants (HPAL[4]), which produce battery-grade nickel-cobalt.

In **New Caledonia**, Société Le Nickel (SLN) operates highly competitive nickel mines and a pyrometallurgical ferronickel production plant.

MORE THAN **25** YEARS of nickel content reserves in New Caledonia

MORE THAN **22** YEARS in Indonesia[1]

**21** Mwmt of nickel ore sold by Weda Bay Nickel, including 4 Mwmt of low-grade ore

**78** kt-Ni of ferroalloys produced, including 37 Kt of ferroalloys at Weda Bay and 41 Kt of ferronickel at SLN

**2,340** employees

**€1,392** MILLION turnover

*(1) Reserves are established on the basis of mining plans, the durations of which are shown above. Future drilling will allow resources to be converted to reserves and thus increase the life of deposits.*
*(2) Tonnes of $CO_2$ emitted per tonne of alloy produced (Scopes 1 and 2).*
*(3) See Financial Glossary.*

**DISCONTINUED OPERATIONS**

**In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", the Aubert & Duval, Erasteel and Sandouville entities are presented in the Group's consolidated financial statements as operations in the process of being sold for the 2021 and 2022 financial years:**

- The sale of the Sandouville plant to Sibanye-Stillwater was closed in February 2022, for a net sale price of approximately €86 million;
- At the time of writing, the sale of Aubert & Duval is expected to be completed in the coming weeks;
- In February 2023, Eramet has been granted an exclusive put option from the Syntagma Capital fund for Erasteel. The transaction is expected to be completed by the end of the first half of 2023, once the proposal has been submitted to employee representative bodies and the usual conditions precedent have been waived.

## Mineral sands

The quality of the mine in **Senegal** and the enrichment capacity of part of the ore at the plant in **Senegal** and at the plant in **Norway** make Eramet a major player in the mineral sands industry. These mineral sands are extracted and then separated to produce zircon (approximately 50% of which is used in ceramics) and titanium-containing raw materials, transformed into titanium slag (90% of which is used for pigment production). The Group is the world's fourth-largest producer of zircon and of high-grade titanium-containing raw materials.

The production of titaniferous ores (ilmenite, rutile, leucoxene) and zircon is operated by Grande Côte Opérations (GCO) in Senegal.

The processing of part of the ilmenite produced by GCO and the production of titanium dioxide slag and high-purity pig iron take place at the Eramet Titanium and Iron (ETI) pyrometallurgical plant in Norway.

Furthermore, the Group is continuing the studies for its mineral sands exploration project in **Cameroon**.

**MORE THAN 24 YEARS**
of mineral sand reserves[1]

**742 Kt**
of mineral sand concentrates produced in Senegal

**57 Kt**
of zircon produced in Senegal

**188 Kt**
of titanium dioxide produced in Norway

**1,076**
employees

**€465 MILLION**
turnover

## Lithium

In **Argentina**, Eramet has perpetual mining rights over a major lithium concession, in the form of brine, located in the province of Salta on the Andean highlands. Lithium is a metal used for various applications, essential for the energy transition. The most dynamic application market is energy storage in the form of lithium-ion batteries (more than 75% of the market) for electric vehicles, portable electronics and high-voltage electricity storage.

The Group began constructing the lithium production plant in April 2022 in partnership with Tsingshan (a Chinese steel group). Eramet controls the project and will manage it from an operational standpoint. The commissioning of the plant is expected in the first quarter of 2024 with a nominal producation capacity to be reached in mid 2025. The DLE[5] process used relies on a solid active ingredient developed by Eramet Ideas, Eramet's R&D centre, placing it in the first quartile of the industry cost curve.

**40 YEARS**
of lithium carbonate equivalent (LCE) reserves[1]

**24 Kt**
annual production target for lithium (LCE)[6] by 2026

**~90%**
extraction efficiency (~ two times less brine pumped than in a conventional extraction process)

**1 WEEK**
approximate production cycle

**60%**
water recycling rate from the process

Cash cost of the project approximately
**$3,500 /t**
LCE EXW[7]

*(4) High-pressure acid leaching*
*(5) Direct lithium extraction*
*(6) Lithium Carbonate Equivalent*
*(7) EX-Works: Ex-factory costs, excluding taxes and royalties.*

FOR DETAILS OF THE ACTIVITIES CARRIED OUT, SEE CHAPTER 1

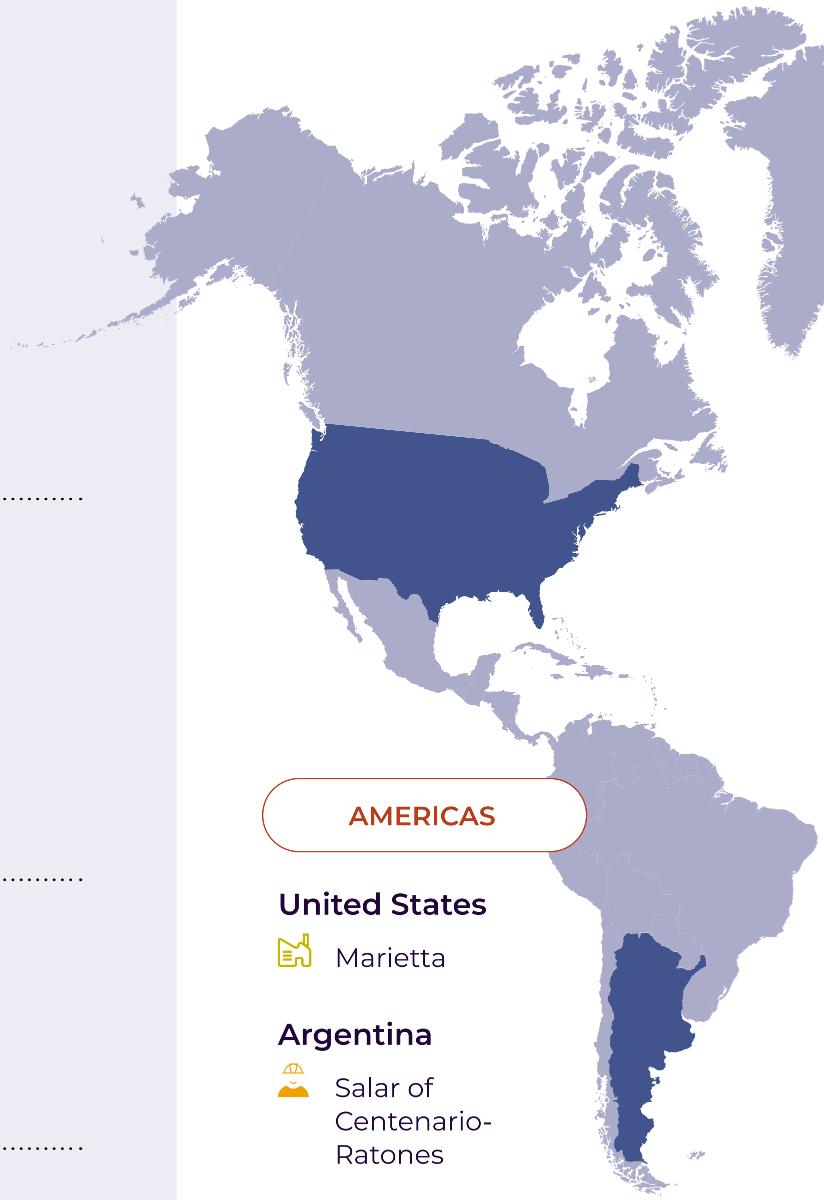
# Our mining and metallurgical sites

**17**

MINING AND INDUSTRIAL SITES(1)

- PROJECT
- MINING SITE
- PROCESSING
- RESEARCH & DEVELOPMENT
- HEADQUARTERS

- Manganese
- Nickel
- Mineral sands
- Lithium




(1) *Excluding industrial sites for operations that have been or are being discontinued, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations".*

## EUROPE

### France

- Dunkirk
- Eramet headquarters
- Eramet Ideas

### Norway

- Kvinesdal, Porsgrunn, Sauda
- Tyssedal

## AFRICA

### Gabon

- Moanda

### Senegal

- Diogo

### Cameroon

- Akonolinga

## ASIA

### Indonesia

- Weda Bay

## OCEANIA

### New Caledonia

- Thio, Népoui, Kouaoua, Tiébaghi, Poum
- Doniambo

# Trends and opportunities

**Eramet's mining and metallurgical activities are at the heart of the changes seen in a global ecosystem undergoing major disruption. Expectations both inside and outside the Group are continuously evolving, driven by underlying demographic, societal, geopolitical, economic, technological and environmental trends that represent both challenges and opportunities for Eramet.**
**The Group is incorporating these transformations to better focus its strategy and structure its actions, while continuously re-evaluating its interactions with all its stakeholders.**

## Economic growth and urbanisation

### OUR TRENDS

- Accelerated urbanisation due to rapid population growth.
- More volatile markets (commodity prices, supply/demand etc.) and input costs (reducers, energy, transport etc.)
- Rapidly changing markets and customer needs, logistical disruptions.
- Maintenance of consumption reserves in China in the short term, and the need to identify new growth and value creation drivers in the medium term.
- Willingness among investors to refocuson supporting high-impact activities (social, economic and environmental).

### OUR OPPORTUNITIES

- Growth in demand for metals to support economic growth.
- Strong growth in demand for critical metals in the energy transition.
- Growth in demand for steel with a low carbon footprint, resulting in high value creation.

—

**These challenges are proof of the relevance of the two focuses of the Group's strategy, based on the production of metals necessary for economic growth and the energy transition.**

SEE PAGES 16-19

## Geopolitical tensions and conflicts

### OUR TRENDS

- Polarisation of opinions and mounting distrust, especially towards the authorities, the media, businesses and economic experts.
- Geopolitical tensions related to strategic financial, human and natural resources, resulting from the pre-eminence of state sovereignty.
- Questioning of the notion of globalised trade in favour of the regionalisation of business activities, workers, goods and capital.

### OUR OPPORTUNITIES

- Awareness of the need for sovereignty in regions such as Europe and North America.
- Adaptation measures to meet the recovery in demand for metals in case of a sudden shutdown of production systems.

—

**Diversification of sites in strategic areas to guarantee the continuity of operations while upholding the Group's commitments.**

## Transition to a more sustainable world

### OUR TRENDS

- Acceleration of organisation transformation – technological, digital and managerial – with a need to adapt quickly to achieve greater resilience.
- Development of 4.0 industry: control by data, additive manufacturing technologies, automation, internet of things, artificial intelligence etc.
- Change in sales strategies and customer demands: digitisation of sales flows, acceleration of online sales channels and digital tracking of customers etc.
- Sharp increase in metal requirements for batteries due to the electric vehicle revolution.
- Climate emergency and need for collective climate actions.

### OUR OPPORTUNITIES

- Increased electrification of industrial processes: shift from techniques based on fuel energy to electric processes.
- Development of energy storage technology: hydrogen/ Li-ion batteries.
- Sharp increase in new mobility solutions: electric/autonomous vehicles, drones, hydrogen planes etc.
- Development of renewable energies and $CO_2$ capture technologies.
- Development of materials recovery and products made from recycled materials.
- Climate change.
- Energy mix and efficiency.

—

**Eramet is growing its presence in the lithium/Li-ion battery value chain to support the energy transition. The Group has set out a roadmap to decarbonise its activities, with ambitious targets for reducing its emissions.**

## Increased societal requirements

### OUR TRENDS

- Increasing inequality.
- Loss of biodiversity threatening the planet's ecosystems, due in particular to the overexploitation of natural resources, the degradation of natural habitats and pollution.
- Increasingly uneven distribution of water on the planet due to climate change.
- Acceleration of the ecological transition and greater visibility of the environmental footprint of economic and industrial activities.
- Increased pressure from stakeholders, continually raising their expectations and intensifying their demands. Tightening regulatory pressure, demand for traceability of raw materials and environmental and societal acceptability of activities, consideration of non-financial risks, and CSR performance requirement regarding financial markets, value chain, insurance companies etc.

### OUR OPPORTUNITIES

- Integration of societal challenges into operational excellence for the mining and industrial activities.
- Industrial and mining development to reduce impacts as much as possible.
- Research, innovation and the development of partnerships to improve technologies.

—

**This trend affirms the Group's efforts to put CSR at the heart of its business model.**

SEE PAGES 20-21

# Support global economic development and the energy transition

**Eramet has repositioned itself competitively in mining and responsible metal processing activities, which has allowed the Group to restore its economic fundamentals with strong cash generation and leverage of 0.2x in 2022.**

Today's global economic development requires more metals such as manganese and nickel. In the future, the energy transition will need new metals such as battery-grade lithium, cobalt and nickel. The global environment is undergoing a shift from an "oil age" to a "metal age".

With a diversified portfolio of assets and world-class deposits, Eramet is positioning itself as a leading provider of solutions in this new metal age. The Group's strategy now focuses on two drivers of growth, with an attractive and sustainable competitive position and cash-generating activities.

## Grow in metals supporting global economic development

### Resilient markets

- Manganese ore and alloys
- Nickel
- Mineral sands

#### DEMONSTRATED LEADERSHIP AND CONTINUOUS VALUE-ACCRETIVE ORGANIC GROWTH

Continued global economic development should support growth in the demand for metals related to infrastructure (carbon steel), construction (pigments, ceramics), and consumer goods (stainless steels). The first priority is to develop the Group's activities, through organic or external growth, in those resilient markets where Eramet has, or may have, a competitive advantage.

Targeted areas notably include:

- manganese ore and alloys through the expansion of the Group's mining activities in Gabon or metallurgical activities related to this metal in Norway, the USA, France and Gabon;
- nickel ore, particularly through the development of the Weda Bay deposit in Indonesia;
- developments in mineral sands in Senegal or in other countries.

## Sustainably develop critical metals for the energy transition

### Fast-growing markets

- Lithium
- Nickel/cobalt for batteries
- Battery recycling

#### HUGE POTENTIAL TO BENEFIT FROM ENERGY TRANSITION

The second component relates to the expansion of the portfolio into metals for the energy transition. These markets are experiencing very strong growth, driven by the exponential demand for metals used for electrification (especially electric mobility) and thus contributing to the decarbonisation of world economies.

These notably include:

- the production of battery-grade lithium from brine from the Centenario-Ratones *salar* in Argentina and the geothermal brines of the Alsace plain;
- the development in the production of nickel and cobalt for batteries, thanks to the Sonic Bay project, from the Weda Bay deposit in Indonesia and in partnership with BASF;
- the lithium-ion battery recycling project.

**SUSTAINABLE GROWTH ENABLERS: EXPLORATION, INNOVATION AND DIGITAL TRANSFORMATION**

# GROW IN METALS SUPPORTING GLOBAL ECONOMIC DEVELOPMENT

### MANGANESE ORE

Moanda, in Gabon, confirmed its status as the world's largest manganese mine with **7.5 Mt of high-grade ore** produced in 2022.

The mine's reserves are enabling Comilog to pursue its growth programme, which is based on capex optimisation and value creation.

Capex increased to nearly **€170 million** in 2022, including the plan to modernise the Transgabonese railway that transports the ore from Moanda to the seaport of Owendo. It has allowed an increase in its transportation capacity since the start of the programme in 2016.

In the coming months, growth will be supported and sustained by the gradual implementation of modular washing plants and of a conveyor on the Okouma plateau. Growth capex are expected to reach around **€200 million** in 2023, the targeting of a 8Mt annual production.

### MANGANESE ALLOYS

Eramet has one of the lowest carbon footprints among producers of manganese alloys, making its products attractive for the development of "green metal". The Group has made decarbonising its manganese alloys a priority and has committed to reducing $CO_2$ emissions (scope 1 and 2) from this activity by **40%** between 2019 and 2035. This approach is coupled with the deployment of a training programme for employees across the Group and the acceleration of exchanges with its partners. In addition, the streamlining of installations allows plants to continuously adapt to market conditions: smelting furnaces productivity flexibility in production capacity and a product mix that favours refined alloys, with a low carbon content.

### NICKEL

In Indonesia, Weda Bay Nickel (WBN) continues to step up its activities in partnership with the Chinese company Tsingshan, the world's leading producer of stainless steel. The mine, operated by Eramet, **became the largest nickel mine in the world** with a position in the first quartile of the industry cost curve. It is intended to supply several plants on a single industrial site, including the partnership's plant.

The nickel ferroalloy plant, which started up in 2020, has produced close to **37 kt-Ni** (at 100%), with very competitive production costs.

This excellent operating performance was reflected in a significant contribution from WBN to the Group's free cash flow in 2022.

The Weda Bay mine should continue its exceptional ramp-up in 2023, with a marketable target (on a 100% basis) of over **30 Mwmt**, up more than 40% from 2022.

### MINERAL SANDS

In Senegal, to achieve the target of its production growth programme, GCO is optimising the capacity of its enrichment and transport units. The first stage, aiming at increasing mineral sands production capacity by around **10%** using a dry sand mining unit, began in October 2022. The second stage is scheduled to come on stream in 2024, and is expected to enable an equivalent increase in the production capacity of the concentration unit.

The renovation of the furnace at the Norway plant in 2023, combined with various debottlenecking operations, should enable the plant capacity to be increased to **230 kt** of titanium dioxide slag a year starting in 2024.

**~+80%** PRODUCTION OF MANGANESE ORE IN 2022 VS 2018

**21 MWMT** OF NICKEL ORE SOLD IN INDONESIA IN 2022 (AT 100%)

# DEVELOPING CRITICAL METALS FOR THE ENERGY TRANSITION

### CENTENARIO PROJECT LITHIUM PRODUCTION IN ARGENTINA

Since the discovery of the Centenario-Ratones deposit in Argentina, geological works have increased the quantity of available resources to around **10 Mt** LCE **(lithium carbon equivalent)**, making it a world-class resource. For over three years, the pilot plant, a small-scale replica of a future industrial facility, achieved the target performance for the highly competitive brine treatment process developed by Eramet, under real conditions at the deposit.

The construction of the lithium carbonate production site was launched in 2022, in partnership with Tsingshan. Eramet has a majority share of 50.1% in the project and manages it from an operational standpoint. Tsingshan is financing a large part of the plant construction and will take a 49.9% stake in the project. Production volumes will be marketed by each partner based on their respective shareholding.

The commissioning of the plant is expected in **the first quarter of 2024**. The nominal production capacity in phase 1 of **24 kt of lithium per year** (LCE at 100%) is expected to be achieved in mid-2025 at the latest, with a position in the first quartile of the industry cost curve.

In collaboration with its partner in phase 1, Eramet is continuing its feasibility study for a second phase of the project, an expansion phase which will allow annual production capacity to reach a total of around **75 kt LCE**.

The Group is also continuing its partnership with Électricité de Strasbourg to extract at least **10 kt of lithium per year** (LCE) from geothermal brines from Alsace in France, equivalent to **15 to 20% of France's total lithium demand** (by 2030). A memorandum of understanding was signed by both parties in January 2023.

### SONIC BAY PROJECT NICKEL AND COBALT PRODUCTION FOR BATTERIES IN INDONESIA

In partnership with BASF, Eramet is continuing the studies relating to the hydrometallurgical (HPAL) battery-grade nickel-cobalt production project.

An investment decision is expected in the second half of 2023, with production expected to start in 2026. This project will position the Group as a player in the EV battery value chain, while also creating value for Weda Bay ore.

The hydrometallurgical complex, located close to the mine, would include an HPAL[1] unit. The production currently planned would total around **60 Kt of nickel and 6 Kt of cobalt** per year (of MHP[2] content).

### LITHIUM-ION BATTERY RECYCLING PROJECT

In France, the Group continues to conduct the pre-feasibility study for the potential construction of a lithium-ion battery recycling facility (lithium, nickel and cobalt). This would use the technology developed by Eramet to beneficiate the nickel, cobalt and lithium extracted from used electric vehicle batteries and rejects from battery factories. The potential scale of the planned recycling facility should enable the processing of up to **50 kt of battery modules per year**.

Eramet has received substantial financial grants of around **€80 million**, mainly from the European Union.

The Group has begun the construction of a pre-industrial demonstrator facility at its research and innovation centre near Paris, and will finalise discussions to reserve a location for a first battery recycling plant in the Dunkirk region in the first quarter of 2023.

**~75 KT-LCE** OF LITHIUM PRODUCTION EXPECTED IN ARGENTINA IN THE MEDIUM TERM

**60 KT-NI** OF BATTERY-GRADE NICKEL PRODUCTION EXPECTED IN THE MEDIUM TERM

*(1) HPAL: High Pressure Acid Leaching.*
*(2) MHP: Mixed hydroxide precipitate.*

# SUSTAINABLE GROWTH ACCELERATORS

**Development in Eramet's two strategic areas is based on a strong innovation policy and an exploration unit, which drive the Group's future projects, but also on digital transformation.**

### INNOVATION

Innovation is at the heart of Eramet's strategy and is supported by Eramet Ideas, the Group's R&D and open innovation centre. Open innovation is a process of opening up to industrial and academic partners. This approach generates a tremendous source of opportunities, knowledge and challenges while minimising the risks of innovation by sharing the risk of failure with partners. Eramet Ideas helps to improve the Group's short-term operating and environmental performance while developing long-term innovation projects that support the strategic and CSR (environment and decarbonisation) roadmap. For example, Eramet Ideas supported Comilog's and Weda Bay's capacity increases and was behind the development of Centenario's streamlined lithium recovery process, among others.

### DIGITAL TRANSFORMATION

Today, thanks to the exponential increase in computing power, digital technologies make it possible to rethink the ways we operate, both in mines and in plants, and even transform business models. Digital transformation is a major component of value creation for Eramet. Mining, Factory and Logistics 4.0 are becoming a reality: IoT coupled with predictive or conditional maintenance algorithms, drones in mines and artificial intelligence in geology or metallurgy are some of the areas where rapid progress is being made, helping to strengthen the integration of CSR considerations into our activities and projects.

### EXPLORATION

The Group's Exploration Unit aims to bring long-term growth options to light in order to take the reins on projects currently being developed. This opportunity portfolio is structured within a pipeline of opportunities whose development time frame from exploration to investment decision is around 10 years. The decisions now being taken regarding the Exploration Unit's priorities should provide the growth drivers for 2030. The unit focuses on the Group's metals: lithium, nickel and cobalt, mineral sands and manganese.

# CSR Roadmap

**The Group is supporting its strategy by taking a demanding, responsible approach to all its activities.**

## OUR PRIORITY CHALLENGES

**To help drive an open and dynamic CSR strategy, the materiality matrix was updated in 2022. It is used to identify the priority and significant challenges for the Group and its ecosystem.**

**1. PRIORITY CHALLENGES**

- Health and safety of employees and subcontractors
- Energy consumption and GHG emissions
- Contribution to and impact on local populations/communities
- Sustainable economic performance

**2. SIGNIFICANT CHALLENGES**

- Impact on biodiversity
- Human rights
- Adapting to climate change
- Impact on water resources

## COMMITMENT TO PEOPLE

Ensure the health and safety of employees and subcontractors.

Build skills and promote talent and career development.

Strengthen employee engagement.

Integrate and foster the richness of diversity.

Be a valued and contributing partner to our host communities.

### ACHIEVEMENTS IN 2022

- Safety performance: FR2 reduced by 80% in five years.
- Recognition in HR: 4 *Happy Trainees* 2022-2023 labels (World, Gabon, Senegal and France).
- 22,100 people obtained access to free healthcare and medicine (Gabon).

**All these targets and their annual progress measure the Group's CSR performance.**

SEE CHAPTER 5

**Eramet's corporate social responsibility is at the heart of the Group's strategy, whether in its operations or in the development of its projects over five continents. The first CSR roadmap for 2018-2023 embodied this ambition. As it reaches its end in late 2023, it is continuously being updated with renewed determination to respond even better to the expectations of all stakeholders.**

## COMMITMENT TO RESPONSIBLE ECONOMY

Be an energy transition leader in the metals sector.

Actively contribute to the development of the circular economy.

Be a reference company in terms of respect for human rights in our field of activity.

Be an ethical partner of choice.

Be a responsible company of reference in the mining and metallurgy sector.

### ACHIEVEMENTS IN 2022

- €80 million in subsidies from the European Union and France for the battery recycling project.
- Implementation of two initial IRMA self-assessments.
- In Argentina, 30 micro-entrepreneurs supported by a development programme headed by Eramine, in partnership with the *National Institute of Industrial Technology of Argentina, the Solar Inti Foundation and the NGO Fe y Alegría.*
- Systematic implementation of a carbon criterion and a CSR criterion in our major calls for tender.

## COMMITMENT TO THE PLANET

Reduce our atmospheric emissions.

Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity.

Reduce our energy and climate footprint.

### ACHIEVEMENTS IN 2022

- Return of 85 hectares of rehabilitated land to the Senegalese State.
- First drone seeding campaign (17 ha) at Comilog.
- ISO 50001: all the Group's mining and metallurgical sites are certified.

**Performance** without progress and less than the annual milestone set.

**Performance** with progress compared with the previous year but less than the annual milestone set.

**Performance** in line with the annual milestone set.

**Performance** exceeding the annual milestone set.

# A mining and metallurgical group
## and a leader in its business

## Our assets

### Employees

**72 nationalities in 15 countries:**

**9,090** employees

**26%** of managers are women

### Resources

**Exploitation of world-class deposits:**

**116 Mt** of manganese content (Gabon).

**20.0 Mt** of nickel content (New Caledonia).

**34.6 Mt** of mineral sands (Senegal).

**9.9 Mt** of lithium (LCE [2]) (Argentina).

**15.2 Mt** of nickel content, 43% owned by Eramet (Indonesia).

### Industrial capital

**17** mining and metallurgical industrial **sites** worldwide.

**€588 million** capital expenditure.

### Financial capital

**SBF 120** listed company.

**€1,897 million** adjusted EBITDA, taking into account the share in Weda Bay.

**€2.6 billion** financial liquidity.

### Intellectual and innovation capital

**€25 million** R&D expenditure.

**200** employees (in-house R&D).

### Societal capital

**Sustainable sites with local authorities as joint shareholders** of our main subsidiaries:

34% New Caledonia (SLN),
29% Gabon (Comilog),
10% Senegal (GCO).

**Long-term relationships** with customers.

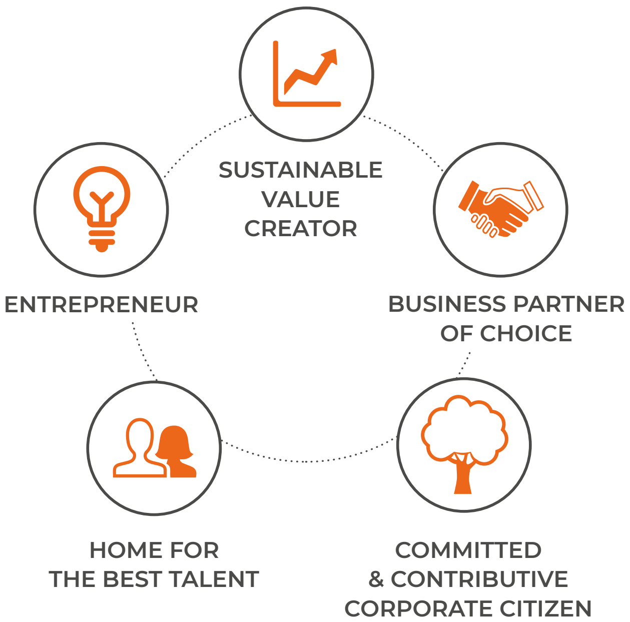
## Our corporate purpose

## Our activities

### Manganese
High-grade ore, alloys

### Nickel
Ore, ferronickel, nickel ferroalloy, high-purity nickel

## Our strategic vision




## Macro-trends

ECONOMIC GROWTH AND URBANISATION

GEOPOLITICAL TENSIONS

Become a reference for the responsible transformation of the Earth's mineral resources for 'living well' together.

## Mineral sands

Titanium dioxide and high-purity pig iron, zircon and ilmenite

## Lithium

Lithium carbonate (from 2024)

# Our strategic and CSR focuses

## Growing in metals for global economic development

**Resilient markets:**
Manganese ore and alloys, nickel, mineral sands.

## Sustainably developing critical metals for the energy transition

**High-growth markets:**
Lithium, nickel/cobalt salts, battery recycling.

## Setting an example by deploying a responsible approach

**Commitment to people.**
**Commitment to responsible economy.**
**Commitment to the planet.**

# Our value creation

## Employees

**-27%** of recordable accidents (frequency rate FR2[5] of 1.6 in 2022).

**88%** of employees received training at least once.

## Shareholders

**51%** ROCE[3] (2022).

**€2.4 billion** market capitalisation in 2022. Proposed dividend of **€3.5** per share for 2022[6].

## Customers/ Suppliers

Large industrial customers in **52** countries, which highlights the quality of our products, the reliability of our service and our CSR commitments.

## Communities/ Regions

**€675 million** paid by our subsidiaries active in the extractive industry to local governments (mainly taxes and royalties in 2022[4]) and to local subcontractors.

**€8 million** investment in local communities.

**92%** low-carbon electricity purchased in 2022.

## R&D and innovation partners

**9** French and European subsidised projects and **19** Norwegian collaborative research projects.

*(1) The presentation of Eramet's resources follows IIRC recommendations.*
*(2) LCE: Lithium Carbonate Equivalent.*
*(3) ROCE: current operating income/capital employed. (4) Yearly update issued in June.*
*(5) FR2 = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors).*
*(6) Subject to the Shareholders' Meeting of 23 May 2023.*

ENERGY TRANSITION LINKED TO CLIMATE CHANGE

INCREASED SOCIETAL REQUIREMENTS

# Distribution of added value

**For Eramet, being a company that sustainably creates value means successfully developing value that it shares with all its stakeholders.**

ADDED VALUE 2022*

**€2.3 billion**

**32%**

EMPLOYEES (1)
2022

A comprehensive remuneration scheme that rewards individual and collective performance while adapting to local context.

**15.5%**

GOVERNMENTS (2)
2022

Representing the taxes, royalties and other duties paid to the States and local governments by Eramet, in particular its subsidiaries active in the extractive industry.

**15%**

COMMUNITIES (3)
2022

Local subcontracting (Gabon, New Caledonia, Senegal) and community investment and sponsorship expenditure.

**4.5%**

DEBT HOLDERS (4)
2022

Long-term relationships with lending banks.

**5%**

SHAREHOLDERS (5)

Market capitalisation: **€2.4 billion as at 31/12/2022;**
Share buyback: **€6.8 million**

**28%**

CAPITAL EXPENDITURE
2022

In 2022, the Group invested **€588 million** to sustain its growth and support its development.

**Eramet's stakeholders are the internal and external players who are directly or indirectly affected by Eramet's activities. Establishing a collaborative approach with all these protagonists is key to the success of Eramet's projects and the creation of high added value.**

* *Distributable to stakeholders.*
(1) *Payroll paid (wages, bonuses and allowances).*
(2) *Taxes paid, royalties and other duties paid. Production rights; taxes on corporate revenue, production or income, except for consumer taxes received, such as value-added tax, income tax for natural persons or sales tax; royalties; excluding dividends; signature, discovery and production bonuses; licence fees, leases, right of entry and other licence and/or concession considerations; payments for infrastructure improvements.*
(3) *Community investment and sponsorship, and local subcontracting expenditure (New Caledonia, Gabon, Senegal).*
(4) *Cost of net debt and other financial income and expenses.*
(5) *Dividend of €3.5 per share put to vote at the Shareholders' Meeting in respect of the 2022 financial year.*

**Eramet puts dialogue and listening at the heart of its relationship with its stakeholders. This partnership-based approach strengthens the sustainability and effectiveness of the Group's actions.**

## EMPLOYEES AND REPRESENTATIVES

**TOPICS OF INTEREST**

Employee and subcontractor health and safety, management of careers and remuneration, staff development and training, managerial transformation, work environment and processes, diversity.

**COMMUNICATION AND DIALOGUE METHODS**

Local and internal Group communication (emails, intranet, social networks, meetings, newsletters etc.), annual reviews, engagement surveys, thematic questionnaires, whistleblowing system, Social and Economic Committee, European Works Council, Group Works Council.

## CUSTOMERS

**TOPICS OF INTEREST**

Product quality and innovation, competitive positioning, traceability, environmental, social and governance (ESG) performance, duty of vigilance and supply chain.

**COMMUNICATION AND DIALOGUE METHODS**

Group publications, trade relationships, meetings, trade shows, customer requests.

## COMMUNITIES

**TOPICS OF INTEREST**

Jobs and subcontracting, community investment projects (infrastructure, economic diversification), impact management.

**COMMUNICATION AND DIALOGUE METHODS**

Information meetings, public meetings, tripartite committees, consultations, community relations offices, site visits, complaint management systems.

## SUPPLIERS AND SUBCONTRACTORS

**TOPICS OF INTEREST**

Product quality and innovation, market opportunities, performance improvement, duty of care and supply chain, ESG performance.

**COMMUNICATION AND DIALOGUE METHODS**

Regular meetings, trade relationships, supplier portal, trade shows, supplier qualifications, Code of Conduct, CSR/Ethics assessments, monitoring of action plans for the Responsible Purchasing procedure, awareness-raising.

## STATES, ELECTED REPRESENTATIVES AND NATIONAL AND LOCAL AUTHORITIES

**TOPICS OF INTEREST**

Sharing value, contribution to the economy, national and local development, job creation, mining contracts and agreements, compliance.

**COMMUNICATION AND DIALOGUE METHODS**

Group publications, meetings, site visits, institutional letters.

## CIVIL SOCIETY, MULTI-STAKEHOLDER INITIATIVES, NGOS, LOCAL CHARITIES, PROFESSIONAL ASSOCIATIONS ETC.

**TOPICS OF INTEREST**

Commitment to communities, biodiversity and rehabilitation, sustainable mining, energy consumption and GHG emissions, circular economy, respect for human rights, tax transparency.

**COMMUNICATION AND DIALOGUE METHODS**

Group publications, meetings, participation in task forces.

## SHAREHOLDERS AND INVESTORS, DEBT HOLDERS AND LENDERS

**TOPICS OF INTEREST**

Financial, operating and non-financial (environmental, social and governance) income and duty of care and supply chain.

**COMMUNICATION AND DIALOGUE METHODS**

Group publications, Shareholders' Meetings, roadshows, ongoing meetings, queries.

## LOCAL, EUROPEAN AND INTERNATIONAL PROFESSIONAL ASSOCIATIONS

**TOPICS OF INTEREST**

Regulatory monitoring (raw materials, batteries, recycling, energy, products, CSR), local challenges specific to each operations site.

**COMMUNICATION AND DIALOGUE METHODS**

Email, briefing sessions, participation in working groups and institutional meetings.

# The people at the heart of the Eramet project

**More than 9,000 employees with 72 different nationalities across five continents work at the Group's sites.**

**OPEN, CONSTRUCTIVE AND RESPONSIBLE DIALOGUE, A LEVER OF ECONOMIC PERFORMANCE FOR ERAMET**

Eramet considers social dialogue a critical lever for the Group's strategic roadmap and one which will make a lasting contribution to its performance. 97% of Eramet's workforce is covered by agreements with employee representatives. By refocusing on Metals and Mining activities, Eramet seeks to strengthen the international dimension of its social dialogue through the creation of a genuine transnational space for listening and dialogue to involve employee representatives in the strategic and societal challenges of the business.

## Emphasis on human beings

Human beings are at the heart of the Group's DNA, as expressed in our commitment to high-quality interpersonal relationships, listening, respect, kindness and integrity. We want our employees, regardless of where they work, to thrive in their professional and personal lives, to feel motivated to commit themselves to collective success and to play their part as citizens. We want them to feel proud to work in a Group that contributes to economic development and the energy transition and that values diversity, to feel enthusiastic about the development opportunities it offers, and to contribute to the greater good for today and tomorrow.

In order to guide the progress made for the benefit of the Group's employees, performance indicators are incorporated into the Group's CSR roadmap and measured each year, relating to safety, development, commitment and diversity.

# Becoming a reference employer in the world of mining and metallurgy

## 1. Integrating and engaging our employees

Expectations among new arrivals and young employees are high: meaning, engagement, social responsibility, and work-life balance. For Eramet, this means integrating and engaging our employees throughout their entire career in the Group, developing teams, actively promoting diversity and inclusion. This is supported by several flagship schemes:

**Connect,** a digital onboarding programme for new employees held three times a year, allows new arrivals to discover Eramet everywhere the Group operates.

**The jobs and skills repository** launched in 2022 is a tool available to employees so they can participate in their own development. Made up of 380 benchmark positions divided among 18 business families, employees can use it to discover the Group's businesses and its different career paths.

**The annual and mid-year reviews** are at the heart of the Group's development policy, allowing us to assess key managerial skills in particular. This year, they were deployed more broadly to local managers in several countries.

## 2. Encouraging skills development

Skills development is a priority for the Group and professional training is an important part of our approach. In particular, this goal is driven by:

**Various targeted programmes:** Imagine for young talent, Raise and Engage for middle managers, The Essentials of Management for local managers and the Executive Development Programme (EDP), our development programme for future executives.

**Our innovative digital learning portal,** We Learn, provides free access to a wide selection of training content on a variety of subjects in a number of different formats (articles, podcasts, videos, online courses etc.) so that employees can develop their skills according to their own needs.

## 3. Commitment to diversity and inclusion

Eramet considers diversity and inclusion to be drivers of performance and transformation and a source of personal growth for all of its employees. In this way, the Group wishes to offer a work environment based on respect for and promotion of difference and better community living. In 2022, a new **ambitious Diversity and Inclusion roadmap** was drawn up, focusing on three elements: women, young people and people with disabilities.

The Group has made significant progress in terms of **increasing the representation of women**: 22% of members of the Eramet Leadership Team are now women. The number of female managers has doubled in the last five years, reaching 25.7% within the scope of continuing operations (target 30%). These results have been achieved through concrete actions with quantitative targets: an obligation to submit at least one application from a woman at the recruitment stage, dedicated training for women when starting a job, and specific reviews to identify female talent.

## 2022 Key figures

**74%**
An engagement rate of 74% in 2021, up from 2018. Many action plans were deployed within the Group in 2022 to strengthen employee engagement.

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Label *Happy Trainees label*: Eramet ranked
**8th**
in the international *HappyIndex Trainees* 2023 survey conducted by *Choose My Company*, with a global score of 4.02/5 in France and in our main subsidiaries.

—

**1,277**
people recruited in 2022 (permanent and temporary contracts).

—

**10.2%**
young people onboarded on internships, work-study agreements, and International Volunteering in Business (IVB) programmes.

—

**88%**
of employees received at least one training session in 2022.

# Board of Directors

**The Board of Directors** determines the business strategy, examines and approves all decisions on the Group's major strategic lines of action and monitors their implementation. Eramet's strategy and actions are aimed at promoting long-term value creation by the business in view of the social and environmental challenges of the sustainable development of its activities.

**18** MEMBERS

- **Christel Bories,** Chair and Chief Executive Officer
- **Alilat Antsélévé-Oyima,** director
- **Émeric Burin des Roziers,** independent director
- **Christine Coignard,** independent director
- **François Corbin,** Lead Director, independent director
- **Cyrille Duval (Sorame),** director
- **Jérôme Duval,** director
- **Jean-Yves Gilet,** director
- **Nathalie de La Fournière (CEIR),** director
- **Manoelle Lepoutre,** independent director
- **Miriam Maes,** independent director
- **Nicolas Noel,** director representing employees
- **Franck Pecqueux,** director representing employees
- **Catherine Ronge,** independent director
- **Sonia Sikorav,** independent director
- **Claude Tendil,** independent director
- **Romain Valenty,** director appointed by the State
- **Jean-Philippe Vollmer,** director

**7** MEETINGS IN 2022

**50%** PROPORTION OF INDEPENDENT DIRECTORS (8/16)(1)

**44%** PARITY LEVEL (7/16)(1)

**95%** AVERAGE ATTENDANCE RATE OF DIRECTORS AT MEETINGS

## The work of the Committees and the Board in 2022

The Board relies on the work of four Committees to carry out its duties.

During the 2022 financial year, the work involved, more specifically:

—

**BOARD OF DIRECTORS**

In 2022, the Board of Directors focused in particular on the Group's changes in strategy and on monitoring its projects. The Board of Directors also discussed the HR policy and its Digital Transformation roadmap.

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**CSR AND STRATEGY COMMITTEE**

The Committee assists the Board in identifying the Group's strategic challenges, particularly those relating to CSR. It conducts an annual review of the CSR roadmap and the achievement of its targets.

**REMUNERATION AND GOVERNANCE COMMITTEE**

The Committee conducts an annual review of the collective criteria for the variable compensation of executives and the Executive Corporate Officer. It also proposes the conditions for the performance share award plans for the Group's key management personnel.

—

**AUDIT, RISKS AND ETHICS COMMITTEE**

In addition to monitoring the financial reporting process, the Committee also monitors the main risks and implements the appropriate risk management plans.

—

**APPOINTMENTS COMMITTEE**

The Appointments Committee leads the process for appointing new directors to the Board.
The Committee conducts an annual review of the independence criteria of the independent directors and the succession plan for the Group's key management personnel.

**CSR AND STRATEGY COMMITTEE**
9 members, including
3 independent members
**3 MEETINGS**

**AUDIT, RISKS AND ETHICS COMMITTEE**
6 members, including
4 independent members
**7 MEETINGS**

**APPOINTMENTS COMMITTEE**
4 members, including
2 independent members
**2 MEETINGS**

**REMUNERATION AND GOVERNANCE COMMITTEE**
5 members, including
3 independent members
**5 MEETINGS**

(1) *These ratios do not include directors representing employees.*

From left to right:
**Nicolas Carré,**
Chief Financial Officer,
in charge of procurement and IT;
**Anne-Marie Le Maignan,**
Executive Vice-President Human Resources, Health and Security;
**Guillaume Vercaemer,**
Group General Counsel;
**Christel Bories,**
Chair and Chief Executive Officer;
**Kléber Silva,**
Chief Operating Officer;
**Virginie de Chassey,**
Chief Sustainability and External Affairs Officer;
**Geoff Streeton**,
Chief Development Officer,
in charge of strategy, innovation and business development;
**Jérôme Fabre,**
Executive Vice-President High-Performance Alloys Division;

# Executive Committee

The tasks of the Executive Committee are to set the Group's strategic lines of action, approve the budget and targets for the various activities and make decisions in structural areas for the Group. Its members meet once a month to review topics relating to strategy, CSR, operating activities, human resources, financial and safety results and the economic and competitive environment.

The Executive Committee also conducts the quarterly business reviews with each activity to monitor the Group's operations, and two business reviews a year with the various functions.

It is a forum for discussion and decision-making, but the Executive Committee is also a body that can be consulted on particular operational matters, which need to be approved by all its members.

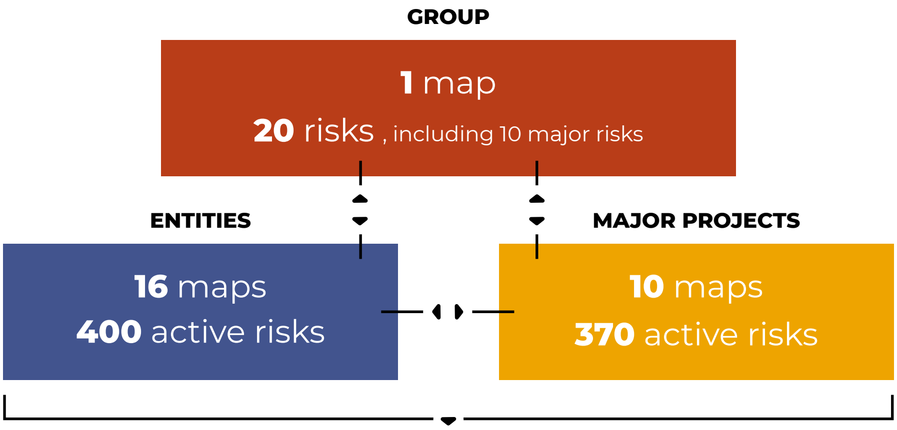
This Committee consists of Operational Departments as well as Support Departments. As at the date of this Universal Registration Document, the Executive Committee has three women among its eight members.

**8** MEMBERS, INCLUDING **3** WOMEN

# Risk management

**In a constantly changing environment marked by high levels of uncertainty, Eramet is building resilience with a robust risk management methodology applied across all Group entities.**

## Risk mapping




**UPDATE AND MANAGEMENT**

- Updating the risk database
- Drawing up action plans
- Appointing contributors
- Implementation timetable

The Risk Management, Audit and Internal Control Direction of Eramet (CARE) is responsible for implementing risk management for Eramet.
It reports to the Chief Financial Officer, who is also in charge of Group procurement and IT.

**Its mission** is to develop the methodological tools and procedures required to ensure that the Group and all its subsidiaries manage risks in a consistent way.

The CARE Direction oversees a network of Risk Management Officers in the subsidiaries and major projects. They map the risks within their own fields, thereby ensuring that the approach is deployed. This work is consolidated by the Risk Department and contributes to the mapping of Eramet's global risks.

## Risk management model

**The risk management model is founded on dedicated and integrated governance based on the three lines of defence model, and is applied at every level of the business.**

## Commitments

1. At Eramet, efficient risk management is an integral part of how we protect ourselves and create value so that all our stakeholders can be confident in our ability to achieve our objectives, in keeping with our corporate purpose.

2. We are committed to managing risks proactively and effectively. Risk awareness is incorporated into every decision made by the organisation. All our employees and managers are responsible for identifying, assessing and managing risks in order to prevent and overcome the significant risks faced by Eramet.

3. To support this commitment, our risk management framework defines the fundamentals and organisational factors of effective risk management, as well as basic risk management principles.

# Major risks

**The risk factors mentioned below have been identified in the 2022 risk mapping.**
**A description of these risks and the associated management measures is provided in Chapter 4.4.**

### Strategic and financial

- Non-recovery of portfolio assets for which profitability is insufficient
- Non-execution of the development strategy for energy transition metals
- Geopolitical tensions
- Sharp drop in metal prices

### Compliance

- Unethical behaviour
- Increased expectations and tightened regulations relating to CSR

### Operational

- Physical impacts of climate change and decarbonisation
- Disruption of the supply chain and long-lasting additional energy costs
- Major rail accident on the Trans-Gabonese railway
- Failure of information systems, data protection and cyber-attacks

# Record year with EBITDA above €1.5 bn and very strong deleveraging

- **Adjusted EBITDA**[1][2] of **€1.9 billion** (+58%), including the proportional contribution of Weda Bay.
- **Significant progress in CSR**, particularly regarding climate, biodiversity and safety, with one of the lowest accident rates in the sector.
- **Finalisation of Eramet's repositioning**, with the planned completion of the divestment of Aubert & Duval in the coming weeks and the receipt of an exclusive put option agreement for Erasteel.
- **Solid fundamentals** enabling to accelerate on growth projects in metals for the energy transition.

**The Group's turnover** amounted to **€5,014 million** in 2022, up significantly by 37% (+25% at constant exchange rates[3]). This growth was driven by a very favourable price and currency environment mainly in the first half of the year, as well as excellent operational performance in the manganese ore business (+13% in volumes sold).

**Group EBITDA** totalled to **€1,553 million**.

**Adjusted EBITDA**[1,2] (including the proportional contribution of Weda Bay) amounted to **€1,897 million**, a very strong increase (+58% vs. 2021), notably reflecting:

- The **positive impact of external factors** of around **€530 million**, including a very favourable price effect (€960 million, of which nearly half linked to manganese alloys) as well as a favourable currency effect (around €230 million) partly offset, among other factors, by the strong increase in input costs (around €450 million, mainly reductants and energy);
- **A positive intrinsic performance of €180 million** for activities in the new scope, mainly reflecting the growth in nickel ore volumes sold in Weda Bay (around €160 million) and manganese ore sales (around €90 million) despite an increase in fixed costs to support the growth in volumes (around €50 million) and the difficulties at SLN (around €30 million).

**Net loss for discontinued operations** amounted to **-€156 million**, mainly reflecting the asset impairment booked for Erasteel (-€126 million).

**Net income, Group share** for the year was **€740 million**. It also includes the share of income in Weda Bay (€258 million) as well as the asset impairment related to SLN (-€124 million, Group share).

**Capex** accounted for **€588 million**, excluding operations in the process of being sold (€62 million), and **€436 million** excluding capex linked to the Lithium project (€152 million), entirely financed by Tsingshan via a capital increase of the Argentine subsidiary.

It includes €200 million in organic growth capex, mainly in Gabon (€168 million). Current capex increased, amounting to €236 million in 2022.

***Free cash flow*** (FCF) totalled **€824 million**, including a contribution from Weda Bay of **€237 million**.

**Net debt** stood at **€344 million** at 31 December 2022, a **reduction** of nearly **€600 million**[4] due to the Group's strong cash generation, despite **negative FCF** of **-€214 million in discontinued operations**.

The change in net debt also includes dividends paid to Eramet shareholders (-€72 million) and Comilog minority shareholders (-€32 million) in respect of the 2021 financial year.

The leverage ratio was **0.2x**, the lowest level achieved by the Group for the last ten years.

Moreover, a proposal to pay out a **dividend** of **€3.5 per share** in respect of the 2022 financial year will be made at the Shareholders' General Meeting on 23 May 2023, representing an increase of 40%. This proposal is in line with the Group's capital allocation policy which priorities deleveraging, to maintain leverage below 1x on average over the cycle, as well as capex in its growth projects and shareholders return.

As of 31 December 2022, Eramet's liquidity, including undrawn credit lines, remained high at €2.6bn.

In January 2023, Eramet renewed and extended the term loan for an amount of €480 million with a pool of banks. The maturity date of the new loan is January 2027, with a floating rate, amortising from January 2025. The loan was drawn down for €270 million mainly to refinance the outstanding amount of the former loan.

** Note: All the commented figures for FY 2022 and FY 2021 correspond to figures in accordance with the IFRS 5 standard as presented in the Group's consolidated financial statements, unless otherwise specified.*

*(1) Excluding Aubert & Duval, Sandouville and Erasteel, which, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", are presented as discontinued operations in 2022 and 2021.*
*(2) Adjusted EBITDA, a new alternative performance indicator for the Group, is defined in the Financial Glossary.*
*(3) See Financial Glossary.*
*(4) Reduction in net debt of €616 million, before application of the IFRS 5 standard.*

# Financial performance

| SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS, **pursuant to IFRS 5, excluding discontinued operations** (in millions of euros) [1] | **2022** [2] | **2021** [2] | **Change** (€m) | **Change** [3] (%) |
|---|---|---|---|---|
| Turnover | 5,014 | 3,668 | 1,346 | 37% |
| **Adjusted EBITDA** [4] | **1,897** | **1,204** | **693** | **58%** |
| EBITDA | 1,553 | 1,051 | 502 | 48% |
| Current operating income (COI) | 1,280 | 784 | 496 | 63% |
| **Net income from continuing operations** | **930** | **791** | **139** | **18%** |
| Net income from discontinued operations | (156) | (426) | 270 | N/A |
| **Net income, Group share** | **740** | **298** | **442** | **148%** |
| **Group free cash flow** (continuing operations) | 824 | 526 | 298 | 57% |
| **Net debt** (net cash) | **344** | **936** | **- 592** | **-63%** |
| Shareholders' equity | 2,245 | 1,335 | 910 | 68% |
| **Adjusted leverage** [4] (net debt/adjusted EBITDA) | **0.2** | **0.8** | **-0.6 pts** | **N/A** |
| Leverage (net debt/EBITDA) | 0.2 | 0.9 | -0.7 pts | N/A |
| Gearing (net debt/shareholders' equity) | 15% | 70% | -55 pts | N/A |
| Gearing RCF [5] | 2% | 51% | -49 pts | N/A |
| ROCE (COI/Capital employed [6] of year n-1) | 51% | 30% | 21 pts | N/A |

*(1) Data rounded up to the nearest million. (2) Excluding Aubert & Duval, Sandouville and Erasteel, which, in accordance with the IFRS 5 "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. (3) Data rounded to higher or lower %. (4) Adjusted EBITDA and adjusted leverage are defined in the Financial Glossary. (5) Net debt-to-Shareholders' equity ratio, excluding IFRS 16 impact and French state loan to SLN. (6) Total shareholders' equity, net debt, site restoration provisions, restructuring and other social risks, less long-term investments, excluding Weda Bay Nickel capital employed.*

| CHANGES IN NET DEBT **pursuant to IFRS 5, excluding discontinued operations** (in millions of euros) | **Financial Year 2022** | **FY 2021** |
|---|---|---|
| **Operating activities** | | |
| EBITDA | 1,553 | 1,051 |
| Cash impact of items in EBITDA | (326) | (258) |
| **Cash flow from operations** | **1,227** | **793** |
| Change in WCR | (111) | (80) |
| **Net cash generated by operating activities (A)** | **1,116** | **713** |
| **Investing activities** | | |
| Capital expenditure | (530) | (312) |
| Other investment flows | 238 | 125 |
| **Net cash flows from investing activities of continuing operations (B)** | **(292)** | **(187)** |
| **Net cash flows from financing activities of continuing operations** | **80** | **21** |
| Impact of fluctuations in exchange rates and other | (49) | (25) |
| Acquisition of IFRS 16 rights of use | (26) | (10) |
| Change in net financial debt of discontinued operations before taking into account flows with continuing operations[1] | (213) | (125) |
| (Increase)/Decrease in net financial debt | 616 | 387 |
| **Opening (net financial debt) of continuing operations** | **(936)** | **(1,378)** |
| **Opening (net financial debt) of discontinued operations** | **(54)** | **N/A** |
| **Closing (net financial debt) of continuing operations** | **(344)** | **(936)** |
| **(Net financial debt) of discontinued operations** | **(31)** | **(54)** |
| **Free Cash Flow (A) + (B)** | **824** | **526** |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval activities are shown as discontinued operations.*

# Non-financial performance

## CSR performance

**ERAMET MEASURES ITS CSR PERFORMANCE INDICATOR BASED ON THE YEAR'S ACHIEVEMENTS.**

For 2022, this indicator reached an overall rating of 115 (100 indicating validation of the target). Most of the targets for 2023 have been or are in the course of being achieved.

**115**

**2022 CSR PERFORMANCE INDEX (TARGET 100)**

## Progress on the 2018-2023 roadmap

| | INDICATOR | 2018 | 2022 [1] | Objective 2023 |
|---|---|---|---|---|
| **Commitment to people** | | | | |
| 1. Ensure the health and safety of employees and subcontractors | Accident frequency rate FR2/no. of deaths | 8.3/1 | 1.6 / 0 🔵 | <4 / 0 |
| 2. Build skills and promote talent and career development. | % of employees trained during the year | 71% | 85% | 100% |
| 3. Strengthen employee engagement | Group employee engagement rate | 67% | N/A [2] | >75% |
| 4. Integrate and foster the richness of diversity. | % of managers that are women | 22% | 26% | 30% |
| 5. Be a valued and contributing partner to our host communities. | % in dialogue with local stakeholders implementation of a local community investment strategy | Benchmark year | 100% 🔵 | 100% |
| **Commitment to economic responsibility** | | | | |
| 6. Be an energy transition leader in the metals sector | Diversification into projects on the value chain for electric mobility batteries | Benchmark year | 🟠 | 🟠 |
| 7. Actively contribute to the development of the circular economy | Tailings and low-grade ores recovered | Benchmark year | 2,311 Mt 🔵 | 2 Mt |
| | Waste recovered | Benchmark year | 185 kt 🔵 | 10 kt |
| 8. Be a reference company in terms of respect for human rights | Mature level in the SHIFT reporting framework on the application of the UN Guiding Principles on Business and Human Rights | Benchmark year | 🟠 | 🟠 |
| 9. Be an ethical partner of choice | % of sales and purchasing teams trained on anti-corruption | Benchmark year | 100% 🔵 | 100% |
| 10. Be a responsible company of reference in the mining and metallurgy sector | % of customers and suppliers at risk in line with the Group's CSR/Ethics commitments | Benchmark year | 90%/99% | 100% |
| **Commitment to the planet** | | | | |
| 11. Reduce our atmospheric emissions | Tonnes of channelled dust emitted by industrial facilities | Benchmark year | - 69% | -80% |
| 12. Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity | Ratio of rehabilitated areas to cleared areas | Benchmark year | 1.2 🔵 | >1 |
| 13. Reduce our energy and climate footprint | t $CO_2$/t outgoing product | Benchmark year | - 40% 🔵 | -26% |

🔵 Objective for 2023 already reached in 2022
🟠 Performance for 2022 in line with the 2023 objective

*(1) The information presented concerns the Eramet Group's activities, including discontinued operations.*
*(2) No survey carried out in 2022; the last survey was carried out in 2021 with a result of 70%.*

## ESG performance assessment

SUSTAINALYTICS RATED

**Note 26.1 Sustainalytics**
**SEPTEMBER 2022**

CDP DISCLOSURE INSIGHT ACTION

**Rated A - CDP Climate change**
**Rated B - CDP Water Security**
**DECEMBER 2022**

MSCI ESG RATINGS A

**A-rating**
**JANUARY 2023**

GOLD 2022 ecovadis Sustainability Rating

**Rated 73/100**
**JUNE 2022**

V.E

**Rated 66/100 "Advanced" level Vigeo Eiris**
**MAY 2021**

# 2023 outlook

The climate of geopolitical and macroeconomic uncertainties and the inflationary context continue to weigh on all of the Group's markets, with a trend reversal in demand and prices in line with Q4 2022. The latter is to a greater or lesser extent, depending on markets and regions. Stainless steel is expected to rebound while carbon steel should stabilise.

Strong uncertainties also remain regarding freight (with its costs significantly reduced currently, but which could rise again over the year, while remaining at lower levels than observed in 2022) as well as reducing agents and energy costs. The latter, which were down compared to 2022 at the start of this year, could remain at a historically high level, which would weigh on the performance of metallurgical activities. However, the Group continues to benefit from long-term supply contracts that cover approximately 80% of its electricity needs.

The Group is expected to invest **nearly €600m** in capex in 2023, **excluding the operations in the process of being sold and excluding the share of the Lithium project financed by Tsingshan**. On the one hand, this capital expenditure includes nearly €300m in current capex and, on the other, approximately €300m in organic growth capex. The latter is mainly intended to **continue**, **but also** to **sustain** growth in production and transport for **ore in Gabon** (around €200m), as well as to develop Phase 1 of the Lithium project in Argentina (around €50m).

Decisions will be made in 2023 on major growth projects, including Sonic Bay and Lithium Phase 2, which could lead to capex expenditure from 2023. The amount of this expenditure remains to be determined depending on the date of the decision.

As part of its strategic roadmap, Eramet is targeting new records:

- **More than 30 Mwmt** of marketable nickel ore at Weda Bay, of which approximately 15 Mwmt of low-grade ore;
- **More than 7.5 Mt** of manganese ore transported in Gabon, despite the loss of nearly one month's production (approximately 0.4 Mt) following the landslide on the railway.

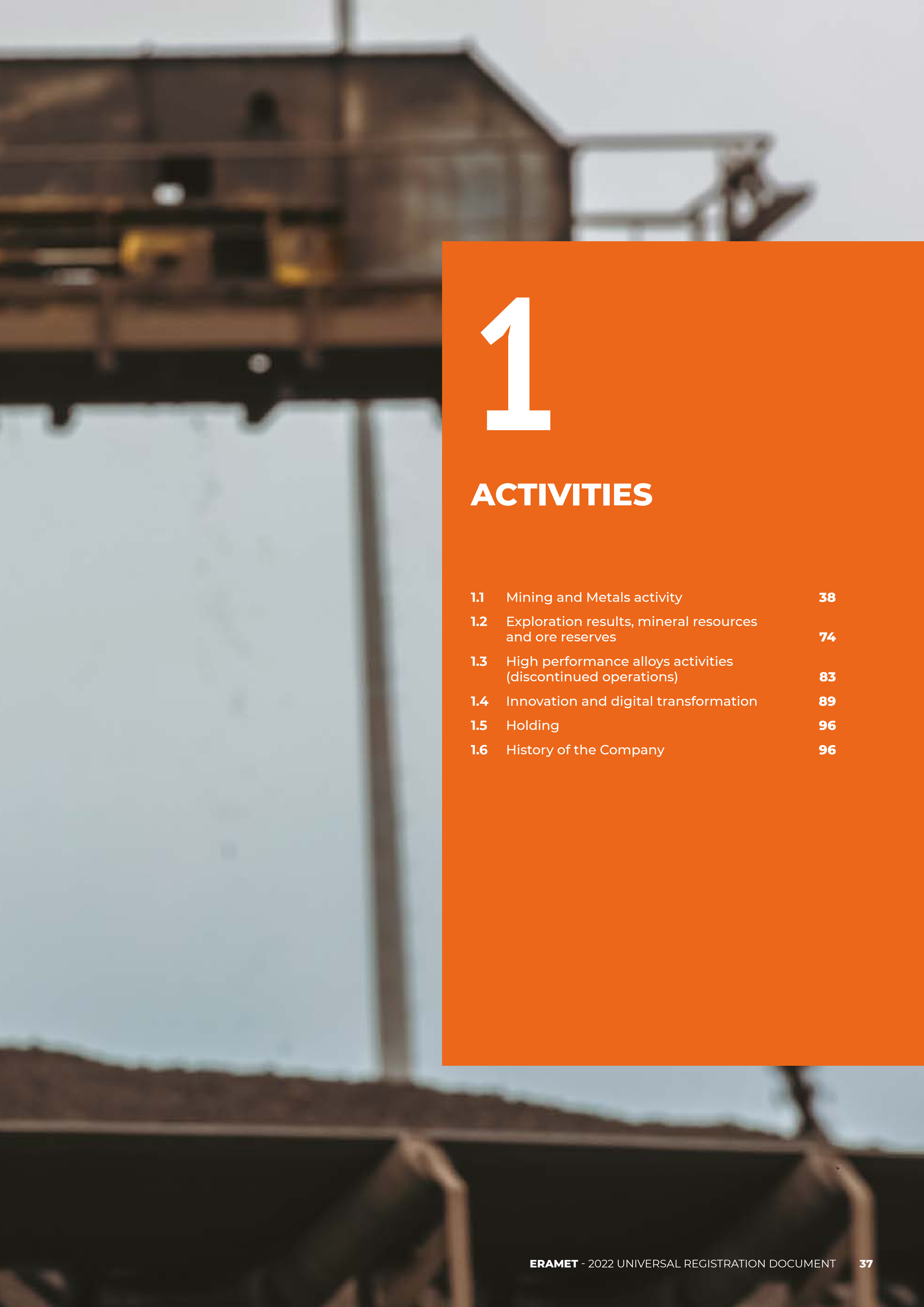
Invoiced selling prices for manganese alloys should remain significantly below 2022 on average for the year, particularly in North America, while the consensus for average manganese ore prices is **$5.2/dmtu.**

The price of ferronickel should be set at a level slightly above the SMM NPI 8-12% index but well below the consensus for the LME nickel price. Consensus for the LME is $23,100/t for 2023[1]. Domestic prices for nickel ore sold in Indonesia are indexed to the LME and change accordingly

The €/$ exchange rate is expected at **1.09**[2] for 2023.

Based on the above production targets and price forecasts, and factoring in energy and reductant costs which remain high, the **Group's adjusted EBITDA[3] would be around €1.2bn in 2023**, including the proportional contribution of Weda Bay.

*(1) Consensus of the main market analysts.*
*(2) Bloomberg forecast consensus as of 31/01/2023 for the year 2023.*
*(3) Adjusted EBITDA, a new alternative performance indicator for the Group, is defined in the Financial Glossary.*



# 1

# ACTIVITIES

**In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", the Aubert & Duval, Erasteel and Sandouville entities are presented in the Group's consolidated financial statements as operations in the process of being sold for the 2021 and 2022 financial years:**

- The sale of the Sandouville plant to Sibanye-Stillwater was closed in February 2022, for a net sale price of approximately €86 million.
- At the time of writing, the sale of Aubert & Duval is expected to be completed in the coming weeks.
- In February 2023, Eramet has been granted an exclusive put option from the Syntagma Capital fund for Erasteel. The transaction is expected to be completed by the end of the first half of 2023, once the proposal has been submitted to employee representative bodies and the usual conditions precedent have been waived.

# 1.1 MINING AND METALS ACTIVITY

## 1.1.1 Manganese activity

### 1.1.1.1 Highlights of the year

#### 1.1.1.1.1 Key figures

| Manganese activity *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Turnover | 3,151 | 2,267 |
| Manganese ore activity(1),(2) | 1,527 | 1,063 |
| Manganese alloys activity(1) | 1,624 | 1,204 |
| EBITDA | 1,402 | 910 |
| Manganese ore activity(1) | 722 | 387 |
| Manganese alloys activity(1) | 680 | 522 |
| Current operating income | 1,255 | 769 |
| Net cash flow generated by operating activities | 1,124 | 728 |
| Capital employed at start of year | 1,246 | 1,055 |
| Capital expenditure(3) | 273 | 244 |

*(1) See definition in Glossary.*
*(2) Turnover linked to external sales of manganese ore only, including €64 million linked to Setrag transport activity other than Comilog's ore (vs. €82 million in 2021).*
*(3) Excluding right-of-use assets per IFRS 16 (€4 million in 2022, stable compared with 2021).*

OPERATIONAL INDICATORS

| Manganese activity *(in thousands of tonnes)* | FY 2022 | FY 2021 |
|---|---|---|
| Manganese ore and sinter production | 7,539 | 7,024 |
| Volume of ore and sinter transported | 7,167 | 6,544 |
| External manganese ore sales | 6,537 | 5,765 |
| Manganese alloy production | 677 | 747 |
| Manganese alloy sales | 698 | 716 |

### 1.1.1.1.2 Operating performance

**In 2022, in Gabon, Moanda confirmed its status as the world's leading manganese mine with production that almost doubled in the last five years and a positioning in the first quartile of the cash cost curve.**

**The Manganese BU posted a very strong increase in EBITDA to €1,402 million (+54%).**

**EBITDA for the manganese ore activity was up very significantly to €722 million[1] (+87%), reflecting the growth in volumes sold externally (+13%) in a favourable price and currency environment.**

**EBITDA for the alloys activity posted a new record at €680 million (+30%).**

**This strong increase was driven by the very strong increase in selling prices in H1, partially offset by significantly rising energy and coke prices; volumes sold declined by 3% with a less favourable product mix.**

#### Activities

In Gabon, **the manganese ore production target of 7.5 Mt** was reached thanks to the mine expansion programme combined with continuous operational improvement.

The improvement in Setrag's logistical performance enabled the achievement of nearly 7.2 Mt in transported and shipped ore volumes (+10% vs. 2021). However, the transport of ore was penalised at end-December by the suspension of rail traffic following a landslide.

Factoring in the consumption of the Group's alloys plants during the year, external sale volumes stood at 6.5 Mt in 2022 (+13%).

The FOB cash cost[2] of manganese ore activity was $2.3/dmtu (+$0.1/dmtu vs. 2021). Favourable effects linked to growth in volumes and currency were offset by the increase in sales taxes[3] and fixed costs to support the ramp-up in production.

Sea transport costs per tonne decreased to $1.1/dmtu with freight prices remaining stable on average in 2022 and gains made from the optimised transport solution deployed at the beginning of the year.

**Manganese alloys** production volumes declined by 9% to 677 kt, reflecting the optimisation of production methods in order to adapt to market conditions and to limit the impact of energy price increases (for the part of energy supply unprotected by long-term contracts). Sales were down 3% to 698 kt. Over the year, the mix remained unfavourable, with a lower share of refined alloys sold.

The manganese alloys margin significantly increased in 2022, driven by the increase in selling prices and despite the higher cost of metallurgical coke (used as a reducing agent). Conversely, it strongly declined in H2 compared to H1, reflecting the decrease in selling prices, a less favourable mix, and the increase in the cost of manganese ore consumed by the plants.

#### Outlook

Global carbon steel production is expected to remain limited in 2023, in a context of inflation and high energy costs. Demand from the construction sector is slowing in several regions. Only India is expected to post growth again, driven by the country's momentum.

As a result, demand for manganese ore could decline over the year, while supply capacity should continue to increase. The recent increase in the CIF China 44% price index may not continue due to excessive supply.

Demand for manganese alloys is expected to decrease very slightly, notably in Europe, while uncertainties in the automotive market, still affected by the shortage of semiconductors, should continue to weigh on refined manganese alloys. As a result, the alloys supply should continue adjusting.

In 2023, manganese alloys invoiced selling prices could stabilise to the level of end-2022/early 2023 and thus remain significantly below the average prices for 2022, notably with a very strong decline in North America.

In Gabon, following the landslide on the railway, mining activities were halted for nearly four weeks in January. Rail traffic gradually recovered at the end of the month. This recovery, combined with the continued organic growth in ore, enables to target a production of 7.5 Mt in 2023, which is stable compared to 2022, despite the loss of nearly one month of production (approximately 0.4 Mt). Transported volumes should amount to more than 7.5 Mt.

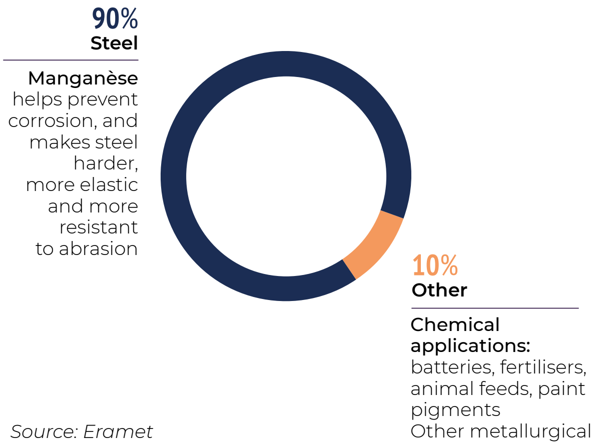
The planned shutdowns as part of the multi-year furnace rehabilitation programme and the adjustment of the production to energy prices, will result in a decline in alloys production in 2023.

*(1) Includes €29 million linked to Setrag transport activity other than Comilog's ore (€37 million in 2021).*
*(2) See financial glossary. Cash cost calculated excluding sea transport and marketing costs.*
*(3) Export duties and proportional mining royalties.*

## 1.1.1.2 The manganese market

### 1.1.1.2.1 Main applications

#### Manganese applications




*Source: Eramet*

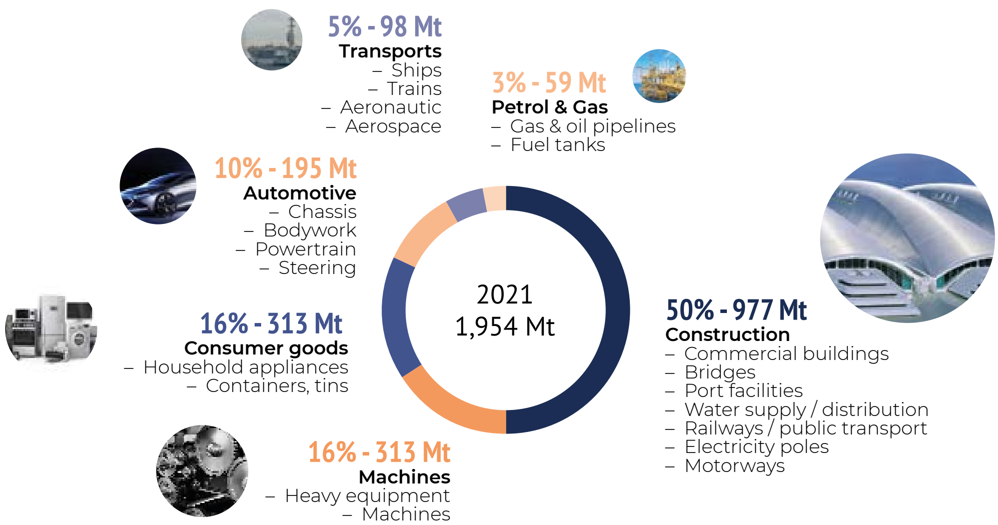
#### Steel, main application market with 90% of manganese used

All steel producers use manganese in their production processes – an average of 6-7 kg per tonne of steel, so that the steel takes on its usual properties. Manganese is used in steel mainly in the form of an alloy (ferromanganese or silicomanganese) with an average manganese content of 70% or in the form of manganese metal (pure manganese). 2.0 tonnes of ore with roughly 35% manganese content are required to produce one tonne of manganese alloy.

Manganese is mainly used as an alloying element to improve hardness, abrasion resistance, elasticity and surface condition for rolling. As an alloy element, it cannot be replaced by other non-ferrous metals. It is also used for deoxidation and desulphurisation during production.

The end uses are mostly construction and transportation/transport infrastructure. Carbon steel, the main outlet for manganese, is an essential material for the construction of modern buildings. The manganese is used, for example, to make reinforced concrete rods more rigid and more resistant, and to manufacture quick steel used in making cutting tools for mechanical industries. In the transportation area, manganese steels are appreciated for their strong resistance to wear and tear and deformation. They are used to manufacture an entire series of railway infrastructure parts because they can withstand the weight of trains and avoid the distortion of tracks. Manganese is widely used by the automotive industry for the same properties.

The primary uses for stainless steel are:




*Source: World Steel Association, Eramet, November 2021.*

#### Other applications

- Batteries: mainly alkaline batteries. Manganese is also a key element of cathodes for lithium-ion batteries.
- Ferrites: used in electronic circuits.
- Agriculture: fertiliser and animal feed.
- Other uses in chemistry: pigments, fine chemicals.

### 1.1.1.2.2 Demand for manganese

Manganese demand thus depends very heavily on trends in global carbon steel production and particularly on China, which alone is responsible for more than half of global production. The economic take-off of China, which has experienced rapid urbanisation with growing demand on its infrastructure, has also contributed significantly to the long period of strong growth in steel production and demand for manganese over the last two decades.

Steel production in 2022 suffered from the economic slowdown and inflation. The impacts were more or less marked depending on the region, with the northern hemisphere showing the largest declines. In particular, Europe, the CIS (Commonwealth of Independent States) and Turkey have been hit hard by the conflict in Ukraine and the underlying energy crisis. Countries heavily dependent on steel exports (Brazil, Vietnam, Japan) have also suffered from the economic environment. India, supported by its economic boom, is an exception and shows strong growth. China, meanwhile, has recorded a different trajectory. The steel industry no longer appears to be the pillar on which the country wishes to base its economic growth: building construction is being reined in by the "three red lines" policy ("housing is for living in, not for speculation"). The country now wants to focus its economy on sectors with higher added value, lower energy consumption and lower $CO_2$ emissions. Finally, the zero-COVID policy put a brake on the economy and particularly on the steel industry. China now appears to have seen its peak of steel production in 2020.

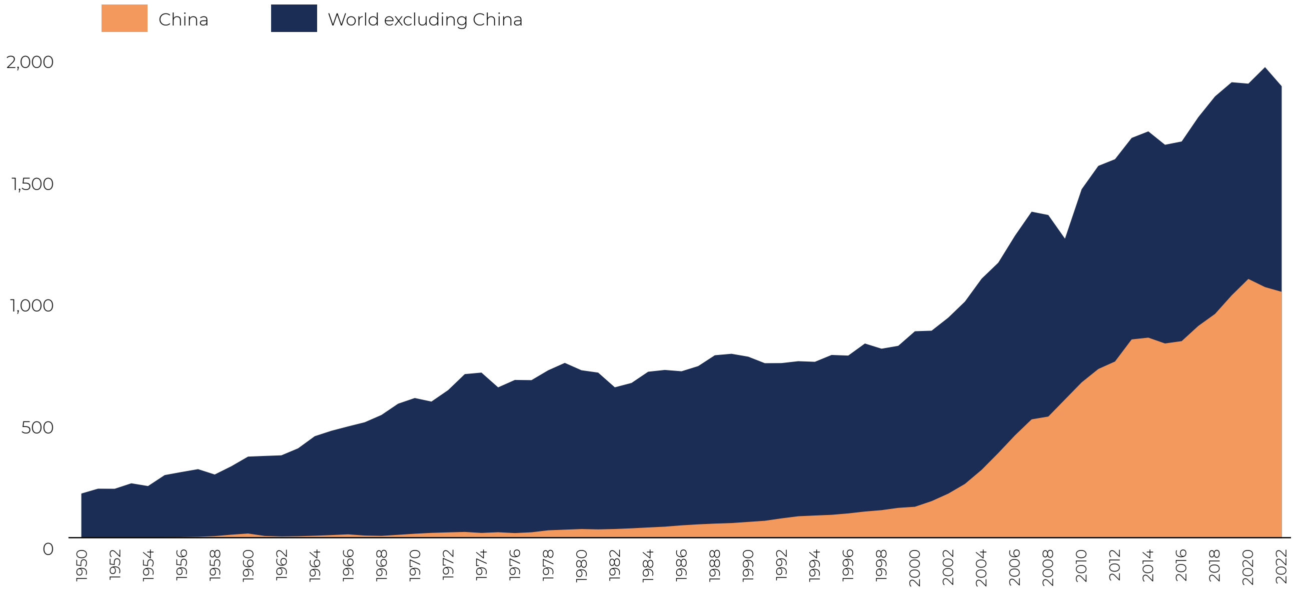
Overall, steel production in 2022 amounted to 1,855 Mt, a fall of 4.1% compared with 2021. Chinese production fell by 2.1%, while the rest of the world saw an average fall of 6.5%.

BREAKDOWN OF CRUDE STEEL PRODUCTION

| | Volumes *(millions of tonnes)* | | | | | % annual growth | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 |
| European Union | 168.6 | 158.3 | 138.8 | 160.1 | 143.7 | 3.4% | - 6.1% | - 12.3% | 15.4% | - 10.2% |
| Other Europe (including Turkey) | 49.2 | 45.6 | 46.8 | 52.2 | 45.7 | 0.0% | - 7.4% | 2.7% | 11.5% | - 12.4% |
| CIS | 100.9 | 100.6 | 101.8 | 105.5 | 85.2 | - 0.2% | - 0.3% | 1.2% | 3.6% | - 19.2% |
| North America | 120.9 | 119.7 | 101.1 | 117.5 | 109.7 | 4.4% | - 1.0% | - 15.5% | 16.2% | - 6.6% |
| South America | 45.0 | 41.7 | 38.3 | 45.4 | 444 | 3.0% | - 7.4% | - 8.2% | 18.6% | - 2.2% |
| Africa | 17.7 | 16.4 | 15.2 | 19.2 | 18.2 | 19.4% | - 7.4% | - 7.3% | 26.5% | - 5.2% |
| Middle East | 36.0 | 40.1 | 41.0 | 40.6 | 44.6 | 11.0% | 11.4% | 2.0% | - 0.9% | 9.9% |
| China | 920.0 | 996.3 | 1,063.7 | 1,030.2 | 1,010.8 | 5.6% | 8.3% | 6.8% | - 3.2% | - 2.1% |
| India | 109.3 | 111.2 | 100.3 | 117.9 | 124.6 | 7.7% | 1.8% | - 9.9% | 17.6% | 5.7% |
| Other Asia and Oceania | 245.4 | 241.3 | 218.5 | 244.6 | 227.8 | 4.1% | - 1.7% | - 9.4% | 11.9% | - 6.9% |
| **COUNTRY** | **1,813.0** | **1,871.1** | **1,865.3** | **1,933.1** | **1,854.7** | **4.9%** | **3.2%** | **- 0.3%** | **3.6%** | **- 4.1%** |

*Source: World Steel Association, Eramet, January 2023.*

TRENDS IN GLOBAL CRUDE STEEL PRODUCTION *(millions of tonnes)*




*Source: World Steel Association, Eramet. February 2023.*

### 1.1.1.2.3 Manganese supply

**Manganese ore**

The supply of ore is made up of ores of varying qualities. A distinction is made between the supply of medium- to high-grade ore with more than 30% manganese content, which is profitable to transport and export (these ore flows are classified as "seaborne"), and the supply of low-grade ore, which is consumed and transformed locally. Among the exportable ores, there are two categories: the supply of "high-grade" ore (more than 40% manganese content) and the supply of medium-grade ore (less than 40% manganese content), commonly known as "semi-carbonate". Although all these grades of ore are used in combination by alloy producers, high-grade ore has a use value far greater than its high manganese content alone: its mineralogical characteristics allow a reduction in the consumption of electricity and reducers (metallurgical coke). The increasing constraints on energy supply should allow a strengthening of this use value of high-grade ores.

Global ore production in 2022 was estimated at approximately 21.1 million tonnes of manganese content. This production is concentrated in three countries that account for three quarters of the ore supply and are its main source of growth: South Africa represents 40% of the global supply, Gabon 20% and Australia nearly 15%, although the types of deposits vary.

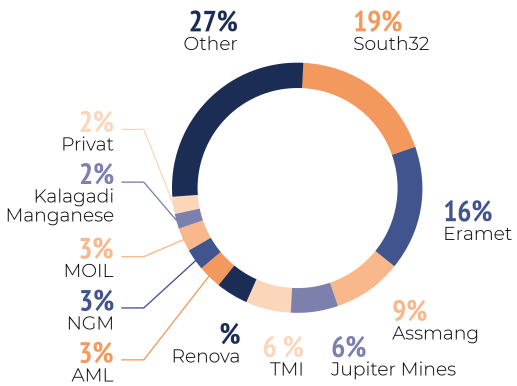
Australia and Gabon are the main producers of high-grade ore thanks to their rich and shallow deposits, giving them a high degree of competitiveness regardless of the market situation. South Africa has the largest ore reserves in the world, but these consist mainly of medium-grade semi-carbonate ore at depth and more than a thousand kilometres from the coast. As a result, South African mining production, although growing over time, must adapt to changes in prices and production costs.

MANGANESE ORE PRODUCTION *(millions of tonnes content)*

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| South Africa | 6.8 | 7.4 | 7.9 | 8.3 | 8.5 |
| Gabon | 2.3 | 2.6 | 3.3 | 3.7 | 4.2 |
| Australia | 3.4 | 3.1 | 3.2 | 3.1 | 2.9 |
| China | 1.5 | 1.5 | 1.4 | 1.3 | 1.1 |
| India | 1.0 | 1.0 | 0.8 | 0.9 | 1.0 |
| Ghana | 1.1 | 1.5 | 0.7 | 0.7 | 0.7 |
| Brazil | 1.2 | 1.7 | 1.2 | 0.7 | 0.5 |
| Ukraine | 0.5 | 0.4 | 0.4 | 0.6 | 0.5 |
| Côte d'Ivoire | 0.4 | 0.4 | 0.6 | 0.4 | 0.4 |
| Myanmar | 0.2 | 0.3 | 0.2 | 0.2 | 0.1 |
| Other | 1.4 | 1.3 | 1.1 | 1.1 | 1.2 |
| Worldwide | 19.5 | 21.2 | 20.8 | 21 | 21.1 |

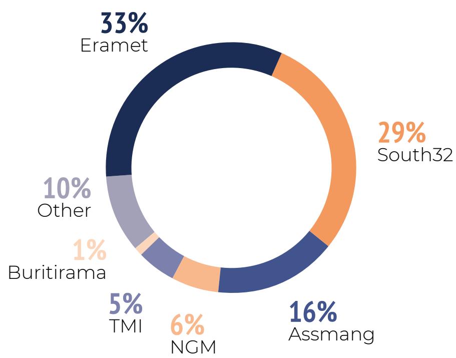
*Source: Eramet, February 2023.*

**Estimated manganese ore production by player**




*Source: Eramet, February2023.*

**High-grade manganese ore production by player**



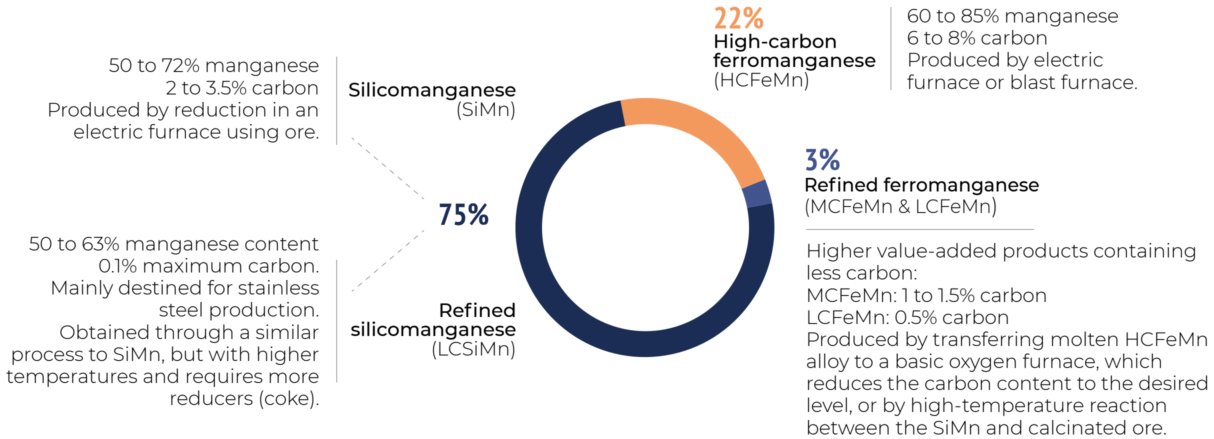

*Source: Eramet, February 2023.*

Thanks to its Moanda mine in Gabon, Eramet is the world's largest producer of high-grade ore and the second-largest producer of manganese ore of all grades.

## Manganese alloys

Manganese alloys are produced by smelting manganese ore at a temperature of around 1,600°C. This operation, known as metallurgical reduction, is carried out by adding metallurgical coke to the furnaces, most of which are electric. However, some producers, mainly based in China, use blast furnaces but this process is less and less used, given the price of coke. Outside of China, blast furnaces can also be found in Japan and Eastern Europe.

### Manganese alloy families




*Source: Eramet.*

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| China | 12.3 | 14.8 | 15.0 | 14.2 | 14.3 |
| India | 2.4 | 2.5 | 2.4 | 3.2 | 3.5 |
| Russia | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 |
| Norway | 0.7 | 0.7 | 0.6 | 0.7 | 0.6 |
| Malaysia | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 |
| South Korea | 0.6 | 0.6 | 0.5 | 0.6 | 0.5 |
| Ukraine | 1.0 | 0.9 | 0.6 | 0.8 | 0.5 |
| Japan | 0.4 | 0.5 | 0.5 | 0.5 | 0.4 |
| Brazil | 0.3 | 0.3 | 0.2 | 0.3 | 0.4 |
| South Africa | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 |
| Other | 1.9 | 1.9 | 1.7 | 2.0 | 0.8 |
| **WORLDWIDE** | **21.1** | **23.9** | **22.9** | **23.8** | **23.5** |

*Source: Eramet, January 2023.*

BREAKDOWN OF GLOBAL MANGANESE ALLOY PRODUCTION BY PRODUCT TYPE

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Silicomanganese (of which refined)[(1)] | 73% | 76% | 78% | 77% | 75% |
| High-carbon ferromanganese | 21% | 18% | 16% | 17% | 22% |
| Refined ferromanganese | 6% | 6% | 5% | 6% | 3% |

*Source: Eramet, January 2023.*

(1) *We currently do not have sufficient information to distinguish between volumes of refined silicomanganese compared with those of standard grade silicomanganese.*

Silicomanganese has experienced the strongest growth of all the standard alloys. The availability in China (as well as in India and Ukraine) of local low-grade ore, which can more easily be used to produce silicomanganese, has favoured its development. However, low-grade ores are always mixed with rich imported ores in an ongoing attempt to achieve a price/performance balance. In addition, silicomanganese is preferred for construction steels, a predominant activity in China over the last decade.

The Chinese market is characterised by a very large number of alloy producers that are very dependent on high-grade imported ores, which consume more than 60% of global seaborne ore. As a result of the introduction of export taxes in 2008, China is not a significant player in the international alloy market, unlike India, which is a major exporter of commodities (SiMn and HCFeMn). However, the Chinese export tax was lifted in 2012 for Electrolytic Manganese Metal, a competitive product to refined alloys.

Despite the low share of refined alloys in global alloy production, they represent the highest value-added products due to their low carbon and high manganese content, as well as their exposure to the energy and automotive markets.

#### Manganese metal

Manganese metal is produced using a hydrometallurgical process during electrolysis (Electrolytic Manganese Metal or EMM). It is an extremely pure manganese product (over 99%), generally produced in the form of flakes. Since the hydrometallurgical process is adapted to the treatment of low-grade ores, EMM production is concentrated in China, the main exporter of metal with a traditionally very fragmented industry, but which has been highly concentrated in the last five years with the emergence of one producer that alone accounts for more than 50% of global production capacity.

The main markets for manganese metal are carbon steel, stainless steel and aluminium alloy production. Global manganese metal production varies between 1.2 and 1.6 million tonnes annually, depending on the year.

#### Manganese oxide

Manganese oxide is obtained by a process of reducing manganese dioxide or by a process of calcining manganese carbonate. It is mainly used as an input for fertilisers, animal feed and welding, or as an intermediate product for the battery market. These markets are expected to remain relatively stable over the next few years. Meanwhile, there has been very strong growth in manganese oxide for rechargeable batteries, driven by NMC cathode technology[1]. This sector is expected to grow strongly in the coming years.

### 1.1.1.2.4 Prices

#### Formation and monitoring of manganese ore prices

The sale price of manganese ore is the result of direct negotiations between buyers and sellers. It is usually expressed in USD/dmtu (dry metric tonne unit). The dmtu price is higher for high-grade ores, and also depends on particle size and the possible presence of impurities.

There are currently two reference indices for manganese ore prices: CRU and Fastmarkets. These two independent companies are specialised in the analysis and publication of reference prices for the mining and metal products markets. The prices are referenced for two ore grades: 44% and 37% of manganese for the different Incoterms® [(2)(2)]. The Free On Board (FOB) reference indicates that the transfer of the seller's costs and risks to the purchase occurs when the good is loaded on board the ship at the port of embarkation. The CIF (Cost Insurance and Freight) indicates that the seller bears the shipping costs to the destination indicated by the Incoterms®, and is required to take out insurance covering the risks linked to the transportation of goods to the specified location.

Manganese ore is transported in bulk in ore carriers. The Baltic Dry Index (BDI) serves as a price benchmark for dry bulk sea transport (mainly ore, coal and grains). The index is published by an independent organisation based in London – the Baltic Exchange – and is established on the basis of information provided by an international panel of maritime brokers on the most recent contracts concluded. It is divided into several other indices according to the size of the ships.

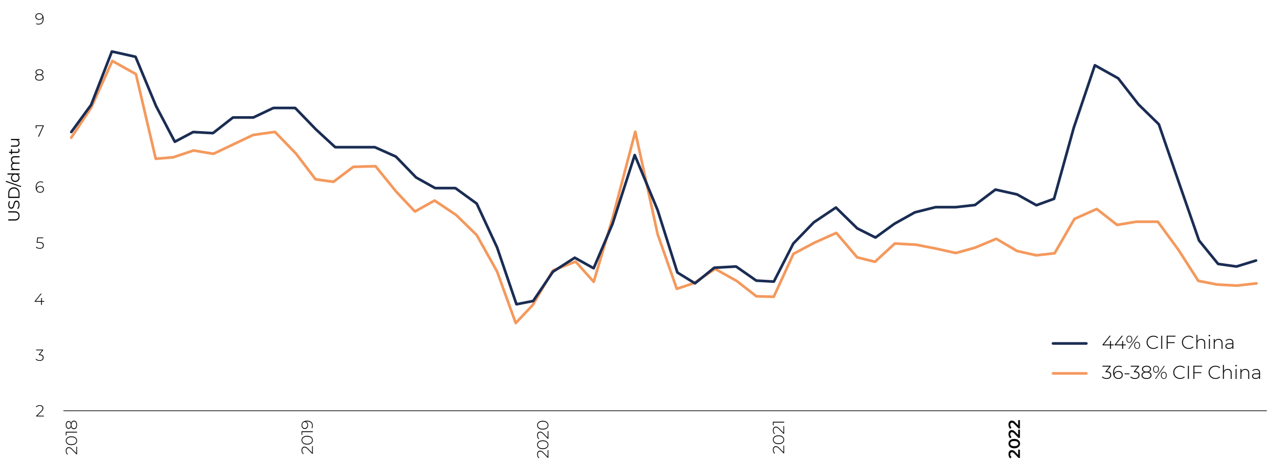
Manganese ore prices are set by over-the-counter negotiations between market participants (producers, consumers, traders). These negotiations are generally conducted on a monthly basis, primarily with Chinese players, who account for nearly 65% of the volumes traded worldwide. These prices are then applied in the secondary markets, accompanied by premiums or discounts. However, longer-term contracts can stipulate guaranteed sales volumes for multiple players. Chinese players are likely to continue to play this role due to the advanced development of the Chinese market (port market, numerous intermediaries, financial derivatives on silicomanganese).

The gap between the referenced prices for 44% and 37% manganese ore grades makes it possible to assess the valuation difference between high-grade and semi-carbonate ore, linked among other things to energy prices and constraints on the availability of these grades.

*(1) NMC (nickel manganese cobalt) batteries: Li-ion batteries containing these three elements.*

*(2) Incoterms®: Standardised term which defines the seller's and buyer's respective obligations and responsibilities, in international trade*

**Monthly price of manganese ore 44% CIF China** *(USD/dmtu) ww*




*Source: CRU.*

### Formation and monitoring of manganese alloy prices

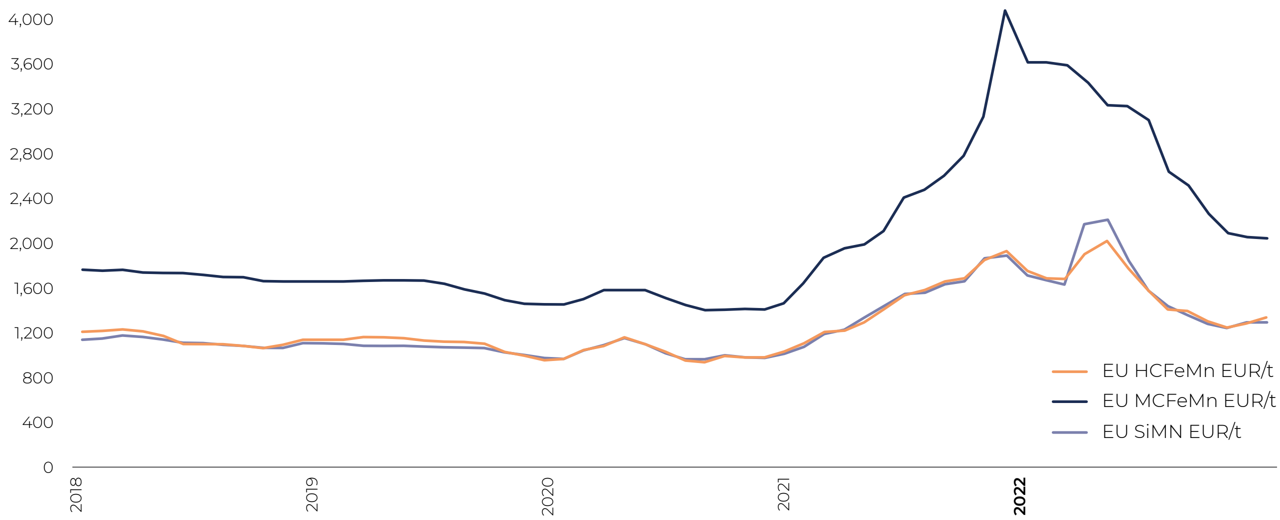
There is no market as such for manganese alloys, except in China. Prices are negotiated directly between producers and customers. As far as scheduled sales are concerned, alloy prices are often negotiated on a quarterly basis. Non-scheduled sales are often negotiated on the basis of spot prices.

The manganese alloys market is a global market by nature, but with strong regional trends. China is generally a closed market due to a prohibitive export tax; only international prices that are much higher than local prices result in exports. The Asian markets are less attractive because they are extremely competitive. The European market has moderate import taxes and attracts few Asian imports, other than from India. Finally, the North American market is the most isolated, relying mainly on imports (lack of significant local supply) and showing somewhat higher average long-term prices due to the remoteness of the suppliers and the consequent high transport costs.

The different alloy families also have price differences related to their use value and their content of certain chemical elements critical to steel, such as carbon and phosphorus. In this regard, refined alloys in particular command a much higher sale price than standard alloys.

There are several reference indices which are used to track trends in manganese alloy prices using weekly to monthly spot price surveys. Market players (buyers and sellers) mostly use the CRU and to a lesser extent Fastmarkets.

**Price of manganese alloys in Europe** *(€/tonne)*




*Source : CRU.*

Generally speaking, fluctuations in the price of manganese alloys reflect those of ore and/or steel. However, the ability of producers to preserve their margins largely depends on supply and demand regional balances for each type of alloy.

#### 1.1.1.2.5 Recent trends and market outlook

In 2022, global manganese ore production was 21.1 million tonnes of manganese content, an increase of 0.5% compared with 2021. Gabon (where Comilog is responsible for two-thirds of total production) is the main driver of this growth, followed by South Africa. South Africa could have maintained its level of exports between 2021 and 2022, buoyed by high prices in the first half of the year. In Brazil, meanwhile, production contracted by nearly 30%.

Ore inventories in Chinese ports amounted to around 6 million tonnes at the end of 2022 (i.e. around 13 weeks of consumption), up compared with the end of 2021, due in particular to a fall in global demand for manganese ore in 2022.

The first half of 2022 was marked by a surge in manganese ore prices, against a background of rising energy costs. This was because high-grade ore inventories were low at the end of the first quarter. As this ore is preferred for its low consumption of electricity and reducers compared with other grades, its price level soared in this context of energy tension. Subsequently, weakening demand for ore with a stable supply pushed prices down throughout the second half of the year. Thus, the average ore price over the year was 5.97 USD/dmtu (44% Mn CIF China), up 13% compared with 2022.

In 2023, the supply of ore is expected to be relatively stable compared with 2022, with only Gabon and South Africa potentially increasing their production slightly. The supply of manganese alloys experienced a very strong first half of 2022, driven by the market's fears about the impact of the war in Ukraine on the local production of the world's largest SiMn producer, thus sustaining very high prices. The second half showed a 10% decline compared with the first half, adjusting after large-scale restocking, lower steel production and margins squeezed by higher costs and lower prices. The total fall over the year was -6%, including -8% in China and -3% in the rest of the world.

Following the Russian invasion of Ukraine, manganese alloy prices hit record levels, with silicomanganese reaching 2,185 EUR/t in Europe at the end of March before settling to an average of 1,472 EUR/tonne. With these peaks in silicomanganese and high-carbon ferromanganese prices in Europe, their annual averages were 5% higher than those seen in 2021, which were already record levels. The biggest increase was seen in refined alloys. Medium-carbon ferromanganese prices rose by 11% on average compared with the previous year.

Global production of carbon steel is expected to remain limited in an inflationary environment with high energy costs. Sea freight rates are returning to their pre-crisis levels thanks to the resolution of port congestion issues and a fall in demand. The very strong rise in deliveries of new ships should allow these rates to recover their seasonal trends in the future.

## 1.1.1.3 Manganese business overview

### 1.1.1.3.1 Structure and positioning

The Manganese business combines the ore extraction activities in Gabon, its transportation by rail, including the other transport activities linked to the Trans-Gabonese railway concession and its loading at the port. This activity also includes manganese ore processing activities, essentially in the form of manganese alloys for the steel industry.

It includes several companies:

- Comilog a company operating under Gabonese law, is 63.71% owned by Eramet. Its activities mainly include: the operation of the mine, the manganese ore sintering plant and manganese alloys production, in Moanda (Gabon)
- Setrag (a subsidiary of Comilog), concession holder of the Trans-Gabonese railway
- Comilog Dunkerque (a subsidiary of Comilog) which produces manganese alloys in France
- Eramet Norway has three alloy plants in Porsgrunn, Sauda and Kvinesdal (Norway)
- Eramet Marietta, which runs a manganese alloy plant in the United States.

Eramet is a leading global player in the manganese industry, in both mining extraction and ore processing:

- the Moanda mine is the world's largest manganese mine, and overall the Group is the world's second-largest producer of manganese ore (market share of 16%), but the largest producer of high-grade ore (market share of 33%);
- the largest producer of refined alloys, which are higher value-added products, and the world's second-largest producer of manganese alloys.

Thanks to its industrial presence and its very comprehensive range of products, the Manganese business, backed by the Group's commercial network, can offer a flexible response to the various manganese-related needs of its customers.

### 1.1.1.3.2 Activities and products

**Manganese mining activities and processing (manganese alloys)**

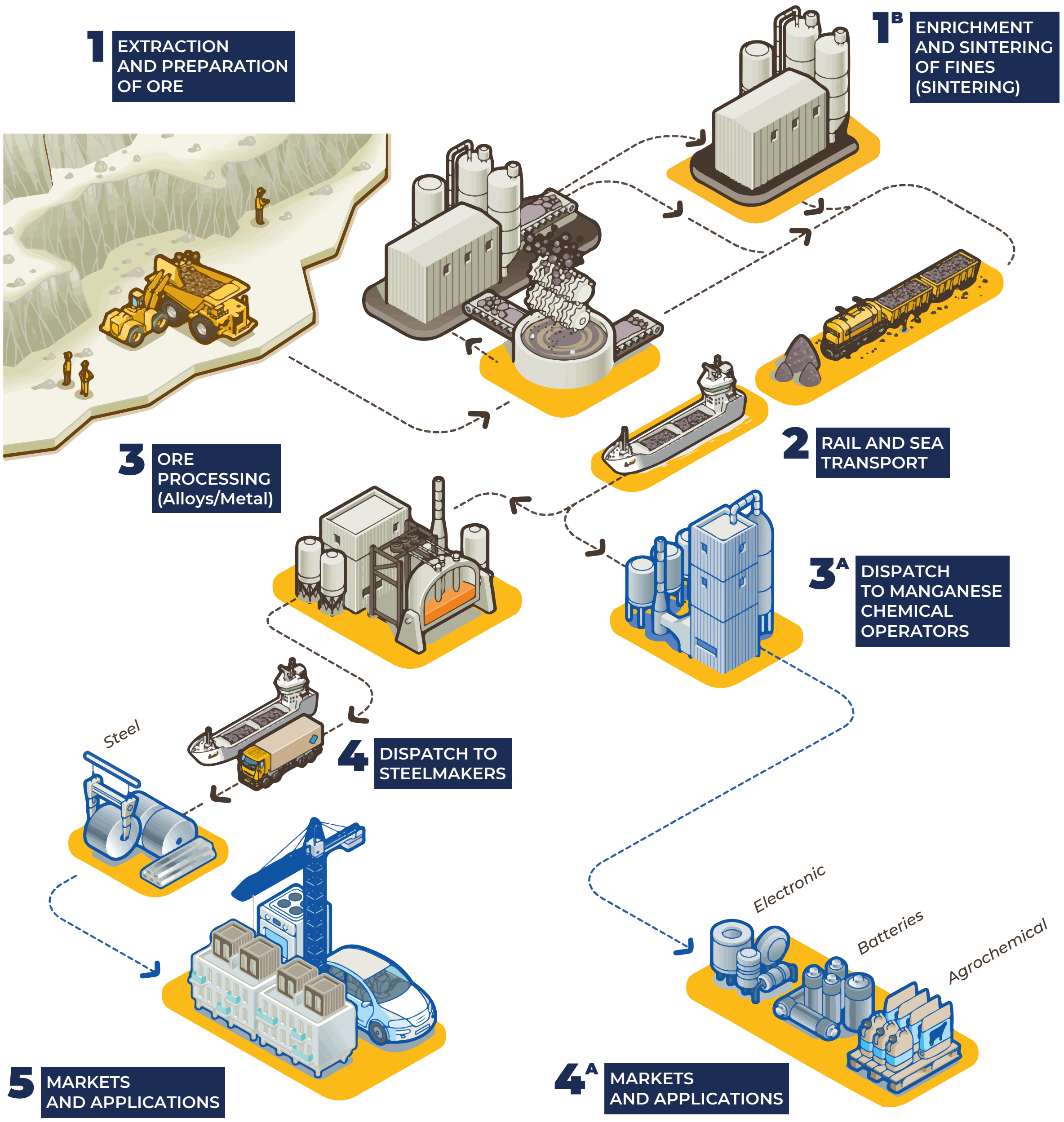



*Illustration of the stages involved in manganese ore processing activities at Eramet.*

MANGANESE ORE PRODUCTION

| *(thousands of tonnes)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Manganese ore and sinter production | 7,539 | 7,024 | 5,803 | 4,765 | 4,330 |

### The mine

The Moanda deposits rank among the world's richest manganese deposits. The commercial ore content averages about 45%. The mine's reserves and resources are discussed at the end of this section.

Mining operations are carried out in open pits. The layer of overburden covering the ore is a few metres thick. The extracted ore is processed either via mobile crushing and screening units or via a stationary crushing and washing unit. The resulting ore is transported by conveyor or truck to Moanda railway station.

### The enrichment and sintering plant

The Moanda industrial complex (CIM) processes the fine by-products of beneficiation, as well as manganeferous sediments extracted from the Moulili River. Finished products are enriched to increase their manganese content from 35% to a little over 50%. Part of the concentrates produced by this process is sold directly, while the rest is mixed with coke and sintered at a temperature of 1,300°C to achieve a product with approximately 56% manganese content. The sinter plant has a production capacity of 650,000 tonnes per year. The sintered product is mainly intended for melting in furnaces (Eramet plant and external customers) for transformation into manganese alloys.

### Logistics

The Trans-Gabon Railway (Setrag, a 51% subsidiary of Comilog since the end of January 2022) transports Comilog's manganese ore and that of other ore producers, as well as wood, general cargo and passengers, between Franceville and Libreville, a distance of more than 600 kilometres. Comilog owns and operates its own locomotives and goods wagons.

In November 2021, Meridiam, a private investor[1], entered Setrag's capital through a capital increase of approximately €30 million, which gave it a 40% shareholding in the subsidiary. As well as its capital contribution, Meridiam has also undertaken to contribute around €40 million to the financing of Setrag and to provide its railway expertise to ensure the future development of the Trans-Gabon railway. As part of the agreement signed between the parties, the Gabonese State also acquired a 9% holding in the subsidiary in January 2022 and an amendment to the Trans-Gabon rail concession contract was signed, extending its duration by 10 years.

The concession, which was obtained in November 2005 for a period of 30 years, secures the connections and ensures the shipment of rapidly growing quantities of ore. In 2016, the Company embarked on a major railway renovation and operational progress programme which will take nearly 10 years, the first stages of which have already allowed it to make significant progress in terms of logistics.

Through its subsidiary, Port Minéralier d'Owendo, Comilog is a concession holder for its ore carrier port, the port of Owendo, with a storage capacity equal to roughly one month's production. The port can accommodate 55,000-tonne ships and load them in three days.

An optimised transshipment solution allowing the sea transport of manganese ore by larger vessels was deployed at the beginning of 2022, allowing the loading of Capesize vessels (capacity of 200,000 tonnes). This solution, which incurred implementation costs in the first half of the year, should contribute to reduce sea transport costs for manganese ore.

### Manganese alloy production

Eramet is the world's leading producer of refined alloys. Eramet produces a very extensive range of alloys and standard products (high-carbon ferromanganese, silicomanganese), but also so-called refined products (medium and low-carbon ferromanganese, low-carbon silicomanganese) with high value added. Since 2014, the Moanda metallurgical complex in Gabon (C2M) supplements this production. C2M produces silicomanganese through ore fusion. In Europe, Eramet is a major manganese alloys player, thanks to its three plants in Norway and France-based plant (Dunkirk). These plants' electricity sources (nuclear and hydroelectric) allow it to produce alloys with a particularly low carbon footprint. In the United States, Eramet is also the leading producer of manganese alloys (Marietta site, Ohio).

### Production of manganese oxide (MnO)

The C2M has four rotary furnaces producing MnO with a nominal capacity of almost 46 kilotonnes/year. Since 2021, Eramet has sold MnO on the agricultural, animal feed and battery markets.

*(1) Meridiam is an investment fund specialising in the long-term management of sustainable public infrastructure.*

MANGANESE ALLOY AND MANGANESE OXIDE PRODUCTION

| *(thousands of tonnes)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| High-carbon ferromanganese | 85 | 67 | 83 | 83 | 54 |
| Standard silicomanganese[(1)] | 273 | 276 | 251 | 229 | 281 |
| Refined alloys and manganese metal | 319 | 404 | 363 | 428 | 385 |
| Manganese oxide (MnO) | 7 | 5 | - | - | - |
| **TOTAL** | **683** | **752** | **698** | **740** | **720** |

(1) *Including the silicomanganese produced at C2M in 2021 previously classified as standard refined alloys.*

MANGANESE ALLOY AND MANGANESE OXIDE PRODUCTION SITES

| Site | Country | Production capacity | Type of furnace | Income |
|---|---|---|---|---|
| Dunkirk | France | 70 kt | Electric furnace | SiMn |
| Sauda | Norway | 220 kt | Electric furnace | HC, MC, LC FeMn |
| Porsgrunn | Norway | 170 kt | Electric furnace | HC, MC, LC FeMn, SiMn |
| Kvinesdal | Norway | 165 kt | Electric furnace | SiMn, LC SiMn |
| Marietta | United States | 120 kt | Electric furnace | HC, MC, LC FeMn, SiMn |
| Moanda | Gabon | 65 kt | Electric furnace | SiMn |
| | | 46 kt | Rotary furnace | MnO |

### 1.1.1.3.3 Capital expenditure

| *(in millions of euros)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Capital expenditure Mines and Plants | 227 | 211 | 154 | 184 | 85 |
| Trans-Gabonese Remedial Investment Plan | 46 | 33 | 42 | 50 | 55 |

In 2022, the Manganese business implemented an investment programme for a higher amount than in 2021, aimed in particular at increasing Comilog's ore production capacity as well as the related logistics chain.

Total investment expenses dedicated to the organic growth of Comilog in terms of production but also transport, very profitable with a very rapid ROI, amounted to around €160 million in 2022. These investments are part of a modular programme.

Investments were made to strengthen transport capacity (wagon delivery, work to prepare and repair storage and loading areas).

Comilog also carried out environmental and societal projects. In 2022, Eramet committed to an investment of around €17 million to improve the quality of the atmospheric emissions of the CIM (REACIM project), of which more than half was committed in 2022. The project is ongoing and scheduled for start-up in 2023.

Routine investments for maintaining existing facilities and the studies necessary for future developments (integrated planning of operations, upgrading of port facilities, construction of waste storage capacity and additional studies of the organic growth programme) account for the rest of the investments.

Within the manganese alloy plants, the main investments were devoted to maintaining the main production tools. The installation of a pilot unit to recover the energy contained in the gases from smelting furnaces in the form of electricity, begun in 2021 at the Sauda site, showed promising results in 2022.

#### Trans-Gabonese Remedial Investment Plan

The aim of Setrag's Remedial Investment Plan is to restore and then increase the original transport capacity of the Trans-Gabonese railway. A multi-year remedial investment plan for the railway has been implemented. Thus, 2022 was marked by ongoing work to consolidate the rail platform (work carried out by the Gabonese State), work to renovate the track superstructure (rails, tracks, ballast) and the installation and coming on stream of equipment required for the new Train Controlling System (TCS).

In particular, 60,456 sleepers were replaced in 2022 (+54% compared with 2021). In 2022, new sleeper-laying equipment made it possible to increase the pace of the renovation, which is due to be completed by the end of 2024.

Spread out over almost 10 years, the cost of this operation is approximately €500 million, of which €150 million is provided by the Gabonese government. The remainder will be borne by Setrag, which benefits from several tranches of international financing obtained via IFC (World Bank) and Proparco (subsidiary of the French Development Agency), with Comilog's guarantee.

In addition to this project, investments were made to improve safety (particularly by closing off the area and building pedestrian walkways over the tracks), reduce the environmental impact and boost productivity.

#### 1.1.1.3.4 Strategic growth projects

In Gabon, the significant reserves of the Moanda mine suggest that the mine will be able to continue its growth plan over many years. The use of stationary modular washing units and a conveyor in the coming months will allow the organic growth of manganese ore volumes to continue in 2023.

Investments aimed at continuing but also sustaining the growth in the production and transport of ore are likely to amount to around €200 million in 2023.

## 1.1.2 Nickel activity

### 1.1.2.1 Highlights of the year

#### 1.1.2.1.1 Key figures

| Nickel activity *(in millions of euros)* | Financial Year 2022 [3] | Financial Year 2021 restated[3] |
|---|---|---|
| Turnover | 1,392 | 1,046 |
| Adjusted EBITDA[1] | 430 | 266 |
| EBITDA | 86 | 113 |
| Current operating income | 14 | 37 |
| Net cash flow generated by operating activities | 0 | 39 |
| Capital employed at start of year | 579 | 636 |
| Capital expenditure[2] | 85 | 35 |

*(1) EBITDA adjusted including the proportional contribution of* ***Weda Bay****. Definition of adjusted EBITDA, the Group's new Alternative Performance Indicator, presented in the financial glossary.*

*(2) Excluding right-of-use assets per IFRS 16 (€18 million in 2022 compared with €5 million in 2021).*

*(3) Excluding Sandouville, sold on 4 February 2022, which, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", is presented as an activity sold or held for sale in 2022 and 2021.*

OPERATIONAL INDICATORS

| | FY 2022 | FY 2021 |
|---|---|---|
| WEDA BAY NICKEL (INDONESIA) | | |
| Marketable nickel ore production (high-grade saprolite) *(millions of wet tonnes – 100%)* | 15.1 | 9.9 |
| Production of low-grade nickel ferroalloys *(thousands of tonnes of nickel content – 100%)* | 36.6 | 39.0 |
| Sales of nickel ore *(millions of wet tonnes – 100%)* | 18.0 | 6.6 |
| Sales of low-grade nickel ferroalloys *(thousands of tonnes of nickel content – Eramet off-take)* | 15.8 | 15.7 |
| SLN (NEW CALEDONIA) | | |
| Nickel ore production *(millions of wet tonnes)* | 5.4 | 5.4 |
| Nickel ore sales *(millions of wet tonnes)* | 3.0 | 2.9 |
| Ferronickel production *(thousands of tonnes of nickel content)* | 40.9 | 39.0 |
| Ferronickel sales *(thousands of tonnes of nickel content)* | 41.3 | 39.2 |

#### 1.1.2.1.2 Operating performance

**In 2022, Weda Bay in Indonesia became the world's leading nickel mine, with a positioning in the 1st quartile of the cash cost curve of the industry.**

**Adjusted EBITDA[1] for the BU amounted to €430 million, up 62%, including a proportional contribution from Weda Bay which more than doubled in 2022 to €344 million, thanks to excellent operational performance in the mine, as well as a favourable price and currency environment.**

**EBITDA for SLN[2] declined to €75 million (-26%), reflecting the subsidiary's persistent difficulties in a context of very bad weather conditions.**

##### Activities

**In Indonesia**, the Weda Bay mine continued its exceptional ramp-up with the sale of 21.1 Mwmt in 2022 (for 100%), of which 3.9 Mwmt in low-grade ore. This represents an increase of more than 100%.

External ore sales, at the plants on the industrial site other than the Joint Venture (JV) plant, amounted to 17.9 Mwmt, with internal consumption for nickel ferroalloys production remaining stable at 3.2 Mwmt.

Production at the plant reached 36.6 kt-Ni over the year (on a 100% basis), a decline of 6% due to operating difficulties in Q4. The volumes sold by Eramet as part of the off-take contract for production remained stable, contributing €278 million to Group turnover, up 21%, in a favourable price environment.

The excellent operational performance of Weda Bay was again reflected in a substantial contribution to Group FCF over the period of €237 million.

**In New Caledonia**, mining production amounted to 5.4 Mwmt, stable compared to 2021, reflecting persistent operating difficulties in the mines in a context of very bad weather conditions (with a rainfall volume nearly 90% higher in 2022 compared to the average of the last six years). Low-grade nickel ore exports stood at 3.0 Mwmt, stable compared to 2021.

Ferronickel production and sales were up 5% to 40.9 kt-Ni and 41.3 kt-Ni respectively. However, over the year, the operation of the Doniambo plant was strongly disrupted by ore and power supply difficulties.

Cash cost[3] amounted to \$8.2/lb on average in 2022, up 17%, reflecting a very strong increase in energy costs, mainly electricity and coal (which price more than doubled vs. 2021), but also fixed costs, combined with a decline in productivity. These effects were partly offset by a favourable currency and ore price impact.

As a result, SLN generated negative Free Cash-Flow in H2, with a total of -€70 million at the local level for the year. A plan to reduce costs and preserve cash was introduced by the subsidiary in Q4 to address its difficulties.

##### Outlook

In 2023, demand for primary nickel is expected to continue growing thanks to the development of the batteries sector and the recovery of the stainless steel industry.

In parallel, primary nickel production could also increase, notably in Indonesia with the continued growth of NPI and new projects for batteries (HPAL, intermediate products and mattes).

**In Indonesia**, the Weda Bay mine should continue its exceptional ramp-up in 2023, with a marketable target (on a 100% basis) of more than 30 Mwmt, of which approximately 15 Mwmt in low-grade ore. The nickel ferroalloys production (on a 100% basis) is expected to total approximately 38 kt-Ni.

**In New Caledonia**, in response to the structural difficulties of the SLN, a short term answer is being implemented to drastically reduce costs and focus efforts on production. In light of its critical financial situation, the French State granted SLN a €40 million loan in early February to enable the entity to meet its short-term cash requirements. This new loan, together with the implementation of the contingency progress plan, makes it possible to avoid the risk of suspension of payments.

The Temporary Offshore Power Plant, aimed at ensuring a continued electricity supply for the Doniambo site was commissioned at full capacity in early January 2023, replacing the old plant, which will be phased out in Q1 2023.

Assuming normal functioning of operations, SLN's nickel ore exports are expected to total around 3.5 Mwmt in 2023 with ferronickel production for the Doniambo plant above 45 kt-Ni.

*(1) Definition of adjusted EBITDA, the Group's new Alternative Performance Indicator, presented in the financial glossary.*
*(2) SLN, ENI and others.*
*(3) See Financial Glossary.*

## 1.1.2.2 The nickel market

### 1.1.2.2.1 Main nickel applications

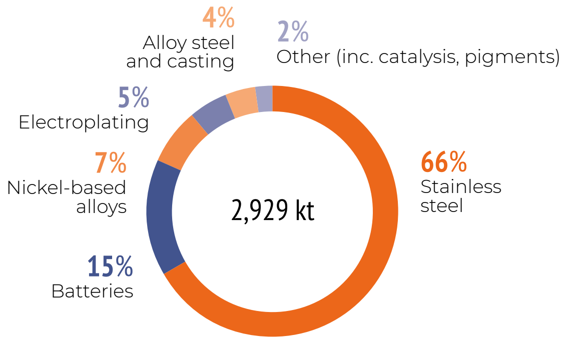
Nickel is a critical component in the manufacture of numerous products due to its physical and chemical properties.

As such it is often combined with chromium and other metals to produce special steels: the stainless steel industry is by far the largest consumer of nickel (corrosion resistance, ductility, easy to shape steel). Other alloy steel categories include superalloys for aeronautics such as high-grade nickel (exceeding 45%) combined with other metals such as cobalt and chrome ensure that they retain their mechanical properties at the increasingly high temperatures of functioning reactors.

Electroplating[(1)], catalysis and pigments represent other outlets for nickel use, albeit on a smaller scale.

Lastly, nickel is used in rechargeable batteries, especially for electric vehicles, expected to become a booming market in upcoming years. Nickel gives batteries greater energy density and larger storage capacity.

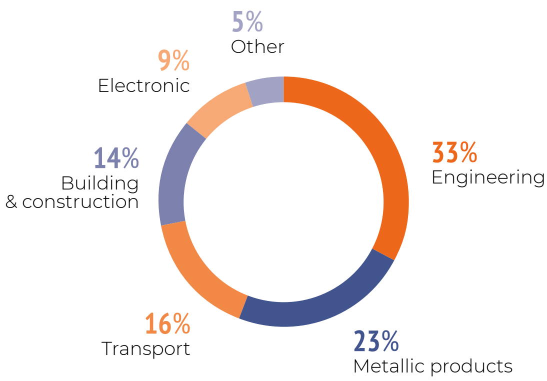
**Main applications of primary nickel in 2022**




*Source: Eramet, January 2023.*

The primary uses for stainless steel are:

**Main end applications of nickel**




*Source: Roskill, September 2021.*

- **Engineering with three predominant sub-sectors:** chemical, petrochemical, and offshore; food processing (such as vessels and pipes for milk and wine production); and energy, tanks and heat exchangers;
- **metallic products,** mainly for food safety and hygiene with tableware and holloware, cutlery, catering and medical applications such as surgical equipment;
- **transport** to limit corrosion and due to low maintenance costs: trains, ships, tanker lorries, aeronautics and automotive catalytic converters;
- **building and construction industry** (aesthetics, durability and low maintenance costs): lifts, ramps, street furniture and building accessories;
- **electric and electronics:** household appliances (washing machines, refrigerators etc.), data processing and consumer electronics (computers, smartphones etc.).

### Nickel recycling

Nickel is infinitely recyclable, and its high economic value makes it profitable to collect and recycle. The structure of the nickel recycling industry has been in place for many years. Nickel is most often recycled in the production of stainless steel and the proportion of secondary nickel should increase further in the next few years as this sector expands in China.

(1) See the document's Technical Glossary.

### 1.1.2.2.2 Nickel demand

In 2022, the stainless steel industry, the main outlet for nickel, generated a slightly higher demand compared with the previous year despite a 4% global reduction in stainless steel production during the year, totalling 55.2 million tonnes. In China, demand for nickel for this industry was impacted by the zero-COVID policy and the economic slowdown linked to these measures. Production in the rest of the world was also held back by increased raw materials and energy prices. Only India saw its production increase in 2022. Overall, primary nickel consumption in stainless steel was 1.9 million tonnes (up slightly by 1.0% compared with 2021 thanks to the increased share of the 300 series, which consume more nickel), while secondary nickel consumption was down 10% to 1.0 million tonnes, with half of the fall generated in China.

Among the other applications, the aeronautics and electroplating industries bounced back due to the recovery of the automotive market.

Lastly, nickel consumption soared in the battery sector (38% compared with 2021) due to the boom in this market in China, and to a lesser extent, in Europe. China accounted for over half (62%) of the electric vehicles sold in 2022 (approximately 6.5 million), and although LFP[1] battery technology is growing rapidly in the country, high nickel content batteries remain predominant.

Non-stainless steel applications thus consumed 988,000 tonnes of primary nickel (15% compared with 2021).

In total, global primary nickel consumption increased by more than 5.3% in 2022, representing growth of more than 149,000 tonnes of additional nickel units.

### 1.1.2.2.3 Nickel supply

#### Nickel products

There are two categories of primary nickel:

- Class 1, pure nickel metal: mainly includes electrolytic nickel, powders and nickel briquettes. The products generally correspond to the chemical specifications required by the London Metal Exchange (LME[2]), with a nickel grade above 99.8%.

  This category usually includes nickel salts, which can be used for the same applications as nickel metal (e.g. electroplating) or briquettes (in the case of batteries for electric vehicles). With the boom in the electric vehicles sector, nickel production has also expanded significantly. The most suitable product for this application is nickel sulphate ($NiSO_4$). This is a salt produced by dissolving briquettes, or from MHP (Mixed Hydroxide Precipitate), an intermediate product containing 20-25% nickel and 5-10% cobalt. Production of MHP (using the HPAL – High Pressure Acid Leach process) for the battery sector has grown significantly over the last two years in Indonesia and will continue to grow in the coming years. Another intermediate product saw its production increase for the same reasons: nickel matte. In Indonesia, nearly 170,000 tonnes of matte were produced in 2022 using an NPI (Nickel Pig Iron) conversion process. These two intermediate products, MHP and matte, are mostly refined in China.

  In 2022, class 1 represented around 30% of total primary nickel production;
- Class 2, nickel ferroalloys: this category mainly includes NPI (nickel pig iron) and ferronickel. These products are not qualified to be delivered in LME warehouses. In 2022, this class represented around 70% of global production of primary nickel following the exponential growth of NPI in Indonesia in recent years.

#### Nickel ore producers

Nickel is extracted from two types of ore:

- oxidised ore or laterites generally located in tropical zones and mainly mined in Indonesia, the Philippines, New Caledonia and Brazil. The deep layers of the deposit, known as saprolites, with an iron content of around 15% and a high nickel content, are suitable for pyrometallurgical processing to obtain nickel or ferronickel pig iron. Limonites, also present in the upper layers of these deposits, are more suited to the hydrometallurgical process used for producing MHP;
- sulphide ores primarily found in Russia, Canada, Australia and China and generally used to produce high-purity nickel via hydrometallurgical processes.

Oxidised ore currently represents more than 70% of global nickel ore production (in nickel units).

After being overtaken by the Philippines, following a three-year ban on nickel ore exports (2014 to 2016) without any domestic outlets at that time, Indonesia has regained its global leadership in nickel ore production since 2017 and is far outstripping its competitors. Indonesian production is stimulated by numerous NPI and intermediate product projects developed in the country. Since the reinstatement of the ban in January 2020, all extracted ore is sold on the domestic market. Indonesia alone accounts for almost half of the nickel ore produced in the world, and this share is likely to increase in the coming years as refinery projects are announced in the country.

Meanwhile, in the Philippines, the nickel content of the country's ore declined and some sites were closed for environmental reasons. The country currently accounts for around 10% of global ore production but remains the leader in terms of ore exports.

*(1) LFP: Lithium iron phosphate – a type of battery that does not contain nickel.*
*(2) LME: London Metal Exchange.*

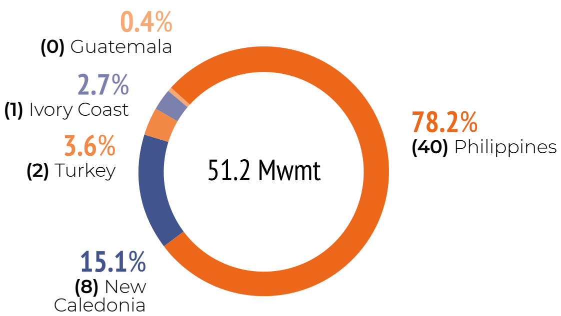
PRODUCTION OF ORE *(thousands of tonnes of nickel content)*

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Indonesia | 606.0 | 853.0 | 767.0 | 1069.0 | 1,579.0 |
| Philippines | 345.0 | 323.3 | 328.9 | 386.4 | 307.5 |
| Russia | 218.0 | 223.2 | 237.3 | 191.2 | 221.0 |
| New Caledonia | 216.2 | 208.2 | 199.7 | 186.3 | 200.0 |
| Australia | 160.0 | 158.8 | 169.3 | 153.2 | 155.6 |
| China | 99.0 | 104.7 | 104.1 | 103.9 | 109.4 |
| Canada | 180.0 | 187.1 | 157.9 | 116.3 | 94.9 |
| Brazil | 65.3 | 54.1 | 68.2 | 76.0 | 84.3 |
| Guatemala | 39.2 | 36.3 | 50.3 | 61.6 | 48.6 |
| Cuba | 52.2 | 48.9 | 49.6 | 46.8 | 48.0 |
| Other | 333 | 321 | 300 | 317.0 | 312.8 |
| **WORLDWIDE** | **2,314.4** | **2,518.4** | **2,432.6** | **2,769.3** | **3,161.0** |

*Source: INSG, February 2023.*

Nickel ore exports come from several countries. New Caledonia accounts for 15% of nickel ore exports. Although it lags far behind the Philippines in terms of volume (this country alone represents almost 80% of exports), its share is increasing, and this trend is likely to continue in the coming years. It also benefits from a high-grade ore with lower humidity compared to its competitors. SLN's share amounts to more than 30% of New Caledonia's exports and nearly 5% of global exports.

### Main nickel ore exporting countries




*Sources: INSG, Dimenc, January 2023.*

### Primary nickel producers

For the second year running, Indonesia was the world leader in primary nickel production, with a 34% increase compared with 2021 due to the huge surge in local NPI production, half of which is generated by Tsingshan, Eramet's partner at the Weda Bay site. About 1.14 million tonnes of NPI were produced in the country in 2022 and nearly 1.2 million tonnes are expected from 2023. In 2022, the proportion of NPI in global primary nickel production amounted to 37%, compared with 24% in 2014 when production started up in Indonesia.

Primary nickel production in Europe was strongly impacted in 2022 by low demand from the stainless-steel sector and high production costs linked to energy prices.

In New Caledonia, production increased slightly in 2022, but producers were still affected by difficult weather conditions and industrial unrest.

PRODUCTION OF FINISHED PRODUCTS
(FERRONICKEL, NICKEL PIG IRON, NICKEL METAL, BRIQUETTES, NICKEL SALTS, OTHER PRIMARY NICKEL PRODUCTS)
*(thousands of tonnes of nickel)*

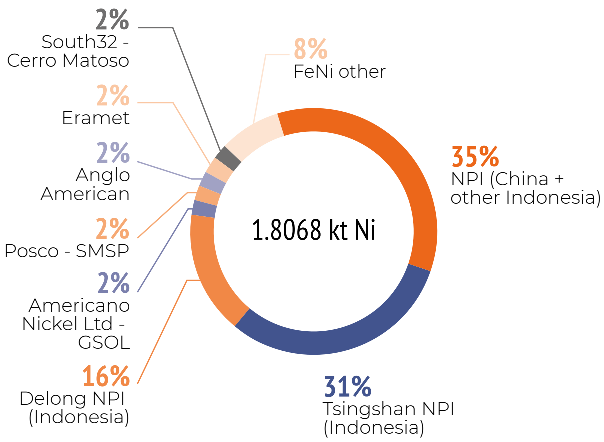
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Indonesia | 195.1 | 273.1 | 369.9 | 606.2 | 945.8 | 1,266 |
| China[(1)] | 614.9 | 655.0 | 801.2 | 709.8 | 657.4 | 796.1 |
| Canada | 140.9 | 140.7 | 123.5 | 119.5 | 103.2 | 122.2 |
| Japan | 188.4 | 154.2 | 151.1 | 136.6 | 139.6 | 117.2 |
| Australia | 112.2 | 113.5 | 106.7 | 115.6 | 115.8 | 115.1 |
| Russia | 161.1 | 150.2 | 155.3 | 156.4 | 123.1 | 114.0 |
| Norway | 86.5 | 90.8 | 92.1 | 91.1 | 91.2 | 78.9 |
| Brazil | 68.5 | 65.2 | 54.3 | 59.6 | 60.8 | 62.1 |
| New Caledonia | 105.1 | 108.5 | 94.5 | 95.8 | 56.0 | 61.8 |
| Finland | 59.7 | 60.8 | 62.4 | 63.4 | 47.2 | 48.8 |
| Other | 321.2 | 321.2 | 322.2 | 280.1 | 319.1 | 299.2 |
| **WORLDWIDE** | **2,053.6** | **2,133.2** | **2,333.0** | **2,434.1** | **2,659.2** | **3,081.3** |

*Source: Eramet, February 2023.*

*(1) Primary nickel production takes into account the refining of the intermediate product "nickel matte" produced in Indonesia from local ore.*

### Main producers of Class 2 nickel (ferronickel, NPI)

NPI represents over 80% of Class 2 nickel, and our partner Tsingshan[(1)] is the leading player in this market, present in Indonesia and China with market share of around 30%.




*Source: SMM, Antaike, Eramet, Class 2 producers.*

### 1.1.2.2.4 Nickel price

Nickel is listed on the London Metal Exchange (LME). This market offers the option but not the obligation to deliver or take delivery of physical metal associated with futures contracts. Since late March 2015, nickel is also listed on the Chinese SHFE (Shanghai Futures Exchange).

In 2022, the nickel price on the LME was highly volatile. These fluctuations were fuelled by the hedging of short positions in this already illiquid market and intensified by rumours of production disruption (potential tax on NPI exports in Indonesia, impact of the conflict in Ukraine), but also by the slowdown in demand for stainless steel (the main nickel-consuming sector). However, the positive future outlook on the battery market and uncertainties in relation to Russian nickel kept the nickel price at high levels on the LME. On average, nickel prices on the LME increased by 39% in 2022 compared with the previous year, to 25,638 USD/t (11.63 USD/lb).

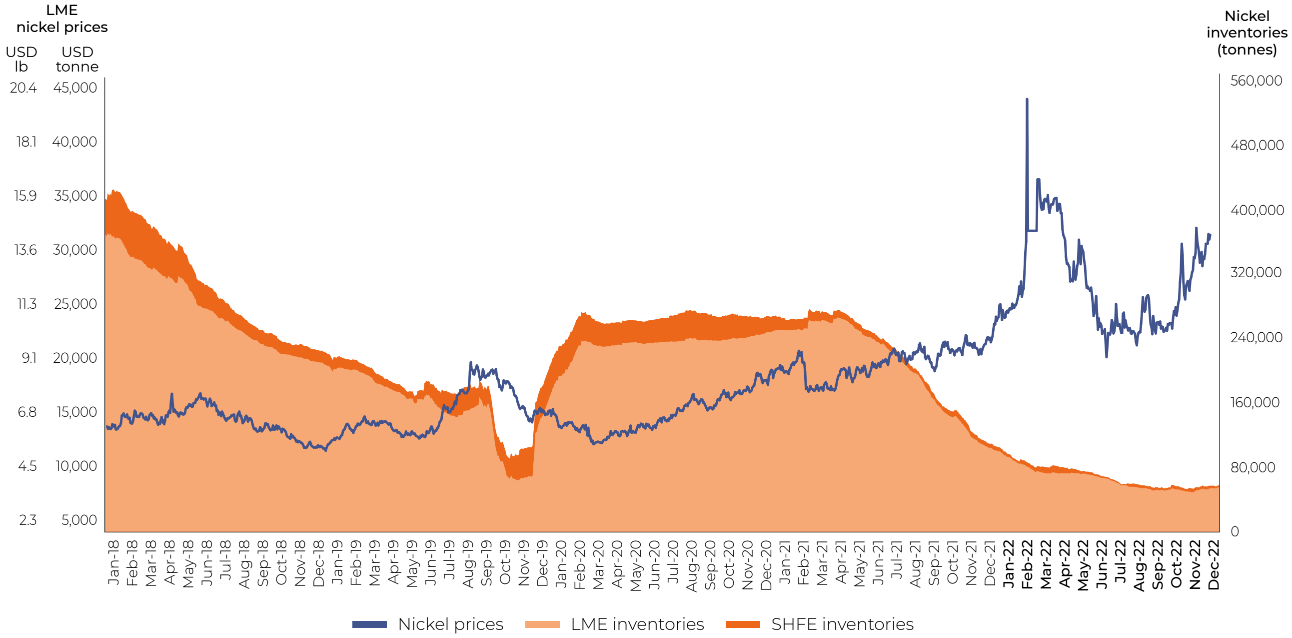
In the aftermath of their sudden surge in March, nickel prices on the LME were strongly decorrelated from current market fundamentals, particularly for the stainless-steel industry. Faced with this situation, most steelmakers now wish to protect themselves from the excessive volatility of the LME, either by index-linking the ferronickel price to the Chinese NPI price as a benchmark or through progressive discounts depending on the LME level and/or a cap on the LME price.

During 2022, the Chinese spot price of ferronickel was thus very substantially below the LME and came close to the NPI price, up by more than 17% compared with 2021.

Similarly, the price level of $NiSO_4$ in China was well below the LME level in 2022, indicating a certain disconnection from the actual state of the battery market. However, the LME remains the preferred place for investors to position themselves on nickel in the long term. Investors foresee development prospects in the battery sector, and this, combined with the lack of liquidity on the LME, has the effect of keeping nickel prices on the LME abnormally high.

*(1) The production of the Weda Bay project is accounted for in the share of Tsingshan, which is the plant operator.*

**Price** *(in USD per pound and USD per tonne)* **and nickel inventories** *(in tonnes of nickel)*




*Source: LME, SHFE.*

## Nickel ore price

Nickel ore price is not listed on the stock market, it is the result of direct negotiations between buyers and sellers. It is traditionally expressed in USD/wmt (wet metric ton). There are two reference indices: CNFEOL and SMM (Shanghai Metals Market). Prices are referenced for several ore grades including the prices of 1.8% and 1.5% nickel content for the CIF (Cost Insurance and Freight) and FOB (Free On Board) Incoterms®. Nickel ore prices generally reflect the share of Chinese NPI producers and the availability of the ore in China.

Nickel ore prices remained at high levels in the first half of the year, but declined in the second half following the slowdown in NPI production in China related to the stainless-steel activity. Exports from the Philippines were hampered by poor weather conditions, favouring increased imports from other exporting countries, notably New Caledonia. Thus, nickel ore 1.8% CIF China averaged 116 USD/wmt in 2022, up by more than 17% compared with 2021.

### 1.1.2.2.5 Recent trends and market outlook

The year 2022 was marked by the overall increase in demand for primary nickel, where the development of the battery sector largely offset the decline in activity in the stainless-steel industry, which suffered from the effects of the energy crisis as well as the zero-COVID policy measures in Asia.

Galvanised by the intention of many economies to accelerate the energy transition, the Li-ion battery sector, particularly for electric vehicles, should remain the primary growth driver for primary nickel demand in 2023, behind the stainless steel industry. More than 600,000 tonnes of primary nickel are expected to be consumed by the battery industry.

In total, global primary nickel consumption should increase by more than 6% in 2023 compared with 2022, and by approximately 5% per year on average in the next 10 years.

On the supply side, Indonesian production is expected to continue to be the main driver of growth, with the development of new HPAL and matte projects. Some traditional players, weakened in 2022 by the energy crisis, are likely to return to growth. Global production is therefore expected to grow by 7% in 2023.

Thus, the market should remain in surplus for the second consecutive year in 2023, corresponding to several weeks of nickel consumption. The extent of this surplus will depend mainly on the upturn in Chinese demand, the speed of development of Indonesian production and the evolution of the conflict in Ukraine (impacting European producers and the accessibility of Russian equipment).

## 1.1.2.3 Nickel business overview

### 1.1.2.3.1 Structure and positioning

The Nickel business handles the beneficiation of ore from the nickel mines of New Caledonia and Indonesia (island of Halmahera), either by selling it on international markets, or by processing it into nickel ferroalloy.

It currently consists of:

- The Pt Weda Bay Nickel company in Indonesia, which began operating in 2019, a world-class deposit, developed in partnership with the Chinese company Tsingshan, the leading producer of stainless steel. The mined ore feeds the partnership's plant, which produces low-grade nickel ferroalloy (Nickel Pig Iron - NPI); the mining production also supplies numerous other Indonesian producers present at the Halmahera industrial site;
- Société Le Nickel-SLN ("SLN") in New Caledonia, a mining and metallurgy operator which produces high-grade ferronickel at the Doniambo plant and exports nickel ore. The strategy implemented is based both on the beneficiation of medium-grade ore for export (<1.8% of Ni) and on local beneficiation through melting and processing of high-grade ores (2.1 to 2.6%) into ferronickel.

The Nickel business maintains long-term partnerships with its customers and relies on the Group's sales network. The latter provides significant technical and sales support to customers in order to help them derive maximum benefit from its products in their own production processes.

### 1.1.2.3.2 Activities and products

**Mining operations and nickel processing (ferronickel and nickel ferroalloy)**

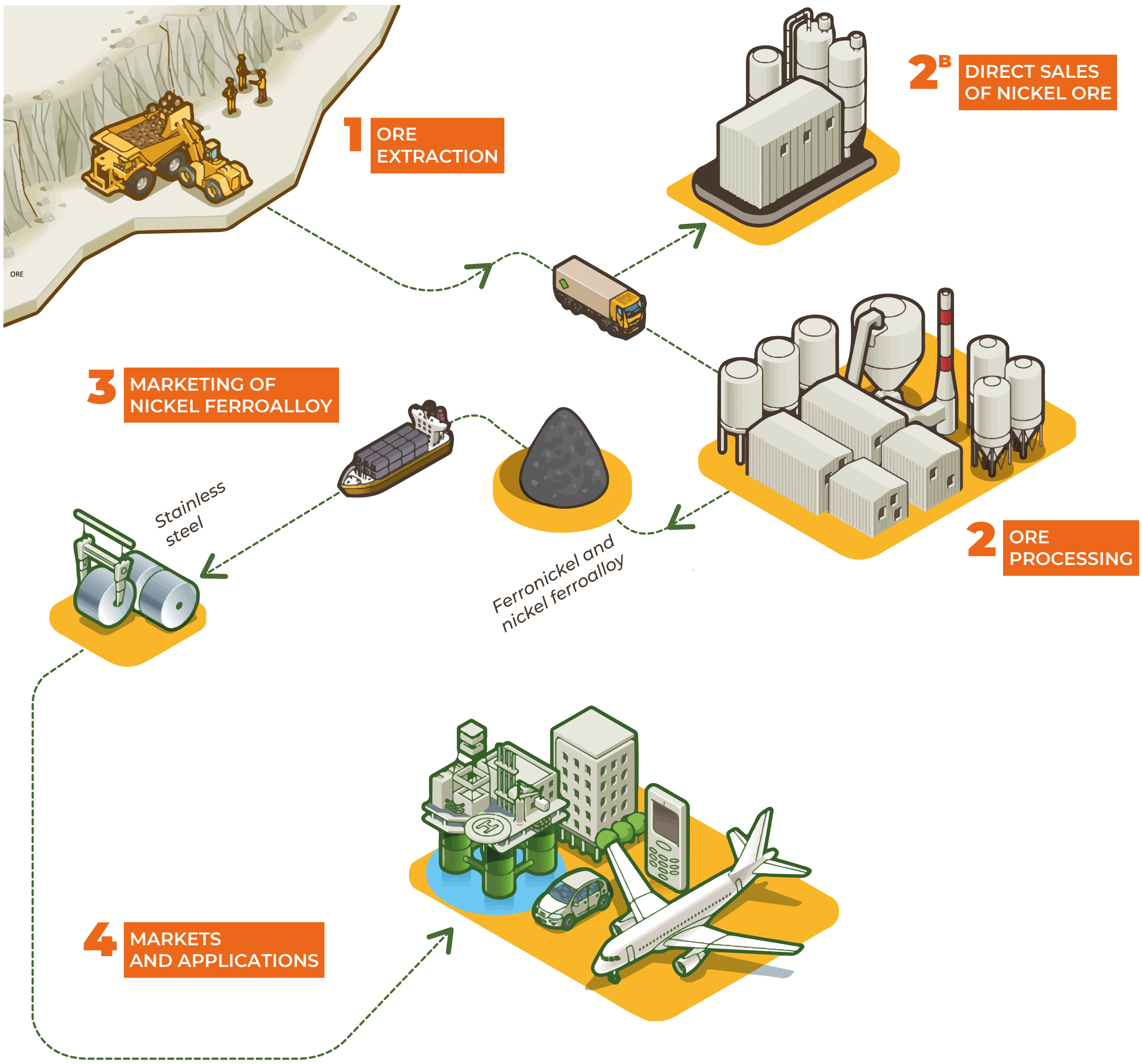



*Illustration of the stages involved in nickel ore processing activities at Eramet. In parallel with direct mineral ore exports, the ferronickel process (high-grade nickel ferroalloy) / low-grade nickel ferroalloy (1-2-3-4) corresponds to pyrometallurgical processing done at SLN and Weda Bay.*

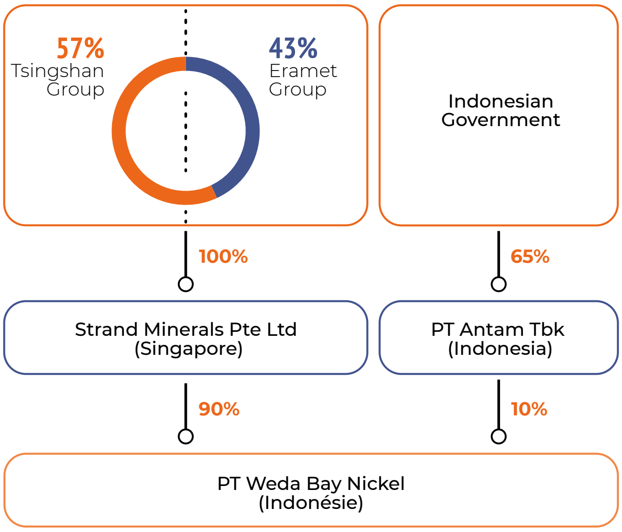
## Weda Bay Nickel in Indonesia

### *Shareholding, governance and regulatory framework*

The Indonesian company, Pt Weda Bay Nickel, was created to develop the Weda Bay nickel deposit – one of the world's largest – situated on the island of Halmahera in Indonesia.

This company is 90% owned by Strand Minerals (Indonesia) Pte Ltd. ("Strand"), based in Singapore, and 10% owned by the Indonesian public company, Pt Antam Tbk ("Antam"), which specialises in exploration, mining operations and the refining and distribution of mining products, including nickel, gold and bauxite.

In June 2017, a partnership agreement was signed with the Chinese steel group Tsingshan, the world's largest producer of stainless steel, in order to obtain maximum value from this mining asset. Eramet holds 43% of the shares of Strand and the Tsingshan Group Tsingshan through its subsidiary Newstride Ltd Co or Newstride 57%.




The desire to implement strong environmental and societal commitments for this project is an integral part of the objectives set out in the agreements signed between Eramet and Tsingshan.

The development of Weda Bay is governed by a Contract of Work ("COW") defining the framework and its mining concession and in particular the tax regime applicable to production activity at the start of the site's operations. This COW was amended in 2018 and is aligned with the prevailing laws and regulations on issues related to state revenues (royalties, tax incentives, VAT) as well as divestment obligations to Indonesian interests. The deposit mining permit was granted for a 30-year period.

### *Nickel mine*

PT Weda Bay Nickel operates a mining concession, which stretches over a surface area of forty-seven (47,000) hectares, made up of 15 identified and evaluated deposits.

The mining operation began in late 2019 in open-pit mines. During mining, on the basis of the mining plan defined in agreement with the supervisory authorities, the run-of-mine volumes extracted are separated according to their future use. Firstly, the topsoil is stored separately in the immediate vicinity of the pits, in order to be reused to rehabilitate and revegetate the mine after exploitation. Then the waste which has no industrial use, is stored in waste dumps which are rehabilitated once completed. High- and medium-grade nickel ore (>1.3% nickel content) are used in the operating pyrometallurgical plants. Low-grade nickel ore, very low-grade laterites or saprolites (<1.3% nickel content) are stored in dedicated stockpiling areas to be exploited later in future projects, particularly hydrometallurgical projects.

The commercial ore is then hauled by truck from the mine to the storage areas of the metallurgical plant of the partnership or those of the industrial park of PT Indonesia Weda Bay Industrial Park (IWIP). These other nickel ferroalloy production plants also source their ore from PT Weda Bay Nickel, among other supply sources.

Management of the PT Weda Bay Nickel mine applies Eramet's mining techniques, which are designed to protect the environment and are recognised worldwide: storage of tailings in stabilised heaps, water control and revegetation.

### *The metallurgical plant*

The PT Weda Bay Nickel plant produces a low-grade nickel ferroalloy (between 12% and 15% of nickel content) that is directly marketable.

The plant owns four (4) RKEF (Rotary Kiln Electrical Furnace) type production lines. First, the ore is dried by the heat recovered from downstream furnaces. It is then calcinated and then melted in four EAF (Electrical Arc Furnace) furnaces. The annual production capacity of the plant after ramp up is between 35 kt and 40 kt of nickel content in the form of nickel ferroalloy (depending on the nickel grade of the ore).

The plant is located at the foot of the mining concession in the IWIP Industrial Park, which belongs to the Tsingshan Group. The industrial park, installed at the seaside, is home to other companies with metallurgical plants (10 at end-2022), an electricity producer (provides the plant with power) and a port that provides direct access for cargo ships.

Eramet and Newstride (Tsingshan Group) have an off-take agreement with PT Weda Bay Nickel (on a pro rata basis according to each partner's interest, relating to the sale of 100% of the plant's production) at market commercial terms, after deduction of logistics and marketing costs and a commercial margin for Eramet and Newstride.

PRODUCTION OF ORE AND LOW-GRADE NICKEL FERROALLOY

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Marketable ore production (high-grade) – 100% *(thousands of wet tonnes)* | 3,409 | 9,899 | 15,139 |
| Production of low-grade nickel ferroalloy – 100% *(in tonnes of nickel content)* | 23.5 | 39.0 | 36.6 |

## Société Le Nickel (SLN, New Caledonia)

### *SLN mines*

The mines operated by SLN are world-class deposits, considering the nickel grade of the ore and their reserves. SLN introduced a new business model enabling the recovery of medium-grade ores, allowing it to better beneficiate its deposits, whose average grade is diminishing.

Société Le Nickel-SLN's, saprolite and laterite deposits are mined in open pits. They are generally located at altitudes of 500 to 1,000 metres. As the incumbent operator, SLN has extensive experience in mining deposits in New Caledonia.

Eramet's internationally recognised mining techniques are designed to protect the environment: storage of tailings in stabilised heaps, control of water run-off, revegetation etc.

Caledonian ore was historically fully intended for the Doniambo pyrometallurgical plant in Nouméa, which produces alloy containing approximately 23% of nickel, ferronickel (FeNi). SLN's difficult situation over several years has led the company to review its business model, which is now based on the two pillars of mining and metallurgy, and to put in place a rescue plan based on three areas:

- exporting ore with a grade not suitable for the Doniambo plant: SLN exported 3.0 million tonnes of ore in 2022 and aims to export around 3.5 million tonnes in 2023. Strengthening exports is absolutely necessary to make the SLN model competitive and sustainable;
- perpetuate the reorganisation of work at the plant and at the mine based on agreements signed at the plant and at the mine;
- an eventual drop in the price of electricity because SLN remains penalised by the highest price in the world in the nickel industry.

The strongly positive contribution of ore exports in terms of performance shown in 2020 was, however, limited over the last two years. Production at both the mine and the plant, after being severely limited due to the many disruptions that still persist in New Caledonia and notably in 2022 (industrial unrest, disruption related to particularly difficult weather conditions in the first three quarters, but also to the effects of the health situation in the region at the beginning of the year).

Factoring in the depressed environment, difficulties in effectively implementing the rescue plan, and negative cash generation, Eramet and the French State paid SLN the last available tranche of its credit line in September 2022.

A contingency progress plan is being implemented to drastically reduce costs and focus efforts on production, the first essential step in rescuing SLN.

### *The Népoui and Tiébaghi ore beneficiation plants*

SLN has had two beneficiation facilities on its Népoui mine since 1994 and on its Tiébaghi mine since 2008. These two units use granulometric, densimetric and optic sorting processes that enable the exploitation of portions of low grade deposits or old tailings stockpiles.

### *Ore transportation*

Mining production is partly shipped to the Doniambo plant and partly to external customers outside New Caledonia. Trucks are used for the first stage of ore transportation from the storage areas to the port or, as in Kouaoua, by a conveyor a conveyor that is several kilometres long. At the port, the ore is stored and standardised before being loaded onto ships. The nickel ore is sold to customers that use a pyrometallurgical process in Japan, South Korea and China.

| *(in millions of wet metric tons)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Exported ore | 3.0 | 2.9 | 2.5 | 1.6 | 1.2 |
| Ore transported to the Doniambo plant | 2.3 | 2.1 | 2.9 | 3.0 | 3.0 |
| **TOTAL** | **5.3** | **5.0** | **5.4** | **4.6** | **4.2** |

### *Doniambo metallurgy plant*

The Doniambo plant produces an iron and nickel alloy (ferronickel). The ore is homogeneised and dried. It is then calcined in five rotary kilns. The next step is the melting, which is carried out in three electric furnaces. The resulting product is purified into marketable ferronickel, SLN25 (approximately 23% of nickel in the final product), by ladle refining followed by shot blasting.

| (thousands of tonnes) | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Production of ferronickel (in tonnes of nickel content) | 40.9 | 39.0 | 47.8 | 47.4 | 54.25 |

The entire ferronickel production is sold to stainless steel producers. Eramet generally operates under medium or long-term contracts, providing for commitments of volume in accordance with periodically negotiated prices. These contracts ensure relatively regular shipments for SLN.

### 1.1.2.3.3 Capital expenditure

| (in millions of euros) | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| SLN Mines and Plant | 84 | 35 | 39 | 30 | 49 |

#### Weda Bay

The main investments in 2022 related to road infrastructure and sorting capacity to support the planned growth to increase production capacity for saprolitic and lateritic ores.

#### SLN

The main investments in 2022 in the mining sites related to the continuation of adaptations to increase SLN's mining capacity, particularly additional sorting and mining machinery capacity.

At the Doniambo plant, most investments concerned maintaining the industrial tool and making it safe. The electricity security programme reached a key milestone in 2022 with the installation and commissioning of a temporary floating power plant (CAT) to replace SLN's historical plant (Plant B) and its distribution infrastructure.

### 1.1.2.3.4 Strategic growth projects

#### Sonic Bay project

Together with the German chemical group BASF, Eramet plans to develop a hydrometallurgical project to produce battery-grade nickel-cobalt ("MHP", an intermediate product in mixed hydroxide form) from lateritic ore extracted from Weda Bay. This intermediate product can be refined and then used for the electric vehicle battery market. Sonic Bay would be 51% owned by Eramet and 49% by BASF.

The plant project is centred around three high-pressure acid leaching (HPAL) lines and will be located in Weda Bay.

The HPAL process consists of placing low-grade nickel ore and sulphuric acid in an autoclave. A chemical reaction at high pressure and high temperature in the autoclave causes the oxidised ore to dissolve and produces a solution of nickel and cobalt. Iron, which represents 80% of the ore, re-precipitates in the form of oxides and constitutes the process waste to be treated and stored responsibly (tailings). The nickel and cobalt contained in the solution are then precipitated and recovered through various steps of chemical and physical treatment (neutralisation, precipitation, decantation), in the form of a nickel-cobalt intermediate product (MHP: Mixed Hydroxide Precipitate) to be used as a raw material for electric vehicle batteries.

The supply of nickel ore will be secured from the Weda Bay deposit, allowing the Sonic Bay project to access resources locally and at competitive market prices. This project will allow BASF to have access to a secure source of around 60,000 tonnes of nickel and around 6,000 tonnes of cobalt per year (in MHP content).

The Eramet & BASF social and environmental standards will be integrated into the design of the project, and will constitute several differentiating elements compared with other HPAL projects:

- ***Dry stacking for the tailings***

  The responsible dry-stacking method is used for the treatment of tailings stored in heaps, which are then rehabilitated and revegetated, and includes prior separation of the manganese content. The project has chosen not to use the deep-sea tailings placement method, which consists of discharging mining waste into the ocean at depth, nor the liquid tailings dam method, which is risky in a seismic zone such as Indonesia.

- **Minimisation of $CO_2$ emissions**

  The project has made a commitment not to use coal for electricity generation. Clean energy sources (solar energy) will also be phased in over a period of five to six years after the start-up of the plant.

- **Full compliance with EU rules on responsible procurement**

  The mining resources supplied to the HPAL plant are exploited according to internationally recognised social and environmental standards. The PT Weda Bay mine is currently preparing to obtain IRMA (Initiative for Responsible Mining Assurance) certification.

The final investment decision is likely to be made in the second half of 2023. Production is currently expected to start in 2026. Furthermore, the Group is continuing to explore and study opportunities for deposits of lateritic nickel, particularly in Indonesia.

## 1.1.3 Mineral Sands activity

### 1.1.3.1 Highlights of the year

#### 1.1.3.1.1 Key figures

| Mineral Sands activity *(in millions of euros)* | 2022 | 2021 |
|---|---|---|
| Turnover | 465 | 349 |
| EBITDA | 184 | 137 |
| Current operating income | 140 | 94 |
| Net cash flow generated by operating activities | 157 | 129 |
| Capital employed at start of year | 637 | 667 |
| Capital expenditure[1] | 52 | 21 |

*(1) Excluding right-of-use assets per IFRS 16 (less than €1 million in 2022 and in 2021).*

OPERATIONAL PRODUCTION INDICATORS

| Mineral Sands activity *(in thousands of tonnes)* | 2022 | 2021 |
|---|---|---|
| Mineral sands production | 742 | 804 |
| Zircon production | 57 | 64 |
| Zircon sales | 59 | 63 |
| Titanium slag production | 188 | 209 |
| Titanium slag sales | 175 | 220 |

#### 1.1.3.1.2 Operating performance

**The Mineral Sands BU delivered a record performance with EBITDA at €184 million, up more than 30%, mainly reflecting a favourable price and currency environment, and partly offset by the increase in input costs.**

**Activities**

**In Senegal**, mineral sands production declined by 8% to 742 kt in 2022, due to a lower average content in the area mined compared to 2021.

Zircon production decreased by 11% to 57 kt, and sale volumes totalled 59 kt, a decline of 7%.

**In Norway**, CP grade titanium slag production amounted to 188 kt in 2022, down 10%, owing to the reduction of production in the second half of the year, in order to limit the impact of significantly rising energy prices for the part of supply unprotected by long-term contracts.

The optimisation of production at the plant also made it possible to limit the negative impact of the strong increase of reducing agent costs over the year (notably the cost of thermal coal which spot price more than doubled compared to 2021, despite a decline of more than 30% in Q4 22 vs. Q3 22[1]).

Sales volumes also decreased to 175 kt (-20%) due to extremely low inventory levels at end-2021.

**Outlook**

Demand for zircon is expected to slow in 2023, still with some uncertainties (logistics, energy prices in Europe, construction market in China). The market could be in slight surplus, which would result in the normalisation of prices in 2023 on the back of a record year.

Demand for titanium-based products is expected to remain constrained, leading to average price levels in 2023 that are likely to be slightly lower than those reported in 2022.

**In Senegal**, mineral sands production in 2023 is expected to be equivalent to that of 2022. The commissioning of the dry mining unit at end-2022 made it possible to offset the lower average content in the mined area of the deposit. This unit, as well as higher content from the deposit in 2024, will enable a significant increase in production from 2024.

**In Norway**, major ten-yearly maintenance works planned at the ETI plant, as well as various debottlenecking operations, should enable the plant's capacity to be increased to 230 kt of slag per year from 2024 (+7%). These works, which will last two and a half months, will significantly limit production in H1. In addition, in response to high energy prices and constrained margins, the plant will continue to adapt its production to economic and market conditions, as was successfully done in 2022.

*(1) Source: Argus, thermal coal spot price, ARA, Europe.*

## 1.1.3.2 Markets of the Mineral Sands activity

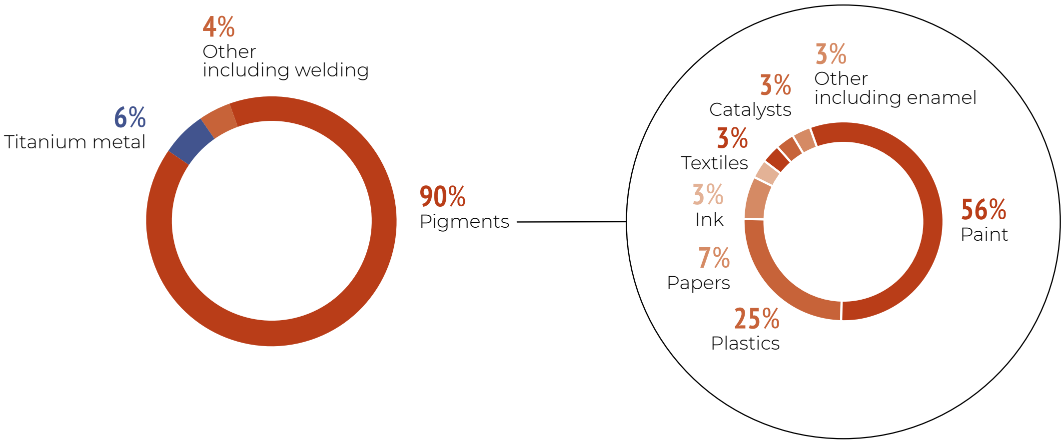
### 1.1.3.2.1 The titanium dioxide market

#### Main applications

While titanium metal is well known for its aerospace uses, it accounts for only 6% of consumption of titanium units. The pigment industry alone accounts for 90% of the demand for titanium. The use of titanium involves the production of titanium oxide $TiO_2$, which is the reference unit for this market.

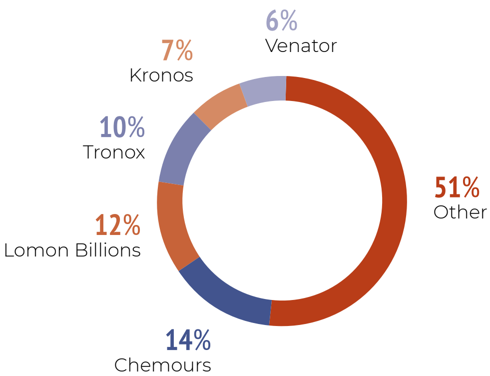
Pigment producers make extensive use of a raw material rich in $TiO_2$. $TiO_2$ gives pigments three essential exceptional properties: opacity, reflective power and dispersing power. It is widely used in paint, plastics, textiles and paper.

**$TiO_2$ unit applications**




*Source: TZMI, September 2022, Eramet November 2022.*

**Estimated $TiO_2$ pigments production by player**




*Source: TZMI December 2022, Eramet January 2023.*

The five leading producers of $TiO_2$-based pigments account for almost 50% of global production.

#### Demand and production of titanium products

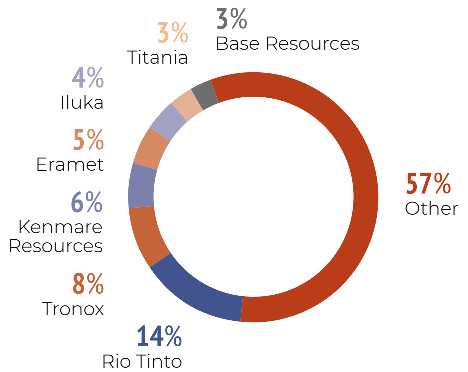
The vast majority of $TiO_2$ pigments are produced through two processes:

- the sulphate process used in China and in Europe;
- the chloride process used in North America, Europe and Taiwan. In recent years, the leading Chinese producers have been adopting this technology, which has environmental advantages.

The chloride process requires richer materials such as high-$TiO_2$ ilmenite, slag and enriched slag, and natural or synthetic rutile. Eramet essentially produces and sells high-$TiO_2$ slag, used in the chloride process.

To date, demand for chloride quality raw materials accounts for around 45% of global demand compared to 55% for sulphate quality raw materials. However, it is expected to grow in upcoming years to reach 53% in 2026. This trend is confirmed by the reduced capacities for $TiO_2$ pigments production by sulphate process in Japan and in Europe, and by the rapid development of the chloride process in China.

**Estimated production of titaniferous raw materials by player**




*Source: TZMI December 2022, Eramet January 2023.*

The top seven producers of titaniferous raw materials outside China account for about 40% of the world's production of $TiO_2$ units. Eramet is the world's fourth-largest producer of high-grade titaniferous raw materials.

### Recent trends and growth outlook

Global demand for $TiO_2$ pigments, the main outlet for titaniferous products, fell by 7% in 2022 to 6.9 million tonnes, impacted in particular by sluggish growth and a Chinese real estate market in crisis, as well as inflation in North America and Europe in the second half of the year. Demand is expected to continue to fall in 2023.

Despite the decline in demand for pigments in 2022, demand for titanium-containing raw materials remained stable, partly due to the need to replenish pigment inventories in the first half of the year, which partially offset the decline in overall demand, but also to the strong growth in titanium metal driven by the recovery of the aerospace sector.

The supply of titanium-containing products continued to grow, driven by the return to normality for the operations of major players in Africa and the development of titanium slag production capacity in China. Thus, the supply reached 8.7 million units of $TiO_2$, an increase of 6% compared with 2021.

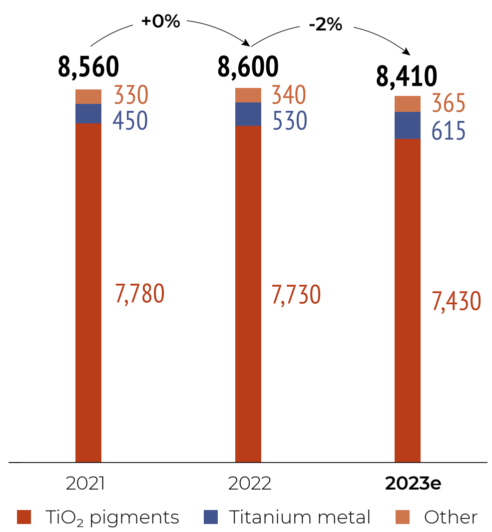
As a result, 2022 shows a balanced supply and demand scenario. This balance is expected to turn into a surplus in 2023 due to a fall in demand in parallel with an increase in production, given the start-up of new capacities.

### Prices of titanium-containing products

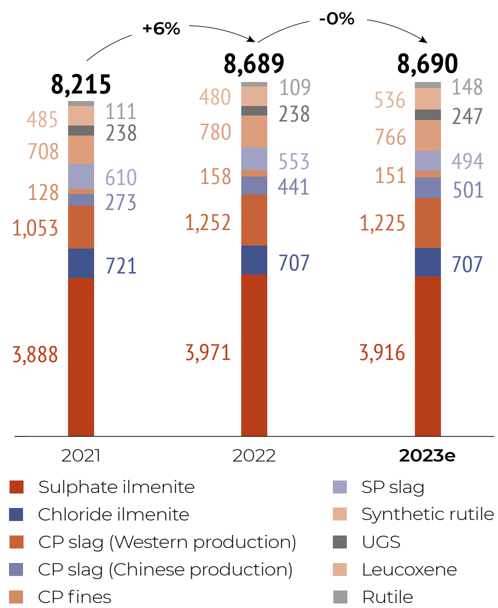
There is no market as such for titaniferous raw materials. Prices are negotiated directly between producers and customers. In the case of contracts, prices are generally negotiated every six months. Some consulting companies, such as TZMI and Ferroalloynet, publish benchmarks based on transactions in China and the rest of the world.

In 2022, the average price of CP (Chloride Process) grade titanium slag, a high value-added product, notably produced by Eramet in Norway, increased in the first half of the year due to strong market demand before stabilising with a slowdown observed in the second half. The average market price over the year was 858 USD/t, up by 10% compared with 2021.

**Demand by application and production by type of titanium-containing raw material** *(in thousands of $TiO_2$ units)*




*Sources: TZMI, December 2022, Eramet, January 2023.*




*Sources: TZMI, December 2022, Eramet, January 2023.*

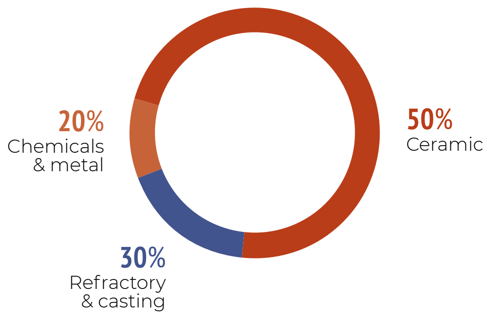
### 1.1.3.2.2 The zircon market

The main application for zircon (around 50% of global consumption) is in the ceramics industry, where its whitening and opacity-enhancing properties are unmatched, especially for the surfaces and bodies of tiles and sanitary equipment. Zircon is thus used as a fine or micronised powder in sintering, glazing or enamelling processes.

Zircon's second property, which makes it a material of choice for industry, is its refractory nature (accounting for about 30% of consumption). It is thus used in the production of refractory materials or as a mould for the production of high-precision castings.

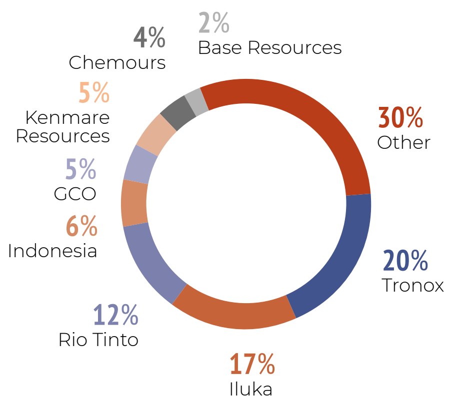
The chemical derivatives of zircon (accounting for around 20% of consumption) include many different applications, such as abrasive or abrasion-resistant materials, nuclear (zirconium metal), certain catalysts, dental prostheses and jewellery (zirconium dioxide) etc.

**Zircon applications**




*Source: TZMI.*

**Zircon producers**




*Sources: TZMI September 2022, Eramet, January 2023.*

The three leading zircon producers accounted for nearly 50% of global production in 2022.

#### Recent trends and growth outlook

Demand for zircon fell substantially in 2022 compared with 2021. The energy crisis led to a fall in demand given the decline in ceramic production in Europe in the second half of the year. Demand in China remained limited, impacted by the real estate crisis and COVID-related restrictions. The decline is expected to intensify in 2023, as European ceramic production remains constrained by inflation and recession, while China's real estate sector is expected to struggle to recover. Global demand was 1.2 million tonnes in 2022.

At the same time, the supply of zircon decreased. Some of Ukraine's production was cut off due to the war, while some producers encountered operational and logistical difficulties. Chinese production from imported heavy mineral concentrates also adjusted to the drop in local demand. Thus, global supply amounted to 1.1 million tonnes in 2022, representing an annual fall of 1%.

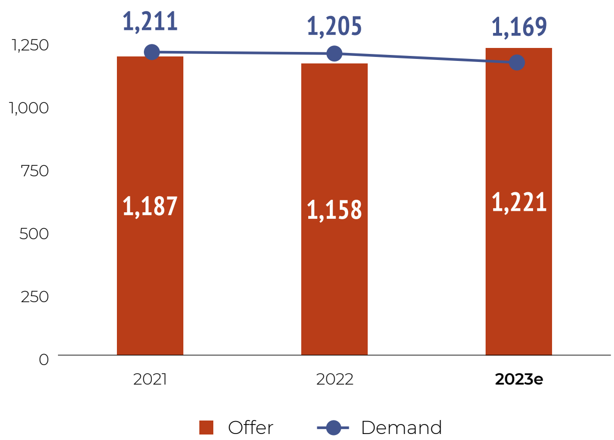
As a result, the market remained in slight deficit, which should turn into a surplus in 2023, with the decline in demand coinciding with the ramp-up of new projects.

#### Zircon prices

Just as for titanium-containing raw materials, there is no organised market place for zircon. Prices are negotiated directly between producers and customers. Contracts are entered into on an annual basis in terms of volumes and general terms of sale, but prices can be negotiated quarterly in the light of market volatility. Some consulting companies, such as TZMI and Ferroalloynet, publish benchmarks based on transactions in China and the rest of the world.

The shortage of zircon on the market during the first half of the year and low inventory levels resulted in a 40% increase in the market price to an average of 2,093 USD/t[(1)] in 2022 compared with 2021.

**Zircon supply and demand** *(in kilotonnes)*




*Sources: TZMI September 2022, Eramet January 2023.*

(1) *Source: TZMI analysis.*

#### 1.1.3.2.3 The high purity pig iron market

The pig iron from ETI's production is a particularly pure source of iron. It helps reduce melting time and costs due to its higher melting capacity. It is generally used an in input to dilute impurities from recycled scrap metal for casting or carbon steel production. In casting, in particular, the quality of the raw material is important to guarantee low levels of unwanted trace elements and to guarantee the properties of the pieces.

Pig iron is obtained by two types of processes:

- blast furnaces, before the oxygen converter stage;
- enrichment of ilmenite, which generates pig iron that is often of a better quality. This is the case with the pig iron of ETI, which benefits from a stable supply of ilmenite due to vertical integration with GCO.

Steel production is the main market for pig iron consumption. However, ETI's pig iron, due to its high purity, is suitable for speciality casting and ductile moulding to create products with high elasticity and tensile strength, such as wind turbines and automotive parts (engine blocks, brake parts and gearboxes). It is therefore intended for the European casting market.

### 1.1.3.3 Mineral Sands activity overview

#### 1.1.3.3.1 Structure and positioning

TiZir was established in 2011 by Eramet and MDL[1]. Since the takeover of the latter in August 2018, Eramet owns 100% of TiZir.

TiZir, a major player in the mineral sands industry, has two sites:

- Grande Côte Operations (GCO) in Senegal, which operates a mineral sands deposit and mainly produces ilmenite and zircon;
- the Eramet Titanium and Iron (ETI) plant in Tyssedal, Norway, which transforms ilmenite to produce titanium dioxide slag for the pigments industry and titanium metal, as well as high-purity pig iron.

Mineral sands are mineral raw materials that contain heavy minerals concentrated over time in an alluvial environment (rivers, coasts and lakes) or a windy environment (dunes). Mineral sand deposits are thus old beaches, dunes or riverbeds. These sands contain titaniferous minerals, mainly found in the form of ilmenite ($FeTiO_3$), but also rutile ($TiO_2$), and to a lesser extent leucoxene (ilmenite partially altered into rutile) and zircon ($ZrSiO_4$).

Minerals concentrations in the sand are often in the order of a few percent; one of the most economical methods of extraction entails using a floating dredge in a basin. However, this is only possible if the sands contain few clay particles, which is the case at GCO. Otherwise, more conventional mining methods (excavators and dumpers or bull dozers) are used – for rocky titaniferous ore, for example.

Ilmenite is the main titaniferous ore in terms of tonnage, but its titanium dioxide ($TiO_2$) content is relatively low. As a result, it is often enriched by transformation into synthetic rutile or $TiO_2$ slag, as at the ETI plant, before being used mainly by pigment producers.

| Site | Country | Income |
|---|---|---|
| GCO | Senegal | Mineral sands: titaniferous ore (ilmenite, rutile, leucoxene) and zircon |
| ETI | Norway | Titanium dioxide slag (pigment and titanium metal industry)<br>High-purity pig iron (casting) |

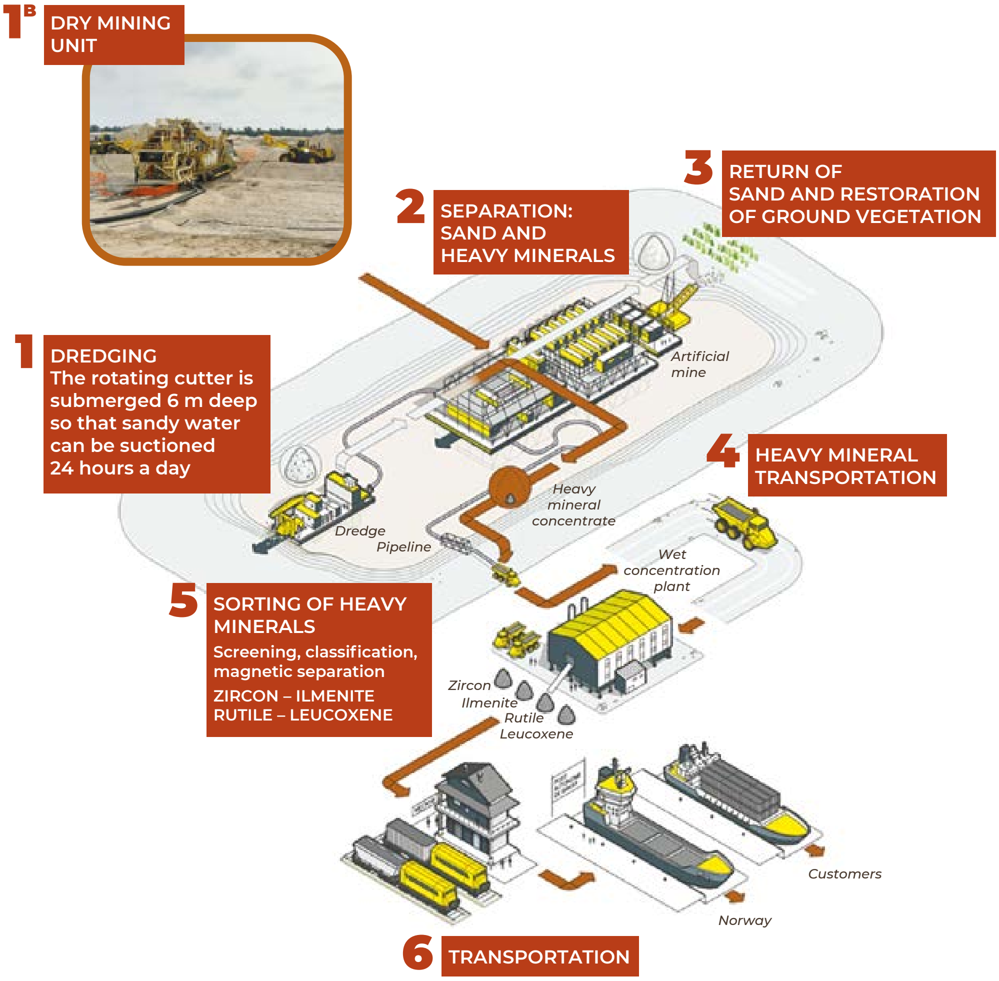
TiZir is the world's fourth-largest producer of high-grade titanium-containing raw materials and the world's fourth-largest producer of zircon.

(1) *Mineral Deposits Limited (MDL), an Australian company.*

### 1.1.3.3.2 Activities

#### Grande Côte Operations (GCO)

The Grande Côte Operations mineral sands mine is located along a stretch of the Senegalese coast. The concession begins about 50 kilometres north of Dakar and stretches north for more than 100 kilometres.




The industrial facilities include:

- a dredge and a dry extraction unit, commissioned in the second half of 2022, which feed a floating concentration unit producing a concentrate containing the heavy minerals;
- a heavy mineral separation plant producing ilmenite, rutile, leucoxene and various grades of zircon;
- a power plant;
- a railway line of which GCO is the partial concession holder, together with the associated railway equipment;
- port and storage infrastructure in Dakar.

The site employs approximately 2,100 people (including subcontractors), 98% of whom are Senegalese nationals.

#### The Eramet Titanium & Iron Plant (ETI) plant

The ETI Tyssedal plant in Norway mainly produces titanium dioxide slag, used as a raw material for the production of titanium dioxide or titanium metal pigments. The plant has an annual capacity of 215 kt of titanium dioxide slag. ETI also produces high-purity pig iron with an annual capacity of 85 kt.

This plant benefits from cutting-edge technology, which only four companies world-wide have mastered, and around 30 years of operational experience. The site also benefits from privileged access to hydroelectric power and a quay enabling the loading and unloading of bulk ships the whole year.

The site employs approximately 260 people.

### Income

GCO produces three grades of ilmenite with 54, 56 or 58% $TiO_2$: 54 is produced in the greatest quantity and is mainly intended for ETI, while ilmenite 58 is sold for direct production of pigments by chloride process. GCO also sells small quantities of its ilmenite 56, rutile and leucoxene production. These titanium ores are mainly intended for welding flux producers.

GCO also produces two grades of zircon (premium and standard) and a lower-grade intermediate zircon. GCO's zircon is recognised on the market for its excellent quality and can be used in all applications, particularly in zirconium-based chemical derivatives, ceramics and the casting and refractory industry.

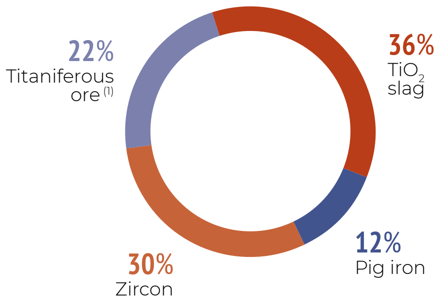
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| GCO – MINE | | | | | | |
| Sand extracted | (Mt) | 47.6 | 50.4 | 49.2 | 49.4 | 47.0 |
| Heavy mineral concentrate | (kt) | 742 | 804 | 762 | 735 | 774 |
| GCO – FINISHED PRODUCTS | | | | | | |
| Ilmenite | (kt) | 498 | 543 | 521 | 492 | 507 |
| Zircon | (kt) | 57.1 | 63.7 | 59.2 | 58.4 | 64.3 |
| Intermediate zircon | (kt) | 27.0 | 27.0 | 25.8 | 22.3 | 29.3 |
| Rutile and leucoxene | (kt) | 10.5 | 11.4 | 9.5 | 10.1 | 9.6 |

In Norway, the ETI plant produces titanium dioxide slag, most of which is sold to producers of titanium dioxide pigments that use the chloride process or to producers of titanium metal, mainly in Europe and the United States.

ETI also produces different grades of high-purity pig iron used in casting, including for the production of wind turbines, critical automotive components such as brakes, engine blocks and hydraulic valves.

| | | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| ETI | | | | | | |
| Titanium dioxide slag | (kt) | 188 | 209 | 199 | 189 | 189 |
| High-purity pig iron | (kt) | 77 | 85 | 81 | 74 | 78 |

#### Breakdown of the activity's turnover by product in 2022




*(1) ilménite, rutile, leucoxène*

### 1.1.3.4 Capital expenditure

| *(in millions of euros)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Capital expenditure | 52 | 21 | 16 | 12 | 12 |

The first phase of the organic growth programme for mineral sands in Senegal came on stream in October 2022. This consists of a dry sand mining unit feeding the floating concentration unit in parallel with the dredge. This investment of nearly €35 million, including €26 million in 2022, makes it possible to increase production capacity and ore reserves.

In 2022, ETI made investments related to improving safety, optimising production and renewing small equipment. The Norwegian site also began to incur investment expenses to prepare for the shutdown of the electric furnace for maintenance in the first quarter of 2023. These expenses included the purchase of the furnace's refractories.

### 1.1.3.5 Growth outlook

The Group launched an organic growth programme for the production of mineral sands in Senegal. The aim is to optimise the use of the available capacity of enrichment and transport units, in order to achieve incremental production increases between the end of 2022 and 2024. This optimal beneficiation of the deposit will contribute to a significant increase in production from 2024. The first stage is aimed at increasing mineral sand production capacity by around 10% using a dry sand mining unit, and began in October 2022. The second stage, due to come on stream in 2024, will make it possible to debottleneck the concentration plant and thus enable a 10% increase in supplementary capacity.

In 2023, the ETI plant will be shut down for 10 weeks to carry out significant 10-year maintenance works as well as various debottlenecking operations aimed at increasing the plant's capacity to 230 kilotonnes of slag per year from 2024.

In Cameroon, under the permits for the Akonolinga rutiliferous deposit, exploration surveys were continued and resulted in the mineral resources indicated and measured presented in this chapter. With exploration of the central area now complete, Eramet has applied for a permit to operate in this area. In parallel, the prefeasibility study was launched, as well as the environmental and social impact study. On site, preliminary tests of mining methods and concentration were carried out. These studies and tests will continue in 2023 in order to assess the Group's interest in carrying out the project.

## 1.1.4 Lithium activity

### 1.1.4.1 Highlights of the year

Lithium carbonate prices remained at very high levels in 2022 (nearly 71,400 USD/t LCE[1] on average, x4 vs. 2021), in a context of very significant growth in demand for this critical metal for energy transition. They currently amount to more than 70,000 USD/t LCE[1] and the long-term price forecast, based on the market consensus, is now 17,800 USD/t LCE.

**In Argentina**, the construction of the Centenario lithium plant (Phase 1), launched in 2022, is continuing according to the announced schedule, with commissioning of the plant in the first quarter of 2024 and a full ramp-up in production, to 24 kt LCE[2] (100% basis), in mid-2025.

Based on the market consensus price forecast, and factoring in an expected positioning in the first quartile of the cash cost curve of the industry, estimated EBITDA (at 100%), after ramp-up, is expected to total around $300 million[3] per year, with a very high Internal Rate of Return (IRR).

Capex linked to the project in 2023, estimated at around €310 million, will mainly be financed by Tsingshan.

Together with its partner in phase 1, Eramet is continuing a feasibility study into a Phase 2 expansion of the project in order to reach an annual total production capacity of around 75 kt LC. An investment decision could be taken by the end of the year.

*(1) Source: Fastmarkets – CIF Asia battery grade lithium carbonate price.*
*(2) LCE: Lithium Carbonate Equivalent.*
*(3) Including royalties and logistics costs*

## 1.1.4.2 The lithium market

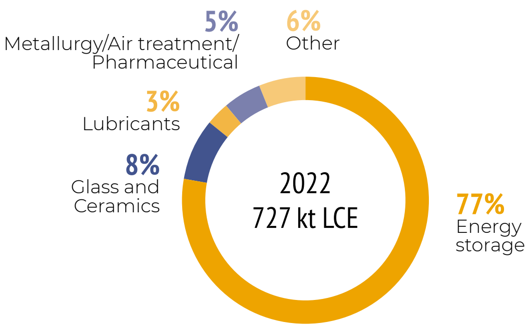
### 1.1.4.2.1 Main lithium applications and demand

Lithium has particular physical and chemical properties that make it a metal used in various applications: energy storage, glass and ceramics, continuous casting, aluminium lithium alloys, pharmacy etc.

The most dynamic application market is energy storage in the form of lithium-ion batteries. These batteries can be found in electric vehicles, portable electronics and high-voltage electricity storage.

This market accounted for 76% of lithium demand in 2022, of which 71% was for electric vehicles and 8% for energy storage systems (ESS) (e.g. storage of wind and solar energy).

**Breakdown of lithium demand 2022**




*Source: BMI.*

### 1.1.4.2.2 Lithium supply

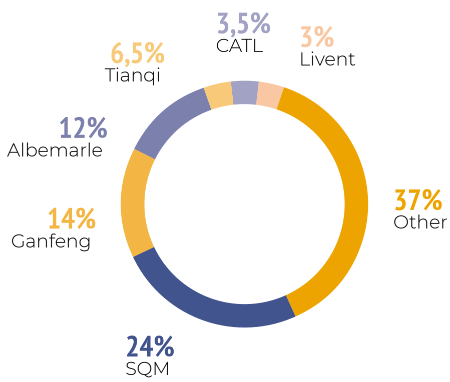
Lithium compounds, of which lithium carbonate and lithium hydroxide are the most widespread, are produced mainly from:

- brines present in saline groundwater tables, located mostly in the salars of the "Lithium Triangle" in Latin America (Chile, Argentina, Bolivia) and to a lesser extent in China and some geothermal waters. In 2022, lithium production using the brine method accounted for 45% of total production. There are two main forms of brine extraction and treatment:
  - production from natural evaporation, known as the "conventional" process, used by lithium producers in Chile and by the majority of producers in Argentina. The brine is pumped into a series of shallow ponds, and impurities are gradually removed by solar evaporation and concentration of the brine. The production cycle varies between 12 and 18 months;
  - Direct Lithium Extraction (DLE), currently used on an industrial scale by a producer in Argentina for over twenty years and by some producers in China. While evaporation relies on solar energy to concentrate brines in evaporation ponds, DLE relies on selective recovery of lithium through the use of various chemical and physical processes (adsorption, ion exchange and solvent extraction). The production cycle is about one week, which is significantly shorter than that of the conventional process;
- lithiniferous minerals, mainly spodumene. This production via the "hard rock" method accounts for 55% of the lithium volumes produced in 2022. The production of lithium compounds from minerals is separated into two stages:
  - production of a lithium concentrate (mainly spodumene concentrate) using conventional mining techniques similar to those used in other hard rock mining sectors (crushing, milling, separation),
  - production of lithium compounds from lithium concentrate, using calcination and leaching processes.

The production of lithium compounds from minerals is often non-integrated: the miners, mainly in Australia, sell concentrates to refiners, mainly located in China, for conversion into lithium components. Lithium producers using the brine method are generally fully integrated.

The world's five largest producers of lithium compounds (Ganfeng, Albemarle, SWM, Tianqi and Livent) represented 58% of lithium supply in 2021. The entry of new players, necessary to fuel future demand, should diversify the landscape of producers by 2025.

**2022 production of lithium compounds by producer**

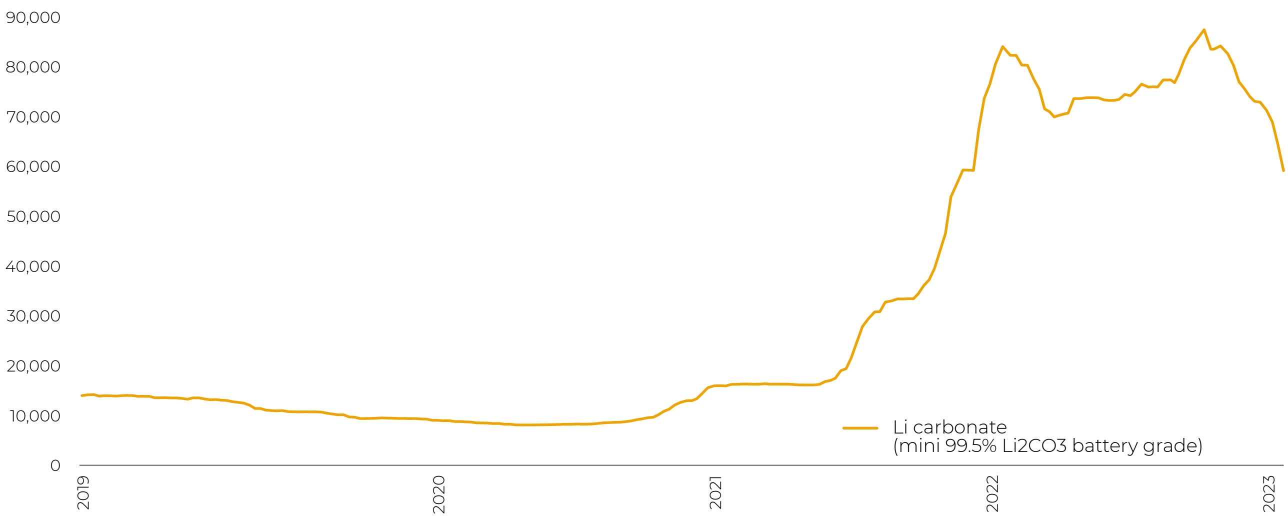



*Source: Eramet analysis.*

### 1.1.4.2.3 Lithium price

Lithium carbonate prices continued their sharp rise begun in 2021, averaging close to 71,400 USD/t [1] in 2022. This price explosion was due to a strong acceleration in the development of the electric car, which requires quantities of lithium that cannot be supplied by the existing production capacities. Despite the arrival of new production capacities, the context of a lithium supply deficit is likely to continue in 2023.

**Li carbonate spot prices EXW China** *(in USD/t)*

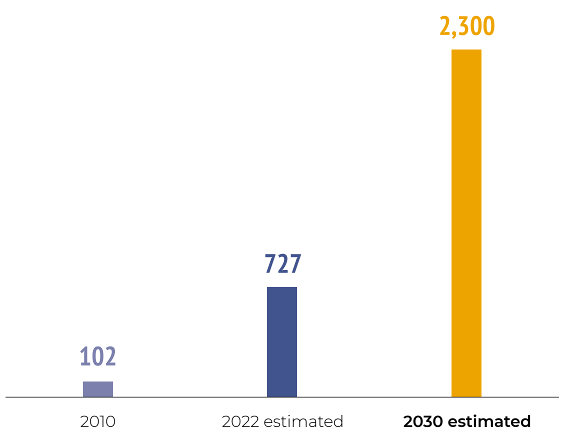



*Source: Eramet.*

### 1.1.4.2.4 Recent trends and market outlook

The numerous studies of this market converge to predict very strong growth in demand. Driven by the battery market, particularly for electric vehicles, it is estimated that lithium demand in 2030 will be nearly four times that of 2021 (see graph below).

**Evolution of lithium demand** *(thousands of tonnes of LCE)*




*Source: Eramet Marketing.*

## 1.1.4.3 Centenario project

In 2012, Eramet discovered the Centenario-Ratones deposit, located at an altitude of 3,800 metres in the province of Salta in the north-west of Argentina. With Chile and Bolivia, this country forms part of the "lithium triangle", which, according to the USGS (United States Institute of Geological Studies), represents more than half of the world's lithium resources.

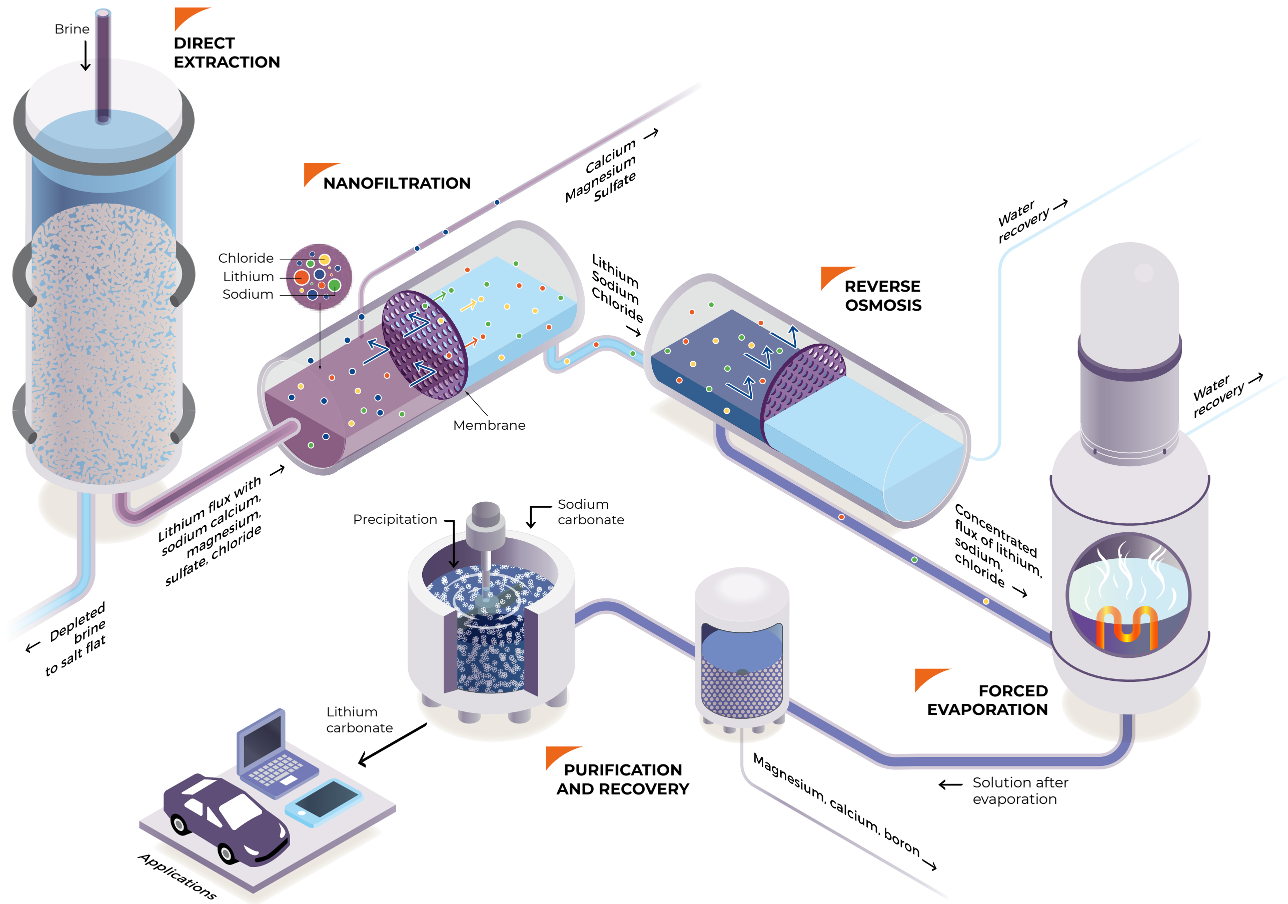
Since April 2014, the Group has held mining rights to this salt flat, which extends over more than 500 square kilometres. It contains very substantial drainable resources, estimated at nearly 10 million tonnes of lithium carbonate equivalent (LCE).

The project developed by Eramet consists of extracting brine from the *salar* and processing it into battery-grade lithium carbonate, with the aim of producing 24,000 tonnes per year of LCE.

The project is based on a high-performance direct extraction process that uses a solid active ingredient developed by Eramet Ideas, Eramet's R&D centre, in association with IFPEN, the French Institute of Oil and New Energies.

The project also has a strong ESG performance, particularly given the quality of relationships forged with local communities during the project preparation phase. Eramet's process also represents a benefit in terms of the use of water resources compared with projects based on a conventional extraction process. All of Eramet's CSR standards will be applied to the activity.

### 1.1.4.3.1 Direct extraction process and technology developed by Eramet




Although the production of lithium by direct extraction (DLE) remains in the minority today, this process has been used in the lithium industry for more than 20 years.

The DLE process developed by Eramet offers several advantages over the conventional process of natural evaporation used by the vast majority of producers of lithium from brine:

- Eramet's yield from the process is approximately 90%, compared with around 50% for the conventional evaporation process, and thus requires the consumption of half as many resources from the deposit for the same final production;
- the production cycle, between the pumping of the brine and achievement of the final product, is much shorter, at about one week, compared with 12 to 18 months for the conventional process;
- production is much less exposed to changing weather conditions, because it does not include a natural evaporation stage.

The DLE process developed by Eramet also provides several advantages over the DLE processes currently used:

- the lithium sorbent developed by Eramet Ideas works at the native temperature of the brine. The brine does not need to be heated, thus reducing the energy cost of the operation;
- the regeneration of the lithium sorbent is accomplished by water only.

The Eramet process also benefits from a high level of technological maturity: Eramet worked for 10 years to develop an effective DLE technology. The training centre, an on-site small-scale reproduction of the future industrial plant, was started up in late 2019 and has continued to operate since then, in real conditions, integrating all the steps of the process, from the pumping of the brine to the production of battery-grade lithium carbonate.

The feedback from the operation of the training centre, combined with the expertise of the project team and selected suppliers, makes for excellent conditions for a rapid start-up and for achieving full capacity and the desired battery quality.

These advantages make the process developed by Eramet very competitive, placing it in the first quartile of the lithium industry's cash cost curve (cash cost of around 3,500 USD/t LCE EXW[1]). Estimated EBITDA (at 100%), after ramp-up, is expected to amount to approximately $300 million per year[2] based on the last long-term price consensus[3].

*(1) EX-Works: Ex-factory costs, excluding taxes and royalties.*
*(2) Including royalties and logistics costs*
*(3) LT CIF price consensus of 17,800 USD/t LCE.*

#### 1.1.4.3.2 Start-up of the project (Phase 1) and construction of the plant in progress

In view of very strong growth in demand for lithium, a critical metal for the energy transition, which is a strategic development area for Eramet, the Group decided in November 2021 to start construction of the lithium production plant in Argentina, having mothballed the project in April 2020 due to the health crisis.

The restart of the project was achieved through the signing of a partnership agreement with the Chinese steel group Tsingshan, with which Eramet has successfully developed nickel production in Weda Bay, Indonesia.

Eramet has a majority share of 50.1% in the project and will manage it from an operational standpoint. Production will be sold by each of the two shareholders up to their share of the capital on the basis of an off-take contract (trading) under commercial market conditions.

The amount of the investment to finalise the construction of the plant was revalued at $550 million in early 2022, including:

- the initially estimated $400 million, of which $375 million financed by Tsingshan and $25 million by Eramet;
- an additional $150 million, mainly due to the sharp rise in equipment and freight prices, financed by Eramet and Tsingshan pro rata to their shareholdings, namely 50.1%/49.9% respectively.

Construction of the plant started in April 2022, with a view to coming on stream in the first quarter of 2024. The first tonnes of lithium carbonate will be produced in 2024, in a market that is expected to remain under high tension. Nominal capacity is expected to be reached in mid-2025.

With this project, Eramet will become the first European company to develop large-scale sustainable lithium production, based on an efficient process developed by its own R&D centre.

### 1.1.4.4 Growth outlook

The size of the Centenario lithium deposit in Argentina makes it possible to envisage further extensions by the two partners. In collaboration with its partner in phase 1, Eramet is continuing its feasibility study for a second phase of the project, an expansion phase which will allow annual production capacity to reach a total of around 75 kt LCE. An investment decision could be made before the end of the year.

In France, Eramet and Electricité de Strasbourg (ES) announced that their cooperation would continue in January 2023 with the signing of an exclusive memorandum of understanding to jointly study the development of lithium production in Alsace from geothermal brines. Expected production would be around 10,000 tonnes of lithium carbonate per year, corresponding to 15-20% of lithium needs in France (between now and 2030). This could begin before the end of the decade, subject to a final investment decision that would be made within the next four years.

In addition, exploration and research into opportunities for lithium extraction projects using brine remains a priority for the Group.

## 1.1.5 Exploration unit

The exploration unit, created in 2019, now has around 70 employees (18 based in Paris, with the rest of the team distributed in the countries where exploration activities are conducted). It aims to bring new mining projects to the portfolio of the Group in order to sustain the level of mining resources and therefore the Group's industrial activity.

The unit strengthens the local exploration teams in the countries where Eramet is established, in particular in Gabon, Cameroon, Indonesia and Argentina.

In the field of manganese, the exploration unit assisted Comilog in setting up a structure dedicated to exploration in Gabon (Comilog Exploration S.A.), which was granted its first exploration permit in 2022. A geophysical survey has been carried out, and the first prospecting works under this permit will begin in 2023.

In the field of mineral sands, in 2022 the exploration unit participated in the development of the Akonolinga project in Cameroon by carrying out the drilling campaigns in support of the project team (certification of resources, see the "Reserves and resources" section of this chapter).

The exploration unit also carried out exploration activities in Cameroon on other prospects, obtaining a dozen or so exploration licences (the Cameroonian subsidiary currently has around 30 employees), with a view to increasing the level of resources of the Akonolinga project but also to developing new potential in the country. The exploration unit is also present in other countries to carry out exploration campaigns in areas with potential for rutile and zircon.

For nickel/cobalt, the exploration unit has established a team based in Jakarta. This team is dedicated to prospecting and to the evaluation of areas with lateritic potential (Class I Ni), and has embarked on an ambitious systematic review of the archipelago's potential. The team is also exploring potential partnerships with a view to participating in the public tenders for reserve areas and areas open to exploration that will take place in 2023.

Finally, the exploration unit also participates in the development of the lithium activity by continuing its work on generating targets in South America for this critical metal for the energy transition.

# 1.2 EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

## 1.2.1 General points

### Definitions

#### Definition of exploration results

The exploration results come from data and information generated by exploration programs. The exploration results are conceptual in nature. The level of knowledge is not high enough to declare mineral resources. The exploration results are not included in either mineral resources or ore reserves.

#### Definition of mineral resources

A Mineral Resource is the concentration or occurrence of materials of economic interest in or on the Earth's crust in such quantity and quality that the outlook for economic extraction is reasonable. The location, quantity, quality and continuity of the deposit and the geological characteristics of these resources are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are ranked in ascending order of geological confidence as "inferred", "indicated" and "measured" resources.

An Inferred Mineral Resource is the part of a mineral resource of which quantity and quality can be estimated on the basis of geological evidence, with a low level of confidence. The geological continuity of the mineralisation and its quality is assumed but not verified. The estimate is based on limited information or information of uncertain quality and reliability, gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Indicated Mineral Resource is the part of a mineral resource for which tonnages, densities, shape, physical characteristics, quality and grades can be estimated with a reasonable level of confidence. The estimate is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, quarries and drill holes. The locations are too far from each other or spaced too inadequately to confirm the geological continuity and/or quality of the mineralisation but are close enough to reasonably envisage such continuity.

A Measured Mineral Resource is the part of a mineral resource for which tonnages, densities, shape, physical characteristics, quality and grades can be estimated with a high level of confidence. The estimate is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, quarries and drill holes. The locations are spaced closely enough to each other to confirm the geological continuity and/or quality of the mineralisation and the hydrogeological continuity of the facies of the resource.

#### Definition of drainable mineral resources in the case of lithium extracted from brine

A drainable mineral resource is defined by the availability of brine with a given lithium content in an envelope with a known effective porosity. The classification level is based on a grid of test drill holes which allow to assess the lateral and vertical continuity of the lithology, the lithium brine concentrations and the hydraulic parameters.

An Inferred Drainable Mineral Resource is the part of a drainable resource for which only geophysical measurements are available and possibly some drilling sites. Hydraulic continuity is not verified. The lithium content estimate is based on limited information or information of uncertain quality and reliability.

An Indicated Drainable Mineral Resource is the part of the drainable resource for which there is proven lateral continuity of the hydraulic parameters of the aquifer, the lithium content of the brine and vertical continuity between two measurement points in the same well.

A Measured Drainable Mineral Resource is the part of the drainable resource for which the sampling quality, hydraulic parameters and grades can be estimated with a high level of confidence and that meet quality criteria (QA/QC).

#### Definition of ore reserves

An Ore Reserve is the economically mineable part of the "measured" or "indicated" mineral resources of a deposit. The estimate of ore reserves is based on a pre-feasibility or feasibility study (mining project in the broad sense) that includes technical constraints (pit drawing, diluting materials and mining losses according to mining methods, efficiency of plants) and economic, commercial, legal, environmental, social and governmental constraints that exist or are foreseeable at the time of the estimate. At the very least, a pre-feasibility study shows that mining is justified at the time of declaration. Ore reserves are ranked in ascending order of confidence as "probable" and "proven".

A Probable Ore Reserve is the economically mineable part of an "indicated" and, in some circumstances, a "measured" resource, while a Proven Ore Reserve is the economically exploitable part of a "measured" resource.

## Location

In Gabon, Comilog S.A is mining high-grade manganese tabular deposits, located under low overburden layer and formed by the weathering of volcano-sedimentary rocks.

In New Caledonia, Société Le Nickel-SLN is mining oxidised nickel deposits formed by the weathering of ultrabasic rocks.

On the island of Halamahera in Indonesia, Pt Weda Bay Nickel is mining oxidised nickel ore in a context of lateritic weathering.

In Senegal, Grande Côte Opérations (GCO) is mining a heavy mineral sands deposit. The deposit is a heavy mineral placer of coastal dunes, containing high quantities of titaniferous minerals (ilmenite, rutile and leucoxene) and zircon.

In Argentina, Eramine S.A., carried out exploration work on several argentinian *salars,* before focusing on the Centenario and Ratones *salars* north-west of Salta in the Puna region. This exploration work revealed lithium-enriched brine.

In Cameroon, Eramet Cameroun S.A. is carrying out exploration work in river alluvium in the Nyong River catchment area, in the Akonolinga region east of Yaoundé. This alluvium contains heavy minerals coming from rocks eroded upstream. The prospecting work focuses on highlighting the rutiliferous potential of exploration licences.

## Legal titles

Exploration results, mineral resources and ore reserves are present on mining titles for which the Group has the following rights:

- **Gabon:** a 75-year concession expiring on 25 January 2032, renewable ten years by right then upon request by ten-year tranches;
- **New Caledonia:** the majority of the concessions are perpetual concessions expiring on 31 December 2048 (Article 7 of the Country Law of 16 April 2009) under which the rights are conceded for a maximum period of 50 years, renewable in maximum and successive 25-year tranches. The expiry dates of the other concessions are staggered until 2041, and renewal applications are systematically initiated within the prescribed time limits;
- **Indonesia:** *Contract of Work*, ending on 27 February 2048, renewable;
- **Senegal:** mining concession awarded to Mineral Deposits Limited (MDL) by the Senegalese Government on 2 November 2007 (Decree 2007-1326) for a term of 25 years and renewable, transferred to GCO in July 2008;
- **Argentina:** mining concessions awarded to Eramine S.A. on the *salars* (salt deserts) of Centenario-Ratones. These are issued in perpetuity, subject to payment of the half-yearly mining royalties and compliance with the investment programme;
- **Cameroon:** exploration licences granted to Eramet Cameroun S.A. for the Akonolinga and Mengang sectors. Renewed in 2022, they are valid for a term of two years (until 18 October 2024). An application for an operating permit is pending.

Ore reserves are recognised at historical cost in the accounts only in the case of titles purchased, while titles granted by the authorities are not valued.

## References

The presentation of the Group's exploration results and its mineral resources and ore reserves was established according to the principles of the "JORC Code" (Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves), 2012 edition.

Exploration results, mineral resources and ore reserves are based on documentation reviewed and validated by people with sufficient and relevant experience for the type of deposits under consideration. These competent persons certify that the figures presented are compliant with the requirements of the Code. These are:

- professionals employed on a full-time basis by the Group, its subsidiaries or holdings;
- competent persons from external firms mandated by the group, its subsidiaries or holdings.

## Basis of estimates

The estimates are based on samples, which may not be fully representative of the whole deposits. As they are explored and/or mined, the estimates may change either positively or negatively, according to the improved knowledge of the ore deposits.

## Presentation of the exploration results

The exploration results refer to a potential quantity associated with a grade. These elements are expressed as a range. The exploration results reflect the situation as of 1 January 2023.

### Presentation of figures for mineral resources and ore reserves

The figures for the mineral resources and ore reserves shown in the tables:

- are rounded to reflect the relative uncertainty of the estimates, which might produce calculation differences in the totals. They are provided for all the licences;
- represent the mineral resources and ore reserves of subsidiaries or holdings and not Eramet's share in the entities concerned;
- are expressed using the abbreviations below:
  - Mdmt: millions of dry metric tons,
  - Y: Yield,
  - Mn: manganese,
  - Mt Mn: millions of tonnes of manganese
  - Ni: nickel
  - ktNi: thousands of tonnes de nickel,
  - HM: Heavy minerals,
  - Li: lithium,
  - LCE: *Lithium Carbonate Equivalent*.

Mineral resources and ore reserves figures reflect the situation as of 1 January 2023. When ore reserves are declared, they are included in mineral resources.

## 1.2.2 Mineral resources and ore reserves of Comilog S.A.

### Mineral Resources

The table below shows the figures for the mineral resources of Comilog S.A., updated at 1 January 2023.

STATEMENT OF COMILOG S.A. MINERAL RESOURCES AT 1 JANUARY 2023

| | 1 January 2023 | | | | 1 January 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Mineral Resources | Mdmt | % Y | % Mn | Mt Mn | Mdmt | % Y | % Mn | Mt Mn |
| Measured | **128** | **64.6** | **45.1** | **37** | **125** | **64.1** | **45.2** | **36** |
| Indicated | 229 | 64.3 | 43.2 | 64 | 236 | 64.0 | 43.2 | 65 |
| Inferred | 56 | 62.1 | 43.2 | 15 | 57 | 62.0 | 43.1 | 15 |
| **TOTAL** | **414** | **64.1** | **43.8** | **116** | **418** | **63.8** | **43.8** | **117** |

***Notes:***

1. Tonnes for run-of-mine are given in place and expressed in millions of dry metric tonnes (Mdmt).
2. Manganese grades (% Mn) are equivalent to washed ore samples and must be read with the associated yields (% Y)
3. The mineral resources are defined at an Mn cut-off grade of the lumpy fraction higher than or equal to 30%.
4. The mineral resources are validated by the competent person: Ms Sophie Rodrigues, geologist at Eramet's CTO (Central Technical Office) (EurGeol #1726).

### Ore reserves

The table below shows the figures for the ore reserves of Comilog S.A., updated at 1 January 2023.

STATEMENT OF COMILOG S.A. ORE RESERVES AT 1 JANUARY 2023

| | 1 January 2023 | | | | 1 January 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Ore reserves | Mdmt | % Y | % Mn | Mt Mn | Mdmt | % Y | % Mn | Mt Mn |
| Proven | 89 | 63.9 | 46.1 | 26 | 90 | 64.9 | 46.0 | 27 |
| Probable | 136 | 63.2 | 43.8 | 38 | 135 | 64.4 | 43.5 | 38 |
| **TOTAL** | **225** | **63.5** | **44.7** | **64** | **225** | **64.6** | **44.5** | **65** |

***Notes:***

1. Tonnes for run-of-mine are given in place and correspond to the ore sent to the production units. They are expressed in millions of dry metric tonnes (Mdmt).
2. Manganese grades (% Mn) correspond to expected washed products and must be read with the associated yields (% Y).
3. The ore reserves are defined at an Mn cut-off grade of the lumpy fraction higher than or equal to 30%.
4. Mining factors as well as technical factors related to ore processing are applied.
5. The ore reserves figures are defined on the basis of a long-term mining sequence developed over a 20-year period from 1 January 2023.
6. The ore reserves are validated by the competent person: Mr Yves Broch, Head of the Geology and Mining Department at Eramet's CTO (Central Technical Office) (MAusIMM #3001380)

## 1.2.3 Mineral resources and ore reserves of Société Le Nickel-SLN

### Mineral Resources

The table below shows the figures for the mineral resources of Société Le Nickel-SLN, updated at 1 January 2023.

STATEMENT OF SLN MINERAL RESOURCES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Mineral Resources | Mdmt | % Ni | ktNi | Mdmt | % Ni | ktNi |
| LIMONITES | | | | | | |
| Measured | 28.5 | 1.45 | 415 | 19.7 | 1.43 | 282 |
| Indicated | 30.3 | 1.46 | 441 | 28.6 | 1.46 | 417 |
| Inferred | 148.6 | 1.40 | 2,086 | 135 | 1.42 | 1,922 |
| **Total Limonites** | **207.4** | **1.42** | **2,942** | **183.3** | **1.43** | **2,621** |
| SAPROLITES | | | | | | |
| Measured | 118.6 | 2.11 | 2,501 | 119.3 | 2.12 | 2,528 |
| Indicated | 173.1 | 2.03 | 3,514 | 169.6 | 2.04 | 3,453 |
| Inferred | 583.8 | 1.89 | 11,030 | 558.5 | 1.89 | 10,559 |
| **Total saprolites** | **875.5** | **1.95** | **17,046** | **847.5** | **1.95** | **16,540** |
| **GRAND TOTAL** | **1082.9** | **1.85** | **19,988** | **1031** | **1.86** | **19,161** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes (Mts) and are associated with the nickel grade and tonnes of nickel content (ktNi).
2. In accordance with the system describing the drill hole data, the tonnages and grades shown for Saprolites mineral resources correspond only to the altered phase of the saprolites, which entails the mineralisation and not to the entire saprolitic column.
3. By comparison with the previous year, the statement of mineral resources is now made solely on the basis of geological characteristics (limonites and saprolites).
4. The cut-off grades applied are as follows: 1.3% Ni for limonites and between 1.3% Ni and 1.6% Ni for saprolites depending on the deposit under consideration.
5. The mineral resources are validated by the competent person: Ms Monique Le Guen, Expert Geologist at Eramet (EurGeol #1028).

### Ore reserves

The table below shows the figures for the ore reserves of Société Le Nickel-SLN, updated at 1 January 2023.

STATEMENT OF SLN ORE RESERVES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Ore reserves | Mdmt | % Ni | ktNi | Mdmt | % Ni | ktNi |
| LIMONITES | | | | | | |
| Proven | 15.3 | 1.46 | 223 | 12.2 | 1.47 | 180 |
| Probable | 20.6 | 1.49 | 307 | 18.4 | 1.49 | 274 |
| **Total** | **35.9** | **1.47** | **530** | **30.6** | **1.48** | **454** |
| SAPROLITES | | | | | | |
| Proven | 45.5 | 2.12 | 965 | 41.7 | 2.22 | 929 |
| Probable | 103.2 | 2.08 | 2,145 | 107.2 | 2.08 | 2,231 |
| **Total** | **148.7** | **2.09** | **3,109** | **148.9** | **2.12** | **3,160** |
| **GRAND TOTAL** | **184.7** | **1.97** | **3,639** | **179.5** | **2.01** | **3,614** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes (Mdmt). They are associated with the nickel grade and tonnes of nickel content (kt Ni),
2. The tonnages and grades shown for Saprolites ore reserves correspond only to the altered phase of the saprolites, which entails the mineralisation and not to the entire saprolitic column,
3. The cut-off grades applied are as follows: 1.3% Ni for limonites and between 1.3% Ni and 1.6% Ni for saprolites depending on the deposit under consideration.
4. Mining factors as well as technical factors related to ore processing are applied.
5. By comparison with the previous year, the statement of reserves is now made solely according to the type of use of the ores and not according to the place of their beneficiation.
6. The ore reserves figures are defined on the basis of a 25-year mining sequence. However, it should be noted that the difficulties involved in obtaining operating permits for certain deposits are a major challenge for securing the SLN operational plan and the level of reserves. Depending on the evolution of the situation and the current action plan in this regard, the level of SLN's reserves could be reviewed in early 2024.
7. The ore reserves are validated by the competent person: Mr Pierre Epinoux, CTO (Chief Technical Officer) at Eramet (MAusIMM #316009).

## 1.2.4 Mineral resources and ore reserves of PT Weda Bay Nickel

### Mineral Resources

The table below shows the figures for the mineral resources of PT Weda Bay Nickel, updated at 1 January 2023.

STATEMENT OF PT WEDA BAY NICKEL MINERAL RESOURCES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Mineral Resources | Mdmt | % Ni | ktNi | Mdmt | % Ni | ktNi |
| LIMONITES | | | | | | |
| Measured | 62.9 | 1.15 | 723 | 41.5 | 1.26 | 522 |
| Indicated | 94.7 | 1.08 | 1,022 | 38.2 | 1.24 | 472 |
| Inferred | 209.1 | 1.10 | 2,299 | 88.8 | 1.23 | 1,095 |
| **Total Limonites** | **366.7** | **1.10** | **4,044** | **168.5** | **1.24** | **2,089** |
| SAPROLITES | | | | | | |
| Measured | 167.6 | 1.39 | 2,330 | 144.1 | 1.65 | 2,377 |
| Indicated | 201.3 | 1.34 | 2,697 | 122.0 | 1.52 | 1,855 |
| Inferred | 430.4 | 1.42 | 6,111 | 266.4 | 1.52 | 4,038 |
| **Total saprolites** | **799.3** | **1.39** | **11,138** | **532.6** | **1.55** | **8,270** |
| **GRAND TOTAL** | **1,166.0** | **1.30** | **15,182** | **701.0** | **1.48** | **10,360** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes (Mdmt). They are associated with the nickel grade and tonnes of nickel content (kt Ni).
2. The cut-off grades applied are 0.7% Ni for limonites and 0.8% Ni for saprolites.
3. The indicated tonnages and grades for saprolites correspond to the entire saprolitic column.
4. The mineral resources estimate was prepared by PT Weda Bay Nickel and audited by the competent person: Mr Ade Kadarusman, Director of PT AKA Geosains Consulting, MAusIMM #303680, member of the Indonesian Association of Geologists (IAGI), the Indonesian Society of Economic Geologists (MGEI), and Indonesian Competent Person (CPI# 088).

## Ore reserves

The table below shows the figures for the ore reserves of PT Weda Bay Nickel, updated at 1 January 2023.

STATEMENT OF PT WEDA BAY NICKEL ORE RESERVES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Ore reserves | Mdmt | % Ni | ktNi | Mdmt | % Ni | ktNi |
| ORE FOR HYDROMETALLURGICAL PLANTS | | | | | | |
| Proven | 55.2 | 1.13 | 623 | 31.2 | 1.33 | 415 |
| Probable | 80.9 | 1.06 | 857 | 22.5 | 1.31 | 295 |
| **Total** | **136.0** | **1.09** | **1,481** | **53.7** | **1.32** | **709** |
| ORE FOR PYROMETALLURGICAL PLANTS | | | | | | |
| Proven | 139.1 | 1.37 | 1,905 | 97.6 | 1.74 | 1,702 |
| Probable | 165.1 | 1.33 | 2,195 | 66.1 | 1.67 | 1,102 |
| **Total** | **304.2** | **1.35** | **4,101** | **163.7** | **1.71** | **2,804** |
| **GRAND TOTAL** | **440.2** | **1.27** | **5,581** | **217.0** | **1.62** | **3,513** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes (Mdmt). They are associated with the nickel grade and tonnes of nickel content (kt Ni).
2. Ore reserves are presented according to the ore benefication process, i.e. a hydrometallurgical or pyrometallurgical treatment.
3. Ore reserves are defined at a cut-off grade of 0.8% Ni for ore used by pyrometallurgical plants and 0.7% Ni for ore used by hydrometallurgical plants.
4. The ore reserves figures are defined on the basis of a long-term mining sequence developed over a 22-year period from 1 January 2023.
5. The reserves estimate was prepared by PT Weda Bay Nickel and audited by the competent person: Mr Dzikril Hakim, Senior Mining Engineer at PT AKA Geosains Consulting, MAusIMM #3053421. The reconciliation data is reviewed by Mr Pierre Epinoux, CTO (Chief Technical Officer) at Eramet (MAusIMM #316009).

## 1.2.5 Mineral resources and ore reserves of Grande Côte Opérations

### Mineral Resources

The table below shows the figures for the mineral resources of Grande Côte Opérations, updated at 1 January 2023.

STATEMENT OF GRANDE CÔTE OPERATIONS MINERAL RESOURCES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Mineral Resources | Sands Mdmt | HM Mdmt | % HM | Sands Mdmt | HM Mdmt | % HM |
| Measured | 2,228 | 26.6 | 1.19 | 2,240 | 26.7 | 1.19 |
| Indicated | 712 | 7.3 | 1.03 | 1,207 | 10.8 | 0.89 |
| Inferred | 86 | 0.7 | 0.83 | 95 | 0.9 | 0.98 |
| **TOTAL** | **3,026** | **34.6** | **1.14** | **3,542** | **38.4** | **1.08** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes of mineral sands (Sands Mdmt) and they are associated with the average *in situ* heavy mineral grade of the sands (% HM) and the dry metric tonnage of heavy minerals (HM Mdmt).
2. The mineral resources are considering all the sands between the topographic surface and a level 6m below the natural water table, with a grade higher than the cut-off grade of 0.70% HM, and the tonnages included in GCO's long-term mining plan dredger path (without a cut-off grade).
3. The mineral resources do not include tonnages located in non-exploitable exclusion zones (rights of way of major villages, tailings and materials under tailings).
4. The variation in "indicated" resources between 1 January 2022 and 1 January 2023 (489 Mts of sands) corresponds to the withdrawal of volumes located between the bottom of the auger drillings and 6 metres below the level of the water table. Two sectors are concerned: Yodi (205 Mts) and the south of the Mboro Hôtel area (284 Mts).
5. The mineral resources are validated by the following competent persons:
   - Mr Fanguin Philippe, Senior Geologist at Eramet's CTO (Central Technical Office) (EurGeol #1259);
   - Mr Mamadou Ly, Head of GCO Geology Department (FAusIMM #319223).

### Ore reserves

The table below shows the figures for the ore reserves of Grande Côte Opérations, updated at 1 January 2023.

STATEMENT OF GRANDE CÔTE OPERATIONS ORE RESERVES AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Ore reserves | Sands Mdmt | HM Mdmt | % HM | Sands Mdmt | HM Mdmt | % HM |
| Proven | 1222 | 17.6 | 1.44 | 1,123 | 16.8 | 1.50 |
| Probable | 162 | 2.4 | 1.45 | 144 | 2.1 | 1.46 |
| **TOTAL** | **1384** | **20.0** | **1.44** | **1,267** | **18.9** | **1.49** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes of mineral sands (Sands Mdmt) and they are associated with the average *in situ* heavy mineral grade of the sands (% HM) and the dry metric tonnage of heavy minerals (HM Mdmt).
2. The ore reserves correspond to the sum of the tonnages of mineral sands exploited by the dredger (mine path) and by a conventional mining method (dry mining) in the rich superficial areas adjacent to the dredge path.
3. Within the path of the dredge and dry mining pits, no cut-off grade is applied, as all the sand is recovered there.
4. The ore reserves take into account losses of sands and heavy minerals at the level of the dredge and the entry of the WCP. The recovery rates of heavy minerals in the processing plants (WCP and MSP) are not applied in the calculation of ore reserves.
5. The ore reserves figures are defined on the basis of a long-term mining sequence developed over a 24-year period from 1 January 2023.
6. The ore reserves are validated by the competent person: Mr C. Nouel, Director of Eramet's Mineral Sands Business Unit (MAusIMM #206668).

## 1.2.6 Mineral resources and ore reserves of Eramine S.A.

### Drainable mineral resources

The table below shows the figures for the drainable mineral resources of Eramine S.A., updated at 1 January 2023. The drainable mineral resources are defined on the Centenario and Ratones salars.

STATEMENT OF ERAMINE S.A. DRAINABLE MINERAL RESOURCES AT 1 JANUARY 2023

| | 1 January 2023 | | | | 1 January 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Drainable Resources | Brine volume *(in millions of cubic metres)* | Average density | Li content *(in mg/l)* | LCE *(in kt)* | Brine volume *(in millions of cubic metres)* | Average density | Li content *(in mg/l)* | LCE *(in kt)* |
| Measured | 929 | 1.19 | 409 | 2,023 | 929 | 1.19 | 409 | 2,023 |
| Indicated | 1,594 | 1.18 | 380 | 3,226 | 1,594 | 1.18 | 380 | 3,226 |
| Inferred | 2,826 | 1.15 | 312 | 4,689 | 2,826 | 1.15 | 312 | 4,689 |
| **TOTAL** | **5,349** | **1.17** | **350** | **9,938** | **5,349** | **1.17** | **350** | **9,938** |

***Notes:***

1. The figures are presented in millions of cubic metres of brine. They are associated with the lithium content of the brine expressed in mg/l and with the average density of the brine.
2. The reference date of the mineral resources estimate is 16 August 2019.
3. The drainable mineral resource calculations use: 1) the drainable porosity values for the hydrogeological units of the aquifer, 2) a lithium cut-off grade of 200 mg/l, and 3) only the properties controlled by Eramine S.A. in December 2019.
4. The calculation of the LCE (lithium carbonate equivalent) infers no loss linked to the process. The LCE (lithium carbonate equivalent) tonnage equivalent is calculated based on the lithium mass multiplied by a factor given by the atomic mass of each lithium carbonate element, i.e. 5.322785.
5. The competent person responsible for the estimate of resources is Mr Mike Rosko, PGeo, member of the Society for Mining, Metallurgy, and Exploration (#4064687) and permanent employee of Montgomery & Associates.

### Ore reserves

The table below shows the figures for the ore reserves of Eramine S.A., updated at 1 January 2023. The ore reserves are only defined on the Ratones *salar*.

STATEMENT OF ERAMINE S.A. ORE RESERVES AT 1 JANUARY 2023

| | 1 January 2023 | | | | | 1 January 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ore reserves | Years | Brine volume pumped *(in millions of cubic metres)* | Average Li content *(mg/l)* | Metal Li *(t)* | LCE (t) | Years | Brine volume pumped *(in millions of cubic metres)* | Average Li content *(mg/l)* | Metal Li (t) | LCE *(t)* |
| Proven | 1-3 | 30 | 460 | 12,180 | 65,000 | 1-3 | 30 | 460 | 12,180 | 65,000 |
| Probable | 1-3 | 7 | 460 | 2,610 | 14,000 | 1-3 | 7 | 460 | 2,610 | 14,000 |
| Probable | 4-40 | 511 | 436 | 194,010 | 1,033,000 | 4-40 | 511 | 436 | 194,010 | 1,033,000 |
| **TOTAL** | **1-40** | **548** | **438** | **208,800** | **1,112,000** | **1-40** | **548** | **438** | **208,800** | **1,112,000** |

***Notes:***

1. The figures are presented in millions of cubic metres of brine. They are associated with the lithium content of the brine expressed in mg/l and with the average density of the brine.
2. The years mentioned correspond to periods of the pumping sequence. The retained scenario covers a period of 40 years and guarantees annual production of 24 kt LCE.
3. A recovery factor of the lithium extraction process (87%) was applied to the ore reserves. This performance was confirmed by semi-industrial tests conducted in early 2020 on the site.
4. Average lithium grades are calculated on the basis of the mass from all resource categories, including the low contribution of inferred mineral resources.

5. The proportion of brine volume from inferred mineral resources is not taken into account in total brine volume.
6. Metal lithium tonnage only includes masses from measured and indicated mineral resources.
7. Metal lithium tonnage is converted into LCE (lithium carbonate equivalent) using the factor 5.32.
8. The estimates apply as of 9 February 2021
9. The competent person responsible for this estimate of ore reserves is Mr Frits Reidel, Certified Professional Geologist (#11454) with the American Institute of Professional Geologists and employee of Atacama Water.

## 1.2.7 Exploration results and mineral resources of Eramet Cameroun S.A.

### Exploration results

The exploration results of Eramet Cameroun S.A. as of 1 January 2023 correspond to the potential tonnages of alluvium expressed in millions of dry metric tonnes (Mdmt) and their average whole-rock rutile content.

The exploration results are based on the total surface area of the prospected rivers, the average thickness and the grade of the drill holes.

With regard to the 24 km² prospects recognised at 1 January 2023, the exploration results are estimated at around 70 million dry metric tonnes of alluvium with a with a head rutile grade between 0.4 and 0.9%, i.e. a potential of 300 to 600 kt of rutile.

### Mineral resources

The table below shows the figures for the mineral resources of Eramet Cameroun S.A., updated at 1 January 2023.

STATEMENT OF MINERAL RESOURCES OF ERAMET CAMEROUN S.A. AT 1 JANUARY 2023

| | 1 January 2023 | | | 1 January 2022 | | |
|---|---|---|---|---|---|---|
| Mineral Resources | Alluvium Mdmt | Rutile kt | % Rutile | Alluvium Mdmt | Rutile kt | % Rutile |
| Measured | - | - | - | - | - | - |
| Indicated | - | - | - | - | - | - |
| Inferred | 48 | 454 | 0.94 | 48 | 454 | 0.94 |
| **TOTAL** | **48** | **454** | **0.94** | **48** | **454** | **0.94** |

***Notes:***

1. The figures are reported in millions of dry metric tonnes of alluvium (Alluvium Mdmt). They are associated with their average in situ rutile content (% Rutile) and with the corresponding rutile tonnage.
2. The rutile content is the head grade of the alluvium.
3. No cut-off grade is applied to mineral resources.
4. The mineral resources are validated by the competent person: Mr Jérôme Michaud, Senior Geologist at Eramet (EurGeol #1163).

# 1.3 HIGH PERFORMANCE ALLOYS ACTIVITIES (DISCONTINUED OPERATIONS)

## 1.3.1 Highlights of the year

### 1.3.1.1 Key figures

| *(in millions of euros)* | Financial Year 2022 [1] | Financial Year 2021 restated[1] |
|---|---|---|
| Turnover | 826 | 677 |
| Aubert & Duval | 553 | 493 |
| Erasteel | 273 | 184 |
| EBITDA | (24) | (32) |
| Aubert & Duval | (47) | (44) |
| Erasteel | 23 | 13 |
| Current operating income | (27) | (45) |
| Aubert & Duval | (50) | (57) |
| Erasteel | 23 | 12 |
| Net cash flow generated by operating activities | (146) | (84) |
| Aubert & Duval | (140) | (75) |
| Erasteel | (6) | (9) |

*(1) Aubert & Duval and Erasteel, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021.*

### 1.3.1.2 Operational performance

#### Aubert & Duval [1][2]

A&D turnover ended at €553 million in 2022, up 12%, with a 30% increase for the aerospace sector, which posted €373 million. Conversely, Energy and Defence sector sales declined by 16% to €123 million.

Activity was strongly affected by the very sharp increases in energy costs, notably electricity (which cost more than doubled on average in 2022) and rising raw material costs with an impact on both EBITDA and FCF, in the absence of an automatic pass-through in commercial contracts.

As a result, EBITDA was negative at -€47 million (slightly down vs. 2021) and the subsidiary's cash consumption amounted to €220 million, including disbursements as part of the divestment agreement.

#### Erasteel[1]

Erasteel's turnover increased by 48%, totalling €273 million in 2022. Growth in sold volumes of high-speed steels was also supported by the positive impact of reinvoicing raw material and energy price increases to customers. Recycling activity (batteries and catalysts) also posted an increase of 7% to €21 million.

As such, EBITDA almost doubled, ending at €23 million in 2022.

The cash consumption of €14 million for the year reflects the increase in working capital requirement (WCR), resulting from strong growth in activity and the increase in materials costs.

The high level of Erasteel's order book enables the entity to face the first half of 2023 with confidence, despite the macroeconomic uncertainties weighing on its main markets.

*(1) Unless otherwise indicated, these figures mentioned are restated in accordance with IFRS 5 – "Non-current assets held for sale and discontinued operations".*

*(2) Aubert & Duval and others, excluding EHA.*

## 1.3.2 Markets

### 1.3.2.1 Main applications

The High Performance Alloys Activities develops its metallurgical business upstream of strategic industries including aeronautics, space, energy and defence. It also provides metallurgical solutions for the most demanding applications (aeronautical applications, cutting tools, motor sports, medical, tooling etc.).

The products sold by the High Performance Alloys Activities are positioned in niche markets at the top of the steel pyramid, which account for less than 5% of global metal demand.

### 1.3.2.2 Demand

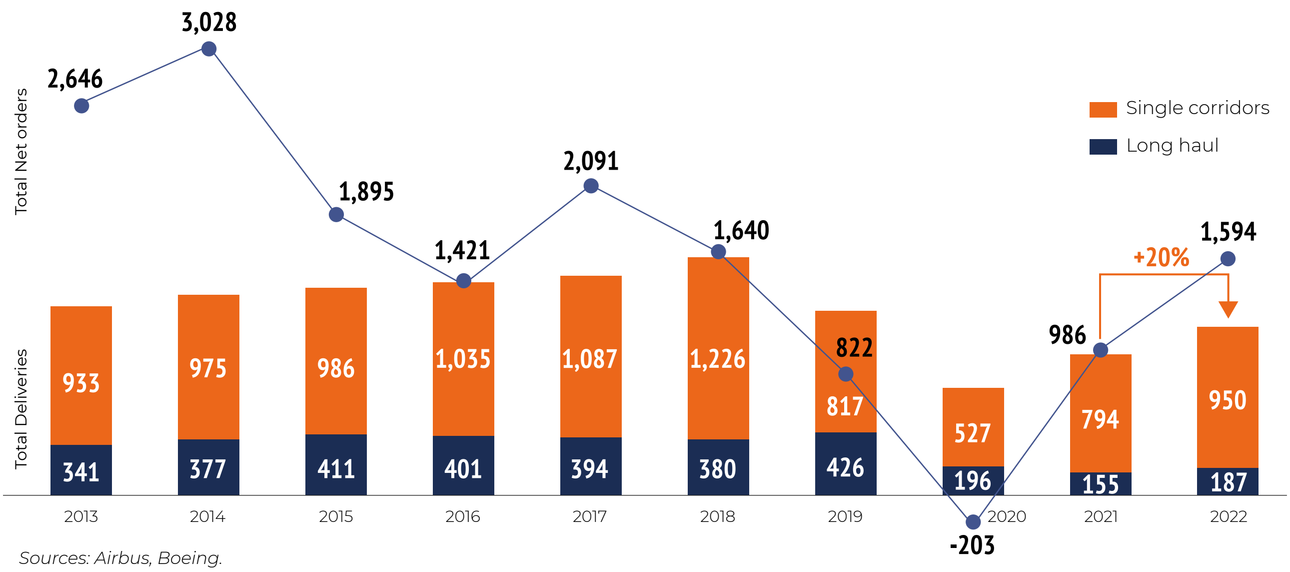
#### 1.3.2.2.1 Aerospace

In 2022, air traffic continued to grow, approaching the pre-health crisis level, although this growth remains fragile. Indeed, global air transport is still experiencing the resurgence of new COVID variants, with a slower recovery in some parts of East and North Asia.

Despite a financial position severely deteriorated by the health crisis, airlines are continuing to order new aircraft in order to cope with the anticipated sharp increase in global air traffic, which is expected to more than double by 2050.

In addition, they are continuing their transition to more fuel-efficient aircraft with lower $CO_2$ emissions, and are committed to a path of decarbonisation for aviation.

**Net aircraft orders and deliveries**



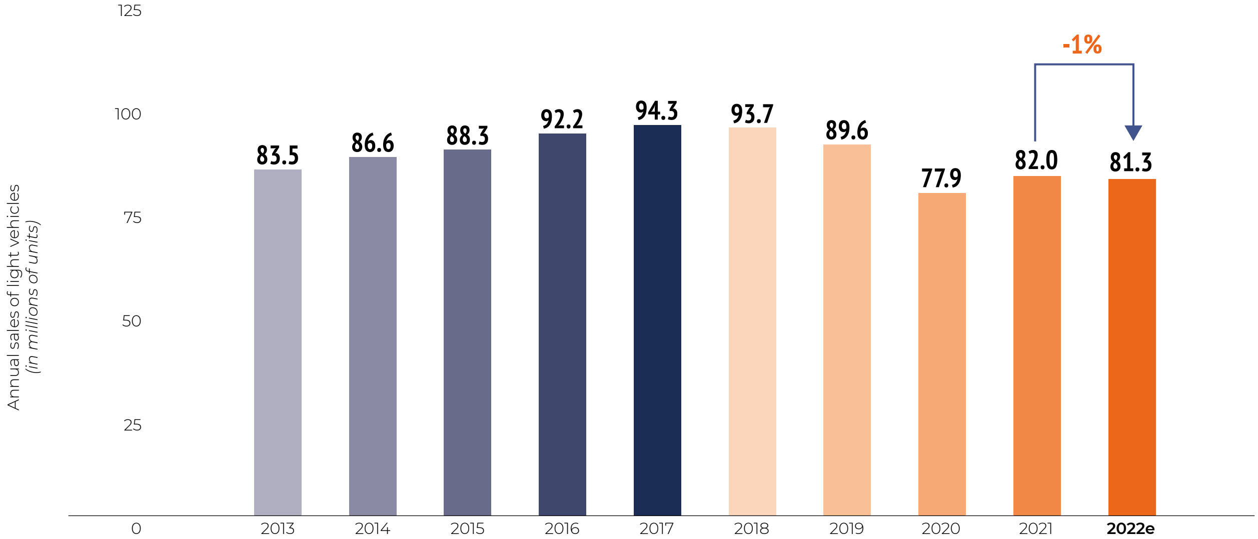

*Sources: Airbus, Boeing.*

Aircraft manufacturers and their subcontractors are continuing to implement their ramp-up plan, particularly for single-aisle aircraft. However, the supply chain remains fragile due to the cumulative impact of COVID, the war in Ukraine, energy supply problems and the availability of raw materials and labour in a highly stressed job market.

#### 1.3.2.2.2 Automotive

Sales in the automotive industry did not reach the expected level in 2022, impacted by the deteriorating economic situation in Europe and the United States and by the emergence of the European energy crisis. The sector continues to face supply problems and rising costs of components and raw materials, resulting in higher sale prices for new vehicles.

**Annual global sales of light vehicles** *(Eramet estimates)*



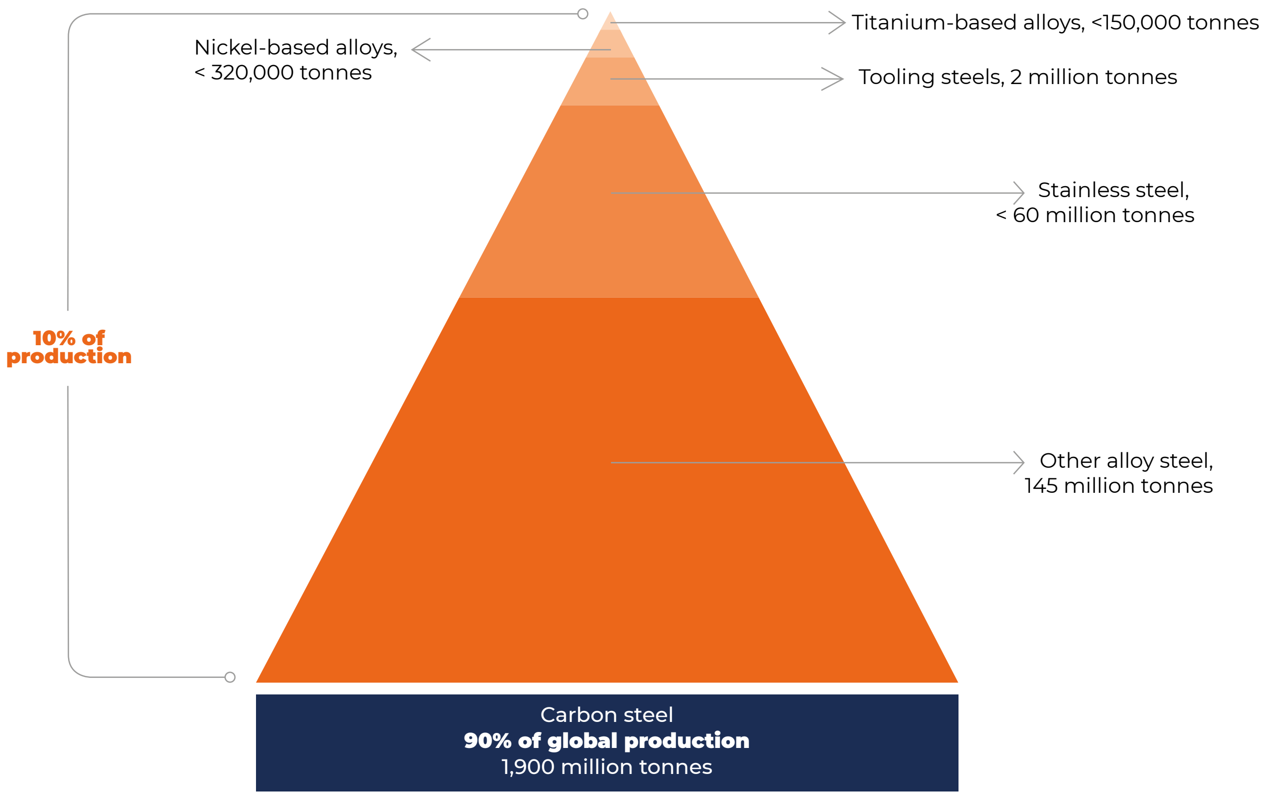

#### 1.3.2.2.3 Other markets

Thanks to government capital expenditure programmes, demand for high-performance special steels in the defence, energy and nuclear industries held up.

### 1.3.2.3 Supply

Global production of steel and alloys fell by around 2.5% in 2022, affected by the global geopolitical and economic context and the energy crisis in Europe. Stainless steel and alloyed steel are the most severely impacted, unlike nickel-based and titanium-based alloys, which, thanks to the aerospace industry, are beginning to rise again.

**Global production of the main steel and alloy families in average annual volumes** *(Eramet's estimates)*



### 1.3.2.4 Competitive environment

The High Performance Alloys Activities has to deal with a complex competitive environment, according to markets, product types and alloys sold.

The main competitors of Eramet's High Performance Alloys Activities are located in America, Europe and Asia, and are listed below:

- closed-die forged or forged parts: Allegheny Technologies Corporation, Otto Fuchs Precision Castparts Corporation and VSMPO-AVISMA;
- long products and high-speed steels: Allegheny Technologies Corporation, Carpenter Technology, Hitachi Metals, Liberty Speciality Steels and Voestalpine;
- Powders for additive manufacturing: Carpenter Technology, Oerlikon, Praxair Surface Technologies and Sandvik Osprey.

### 1.3.2.5 Prices

The majority of the High Performance Alloys Activities sales are covered by individual sales agreements with customers that specify the sale price. Consequently, no standard price can be published.

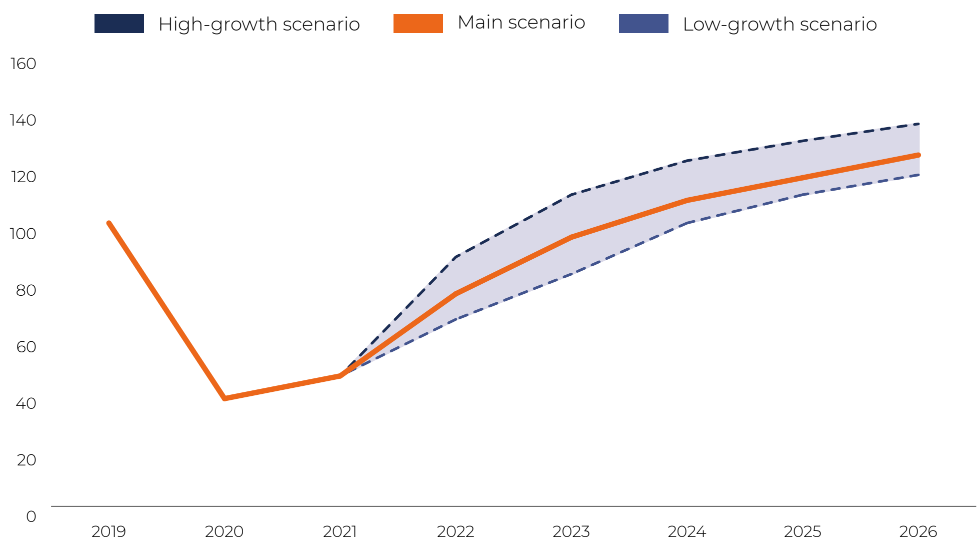
### 1.3.2.6 Market outlook

#### Aerospace

Air traffic is not expected to return to 2019 levels before 2023-2024, although domestic travel should recover more quickly than long-haul travel. After slowing sharply during the health crisis, passenger traffic has shown its resilience and should return to annual growth of nearly 4% from 2023.

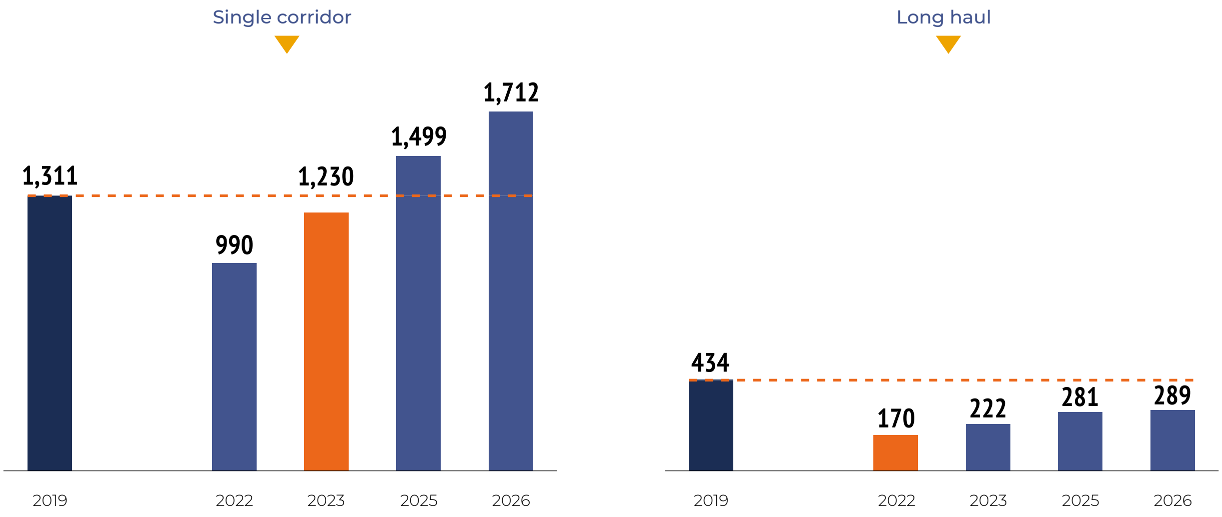
However, there is still considerable uncertainty surrounding the sector's recovery, particularly in the medium and long term due to geopolitical conflicts, rising inflation, the risk of economic slowdown, supply-chain bottlenecks and labour shortages.

**Traffic trend scenarios**




With regard to aircraft manufacturers, production rates for single-aisle aircraft have been revised upwards, in line with a projected return to normal for domestic flights in 2022-2023. Production rates for the A320 family and 737 MAX should achieve historic levels in 2024.

**Projected annual production rates, number of aircraft – 2019-2025**



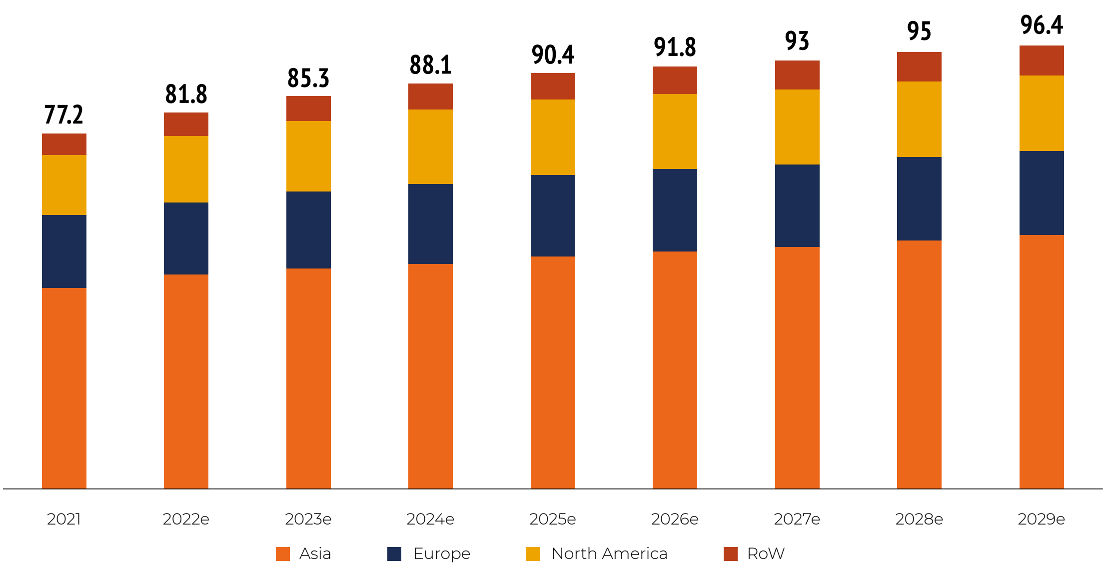

*Source: Aircraft manufacturers, internal estimates*

Closely linked to international traffic, production rates for long-haul aircraft are expected to pick up again, driven by the A350 and 787 programmes and the entry into service of the 777X.

## Automotive

Global production of light vehicles remains vulnerable to ongoing supply-chain pressures related to component and raw material supply issues, as well as growing geopolitical tensions. Despite sustained activity in Asia, the recovery of the automotive market remains uncertain, particularly in Europe, as manufacturers face the explosion in energy costs.

**Projected light vehicle production 2021-2029**



### Other markets

Due to the geopolitical context, the defence industry continues its growth, fuelled by investments by the main actor States. This is the case in France, which continues to implement the 2019-2025 Military Programming Law, with a 7.4% budget increase in 2023, including the delivery of new tanks, munitions and Rafale fighter jets. The timeline for new European defence collaboration programmes has also remained intact: FCAS (Future Combat Air System) and MGCS (Main Ground Combat System).

The energy market, and in particular the nuclear sector, is expected to see renewed activity in the medium term, with new EPR construction projects announced by France.

## 1.3.3 Discontinued operations

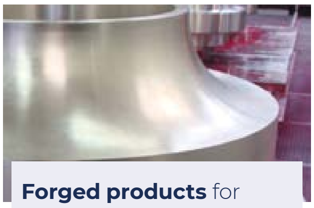
Aubert & Duval and Erasteel are two renowned experts in the design, development, transformation and manufacture of cutting-edge metallurgical solutions, upstream of strategic industries.

### Aubert & Duval

- One of the leading global producers of large closed-die forged parts.
- One of the world's largest producers of special steels and high-performance superalloys.

Aubert & Duval is positioned as a metallurgist specialising in the most demanding metallic materials – high-performance steels, superalloys, titanium and aluminium – intended for advanced industrial applications, particularly in aerospace, energy and defence.

**Long products** in the form of forged and rolled bars as well as wires made from **high-performance steel or from nickel- or titanium-based alloys,** suitable for the most demanding applications



**Forged products** for critical applications in defence and nuclear energy, made from **special steels or from nickel- or titanium-based alloys**

**Closed-die parts** for aerospace and energy applications, **made from high-performance steel or from nickel-, titanium- or aluminium-based alloys**

PEARL®Micro **metallic powders (superalloys, special steels)** for additive manufacturing

### Erasteel

- A major player in conventional high-speed steels and the world leader in high-speed steels by powder metallurgy.
- A European player in recycling of catalysts, metal oxides and batteries.

Erasteel is one of the major players in high-speed steels and is the leader in the high-end segment of these steels, particularly with its powder metallurgy high-speed steels (ASP®), used for cutting and cold-working tools and high-performance mechanical components for the automotive, electronics and aeronautics markets.

Since 2016, Erasteel has also been developing a petroleum catalyst recycling business to recover high value-added metal elements, including molybdenum, vanadium, nickel, cobalt and chrome.

Conventional and powder metallurgy ASP® **high-speed steels** sold as round, flat or square bars, wires, sheets and strips

PEARL® special steel **powders** and **stainless steel powders** for Hot Isostatic Pressing

**Ferroalloys** made from recycling catalysts, metal oxides and batteries

# 1.4 INNOVATION AND DIGITAL TRANSFORMATION

## 1.4.1 Innovation by Eramet

Eramet Ideas spearheads our drive for innovation to create value for the Group's strategic sites and projects. Boasting top-notch expertise in research and development and industrial roll-out, "Innovation by Eramet" is founded on three main aims:

- draw on open innovation to create lasting value for the Group's mines, plants and growth projects;
- make digital transformation, technological agility and mining and metallurgical expertise accelerators of innovation;
- be a centre of excellence for mining operations, extractive metallurgy and recycling. Be the gold standard for Europe and earn worldwide renown.

In total, the Eramet Group employs around 300 people entirely dedicated to innovation, who are supported by the operational teams. Within the Business Units, these teams coordinate testing and essential phases of industrialisation for the Group's research and innovation projects. In all, around 1% of Eramet's revenue is channelled into innovation. The ultimate goal of the innovation teams is to create sustainable value from opportunities. The innovation of Eramet Ideas is open because this is the mode of organisation that makes it possible to seize or identify these opportunities as quickly as possible wherever they exist, both outside and inside the company. Innovation also needs to be aligned with the Group's priorities and strategic directions. Eramet Ideas' innovation strategy is therefore built to be embedded throughout the entire value chain of the new Eramet:

- We want to reduce the environmental footprint of our mines and plants by continuously offering innovative solutions for reducing $CO_2$ emissions, fresh water consumption, raw material or reagent requirements and waste production, or to implement short recycling circuits.
- We want to dare to innovate and create significant improvements in the performance of mining operations through the development and adoption of new technologies, techniques, processes and products.
- We want to be disruptive by mobilising creativity and technical and industrial expertise to improve the competitiveness of our existing plants or unlock the value of undeveloped projects through the way we process and extract minerals.

## 1.4.2 Expertise by Eramet

Eramet's people demonstrate world-class expertise along the entire the mining value chain to extractive metallurgy processes.

Eramet's **geological and mining** expertise is recognised worldwide. The exploration and then exploitation geology enables optimal understanding and planning of Eramet's deposits. Mining expertise is a key success factor in view of the diversity of the deposits mined: altered ore containing nickel, cobalt and manganese, brine containing lithium and mineral sands containing titanium and zircon.

**Geometallurgical** expertise is the link between mining and metallurgy. Geometallurgy is the integration of geological, mining, metallurgical, environmental and economic information to maximise the economic value of an ore body while minimising technical and operational risks. We use powerful characterisation tools for geometallurgy processes at our sites, up to nanometric scales, coupled with data processing tools and chemical analysis of the materials processed or produced.

The Group's **metallurgical** expertise is rooted in the main disciplines of **extractive metallurgy**, namely mineral processing, hydrometallurgy and pyrometallurgy. The ore is first enriched through mineralurgical processes. These processes consist of separating recoverable fractions by using the physical properties of the minerals in the ore, i.e. density, size, magnetism, electrostatic susceptibility, hydrophobicity etc. These processes, which consume relatively fewer chemical products and/or energy and whose waste is inert, are always pushed to their maximum potential. If ore beneficiation is not (or no longer) possible, the ore may be treated via more complex chemical or thermal processes. Hydrometallurgy emphasises ore benefication by chemical treatment in solution. Pyrometallurgy emphasises recovery of ore by melting and reduction at very high temperatures.

Expertise in **digital metallurgy and mining** enables the use of all mathematical methods of interpolation, extrapolation and algorithmic processing to support our mining and metallurgical operations. The aim here is to apply innovative digital transformation technologies to mining and industrial operations.

The ability to innovate is improved by developing skills/expertise and promoting diversity of origins and ideas. A training requirement for young recruits during their first year at Eramet Ideas helps to attract the best professionals. Multicultural diversity enhances creativity and innovation through internal mobility, international recruitment, the hosting of scientists from the best universities and partnerships with foreign institutes or universities.

## 1.4.3 Open innovation by Eramet

Open innovation consists of developing external collaborations with scientific groups, academic institutions, start-ups or industrial partners to accelerate the development of our growth projects. Open innovation by Eramet is:

- challenges for young doctorate-holders in mineralogy, mineralurgy, pyrometallurgy, hydrometallurgy and data science, to attract the most talented individuals;
- scientific challenges to solve industrial problems;
- start-up competitions to appropriate emerging technologies more rapidly;
- long-term partnerships with universities to pool experimental facilities and the associated know-how;
- participation in European projects as a leader when the issue is strategic or as a simple participant when it is only a question of being informed of the progress achieved, ultimately always in order to develop tools and knowledge that are too expensive to bring in-house;
- an Innovation Council made up of recognised international academics in the field of mining and metallurgy, which audits and guides our portfolio of projects twice a year;
- participation in think tanks in our businesses to help influence the direction of future areas of research and innovation in Europe.

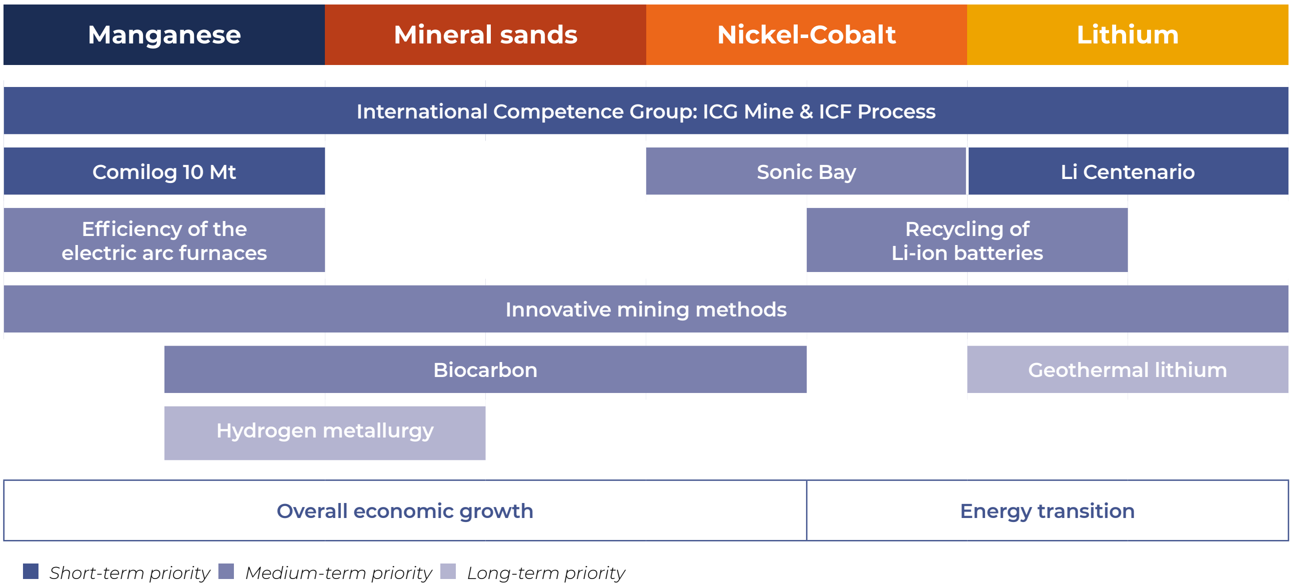
Open innovation, an innovation accelerator, is a tremendous source of opportunities, know-how and challenges for Eramet's innovation teams and helps to optimise the generation of ideas.

**Types of partners of Eramet Ideas**


Open innovation is also a driver of the economic performance of Eramet's innovation. Openness makes it possible to access skills to advance our projects without having to bear the full cost directly.

## 1.4.4 Innovation projects by Eramet

These programmes are conducted within the Business Units or at the Eramet Ideas centre. To ensure the results are wholly relevant, the innovation teams work in close collaboration with the operational staff. This makes it possible to optimise the effectiveness of R&I programmes, from the definition of the programmes to the implementation of the innovations on industrial sites. These innovations may relate to products, improvement of the productivity of processes or reduction of their environmental footprint. The following 2022 projects are particularly noteworthy:




### International competence group for mining and processes

In order to disseminate best practices and share common performance indicators within Eramet, international competence groups (ICGs) have been set up on cross-functional challenges such as the estimation of mineral resources and reserves, mining geology, mineralurgy, water management, electrode calcination, electric arc furnace lining, diffuse emissions, cold metal management and chemical analysis. These multi-skilled teams support the plants and mines in their key transformations, whether these relate to environmental, economic or market issues.

### Increase in manganese ore production in Gabon

The innovation teams support the operating teams to design and start setting up the mining, mineralurgical and logistics equipment necessary for pursuing organic growth of the mining activity.

### Development of battery-grade nickel and cobalt production in Indonesia (Sonic Bay project)

The innovation teams are working on the impact of ore variability on the process, effluent treatment, reduction of Capex and reduction of reagent consumption.

### Development of lithium production in Argentina (Centenario project)

In the context of the ongoing construction of the plant, the teams are focused on preparing for the start-up by organising tests and training on the small-scale pilot plant operated at altitude under real-life conditions in the Argentine *salar*. In parallel, exploratory tests are being conducted to reduce freshwater consumption with a view to further reducing the environmental footprint of the Eramet process.

### Efficiency of the ferroalloy furnaces of the manganese alloys activity

The innovation teams are working on the design of the furnaces, the measurement of electrical parameters, the exothermic potential of the ores and the recovery of some of the energy from the fumes in order to achieve unparalleled sustainable efficiency.

### Recycling of lithium-ion batteries

An ambitious research programme for the recycling of lithium batteries has identified areas that set them apart and make the Group competitive, with a view to creating a European recycling sector. Construction of a demonstration plant started on the Trappes site in 2022. This plant integrates all the technological advances developed by this research programme.

### Innovative mining methods

Mining innovation consists of implementing new technologies, techniques, processes and products that improve mine profitability and productivity as well as safety and the environment. With R&I tools developed in extractive metallurgy, a strong digital culture and collaboration with mining institutes, the innovation teams bring value to the mines.

### Biocarbon

Eramet's strategic roadmap for reducing $CO_2$ emissions is based on the decarbonisation of pyrometallurgical processes, made possible by the use of solid fuels and biomass reducers. These materials, if produced and exploited sustainably, are carbon-neutral and replace fossil-based carbon materials. This strategic effort requires R&D actions to characterise and understand these new types of carbonaceous materials and to evaluate the durability and performance of their production process through reference tests, and substitution tests need to be carried out on a pilot scale.

### Geothermal lithium production

The innovation teams produced the very first kilogrammes of European battery-grade lithium carbonate in 2021. The recovery of lithium from geothermal brines is perfectly in line with Eramet's strategic focus and would make it possible to provide lithium for the European battery market.

### Hydrogen metallurgy

ETI (Eramet Titanium & Iron), a subsidiary of TiZir, supported by the innovation teams, has received European funding to launch pilot tests to validate the possibility of replacing coal with hydrogen in the pre-reduction of titanium ore. In parallel, an innovative way of manufacturing manganese through hydrogen pre-reduction followed by electrolysis is being explored.

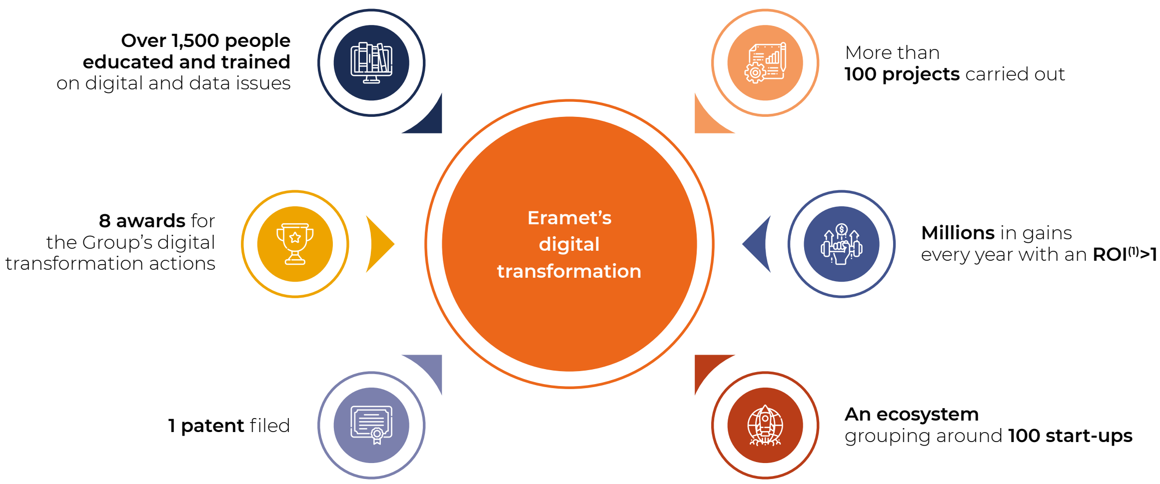
## 1.4.5 Digital transformation

Digital transformation is one of the cornerstones of Eramet's transformation and repositioning, offering numerous gains across all markets that enable the Group to be stronger and more competitive. Based around three equally important pillars, namely People, Process and Technology, digital transformation makes it possible to de-silo functions, make organisations more agile and foster a Test & Learn culture.

With the aim of making this approach coherent and sustainable, a Group vision was defined in 2018 with the participation of many employees and approved by the Group Executive Committee:

- **connect geology to the economy** (be able to adjust mining maps and production according to predicted demand for each market);
- **optimise processes** through Big Data and Artificial Intelligence;
- **ensure the traceability and quality** of products, from extraction and production to delivery to the customer.

This vision was broken down into structuring programmes: Mining 4.0, Plant 4.0, Logistics 4.0 and transformation of support functions, including an important focus in support of the Group's CSR roadmap. The main achievements of the last four years are presented below.




(1) Return *On Investment*

Support for the transformation, a culture of change and the resulting agility are very important elements for ensuring the overall success of the programme. Numerous actions have been implemented:

- internally to **train employees**; actions ranging from awareness-raising to certification training have been implemented within the Group, involving more than 1,000 employees (digital acculturation, Office 365, Data for Managers, data science certification etc.);
- externally to **collaborate with the digital ecosystem**, but also to compare with other industries and ensure monitoring of innovative competitiveness and performance levers. Many partnerships have been created in recent years: work with numerous start-ups, partnership with the JFD ("Digital Women's Day") and sponsorship of the France and Africa Margaret awards, signing of an agreement with Station N in New Caledonia etc.

### 1.4.5.1 Mining 4.0

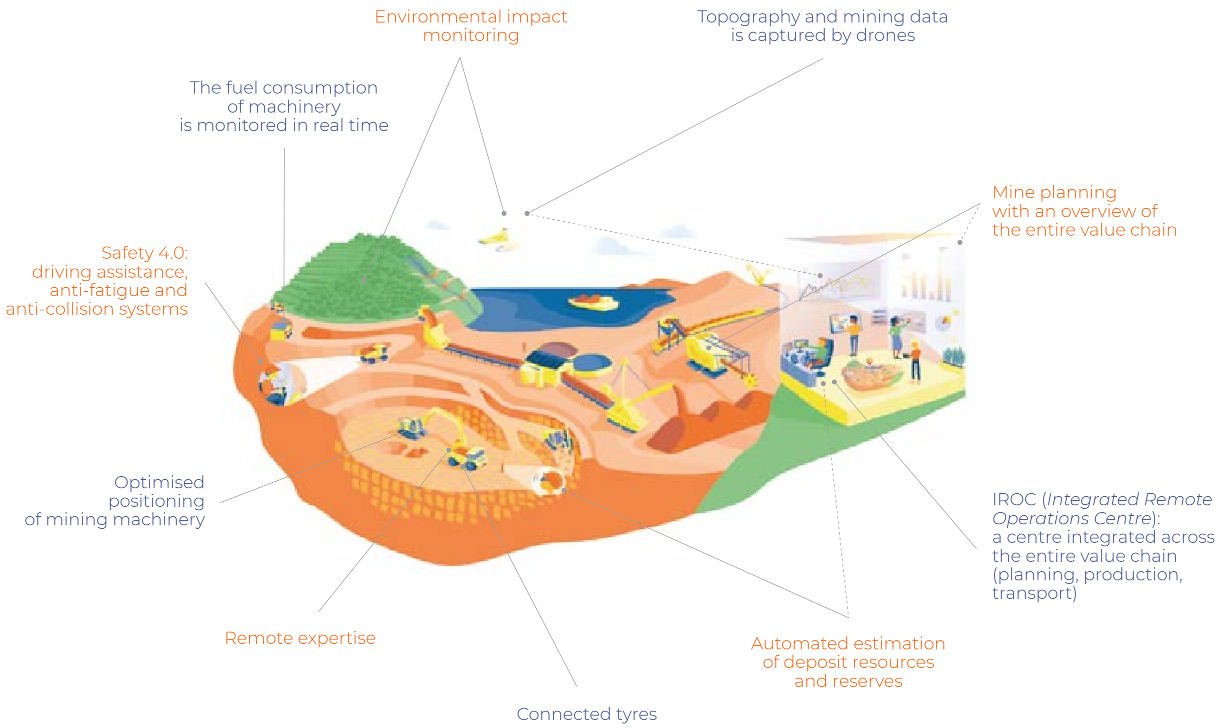
The digital transformation of the Eramet Group's mines is based on several priority areas:

- **employee safety**;
- **optimisation of operations in the field**;
- **responsible resource management**;
- **supply chain management** in real time.

Numerous projects serve these four areas. For example, Eramet has equipped itself with drones and developed applications that allow topographers and surveyors to multiply the acquisition of ground data by 100. The Artificial Intelligence programmes developed by the Group's data scientists, in conjunction with start-ups, analyse this data with the aim of creating digital twins of mines in real time. The use of drones also allows monitoring and surveillance of the environment. Connected lorries improve driver safety and industrial efficiency.

Mining 4.0 is being deployed in Gabon, Senegal, Indonesia, Argentina and New Caledonia and is helping to re-invent mining jobs and practices.

The collection of data from the various solutions deployed allows the creation of Integrated Remote Operation Centres (IROCs), the first versions of which came on stream in 2022 at Comilog in Gabon and at SLN in New Caledonia.



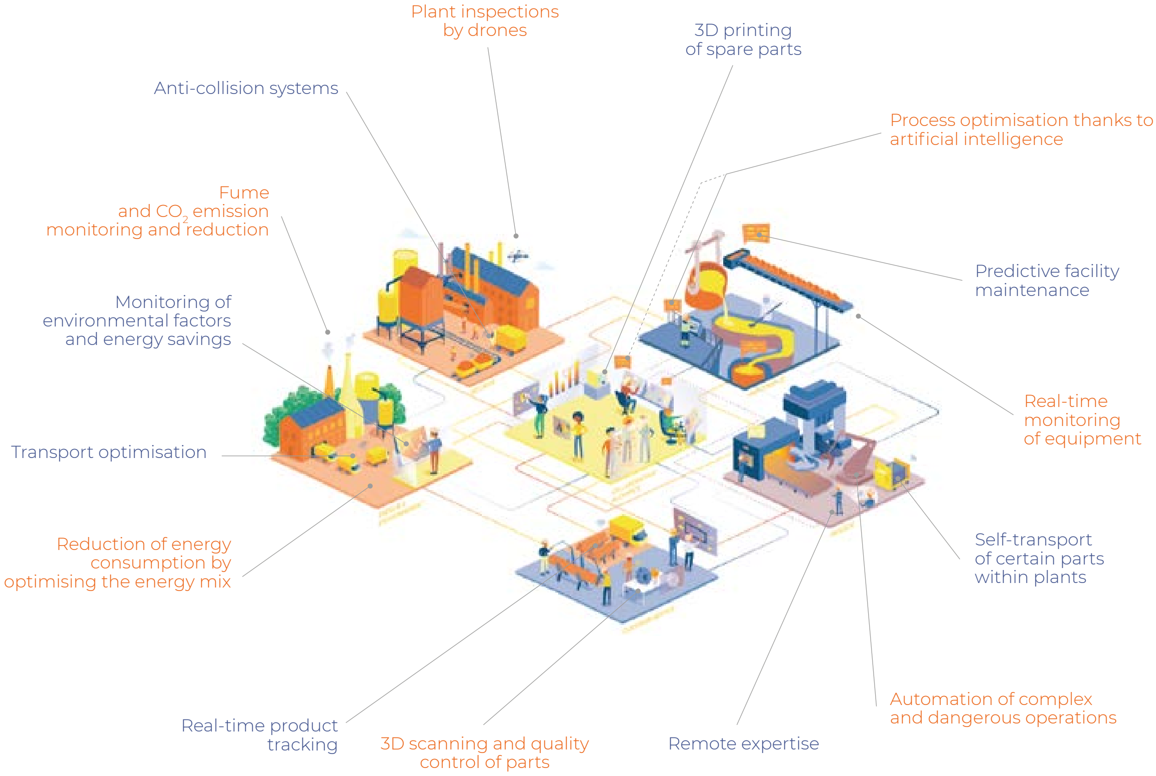
### 1.4.5.2 Plant 4.0

The diversity of the Group's operations is also present in its plants, posing various challenges. Thanks to the use of artificial intelligence, digital transformation makes it possible to:

- rethink the way each **production process** is performed;
- reduce and optimise our **energy consumption** and **carbon footprint**;
- improve our operations through **predictive maintenance** and remote **machine monitoring**;
- strengthen **safety** on our sites through co-activity management and accident prevention solutions.

Digital technology leads employees to transform their jobs, like the metallurgist who becomes a data metallurgist, trained in data science and managing his/her installations with the aid of predictive tools. The teams are constantly learning how to take advantage of new approaches such as design thinking and agile methods, while expanding their ecosystem of international and local digital partners.

For example, three of Eramet Norway's manganese alloy furnaces are now managed using artificial intelligence algorithms to optimise their energy consumption, reduce the quantities of reagents used and improve the quality of the finished products. Conditional and predictive maintenance is deployed everywhere in the plants, optimising equipment life and reducing production losses.

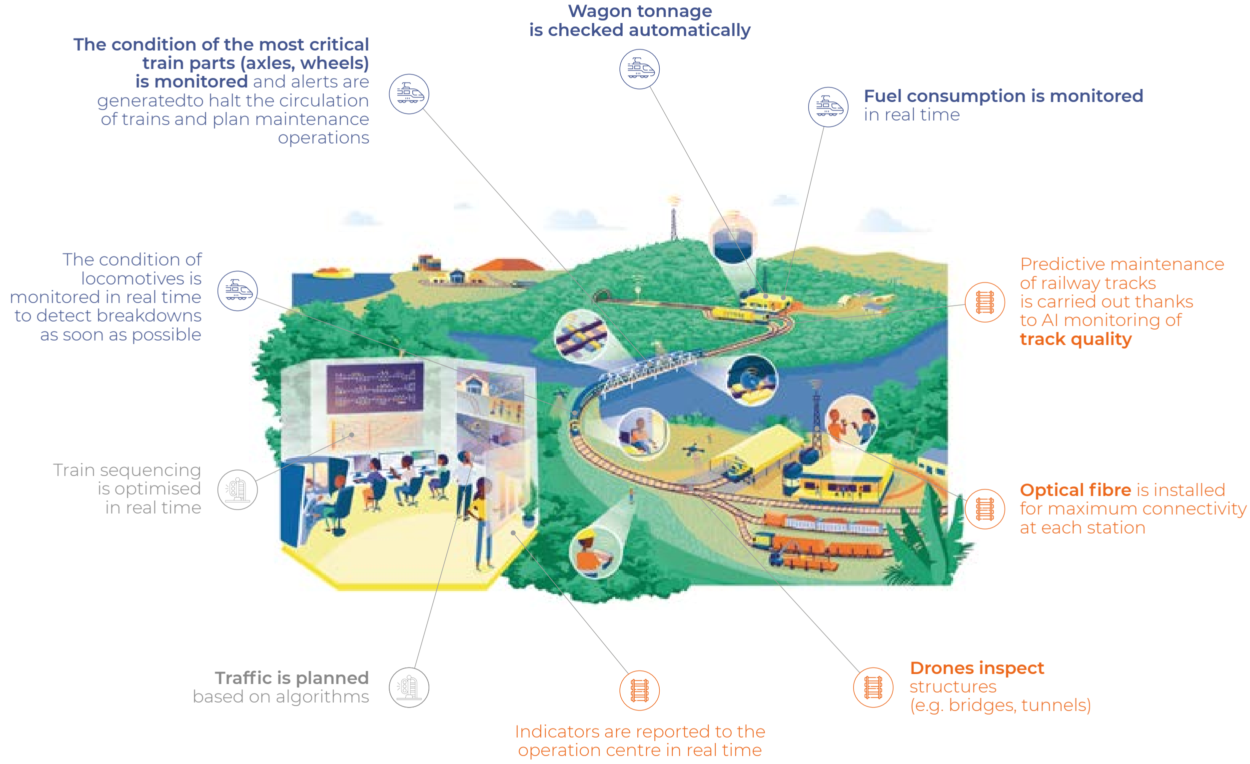


### 1.4.5.3 Logistics 4.0

The Trans-Gabonese railway, managed in Gabon by Setrag, a subsidiary of the Group, runs along 648 kilometres of track in the heart of the equatorial forest, across numerous areas of unstable ground, with a single track and crossings possible only at stations. The company relies on the contributions of digital technology to evolve its practices, with three priority areas:

- improving **rail traffic management**;
- optimising **rolling stock management**;
- **monitoring** and **maintaining infrastructures**.

Setrag has invested heavily in solutions for monitoring locomotive status and wagon tonnage, and for real-time optimisation of fuel consumption. It has implemented a traffic management modernisation programme coupled with continuous monitoring of the status of installations, notably with the aid of drones for monitoring engineering structures and sensors for anticipating maintenance operations.




### 1.4.5.4 Strategic growth projects

At the end of 2021, the Group launched a global operations integration programme to support its production increase objectives and its data-driven transformation. Thanks to new technologies and accessible data, the integration of operations along the entire value chain is now considered to be a game changer, allowing optimised monitoring through a global overview of operations: planning, production, supply chain and transport, sales and macroeconomic impacts. This integration is mainly reflected by the implementation of Integrated Remote Operation Centres (IROCs), which are becoming the benchmark in the mining industry.

In particular, for the mining subsidiaries (Comilog, Setrag, SLN and GCO), the long-term objective is a global "ore-to-market" integration scenario, with a shorter-term "ore-to-port" objective. The planning aspect is also taken into account through strategic and tactical planning and operational and weekly/daily planning.

In addition, digital transformation will also be a lever to support the Group's **strong CSR ambitions**, in particular for:

- **monitoring indicators in real time**, thanks to comprehensive instrumentation (water, air, biodiversity, etc.) and the consolidation of a Geographic Information System at Group level. This monitoring must be made more reliable and be certified in order to meet the requirements of future audits;
- **evolving towards data-driven decision-making procedures** by linking all available CSR data and taking these parameters into account in the IROCs;
- **strengthening the ability to collaborate with stakeholders** by opening data up to the outside world, but also through greater traceability.

Finally, the Lithium and Sonic Bay greenfield projects will be built to the highest Industry 4.0 standards with real-time control of operations to improve decision-making and reduce the presence of plant operators, with continuous process monitoring using prescriptive or descriptive algorithms to propose optimisation schemes.

# 1.5 HOLDING

Until 31 December 2022, the consolidating parent company Eramet S.A. had two main functions operationally:

- a pure holding function called Eramet Holding, bringing together the various support services including the Administrative and Financial Department, the Human Resources, Health and Security Department, the Sustainability and Corporate Engagement Department, the Legal Department, the Information Systems Department and the Strategy and Innovation Department;
- the activity of the Nickel BU, included in the Operations Division, whose operational management is entrusted to its subsidiary Eramet Marketing Services (EMAS).

The costs of these different services are billed back to the BUs through management fee contracts. Other operating costs relating to Nickel are directly allocated to the Nickel BU.

Eramet also has directly held subsidiaries, acting on behalf of the various entities or for the parent company. These include:

- Eramet Marketing Services (EMAS): a company which brings together the personnel of the support functions of the Operations Department (General Management, Sales Department and Industrial Department);
- Eramet Services: a company that includes accounting, payroll and IT support functions for some of the Group's companies;
- Eramet Ideas: Eramet's Research Centre, responsible for Research and Development as well as project engineering activities and technologies;
- Eramet International: a company that brings together Eramet's sales network for certain activities of the two divisions. Eramet International has subsidiaries and branches throughout the world. The activity of Eramet International is remunerated by agency commission contracts;
- Metal Securities: the Group's cash management company, which centralises cash surpluses and short-term requirements for the Group as a whole;
- Metal Currencies: the Group's foreign exchange management company, which carries out all foreign exchange hedging operations for the Group as a whole;
- ERAS: reinsurance company.

In terms of consolidation level, the Holding includes the holding function within Eramet and the consolidated subsidiaries (Metal Securities, Metal Currencies, ERAS, Eramet Ideas and Eramet Services).

On 1 January 2023, all the assets and liabilities of Eramet Marketing Services (EMAS) were transferred to Eramet S.A., which now combines all the Group's support, commercial and industrial functions, mainly intended for the Operations Division.

Until the date of the Group's exit from the activities of the High-Performance Alloys Division (DAHP), which is currently being sold, support functions continue to be provided by Eramet Holding.

# 1.6 HISTORY OF THE COMPANY

## 1880

- Société Le Nickel was incorporated in 1880 to operate nickel mines in New Caledonia. Under the majority control of the Rothschild family since the end of the 19th century, in the late 1960s it became the parent company of all the Rothschild group's mining subsidiaries (Le Nickel-Peñarroya-Mokta group).

## 1974

- The nickel business was spun off into a subsidiary under the name Société Métallurgique Le Nickel-SLN: Elf Aquitaine acquired a 50% interest in this new company. The former company Société Le Nickel changed its name to Imétal, thereafter holding the remaining 50% in Société Métallurgique Le Nickel-SLN.

## 1983

- As part of an industrial, shareholding and financial restructuring programme, ERAP, a French state-owned company, acquired a 70% stake in the share capital of Société Métallurgique Le Nickel-SLN. Imétal and Elf Aquitaine's interests were reduced to 15% each.

## 1985

- Société Métallurgique Le Nickel-SLN, owner of the mining assets in New Caledonia, became a wholly owned subsidiary of a new parent company known as Eramet-SLN, in which the shareholders continued to be ERAP (70%), Imétal (15%) and Elf Aquitaine (15%).

## 1989-1991

- From 1989 onwards, in order to smooth out the effects of nickel cycles, the Company adopted a strategy of diversifying into complementary activities.
- Acquisition of French company La Commentryenne and Swedish company Kloster Speedsteel in the high-speed steels sector. These two companies were merged in 1992 to form a new company known as Erasteel.

## 1991

- Long-term commercial and financial partnership with Nisshin Steel. At the end of October 1994, Nisshin Steel's holding in the capital of Société Métallurgique Le Nickel-SLN reached 10%.

## 1992

- Société Métallurgique Le Nickel-SLN and Eramet-SLN took on their current names of Société Le Nickel-SLN and Eramet, respectively.

## 1994

- A private placement was followed by a listing of 30% of Eramet's share capital on the Paris Stock Exchange's "Second Marché".
- The BRGM group (Bureau de Recherches Géologiques et Minières, a French state-owned company) transferred ownership of its Cofremmi subsidiary, the owner of nickel ore reserves in New Caledonia, to Eramet, in return for shares representing 2.34% of Eramet's new share capital.

## 1995-1996

- Eramet acquired a 46% stake in Comilog (Gabon), a producer of manganese ore, ferromanganese and manganese-based chemicals products.

## 1997

- Eramet acquired from Gengabon (Gencor Group) a further 15% of the share capital of Comilog.

## 1999

- The Group consolidated SIMA (Duval family), a producer and transformer of high-performance special steels.
- Sale of a 30% stake in Société Le Nickel-SLN to ERAP in exchange for Eramet shares; ERAP then transferred the stake to a New Caledonian publicly owned entity, Société Territoriale Calédonienne de Participation Industrielle (STCPI). The French government sold ERAP's remaining interest to Cogema, which then became part of the Areva group. After these operations, the Group's businesses were organised into three Divisions – Nickel, Manganese and Alloys – and the Group's capital was mostly held by private shareholders (Cogema/AREVA and Sorame and CEIR – Duval family), with the French government retaining a non-controlling interest.

## 2000

- Inauguration of the Moanda industrial complex in Gabon.

## 2002

- Acquisition of the Guilin manganese alloy plant (China).

## 2006

- Acquisition of Weda Bay Nickel in Indonesia.

## 2007

- Shares in Eramet were exchanged for those in SLN for STCPI as part of the SLN Shareholders' Agreement.

## 2008

- Acquisition of a 58.93% controlling interest in Norwegian group Tinfos.
- Creation of UKAD for preliminary mining and first transformation of titanium (forging ingots).

## 2009

- Eramet increased its stake in Eralloys (formerly Tinfos, Norway) to 100% after buying up the non-controlling interests. Sale of Nizi, an international trading business acquired in 2008 with Tinfos.
- Acquisition of Valdi (France), engaged in the recycling of non-ferrous metals.

## 2011

- Creation of TiZir, a joint venture in mineral sands with Mineral Deposits Ltd.

## 2012

- Acquisition by FSI Equation, a subsidiary of Fonds Stratégique d'Investissement (which became Bpifrance, later a subsidiary of APE) of the Eramet shares previously held by Areva.
- Diversification into lithium production with the discovery of a deposit in Argentina, taken on by Eramine Sudamerica (lithium project).

## 2013

- Appointment, following a joint nomination by BPI and by Sorame and CEIR, of a director to represent Gabon on Eramet's Board of Directors.

## 2014

- Start-up of the Moanda metallurgical complex in Gabon and (via TiZir) of Grande Côte Operations in Senegal (mineral sands).

## 2015

- Launch of EcoTitanium, Europe's leading producer of aviation-grade titanium producer using recycled materials.
- Creation of MKAD, a new plant machining large titanium parts, a joint venture between Aubert & Duval and Mecachrome. The aim is to use the plant to transform the titanium produced by EcoTitanium.

## 2016

- Start of MKAD production.
- Opening of the École des mines in Moanda.
- Sale of Erachem and Bear Metallurgical Corporation.

## 2017

- Sale of Eurotungstène.
- Launch of EcoTitanium.
- The Weda Bay Nickel partnership is signed with the Chinese company Tsingshan, the world's largest producer of stainless steel.

## 2018

- Success of the tender offer made for the shares of Mineral Deposits Ltd.: acquisition of 100% of TiZir.
- Sale of the Guilin manganese alloy plant (China).
- Lifting of the preconditions of the agreement signed with Tsingshan regarding the Weda Bay Nickel deposit and effective implementation of the partnership (shareholding: Eramet 43%/Tsingshan 57%).

## 2019

- Obtention of a research permit in the field of mineral sands in Cameroon on the rutiliferous block of Akonolinga.
- Start-up of the Centenario pilot site in Argentina (lithium project).

## 2020

- The first casting of low-grade nickel ferroalloy took place in the first furnace of the PT Weda Bay Nickel plant, the Indonesian joint venture between Eramet, Newstride Technology (controlled by the Tsingshan Group) and Pt Antam. The plant was ramped up successfully with nominal production capacity achieved at the end of the year.
- Signature of an agreement with BASF in December to assess the development of refined nickel-cobalt production for the expanding electric vehicle market.

## 2021

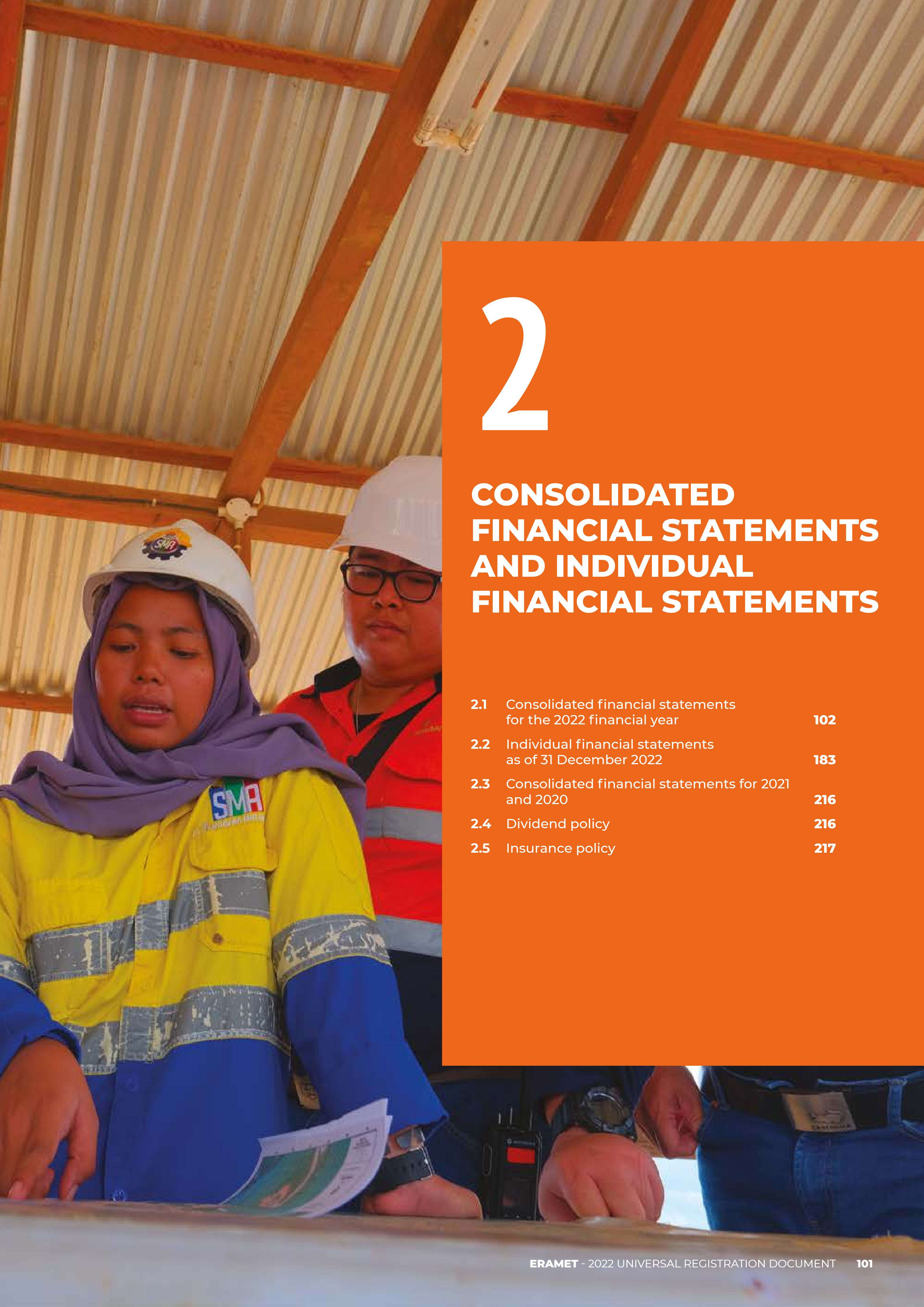
- The opening of the capital of Setrag (a subsidiary of Comilog) to Meridiam, a private investor specialising in the long-term management of sustainable public infrastructure, and to the Gabonese State, which now have respective stakes of 40% and 9% in the subsidiary.
- Signing of a partnership agreement with the Chinese steel group Tsingshan to recommence construction of the Centenario plant in Argentina (lithium project).

## 2022

- Sale of the Sandouville (France) hydrometallurgical plant to Sibanye-Stillwater, a major precious metals player.
- Signing of the Aubert & Duval Share Purchase Agreement with the Airbus, Safran and Tikehau ACE Capital consortium.

## 2023

- Exclusive put option granted from the Syntagma Capital fund in February for the acquisition of Erasteel.




# 2

# CONSOLIDATED FINANCIAL STATEMENTS AND INDIVIDUAL FINANCIAL STATEMENTS

# 2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2022 FINANCIAL YEAR

## Income statement

| *(in millions of euros)* | Notes | FY 2022 | FY 2021 |
|---|---|---|---|
| **Turnover** | **5** | **5,014** | **3,668** |
| Other income | 5 | 88 | 42 |
| Raw materials and purchases consumed | 5 | (1,495) | (962) |
| External expenses | 5 | (1,406) | (1,149) |
| Personnel cost | 5 | (608) | (536) |
| Taxes | 5 | (16) | (11) |
| Operating amortisation expense | 5 | (271) | (259) |
| Net change in operating provisions and impairment allowances | 5 | (26) | (9) |
| **Current operating income** | **5** | **1,280** | **784** |
| Other operating income and expenses | 6 | (255) | 95 |
| **Operating income** | **6** | **1,025** | **879** |
| Net debt cost | 7 | (115) | (116) |
| Other financial income and expenses | 7 | 26 | 5 |
| **Financial income** | **7** | **(89)** | **(111)** |
| Share of income from joint ventures and associates | 10 | 258 | 121 |
| Income taxes | 11 | (264) | (98) |
| **Net income from continuing operations** | | **930** | **791** |
| Net income from discontinued operations(1) | 3 | (156) | (426) |
| **Net income for the period** | | **774** | **365** |
| Attributable to non-controlling interests | 6 | 34 | 67 |
| *o/w continuing operations attributable to non-controlling interests* | | *34* | *67* |
| *o/w discontinued operations attributable to non-controlling interests* | | - | - |
| **ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY** | | **740** | **298** |
| *o/w continuing operations attributable to equity holders of the parent company* | | *896* | *724* |
| *o/w discontinued operations attributable to equity holders of the parent company* | | *(156)* | *(426)* |
| Basic earnings per share of continuing operations *(in euros)* | | 31.23 | 25.35 |
| Basic earnings per share of discontinued operations *(in euros)* | | (5.42) | (14.90) |
| Basic earnings per share *(in euros)* | | 25.81 | 10.42 |
| Diluted earnings per share of continuing operations *(in euros)* | | 30.84 | 25.24 |
| Diluted earnings per share of discontinued operations *(in euros)* | | (5.42) | (14.90) |
| Diluted earnings per share *(in euros)*(2) | | 25.49 | 10.37 |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

*(2) Where basic earnings per share are negative, the diluted earnings per share are deemed equal to them, in which case the instruments are considered to be antidilutive.*

## Statement of comprehensive income

| *(in millions of euros)* | Notes | FY 2022 | FY 2021 |
|---|---|---|---|
| **Net income for the period** | | **774** | **365** |
| Translation differences for subsidiaries' financial statements in foreign currency | | (208) | (14) |
| Change in the fair value reserve for bonds | 8 | - | (4) |
| Change in revaluation reserve for hedging instruments | 8 | 68 | (19) |
| Income taxes | | (12) | 4 |
| **Items recyclable to profit or loss** | | **(152)** | **(33)** |
| Revaluation of net defined benefit plan liabilities | 13 | 10 | (1) |
| Income taxes | | (2) | (1) |
| **Items not recyclable to profit or loss** | | **8** | **(2)** |
| **Other comprehensive income** | | **(144)** | **(35)** |
| • attributable to non-controlling interests | | (54) | - |
| • **attributable to equity holders of the parent company** | | **(90)** | **(35)** |
| **TOTAL COMPREHENSIVE INCOME** | | **630** | **330** |
| • attributable to non-controlling interests | | (20) | 67 |
| • **attributable to equity holders of the parent company** | | **650** | **263** |

These items are listed in the table of changes in equity under the section relating to Other Comprehensive Income (OCI).

## Statement of cash flows

| *(in millions of euros)* | Notes | FY 2022 | FY 2021 |
|---|---|---|---|
| OPERATING ACTIVITIES | | | |
| Net income for the period | | 774 | 365 |
| Reincorporation of net income from discontinued operations | | 156 | 426 |
| Non-cash income and expenses | 7 | 297 | 2 |
| **Cash flow from operations** | | **1,227** | **793** |
| Net change in working capital requirement (WCR) | 9 | (111) | (80) |
| **Net cash flow from continuing operating activities(1)** | | **1,116** | **713** |
| Net cash flow from discontinued operating activities(3) | 3 | (125) | (70) |
| **Net cash flow from operating activities(1)** | | **991** | **643** |
| INVESTING ACTIVITIES | | | |
| Acquisition of non-current assets(2) | 10 | (588) | (312) |
| Net change in other non-current financial assets(4) | 10 | 150 | (12) |
| Disposal of non-current assets | 10 | 7 | 2 |
| Net change in current financial assets | 7 | (134) | (37) |
| Capital increase (reduction) from joint ventures(4) | | 37 | - |
| Dividends received from equity-accounted companies(4) | 10 | 25 | 130 |
| Impact of changes in consolidation scope | 7 | 79 | 6 |
| **Net investment cash flow relating to continuing operations** | | **(424)** | **(223)** |
| Net investment cash flow relating to discontinued operations(3) | 3 | (89) | (55) |
| **Net cash used in investing activities** | | **(513)** | **(278)** |
| FINANCING ACTIVITIES | | | |
| Capital increase subscribed by non-controlling interests | | 183 | 31 |
| Dividends paid to non-controlling interests | | (32) | (7) |
| Payment of dividends and ODIRNAN | | (72) | (4) |
| Buyback of equity shares | | (7) | (8) |
| Issue of new debt | 7 | 167 | 120 |
| Loan repayments | 7 | (382) | (1,185) |
| Change in lease commitments | 7 | (16) | (17) |
| Change in bank overdrafts | 7 | 98 | 57 |
| Other changes | | 3 | (28) |
| **Net financing cash flow relating to continuing operations** | | **(58)** | **(1,041)** |
| Net financing cash flow relating to discontinued operations(3) | 3 | (2) | 14 |
| **Net cash used in financing activities** | | **(60)** | **(1,027)** |
| Impact of fluctuations in exchange rates of continuing operations | | (64) | 3 |
| Impact of fluctuations in exchange rates of discontinued operations(3) | 3 | - | - |
| Net cash flow from continuing operations carried out with discontinued operations | | (236) | (114) |
| Net cash flow from discontinued operations carried out with continuing operations | | 236 | 114 |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS** | | **334** | **(662)** |
| Increase (Decrease) in cash and cash equivalents of discontinued operations | | 20 | 3 |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **354** | **(659)** |
| **Opening cash and cash equivalents** | **7** | **789** | **1,461** |
| **Closing cash and cash equivalents** | **7** | **1,123** | **789** |
| Cash and cash equivalents of assets held for sale(3) | 3 | 33 | 13 |
| *(1) Including under operating activities* | | | |
| *Interest income* | | *8* | *9* |
| *Interest paid (including IFRS 16 charge)* | | *(105)* | *(114)* |
| *Tax paid* | | *(187)* | *(117)* |

*(2) Lease-purchases are treated as purchases and recognised as acquisition of non-current assets in contrast to other leases.*

*(3) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

*(4) The impact of Weda Bay amounts to €230 million and consists mainly of the repayment of a loan and the payment of dividends*

## Balance sheet

| *(in millions of euros)* | Notes | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Intangible assets and goodwill | 10 | 486 | 477 |
| Property, plant and equipment | 10 | 2,222 | 2,253 |
| Lease rights of use | 10 | 76 | 68 |
| Investments in joint ventures and associates | 10 | 297 | 97 |
| Other non-current financial assets | 10 | 41 | 188 |
| Deferred tax assets | 11 | 44 | 41 |
| Other non-current assets | 9 | 11 | 3 |
| **Non-current assets** | | **3,177** | **3,127** |
| Inventories | 9 | 724 | 577 |
| Customers | 9 | 369 | 375 |
| Other current assets | 9 | 434 | 286 |
| Current tax receivables | 11 | 6 | 13 |
| Derivatives – assets | 8 | 75 | 38 |
| Current financial assets | 7 | 537 | 387 |
| Cash and cash equivalents | 7 | 1,123 | 789 |
| Assets held for sale[(1)] | 3 | 714 | 651 |
| **Current assets** | | **3,982** | **3,116** |
| **TOTAL ASSETS** | | **7,159** | **6,243** |

| *(in millions of euros)* | Notes | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Capital | 7 | 88 | 88 |
| Share premiums | 7 | 466 | 466 |
| Revaluation reserve for available-for-sale assets | 7 | 7 | 7 |
| Revaluation reserve for hedging instruments | 7 | 42 | (11) |
| Revaluation reserve for defined benefit plan liabilities | 7 | (84) | (92) |
| Translation adjustments | 7 | (292) | (141) |
| Other reserves | 7 | 1,554 | 695 |
| **Attributable to equity holders of the parent company** | | **1,781** | **1,012** |
| Attributable to non-controlling interests | 6 | 464 | 323 |
| **Shareholders' equity** | | **2,245** | **1,335** |
| Employee-related liabilities | 12 | 90 | 103 |
| Provisions – due in more than one year | 13 | 562 | 786 |
| Deferred tax liabilities | 11 | 270 | 225 |
| Non-current borrowings – due in more than one year | 7 | 1,393 | 1,578 |
| Lease commitment – more than one year | 7 | 75 | 66 |
| Other non-current liabilities | 9 | 8 | 1 |
| **Non-current liabilities** | | **2,398** | **2,759** |
| Current provisions – due in less than one year | 13 | 162 | 10 |
| Current borrowings – due in less than one year | 7 | 520 | 455 |
| Lease commitment – less than one year | 7 | 16 | 13 |
| Suppliers | 9 | 424 | 403 |
| Other current liabilities | 9 | 496 | 399 |
| Current tax payables | 11 | 150 | 110 |
| Derivatives – liabilities | 8 | 11 | 74 |
| Liabilities associated with assets held for sale[(1)] | 3 | 737 | 685 |
| **Current liabilities** | | **2,516** | **2,149** |
| **TOTAL LIABILITIES** | | **7,159** | **6,243** |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval and Erasteel CGUs are shown in the consolidated balance sheet at 31 December 2022 as "assets held for sale".*

## Statement of changes in equity

| *(in millions of euros)* | Number of shares | Capital | Share premi-ums | Revaluation reserve for availa-ble-for-sale assets | Revaluation reserve for hedging instruments | Revaluation reserve for defined benefit plan liabilities | Translation adjust-ments | Other reserves | Attributable to equity holders of the parent company | Attribut-able to non-con-trolling interests | Share-holders' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity restated at 1 January 2021(1)** | **26,636,005** | **81** | **377** | **11** | **5** | **(90)** | **(128)** | **469** | **725** | **233** | **958** |
| **Net income for the period 2021** | | **-** | **-** | **-** | **-** | **-** | **-** | **298** | **298** | **67** | **365** |
| Other comprehensive income | | - | - | (4) | (16) | (2) | (13) | - | (35) | - | (35) |
| **Total comprehensive income** | | **-** | **-** | **(4)** | **(16)** | **(2)** | **(13)** | **298** | **263** | **67** | **330** |
| Share capital increase | 2,119,042 | 7 | 89 | - | - | - | - | (96) | - | - | - |
| Distribution of dividends | - | - | - | - | - | - | - | - | - | (7) | (7) |
| Interest on equity instruments (ODIRNAN) | - | - | - | - | - | - | - | (4) | (4) | - | (4) |
| Share-based payment | - | - | - | - | - | - | - | 6 | 6 | - | 6 |
| Buyback of equity shares | - | - | - | - | - | - | - | (8) | (8) | - | (8) |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | (1) | (1) | 32 | 31 |
| Other movements | - | - | - | - | - | - | - | 31 | 31 | (2) | 28 |
| **Total transactions with shareholders** | **2,119,042** | **7** | **89** | **-** | **-** | **-** | **-** | **(72)** | **24** | **23** | **47** |
| **Shareholders' equity at 31 December 2021** | **28,755,047** | **88** | **466** | **7** | **(11)** | **(92)** | **(141)** | **695** | **1,012** | **323** | **1,335** |
| **Net income for the period 2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **740** | **740** | **34** | **774** |
| Other comprehensive income | - | - | - | - | 53 | 8 | (151) | - | (90) | (54) | (144) |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **53** | **8** | **(151)** | **740** | **650** | **(20)** | **630** |
| Distribution of dividends | - | - | - | - | - | - | - | (72) | (72) | (32) | (104) |
| Share-based payment | - | - | - | - | - | - | - | 8 | 8 | - | 8 |
| Buyback of equity shares | - | - | - | - | - | - | - | (7) | (7) | - | (7) |
| Transactions with non-controlling interests(3) | - | - | - | - | - | - | - | 55 | 55 | 125 | 180 |
| Other movements(2) | - | - | - | - | - | - | - | 135 | 135 | 68 | 203 |
| **Total transactions with shareholders** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **119** | **119** | **161** | **280** |
| **SHAREHOLDERS' EQUITY AT 31 DECEMBER 2022** | **28,755,047** | **88** | **466** | **7** | **42** | **(84)** | **(292)** | **1,554** | **1,781** | **464** | **2,245** |

*(1) At 31 December 2021, in compliance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", Eramet restated its opening equity, reducing it by €39 million.*

*(2) Other movements consist mainly in the effects of hyperinflation in Argentina.*

*(3) At 31 December 2022, transactions with non-controlling interests mainly included the impact of the Eramine Sudamerica capital increase by Tsingshan.*

### Main components of changes in equity

Premiums essentially consist of issue premiums, representing the difference between the par value of the shares issued and the amount of the contributions in cash or in kind received on issue.

Hedging instrument reserves comprise the cumulative change in the effective portion of the fair value of derivatives relating to future cash flow hedging in connection with transactions that have not yet impacted the net income for the period. This is offset in Derivatives under assets or liabilities, depending on whether hedging gains or losses are recognised.

Reserves on Defined benefit plans include the impact of changes in actuarial assumptions used for commitments, and the variance between actual returns and the discount rates on the plans' hedging assets.

Translation adjustments account for the conversion differences deriving from the translation of the financial statements of foreign subsidiaries into euros.

## Notes to the consolidated financial statements

Eramet is a French public limited company with a Board of Directors, governed by the provisions of Articles L. 225-17 and R. 225-1 et seq. of the French Commercial Code and the provisions of its Articles of Association. As required by law, the Company is audited by two Statutory Auditors.

The Eramet Group's consolidated financial statements at 31 December 2022 were approved by the Eramet Board of Directors on 22 February 2023.

The accompanying notes are an integral part of the consolidated financial statements.

### Contents

## Note 1 Description of the Eramet Group's business

Eramet is one of the world's leading producers of manganese and nickel, used to improve the properties of steels, mineral sands (titanium dioxide and zircon), parts and semi-finished products made of high-performance alloys and special steels used by industries such as aeronautics, power generation and tooling.

The Eramet Group is divided into Business Units grouped into two Divisions corresponding to the Group's activities.

### The Operations Division comprises the following entities:

#### The Manganese Business Unit extracts and processes manganese ore:

- Comilog operates the Moanda mine and industrial and metallurgical facilities in Gabon. Setrag transports ore by train from the mine to the port of Owendo/Libreville.
- The manganese ore extracted is either marketed to downstream industries or processed in the Group's metallurgical plants in Gabon, France, Norway and the United States. The Group produces the widest range of alloys on the market.

#### The Nickel Business Unit extracts and processes nickel ore:

- Société Le Nickel-SLN operates five mines and one ferronickel producing metallurgical plant in New Caledonia.
- The Eramet Group owns 38.7% of Pt Weda Bay Nickel, a company that operates a major nickel deposit in Indonesia, which came on stream in 2020.

#### The Mineral Sands Business Unit extracts and develops mineral sands, mainly zircon and titanium dioxide slag:

- Eramet Titanium & Iron (ETI) (formerly TTI) operates a metallurgical conversion plant in Norway.
- Grande Côte (GCO) mines a deposit of mineral sands in Senegal: titaniferous ore (ilmenite, rutile, leucoxene) and zircon.
- The ilmenite is then transformed into titanium dioxide slag and high-purity pig iron at the ETI plant.

#### Lithium Business Unit

The Lithium Business Unit was set up to mine and process the lithium deposit in Argentina through the company Eramine Sudamerica. This project was mothballed in 2020 and relaunched in 2021 in partnership with Tsingshan. The construction of the Centenario lithium plant (phase 1) continued in 2022, with an expected start-up in early 2024. Pre-feasibility studies for a Phase 2 also continued in 2022.

### Discontinued operations

- Eramet Sandouville is a refinery that produces pure nickel, nickel chloride, nickel carbonate and cobalt chloride.

### Operations being divested

- The High Performance Alloys Division develops, designs and transforms alloys: Aubert & Duval and Erasteel make special steels and superalloys, in particular for the aeronautics and power generation sectors. These markets require high added-value metallurgical expertise. This Division encompasses the following:
  - the Die-Forged Parts and Long Forged and Rolled Parts Business Units, which include Aubert & Duval's activities;
  - The High-Speed Steels and Recycling Business Unit encompasses Erasteel's activities.

A global group with a presence in 20 countries, Eramet relies on high-quality mining reserves, particularly in Gabon, New Caledonia and Argentina, world-class research and development, high-performance industrial facilities and high-level expertise.

The Group is also developing strategic metal production projects and virtuous recycling solutions in order to establish a presence on the energy transition market.

In 2022, the Group employed 9,090 people in continuing operations and 4,674 in discontinued operations.

## Note 2 Key events in the reporting period

### 2.1 Refocusing of the Group's activity on the Mining and Metals business and application of IFRS 5 "Non-current assets held for sale and discontinued operations"

The Eramet Group announced in its strategic roadmap that it aims to be a player dedicated exclusively to its Mining and Metals business. To this end, the Group has decided to dispose of certain assets.

The disposal of Eramet Sandouville in the Nickel Business Unit was finalised on 4 February 2022.

On 20 June, Eramet signed a contract with the consortium consisting of Airbus, Safran and Tikehau Ace Capital for the sale of Aubert & Duval. The conditions precedent linked to this sale are in the process of being lifted. The necessary approvals, particularly in the context of the antitrust process, are expected to be obtained in the first quarter of 2023, allowing a disposal on that date.

With regard to Erasteel, the Group entered into exclusive negotiations with a potential buyer in early January 2023, allowing the sale to be effectively completed during 2023 after the lifting of the usual conditions precedent, mainly administrative in nature.

These assets, recognised as "current assets held for sale and discontinued operations" and measured at their fair disposal value, generated an accounting loss of €156 million at 31 December 2022, mainly on the Erasteel CGU (€121 million) and the Aubert & Duval CGU (€90 million).

### 2.2 Operational difficulties for SLN in New Caledonia, impairment of assets and continuation of the support plan

In New Caledonia, mining production reached 5.4 Mwmt, on a par with 2021, reflecting the persistent difficulties of mining operations in a context of very severe weather (precipitation almost 90% higher in 2022 compared with the average over the last six years). Exports of low-grade nickel ore amounted to 3.0 Mwmt, on a par with 2021. Ferronickel production and sales were up by 5% at 40.9 ktNi and 41.3 ktNi respectively. Over the year, however, the operation of the Doniambo plant was severely disrupted by ore and electricity supply difficulties.

The increase in energy costs, mainly for electricity and coal (the price of which more than doubled compared with 2021), but also fixed costs, combined with a fall in productivity, weighed heavily on net income. As a result, SLN generated a negative free cash flow of -€70 million over the year. A new plan to reduce costs and preserve cash was put in place by the subsidiary at the end of 2022 in order to address its difficulties. An emergency progress plan is being implemented to drastically reduce costs and focus efforts on production, the first essential step in rescuing the company.

In these circumstances, the review of the medium-term plans, taking into account in particular the increase in energy and coal costs and the expected level of production, led to an exceptional impairment of €221 million, mainly linked to the assets of the Doniambo plant. The electricity price assumption takes into account a price consistent with the discussions held with stakeholders.

In view of the critical cash flow situation, which is very sensitive to fluctuations in sale prices and particularly input prices, on 13 February 2023 the French government announced an additional loan of €40 million maturing in June 2024 to enable SLN to meet its short-term cash flow requirements. The existing overdraft authorisation between Eramet and all of its subsidiaries was extended to give SLN the necessary flexibility to manage the fluctuations in its liquidity as effectively as possible.

### 2.3 Landslide in Gabon at the end of December 2022

Following a landslide on the railway track on 26 December 2022, mining activities in Gabon were impacted in the last week of December 2022 and in January 2023. Rail traffic gradually resumed at the end of January 2023, limiting the negative impact on Moanda's ore production and transport. This recovery, combined with the continued increase in ore production, makes it possible to aim for a production and transport target of 7.5 Mt of ore over 11 months in 2023 (identical to the 7.5 Mt achieved in 2022).

### 2.4 Signature of an agreement with Meridiam and the Gabonese State with a view to their entry into the capital of Setrag, the operator of the Trans-Gabon Railway

In November 2021, Comilog, a subsidiary of the Eramet Group, signed an agreement with Meridiam (a private investor specialising in long-term management of sustainable public infrastructure) to finalise Meridiam's entry into Setrag's capital through a capital increase of €31 million. Meridiam thus became a minority shareholder of Setrag with an interest of 40%. In January 2022, the Gabonese Government acquired a 9% stake in Setrag. Since that date, Comilog has been a 51% shareholder of Setrag.

### 2.5 Construction of the lithium plant in Argentina resumes

In the first quarter of 2022, Eramet commenced construction of the lithium plant in Argentina in accordance with the schedule for entry into production in early 2024. Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint. Its partner Tsingshan, whose stake in Eramine Sudamerica currently stands at 33.2% for a total amount of $175 million, has begun financing the construction of the plant. Production volumes will be marketed by each partner based on their respective shareholding.

### 2.6 Hydrometallurgical project in Indonesia

In 2022, in partnership with BASF, Eramet continued studies on Sonic Bay, a hydrometallurgical project (HPAL16) for the production of battery-grade nickel-cobalt from lateritic ore extracted from the Weda Bay mine, with a view to making an investment decision by the end of 2023. The plant is expected to come on stream in early 2026. This project will position Eramet as a key player in the EV battery value chain, while also creating value for Weda Bay ore.

### 2.7 Battery recycling in France

In France, through its ReLieVe project in partnership with Suez, Eramet is continuing prefeasibility studies on the potential construction of a battery pretreatment production plant in collaboration with Suez, as well as a hydrometallurgical refining plant using processes developed by Eramet. Eramet should receive substantial financial grants of around €80 million, mainly from the European Union. The Group has begun the construction of a pre-industrial demonstrator at its research and innovation centre near Paris, and is currently finalising discussions to reserve a location for a first battery recycling plant in the Dunkirk region. Recycling activities could start in 2025 for pretreatment and in 2027 for refining. This project would allow Eramet to position itself both upstream and downstream of the electric battery value chain.

### 2.8 Signing of a new RCF agreement and extension of the term loan

In July and December 2021, the drawn line of credit of the revolving credit facility, amounting to €900 million, was repaid. The balance of €81 million was repaid in January 2022. In June 2022, the Group refinanced the revolving credit facility, increasing it to €935 million with a maturity of five years, accompanied by two successive up-front one-year extension options (June 2023 and June 2024) potentially leading to a maturity in June 2029. Two of the Group's decarbonisation CSR indicators were integrated into the agreement.

On 31 January 2023, Eramet renewed and extended the term loan for an amount of €480 million with a pool of banks. The new floating-rate loan matures in January 2027 and can be amortised as of January 2025. €270 million of this loan has been drawn down, mainly to refinance the outstanding amount of the old loan.

### 2.9 Impacts of the war in Ukraine

The climate of geopolitical and macroeconomic uncertainties, particularly due to the war in Ukraine, impacted the price volatility of the materials produced by the Group, as did changes in the prices of energy, carbon products and freight. The Group recognised a bad debt provision of $3 million. At this stage, the Group has not encountered any significant supply difficulties and/or has implemented alternative solutions.

## Note 3 Basis of preparation of the consolidated financial statements

### 3.1 General principles and declaration of compliance

Pursuant to European Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of the Eramet Group for the financial year ended 31 December 2022 have been prepared in euros rounded to the nearest million, unless instructed otherwise, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at 31 December 2022.

The accounting principles applied for the preparation of the annual consolidated financial statements are in line with IFRS and the related interpretations, as adopted by the European Union at 31 December 2022.

The accounting principles and methods applied for the consolidated financial statements at 31 December 2022 are identical to those used for the consolidated financial statements at 31 December 2021, while also taking into account the IFRS standards and IFRIC interpretations, the application of which has been mandatory since 1 January 2022.

### 3.2 Application of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

#### IFRS 5 reminder

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction instead of through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable. The assets and liabilities concerned are reclassified as assets held for sale and liabilities associated with assets held for sale and may not be offset. The assets thus reclassified are booked at the lower of the net fair value of sale costs and their net carrying value, i.e. their cost less cumulative depreciation and amortisation and impairment, and they are no longer depreciated/amortised.

An operation is considered a discontinued operation when it represents a separate major line of business for the Group and the criteria for classification as an asset held for sale have been met, or when Eramet has sold the operation. Discontinued operations are presented on a separate line in the income statement for the periods presented, including the net income after tax of discontinued operations until the date of sale and the profit or loss after tax resulting from the sale or the valuation at fair value less costs to sell of the assets and liabilities constituting the discontinued operations. Similarly, the cash flows generated by the discontinued operations are presented on a separate line in the statement of consolidated cash flows for the reporting periods.

Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", since 31 December 2021, the Aubert & Duval, Erasteel and Sandouville CGUs have been presented in Eramet's consolidated financial statements as discontinued operations, as follows:

- their contribution, until their actual sale, to each line of Eramet's consolidated income statement (before non-controlling interests) is pooled under "Net income from discontinued operations"; these restatements are applied to all the periods presented in order to make the information consistent;
- their contribution, until their actual sale, to each line of Eramet's consolidated statement of cash flows is grouped within the lines "Cash flows of discontinued operations" for the three main aggregates of statements of cash flows (operating, investing and financing activities); these restatements are applied to all the periods presented in order to make the information consistent;
- their contribution to each line of Eramet's consolidated balance sheet at 31 December 2022 is grouped within the lines "Assets held for sale" and "Liabilities associated with assets held for sale".

Details of the items classed under "Net income from discontinued operations", "Cash flows of discontinued operations", "Assets held for sale" and "Liabilities associated with assets held for sale" are set out in the following tables.

## Net income from discontinued operations 2022

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Turnover | 553 | 273 | 11 | - | 837 |
| Current operating income | (50) | 23 | (2) | 37 | 8 |
| Operating income | (71) | (111) | 13 | 37 | (132) |
| Net income from discontinued operations | (90) | (121) | 13 | 42 | (156) |

## Net income from discontinued operations 2021

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Turnover | 493 | 184 | 154 | - | 831 |
| Current operating income | (57) | 12 | (27) | 40 | (32) |
| Operating income | (394) | 17 | 19 | 26 | (332) |
| Net income from discontinued operations | (488) | 15 | 9 | 39 | (426) |

## Cash flows from discontinued operations 2022

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Net cash flow from discontinued operating activities | (139) | (6) | 5 | 15 | (125) |
| Net investment cash flow relating to discontinued operations | 171 | (9) | 79 | (330) | (89) |
| Net financing cash flow relating to discontinued operations | (22) | 28 | 1 | (9) | (2) |
| Impact of fluctuations in exchange rates of discontinued operations | - | - | - | - | - |
| Net cash flow from discontinued operations carried out with continuing operations[1] | 225 | 7 | 13 | (9) | 236 |

*(1) The amounts relate mainly to investment cash flows from discontinued operations of continuing operations*

## Cash flows from discontinued operations 2021

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Net cash flow from discontinued operating activities | (75) | (10) | (41) | 57 | (69) |
| Net investment cash flow relating to discontinued operations | (48) | (1) | (6) | - | (55) |
| Net financing cash flow relating to discontinued operations | (24) | 11 | (3) | 30 | 14 |
| Impact of fluctuations in exchange rates of discontinued operations | - | - | - | - | - |
| Net cash flow from discontinued operations carried out with continuing operations | 77 | 9 | 28 | - | 114 |

## Assets held for sale and associated liabilities at 31 December 2022

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Non-current assets | 1 | 13 | - | - | 14 |
| Current assets | 558 | 142 | - | - | 700 |
| **Assets held for sale** | **559** | **155** | **-** | **-** | **714** |
| Non-current liabilities | 76 | 73 | - | (11) | 137 |
| Current liabilities | 441 | 165 | - | (7) | 600 |
| **Liabilities associated with assets held for sale** | **517** | **238** | **-** | **(18)** | **737** |

## Assets held for sale and associated liabilities at 31 December 2021

| *(in millions of euros)* | Aubert & Duval CGU | Erasteel CGU | Sandouville CGU | Restatements and eliminations | Total discontinued operations |
|---|---|---|---|---|---|
| Non-current assets | - | 26 | 53 | - | 80 |
| Current assets | 398 | 139 | 34 | - | 571 |
| **Assets held for sale** | **398** | **165** | **87** | **-** | **651** |
| Non-current liabilities | 110 | 57 | 257 | (249) | 175 |
| Current liabilities | 400 | 72 | 18 | 20 | 510 |
| **Liabilities associated with assets held for sale** | **510** | **129** | **275** | **(229)** | **685** |

## Note 4 Operational performance of Divisions/BUs and the Group – Segment reporting

The Eramet Group is composed of Divisions divided into Business Units (BUs) to manage the Group's activities. The Operations Department comprises the Nickel, Manganese, Mineral Sands and Lithium business units. The High Performance Alloys Division includes the activities of Aubert & Duval and Erasteel. Each BU offers different products and services and relies on distinct technologies and sales strategies. Their operational and financial performance is therefore monitored separately. Their contribution to the main financial indicators of the Group is given below.

### ACCOUNTING METHOD

Financial information on the Divisions and Business Units is prepared in accordance with the accounting principles adopted for the Group's reporting.

Transactions between Divisions and Business Units are carried out under market conditions.

The scope and principles of the financial management data set out in the Group's reporting are the same as those of its reported financial data.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Executive Committee, the chief operating decision-maker, regularly assesses the performance of each Division and Business Unit against the following indicators:

- **Turnover;**
- **EBITDA**, which is current operating income restated for depreciation, amortisation and provisions and including net changes in impairment of current assets (stock, trade and other receivables);
- **Adjusted EBITDA,** which is EBITDA including Eramet's share in the EBITDA of material joint ventures accounted for by the equity method in the Group's financial statements;
- **current operating income**, including EBITDA, depreciation and amortisation and provisions for liabilities and charges. Current operating income excludes material transactions that are considered to be unusual in nature, in particular events relating to restructuring, impairment losses and disposals of assets;
- **cash flows generated by operating activities** including EBITDA, other operational cash flows not impacting EBITDA and the change in working capital requirement (WCR);
- **Capital expenditure,** including acquisitions of intangible assets and property, plant and equipment.

The Executive Committee also monitors consolidated indicators such as:

- **net income, Group share**, defined as the net profit after tax attributable to Eramet shareholders, after accounting for the percentage of non-controlling interests in each Group subsidiary;
- **Net financial debt** is gross financial debt (long and short-term borrowings) less current financial assets and cash and cash equivalents. These items include the valuation of debt-hedging derivatives;
- ***gearing,*** defined as the ratio of net financial debt to shareholders' equity (Group and non-controlling interests).

The holding companies that provide the Group's central services (cash management, currency risk management, Group reinsurance management) do not constitute a Business Unit. *Their* aggregates are shown in a column with the eliminations of inter-Business Unit transactions (holding and eliminations).

## 4.1 Reconciling EBITDA of reported financial indicators

### 4.1.1 Reconciling EBITDA of reported financial indicators

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **Turnover** | **5,014** | **3,668** |
| Other income | 88 | 42 |
| Raw materials and purchases consumed | (1,496) | (962) |
| External expenses | (1,406) | (1,149) |
| Personnel cost | (608) | (536) |
| Taxes | (16) | (11) |
| Net change in impairment of current assets | (23) | (1) |
| EBITDA | 1,553 | 1,051 |
| Operating amortisation expense | (271) | (259) |
| Net change in operating provisions and impairment allowances (excluding current assets) | (2) | (8) |
| **Current operating income** | **1,280** | **784** |
| Other operating income and expenses | (255) | 95 |
| **Operating income** | **1,025** | **879** |
| Net debt cost | (115) | (116) |
| Other financial income and expenses | 26 | 5 |
| **Financial income** | **(89)** | **(111)** |
| Share of income from joint ventures and associates | 258 | 121 |
| Income taxes | (264) | (98) |
| **Net income from continuing operations** | **930** | **791** |
| Net income from discontinued operations[1] | (156) | (426) |
| **NET INCOME FOR THE PERIOD** | **774** | **365** |
| • attributable to non-controlling interests | 34 | 67 |
| • **attributable to the Group** | **740** | **298** |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

### 4.1.2 Adjusted EBITDA

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **EBITDA** | **1,553** | **1,051** |
| Share of EBITDA from joint ventures and associates: | | |
| PT Weda Bay (38.7%) | 344 | 153 |
| **ADJUSTED EBITDA** | **1,897** | **1,204** |

## 4.2 Performance indicators by Division

| | Operations Department | | | | Holding and eliminations and other | Total continuing operations | High Performance Alloys | Sandouville | Eliminations | Total continuing and discontinued operations |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Manganese | Nickel | Mineral sands | Lithium | | | | | | |
| FY 2022 | | | | | | | | | | |
| Turnover | 3,151 | 1,392 | 465 | - | 6 | **5,014** | 826 | 11 | - | **5,851** |
| EBITDA | 1,402 | 86 | 184 | (12) | (107) | **1,553** | (24) | (2) | 37 | **1,564** |
| Current operating income | 1,255 | 14 | 140 | (13) | (116) | **1,280** | (27) | (2) | 37 | **1,288** |
| Net cash flow generated by operating activities | 1,124 | - | 157 | (23) | (142) | **1,116** | (146) | 5 | 16 | **991** |
| Industrial investments (intangible assets and property plant & equipment) | 273 | 85 | 52 | 109 | 11 | **530** | 63 | - | - | **593** |
| FY 2021 | | | | | | | | | | |
| Turnover | 2,267 | 1,046 | 349 | - | 6 | **3,668** | 677 | 154 | - | **4,499** |
| EBITDA | 910 | 113 | 137 | (5) | (103) | **1,051** | (32) | (27) | 38 | **1,031** |
| Current operating income | 769 | 37 | 94 | (5) | (112) | **784** | (45) | (27) | 38 | **751** |
| Net cash flow generated by operating activities | 728 | 39 | 129 | (20) | (164) | **713** | (84) | (42) | 58 | **644** |
| Industrial investments (intangible assets and property plant & equipment) | 244 | 35 | 21 | 5 | 7 | **312** | 46 | 6 | - | **364** |

## 4.3 Sales, industrial investments and non-current assets by geographical area

| *(in millions of euros)* | France | Europe | North America | China | Other Asia | Oceania | Africa | South America | Total |
|---|---|---|---|---|---|---|---|---|---|
| SALES (SALES DESTINATION) | | | | | | | | | |
| FY 2022 | 313 | 1,215 | 294 | 1,057 | 1,261 | 76 | 128 | 670 | **5,014** |
| FY 2021 | 253 | 966 | 657 | 604 | 985 | 57 | 115 | 31 | **3,668** |
| INDUSTRIAL INVESTMENTS (INTANGIBLE ASSETS AND PROPERTY PLANT & EQUIPMENT) | | | | | | | | | |
| FY 2022 | 9 | 50 | 13 | 1 | - | 84 | 263 | 110 | **530** |
| FY 2021 | 9 | 42 | 2 | - | - | 35 | 219 | 5 | **312** |
| NON-CURRENT ASSETS (EXCLUDING DEFERRED TAX) | | | | | | | | | |
| 31 December 2022 | 130 | 399 | 387 | 3 | 298 | 286 | 1,630 | - | **3,133** |
| 31 December 2021 | 217 | 458 | 245 | 2 | 97 | 562 | 1,506 | - | **3,087** |

## 4.4 Consolidated performance indicators

Segment reporting information is supplemented with the main consolidated performance indicators monitored by the Executive Committee. These indicators are taken from Group reporting and are used for the financial disclosure of the Group's results and performance.

### 4.4.1 Income statement

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **Turnover** | **5,014** | **3,668** |
| **EBITDA** | **1,553** | **1,051** |
| Amortisation and depreciation of non-current assets | (271) | (259) |
| Provisions for liabilities and charges | (2) | (8) |
| **Current operating income** | **1,280** | **784** |
| (Impairment of assets)/reversals | (221) | 117 |
| Other operating income and expenses | (34) | (22) |
| **Operating income** | **1,025** | **879** |
| Financial income | (89) | (111) |
| Share of income from associates | 258 | 121 |
| Income taxes | (264) | (98) |
| **Net income from continuing operations** | **930** | **791** |
| Net income from discontinued operations(1) | (156) | (426) |
| **NET INCOME FOR THE PERIOD** | **774** | **365** |
| • attributable to non-controlling interests | 34 | 67 |
| • **attributable to the Group** | **740** | **298** |
| Basic earnings per share *(in euros)* | 25.81 | 10.42 |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

## 4.4.2 Statement of changes in net debt

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| EBITDA | 1,553 | 1,051 |
| Cash impact of items in EBITDA | (326) | (258) |
| **Cash flow from operations** | **1,227** | **793** |
| Change in WCR | (111) | (80) |
| **Net cash flow generated by continuing operations (A)** | **1,116** | **713** |
| INVESTING ACTIVITIES | | |
| Capital expenditure | (530) | (312) |
| Other investment flows | 238 | 125 |
| **Net cash flows from investing activities of continuing operations (B)** | **(292)** | **(187)** |
| **Net cash flows from equity transactions of continuing operations** | **80** | **21** |
| Impact of fluctuations in exchange rates and other | (49) | (25) |
| Acquisition of IFRS 16 rights of use | (26) | (10) |
| **CHANGE IN NET FINANCIAL DEBT OF CONTINUING OPERATIONS BEFORE TAKING INTO ACCOUNT FLOWS WITH DISCONTINUED OPERATIONS** | **829** | **512** |
| Net cash flow from continuing operations carried out with discontinued operations(1) | (236) | (114) |
| **Change in net financial debt of continuing operations** | **593** | **398** |
| **CHANGE IN NET FINANCIAL DEBT OF DISCONTINUED OPERATIONS BEFORE TAKING INTO ACCOUNT FLOWS WITH CONTINUING OPERATIONS** | **(213)** | **(125)** |
| Net cash flow from discontinued operations carried out with continuing operations(2) | 236 | 114 |
| **Change in net financial debt of discontinued operations** | **23** | **(11)** |
| **(INCREASE)/DECREASE IN NET FINANCIAL DEBT** | **616** | **387** |
| **Opening (net financial debt) of continuing operations** | **(936)** | **(1,378)** |
| **Opening (net financial debt) of discontinued operations** | **(54)** | **N/A** |
| **Closing (net financial debt) of continuing operations** | **(344)** | **(936)** |
| **(Net financial debt) of discontinued operations** | **(31)** | **(54)** |
| **FREE CASH FLOW (A) + (B)** | **824** | **526** |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

*(2) In 2022, the amounts relate mainly to investment cash flows from discontinued operations of continuing operations.*

The reconciliation of cash and cash equivalents in the statement of cash flows to the net financial debt in the Eramet Group reporting is as follows:

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Cash and cash equivalents** | **1,123** | **789** |
| Other current financial assets | 537 | 387 |
| Loans | (1,913) | (2,033) |
| Lease liabilities (IFRS 16) | (91) | (79) |
| **NET FINANCIAL DEBT – REPORTING** | **(344)** | **(936)** |

### 4.4.3 Economic balance sheet

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Non-current assets** | **3,122** | **3,083** |
| Inventories | 724 | 577 |
| Customers | 369 | 375 |
| Suppliers | (424) | (403) |
| **Simplified WCR** | **669** | **549** |
| Other items of WCR | (201) | (233) |
| **Total WCR** | **468** | **316** |
| Derivatives | 62 | - |
| **Assets held for sale[1]** | **714** | **651** |
| **TOTAL ASSETS** | **4,366** | **4,050** |

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Shareholders' equity – Group share | 1,781 | 1,012 |
| Non-controlling interests | 464 | 323 |
| **Shareholders' equity** | **2,245** | **1,335** |
| Cash and cash equivalents and other current financial assets | (1,660) | (1,176) |
| Loans | 2,004 | 2,112 |
| **Net financial debt** | **344** | **936** |
| *Net financial debt/shareholders' equity (gearing)* | *15%* | *70%* |
| **Employee-related liabilities and provisions** | **814** | **899** |
| **Net deferred tax** | **226** | **184** |
| **Derivatives** | **-** | **11** |
| **Liabilities associated with assets held for sale[1]** | **737** | **685** |
| **TOTAL LIABILITIES** | **4,366** | **4,050** |

*(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval and Erasteel CGUs are shown in the consolidated balance sheet at 31 December 2022 as "assets held for sale".*

## Note 5 Current operating income

Current operating income reflects the performance of the Eramet Group's ordinary business activities as presented and defined in Note 4.

### 5.1 Turnover

ACCOUNTING METHOD

Turnover mainly consists of sales of ores (nickel and manganese) and manufactured products (special steels, alloys, superalloys, etc.) to third parties, as well as related performance obligations such as transport or insurance services depending on contractual Incoterms;

Revenue from the sale of these products and services is recorded when control over the product sold and the service rendered has been transferred to the customer.

Turnover related to performance obligations for transport and insurance is determined based on the contractual price of these obligations and is recognised as the work progresses.

Consolidated turnover for 2022 was €5,014 million, compared with €3,668 million in 2021, an increase of 36.7% (+€1,346 million).

Note 4 gives the breakdown by BU.

## 5.2 Other income, raw materials and purchases consumed, external expenses and taxes

### ACCOUNTING METHOD

Costs and expenses mainly comprise costs incurred in industrial, mining and metallurgical facilities.

“Other income” includes items related to current operating income, such as translation adjustments on turnover and insurance proceeds.

“Raw materials” and purchases consumed include the consumption of raw materials, energy costs and logistics and transport costs on purchase. It also accounts for the impacts of the change in and measurement of raw material inventories, work-in-progress and finished products.

“External expenses” include transport expenses on sales, maintenance and other external expenses. This item also includes non-IFRS 16 lease costs.

“Taxes” comprise levies on the business that are not classed as corporation tax.

Currency transactions are recognised at the monthly exchange rate for the month of the transaction effective date. Gains and losses arising from the conversion of operating receivables and payables are recognised in Current operating income.

In the case of hedged transactions, the translation adjustments arising from the difference between the monthly exchange rate used to recognise sales and receipts or purchases and payments and the hedging rate for the settlement of transactions are also recognised in Current operating income.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The transaction date is the date on which it is executed.

For practical reasons, the currency transaction date used is the month in which the transaction is booked.

The rate applied to recognise currency transactions in a given month corresponds to the average daily rate applicable in the previous month.

## 5.3 Operating depreciation and amortisation and net change in operating provisions and impairment allowances

### ACCOUNTING METHOD

#### OPERATING AMORTISATION AND DEPRECIATION

Non-current assets can be depreciated when their expected use is limited in time or based on production units.

Where the duration or the pace of utilisation of an asset cannot be determined reliably, the straight-line method is applied.

The selected depreciation method is applied across all similar assets with the same conditions of use.

Depreciation begins at the date on which the asset is put into service.

Any significant change in the planned use of the asset, in terms of duration or pace, for example, will result in the depreciation being revised for the current and subsequent years. Likewise, in the case where impairment loss provisions are set aside or reversed following the comparison between the recoverable amount of a non-current asset and its carrying amount (Note 10), the depreciation basis is modified prospectively, i.e. the depreciation is adjusted based on the new duration or the new pace of use for the current and future reporting periods.

The depreciation for the reporting period is recognised under a separate heading, Operating amortisation and depreciation, between EBITDA and current operating income.

Assets for lease rights of use on the balance sheet (IFRS 16) are amortised over the identified period of the right of use. In the income statement, lease impairments are posted to current operating income on the “Operating Amortisation and depreciation” line.

Rights of use for 3-6-9 commercial leases are amortised over the estimated terms of these leases.

#### PROVISIONS FOR LIABILITIES AND CHARGES

See Note 13.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Eramet Group uses two depreciation methods: the straight-line method and the units of production method.

#### STRAIGHT-LINE DEPRECIATION METHOD

The Group's mining production remained relatively stable and a straight-line depreciation was chosen.

The depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful life at 31December 2022:

- buildings between 10 and 50 years;
- industrial and mining facilities – between 5 and 50 years;
- other property, plant and equipment between 2 and 10 years.

Assets invested in the Group's concessions (Setrag, Comilog and Grande Côte) are depreciated over the shorter of their useful life or the remaining period of the concession.

Computer software is amortised over a variable period not exceeding five years.

#### UNITS OF PRODUCTION METHOD

The economic benefits generated by the use of certain industrial assets are determined in relation to the level of production, in particular in the start-up phase of new production units. These assets are depreciated using the units of production method.

The depreciation calculation accounts for the quantities produced during the reporting period, expressed as a percentage of the total quantities of product to be extracted or produced in the current and future reporting periods.

If the production is not deemed to fluctuate significantly from one year to the next, as with the assets whose material lifespan is shorter than the life of the plant or the mine to which they relate, the assets are depreciated using the straight-line method mentioned above over the life of the plant or the mine.

#### REVISION OF DEPRECIATION PERIODS

The residual values and useful life of non-current assets are revised and adjusted at the end of each reporting period, as appropriate. Change is seen as a change in estimates and impacts only the current and subsequent reporting periods.

The Eramet Group measures its existing assets and the depreciation period when reviewing mining plans (Nickel BU, Manganese BU, Mineral Sands BU and Lithium BU) and plant operation plans at the end of each reporting period. When it is established that the life of the allocated assets no longer matches the remaining period of expected returns, their depreciation period is modified prospectively. Uncertainties are inherent in the estimation of reserve and resource quantities, especially as regards assumptions about future prices, the geology of the mines, the mining methods used, and associated costs incurred to develop and mine the reserves and resources. Changes in these assumptions could lead to major adjustments in the estimation of reserves and resources, which may be the basis for impairment or modification in depreciation expense in future periods. In the event of an impairment loss, an impairment test is carried out and conclusions are drawn, as applicable.

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Intangible assets | (25) | (24) |
| Property, plant and equipment | (246) | (235) |
| **Total** | **(271)** | **(259)** |
| Net impairment of trade receivables | (5) | (2) |
| Net allowances for stock depreciation | (18) | 1 |
| Net provisions for liabilities and charges | (3) | (8) |
| **TOTAL** | **(297)** | **(268)** |

## Note 6 Net income, Group share and non-controlling interest

Net income, Group share is the net income for the period after tax, attributable to Eramet shareholders, after accounting for the non-controlling interest in each of the Group companies.

Apart from the Current operating income, the Net income for the period includes the following items:

- Other operating income and expenses (see below);
- Financial income (Note 7);
- Share of income from joint ventures and associates (Note 10);
- Income tax (Note 11).

### 6.1 Other operating income and expenses

ACCOUNTING METHOD

Other operating income and expenses includes only very limited, unusual, abnormal and infrequent income and expenses for significant amounts that the Eramet Group presents separately in its income statement in order to facilitate the understanding of current operating performance. In particular, it includes the following items:

- restructuring costs;
- costs incurred for development projects whose technical feasibility and profitability have not yet been demonstrated;
- defined benefits plan settlements and amendments;
- disputes and unusual risks;
- capital gains and losses on disposals of assets;
- impairment losses on goodwill and non-current assets.

#### 6.1.1 Breakdown by category

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Impairment of assets and impairment losses | (221) | 117 |
| Other operating income and expenses excluding impairment | (34) | (22) |
| **OTHER OPERATING INCOME AND EXPENSES** | **(255)** | **95** |

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Niobium project | (1) | - |
| Lithium project | (11) | (11) |
| Weda Bay development project | - | (3) |
| Other projects | (5) | (7) |
| **Development projects** | **(17)** | **(21)** |
| Restructuring and redundancy plans | (2) | - |
| Gains and losses on disposals | - | (1) |
| Other items | (15) | - |
| **Other income and expenses** | **(17)** | **(1)** |
| **TOTAL – OTHER OPERATING INCOME AND EXPENSES EXCLUDING IMPAIRMENT** | **(34)** | **(22)** |

In 2022, expenditure on the Lithium project in Argentina essentially comprised the expenses for the period relating to phase 2 of the project (see Note 2.5 "Construction of the lithium plant in Argentina resumes").

### 6.1.2 Impairment of assets and impairment losses

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Losses on impairment tests – Property, plant & equipment | (221) | - |
| Impairment loss reversals – Property, plant & equipment | - | 117 |
| **TOTAL – IMPAIRMENT OF ASSETS AND IMPAIRMENT LOSSES** | **(221)** | **117** |

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Nickel BU | (221) | - |
| Lithium BU | - | 117 |
| **TOTAL – IMPAIRMENT OF ASSETS AND IMPAIRMENT LOSSES** | **(221)** | **117** |

In 2022, the impairment of the Nickel BU related to SLN (see Note 2.2 "Operational difficulties for SLN in New Caledonia, impairment of assets and continuation of the support plan", and Note 10).

In 2021, the resumption of depreciation on the Lithium BU is related to the resumption of the extraction project in Argentina (See Note 2.5 "Construction of the lithium plant in Argentina resumes").

See Note 10 "Investments", paragraph entitled "Impairment of assets".

## 6.2 Net income per share – Group share

ACCOUNTING METHOD

Net earnings per share can be obtained by dividing the Group share of net income by the average number of shares outstanding during the reporting period. This average number of shares outstanding excludes treasury shares.

Diluted earnings per share are calculated by taking into account net income, Group share and the number of shares adjusted for potentially dilutive effects, mainly represented by employee share subscription.

| | FY 2022 | | | FY 2021 | | |
|---|---|---|---|---|---|---|
| | Net income, Group share *(in millions of euros)* | Average number of shares | Profit (loss) per share(1) | Net income, Group share *(in millions of euros)* | Average number of shares | Profit (loss) per share(1) |
| Basic earnings per share of continuing operations | 896 | 28,674,721 | 31.23 | 723 | 28,571,634 | 25.33 |
| Basic earnings per share of discontinued operations | (156) | 28,674,721 | (5.42) | (426) | 28,571,634 | (14.90) |
| Basic earnings per share | 740 | 28,674,721 | 25.81 | 298 | 28,571,634 | 10.42 |
| **Diluted earnings per share of continuing operations(1)** | **896** | **29,037,022** | **30.84** | **723** | **28,692,070** | **25.21** |
| Diluted earnings per share of discontinued operations(1) | (156) | 29,037,022 | (5.42) | (426) | 28,692,070 | (14.84) |
| **DILUTED EARNINGS PER SHARE(1)** | **740** | **29,037,022** | **25.49** | **298** | **28,692,070** | **10.37** |

*(1) Where basic earnings per share are negative, the diluted earnings per share are deemed equal to them, in which case the instruments are considered to be antidilutive.*

## 6.3 Non-controlling interest share in earnings – minority interests

| | | Share of | | Share of | |
|---|---|---|---|---|---|
| | % of non-controlling interests | Results | Shareholders' equity | Results | Shareholders' equity |
| *(in millions of euros)* | | FY 2022 | 31/12/2022 | FY 2021 | 31/12/2021 |
| **At beginning of period** | | **-** | **323** | **-** | **233** |
| **Profit (loss) for the period** | | **-** | **34** | **-** | **67** |
| Change in revaluation reserve for financial instruments | | - | 3 | - | - |
| Translation adjustments | | - | (58) | - | - |
| **Sub-total Other comprehensive income** | | **-** | **(21)** | **-** | **67** |
| Distributions of dividends | | - | (32) | - | (7) |
| Setrag capital increase | | - | 7 | - | 32 |
| Eramine Sudamerica capital increase | | - | 118 | - | - |
| Other movements | | - | 69 | - | (2) |
| **AT PERIOD CLOSE** | | **34** | **464** | **67** | **323** |
| Société Le Nickel-SLN | 44.00% | (115) | (268) | (14) | (154) |
| Comilog S.A. | 36.29% | 141 | 597 | 76 | 478 |
| Grande Côte Operations | 10.00% | 14 | 14 | 7 | (1) |
| Eramine Sudamerica | 33.20% | (5) | 122 | - | - |
| Interforge | 4.30% | - | (1) | (2) | - |

See Statement of changes in equity.

# Note 7 Net financial debt and shareholder's equity

## 7.1 Net financial debt

Net financial debt is gross financial debt (long and short-term borrowings) less current financial assets and cash and cash equivalents. These items include the valuation of hedging derivatives related to borrowings.

ACCOUNTING METHOD

Borrowings are initially recognised on the basis of the amount received, less financing costs incurred. Borrowings are subsequently measured at amortised cost. Any variance between the amounts received and the redemption value of the borrowing is recognised in the income statement under Net financial income (Borrowing costs) over the term of the borrowing, using the effective interest rate (EIR) method.

When the renegotiation of a loan does not substantially modify the debt in accordance with IFRS 9 criteria, it is maintained on the balance sheet and revalued at the overall effective interest rate on the basis of the new contractual flows. The impact of this revaluation is recognised in the income statement.

Lease-purchases and financial leases are treated like purchases and are recognised as borrowings. Other lease contracts under IFRS 16 are recognised as lease liabilities.

They are posted to the balance sheet upon lease commencement for the present value of the future fixed payments.

The discount rates used by the Group are the incremental borrowing rates per currency per portfolio of asset leases, grouped according to the lease term, the underlying financed asset (asset category) and the economic environment. Rates are determined by country and by duration.

The average rate is 10.6% at 31 December 2022 (from 11.4% at 31 December 2021).

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Loans** | **(1,913)** | **(2,033)** |
| • Borrowings on capital markets | (846) | (905) |
| • Borrowings from credit institutions | (614) | (770) |
| • Bank overdrafts and creditor banks | (195) | (101) |
| • Finance lease liabilities | (25) | (5) |
| • Other borrowings and financial liabilities | (233) | (253) |
| **Lease liabilities** | **(91)** | **(79)** |
| **Other current financial assets** | **537** | **387** |
| **Cash and cash equivalents** | **1,123** | **789** |
| • Cash equivalents | 837 | 212 |
| • Cash | 286 | 577 |
| **NET FINANCIAL DEBT** | **(344)** | **(936)** |
| Net financial debt – due in more than one year | (1,468) | (1,644) |
| Net financial debt – due in less than one year | 1,124 | 708 |

## 7.2 Borrowings

### 7.2.1 Borrowings and lease commitments by type

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Loans** | | |
| • Borrowings on capital markets | 846 | 905 |
| • Borrowings from credit institutions | 614 | 770 |
| • Bank overdrafts and creditor banks | 195 | 101 |
| • Finance lease liabilities | 25 | 5 |
| • Other borrowings and financial liabilities | 233 | 253 |
| **Lease liabilities** | **91** | **79** |
| **TOTAL** | **2,004** | **2,112** |
| Long-term portion | 1,468 | 1,644 |
| Short-term portion | 536 | 469 |

### 7.2.2 Borrowings on capital markets and bank loans

| (in millions of euros) | Nominal amount (currency unit million) | Interest rate | Maturity | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|---|
| Bond issue – Eramet S.A. | €500 million | 4.196% | 2024 | 457 | 516 |
| Bond issue – Eramet S.A. (1) | €300 million | 5.875% | 2025 | 309 | 308 |
| Euro private placement – Eramet S.A. (2) | €50 million | 5.29% | 2026 | 29 | 29 |
| Euro private placement – Eramet S.A. (2) | €50 million | 5.10% | 2026 | 51 | 51 |
| **BORROWINGS ON CAPITAL MARKETS** | | | | **846** | **905** |
| Borrowing Base – Eramet S.A. (3) | €65 million | 1-month Euribor 1.5% | 2025 | 45 | 50 |
| European Investment Bank – Eramet S.A. | €80 million | 1.736% | 2025 | 27 | 36 |
| European Investment Bank – Eramet S.A. | €30 million | 2.72% | 2029 | 21 | 24 |
| European Investment Bank – Eramet S.A. | €60 million | 1.58% | 2030 | 61 | 61 |
| European Investment Bank – Eramet S.A. | $67 million | 3.55% | 2030 | 64 | 61 |
| IFC/Proparco – Setrag | €85 million | Euribor 4%/5% | 2031 | 109 | 73 |
| Syndicated credit facility(4) | €935 million | 6-month Euribor + 1.7% | 2027 | - | 80 |
| Term Loan (Multi-currency Term Loan Facility Agreement)(5) | €350 million | 6-month Euribor + 2.00% | 2024 | 263 | 348 |
| CAT Finance – Comilog | - | - | | 23 | 29 |
| Other borrowings from credit institutions | - | - | | 1 | 9 |
| **BORROWINGS FROM CREDIT INSTITUTIONS** | | | | **614** | **770** |

*(1) 14 November 2019 bond issue.*
*(2) With investor put options that may be exercised after the seventh year, i.e. in 2021.*
*(3) Renewed in June 2022. Three-year maturity.*
*(4) The credit facility was renewed in 2022 in the amount of €935 million.*
*(5) Renegotiated in January 2023 with maturity in 2027. The credit facility was drawn down in 2020.*

Certain borrowings need to comply with financial ratios or covenants (Note 8.4.4).

### 7.2.3 Change during the period (borrowings and lease liabilities)

| (in millions of euros) | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **2,033** | **3,098** |
| New borrowings | 167 | 120 |
| Loan repayments | (382) | (1,192) |
| Change in bank overdrafts | 98 | 79 |
| Change in accrued interest not yet due | (3) | (16) |
| Changes to consolidation scope | - | (7) |
| Reclassification under IFRS 5 | - | (56) |
| Translation adjustments and other movements | - | 7 |
| **AT END OF PERIOD – BORROWINGS** | **1,913** | **2,033** |

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **79** | **91** |
| Change in lease liabilities (IFRS 16) | 9 | (2) |
| Changes to consolidation scope | - | (1) |
| Reclassification under IFRS 5 | - | (12) |
| Translation adjustments and other movements | 2 | 3 |
| **AT PERIOD CLOSE–LEASE COMMITMENTS** | **91** | **79** |

The new loans relate mainly to the increase in the IFC/Proparco loan from Setrag in the amount of €37 million and the increase in shareholder loans: SLN/French government for €20 million, Eramet Lithium/Tsingshan for €21 million, Setrag/Meridiam for €9 million.

Loan repayments mainly concern the repayment of the CIC funding in the amount of €65 million in exchange for the repurchase agreement of €65 million of bonds in 2021, the repayment of the RCF in the amount of €81 million and the cancellation of the 2024 bond issue in the amount of €58 million.

### 7.2.4 Borrowings and lease liabilities by currency

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Euro | 1,790 | 1,957 |
| US dollar | 145 | 147 |
| CFA franc | 23 | - |
| Norwegian krone | 2 | 3 |
| Other currencies | 44 | 4 |
| **TOTAL** | **2,004** | **2,112** |

### 7.2.5 Confirmed credit facilities

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Unused confirmed credit facilities**[1] | **935** | **901** |
| Revolving Credit Facility (RCF) | 935 | 901 |

*(1) Bank covenants relating to these credit facilities are fully respected. These covenants relate to the ratio of the Group's net financial debt to shareholders' equity.*

### 7.2.6 Borrowings and lease liabilities by interest rate

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Interest-free | 33 | 69 |
| Fixed interest rates | 1,728 | 1,736 |
| • below 5% | 1,161 | 1,280 |
| • between 5% and 10% | 554 | 456 |
| • above 10% | 13 | - |
| Variable interest rates | 243 | 307 |
| • below 5% | 135 | 210 |
| • between 5% and 10% | 108 | 97 |
| • above 10% | - | - |
| **TOTAL** | **2,004** | **2,112** |

### 7.2.7 Borrowings and lease liabilities by maturity

Borrowing maturity (excluding lease commitments, including lease purchase commitments)

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Less than one year | 520 | 456 |
| One to five years | 1,300 | 1,473 |
| More than five years | 93 | 104 |
| **TOTAL** | **1,913** | **2,033** |

Finance lease liabilities and lease liabilities by maturity

| | 31/12/2022 | | 31/12/2021 | |
|---|---|---|---|---|
| *(in millions of euros)* | Nominal value | Present value | Nominal value | Present value |
| LEASE-PURCHASE COMMITMENTS | | | | |
| Less than one year | 9 | 9 | 3 | 3 |
| One to five years | 16 | 16 | 2 | 2 |
| More than five years | - | - | - | - |
| **Total before interest expense** | **25** | **25** | **5** | **5** |
| Future Interest expense | - | - | - | - |
| LEASE COMMITMENTS | | | | |
| Less than one year | 25 | 16 | 21 | 13 |
| One to five years | 75 | 53 | 64 | 42 |
| More than five years | 44 | 22 | 48 | 24 |
| **Total before interest expense** | **144** | **91** | **133** | **79** |
| Future Interest expense | - | 53 | - | 54 |
| **TOTAL** | **169** | **169** | **138** | **138** |

## 7.3 Cash and cash equivalents

ACCOUNTING METHOD

Cash includes cash in hand and demand deposits, excluding bank overdrafts which appear under borrowings. Cash equivalents correspond to marketable securities and consist of investments held to meet short-term cash commitments.

Marketable securities are recognised at their fair value in the balance sheet. To be considered a cash equivalent, they must be readily convertible to cash and subject to negligible risk of fluctuations in value. Changes in fair value are recognised in net income for the period.

### 7.3.1 Breakdown by category

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Cash | 286 | 577 |
| Cash equivalents | 837 | 212 |
| **TOTAL** | **1,123** | **789** |

### 7.3.2 Breakdown by currency

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Euro | 709 | 437 |
| US dollar | 308 | 251 |
| Yuan Ren-Min-Bi (China) | 1 | 1 |
| Norwegian krone | 18 | 24 |
| Other currencies | 87 | 76 |
| **TOTAL** | **1,123** | **789** |

### 7.3.3 Breakdown by interest rate type

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Interest-free | 297 | 577 |
| Fixed interest rates | - | - |
| Variable interest rates | 826 | 212 |
| **TOTAL** | **1,123** | **789** |

Interest-free items mainly consist of non-interest-bearing sight deposits. Cash includes cash and cash equivalents.

Cash equivalents mostly comprise investments managed by Metal Securities.

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Money market fund shares/units | 765 | 110 |
| Negotiable Debt Securities (NDS) | 72 | 75 |
| Interest-bearing bank accounts | - | 11 |
| Other investments | - | 16 |
| **Cash equivalents** | **837** | **212** |
| Cash | 286 | 577 |
| **CASH AND CASH EQUIVALENTS** | **1,123** | **789** |

The change from one period to the next is analysed through the statement of cash flows prepared using the indirect method.

## 7.4 Statement of cash flows

### 7.4.1 Non-cash income and expenses

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Depreciation, amortisation, impairment and provisions | 489 | 142 |
| Accretion expenses | 14 | 13 |
| Financial instruments | 30 | (25) |
| Deferred tax | 18 | 1 |
| Deconsolidation effect on the income statement | 3 | (12) |
| Effect on hyperinflation adjustments on the income statement | 20 | 4 |
| Unrealised translation differences | (19) | 3 |
| Share of income from joint ventures and associates | (258) | (121) |
| **NON-CASH INCOME AND EXPENSES** | **297** | **5** |

## 7.5 Current financial assets

ACCOUNTING METHOD

These assets consist mainly of short- or medium-term bonds of listed European companies whose objective is to receive contractual flows.

These bonds are measured at their fair value on initial recognition. The fair value used for listed bonds is the stock-market value, and for unlisted bonds it is based on estimates using specific financial criteria that reflect the specific situation of each bond (similar transactions or discounted value of future cash flows).

Other investments classified as financial assets are largely negotiable debt securities and are valued at fair value through profit or loss.

Changes in the fair value of these assets are recognised in the income statement.

The net change of €134 million in current financial assets between 2021 and 2022 (€37 million between 2020 and 2021) is shown in net cash flow used in investing activities.

## 7.6 Financial income

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Net debt cost | (115) | (116) |
| Other financial income and expenses | 26 | 5 |
| **FINANCIAL INCOME** | **(89)** | **(111)** |

### 7.6.1 Net debt costs

ACCOUNTING METHOD

Net debt costs include expenses relating to gross debt, interest expense on "lease liabilities" (IFRS 16) and financial revenue in connection with bonds and investment securities.

Borrowing costs relate to interest payable on the debt and other costs incurred in connection with the borrowing of funds. Borrowing costs directly linked to the acquisition, building or production of an asset that requires more than 12 months to be put into service are deducted from the financing expense to which they relate. All the other borrowing costs are expensed in the period in which they are incurred.

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Interest income | 8 | 9 |
| Interest expense | (101) | (107) |
| Amortised cost on borrowings | (5) | (7) |
| Net income on marketable securities | 1 | (1) |
| Change in fair value of investment securities | (2) | - |
| Net translation differences | (16) | (10) |
| **NET DEBT COST** | **(115)** | **(116)** |

### 7.6.2 Other financial income and expenses

ACCOUNTING METHOD

Other financial income and expenses include all the components of net financial income except for income and expenses relating to the net debt cost.

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Investment and dividend income | 1 | - |
| Employee benefits – net interest | (3) | - |
| Profit (loss) on disposal of equity investments | (25) | (1) |
| Accretion expenses | (7) | (9) |
| Financial instruments ineligible as hedges – currency | (8) | (4) |
| Securitisation financial expense | (4) | (2) |
| Impairment of securities and current accounts | 19 | (5) |
| Net translation differences | 53 | 26 |
| Impact of hyperinflationary economies | (16) | (1) |
| Other | 16 | - |
| **OTHER FINANCIAL INCOME AND EXPENSES** | **26** | **5** |

Accretion expenses relate to provisions for mining site restoration and the decommissioning of industrial facilities, as detailed in Note 13 “Provisions”.

The financial instruments that do not qualify as hedges correspond to the portion of hedging instruments recognised in profit or loss.

## 7.7 Shareholders’ equity

### 7.7.1 Changes to the share capital

The share capital of €87,702,893 (as at 31 December 2021) comprises 28,755,047 fully paid-up shares (as at 31 December 2021) with a par value of €3.05 each.

| | 31/12/2022 | | | | 31/12/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital | | Voting rights | | Capital | | Voting rights | |
| Registered shares | % | number of shares | % | number of shares | % | number of shares | % | number of shares |
| Sorame and Compagnie d’Études Industrielles du Rouvray (CEIR) | 37.08 | 10,661,562 | 43.46 | 20,501,705 | 37.08 | 10,661,562 | 43.49 | 20,501,705 |
| FSI Equation (a subsidiary of Bpifrance) and the French State (Caisse des Dépôts et Consignations) | 27.13 | 7,801,093 | 30.97 | 14,611,510 | 27.13 | 7,800,993 | 30.99 | 14,611,510 |
| S.T.C.P.I. | 4.03 | 1,159,994 | 4.73 | 2,230,581 | 4.03 | 1,159,994 | 4.73 | 2,230,581 |
| Eramet S.A. | 0.73 | 209,377 | - | - | 0.64 | 183,413 | - | - |
| Eramet S.A. share fund | 0.62 | 179,060 | 0.62 | 291,718 | 0.71 | 203,500 | 0.67 | 316,158 |
| Other | 30.41 | 8,743,961 | 20.22 | 9,538,069 | 30.41 | 8,745,585 | 20.12 | 9,484,524 |
| **TOTAL NUMBER OF SHARES** | **100.00** | **28,755,047** | **100.00** | **47,173,583** | **100.00** | **28,755,047** | **100.00** | **47,144,478** |
| of which registered shares | 72.40 | 20,818,491 | 83.33 | 39,309,022 | 72.34 | 20,802,646 | 83.24 | 39,242,236 |
| of which bearer shares | 27.60 | 7,936,556 | 16.67 | 7,864,561 | 27.66 | 7,952,401 | 16.76 | 7,902,242 |

Pursuant to a Shareholders' Agreement concluded on 16 March 2012, which entered into force on 16 May 2012, tacitly renewed by six-month period as of 1 January 2021 (as per the amendment on 30 November 2020, which was notified to the Autorité des marchés financiers (AMF) under No. 220C5283), which was the subject of a decision and information of the Autorité des marchés financiers under No. 212C0647 when it was concluded and decision and information No. 216C1753 relating to the change within the group acting in concert at the time of the acquisition by the Agence des participations de l'État (APE) of the entire share capital of FSI Equation, the Company is majority controlled by a group of shareholders having declared to be acting in concert, including:

- a subgroup between Sorame and CEIR, companies controlled by the Duval family, under a concurrent Shareholders' Agreement dated 19 July 1999, which came into force on 21 July 1999 and was the subject of an amendment on 13 July 2009;
- the Agence des Participations de l'État (APE), through its subsidiary FSI Equation.

The provisions of the shareholders' agreement mentioned above, and those of the subgroup agreement, are contained in key extracts from the AMF decision and notice texts numbered 220C5283, 216C1753, 212C0486 and 209C1013 (amended on 13 July 2009).

Since 1 January 2002, registered shares that meet the necessary conditions benefit from double voting rights.

An amendment to the Shareholders' Agreement concluded on 23 April 2021, which was the subject of a decision and information of the AMF under No. 221C0886, stipulates that as long as the positions of Chair and CEO of Eramet are held by the same person, the parties undertake to jointly propose and/or support the Board of Directors' appointment of a chosen lead director, by mutual agreement, from among the independent directors put forwards by Sorame and CEIR. The parties also agree to do their utmost to ensure that the candidate that they wish to nominate as lead director is named by Eramet Board of Directors, and that these commitments will be valid for as long as the Shareholders' Agreement is in force and at the latest until the Shareholders' Meeting to be held in 2025 is called to approve the financial statements for the financial year 2024.

### 7.7.2 ODIRNAN

In 2016, the Eramet Group issued an offering of net share settled undated bonds convertible into new shares (ODIRNAN), all of which were redeemed on 19 November 2021.

### 7.7.3 Treasury shares

The table below summarises the treasury share transactions:

| | Total number of shares | Market making[1] | Grants to employees | Total |
|---|---|---|---|---|
| **Position at 1 January 2021** | | **55,631** | **109,557** | **165,188** |
| *As a percentage of capital* | *26,636,005* | *0.21%* | *0.41%* | *0.62%* |
| Buyback mandate | | - | 113,000 | 113,000 |
| Final allocation of bonus shares | | - | (89,303) | (89,303) |
| Purchases/sales | | (5,472) | - | (5,472) |
| **Position at 31 December 2021** | | **50,159** | **133,254** | **183,413** |
| *As a percentage of capital* | *28,755,047* | *0.17%* | *0.46%* | *0.64%* |
| Buyback mandate | | - | 90,000 | 90,000 |
| Final allocation of bonus shares | | - | (82,448) | (82,448) |
| Purchases/sales | | 21,836 | - | 21,836 |
| **POSITION AT 31 DECEMBER 2022** | | **71,995** | **140,806** | **212,801** |
| *As a percentage of capital* | *28,755,047* | *0.25%* | *0.49%* | *0.74%* |

*(1) Liquidity agreement signed with Exane BNP Paribas.*

Eramet treasury shares are classified under "Other reserves" and recognised at purchase cost for an amount of €22.6 million at 31 December 2022 (€18.9 million at 31 December 2021). These transaction amounts were allocated to shareholders' equity.

# Note 8 Financial instruments and risk management

This note gives an overview of the financial instruments of the Eramet Group, the associated risks, its risk management objectives, sensitivity and monitoring of the financial risk management strategy.

## ACCOUNTING METHOD

### FINANCIAL INSTRUMENTS

Derivative assets and liabilities, current financial assets, and cash and cash equivalents are initially recognised in the balance sheet at their fair value (transaction price) adjusted for transaction costs. At each period closing, the change in fair value is recognised in income (Other financial income and expenses) unless a designated and documented cash flow hedge exists. In that case, the change is recognised in Other comprehensive income and shown in equity (change in the revaluation reserve of hedging instruments). Variations of time value are accounted in other comprehensive income.

### DERIVATIVES

The Eramet Group uses derivatives to hedge certain risks. To manage its currency risk, the Eramet Group uses foreign currency forwards/futures, foreign currency swaps and foreign currency options. Foreign currency forwards/futures are recognised as hedges where the Eramet Group has defined and documented the hedging relationship and demonstrated its effectiveness. Interest rate risk is managed using interest-rate swaps or options. Lastly, the Eramet Group also uses collars and swaps when hedging commodity purchases and sales (nickel, fuel oil, aluminium and electricity).

Derivatives are measured at their fair value upon initial recognition. Subsequently, the fair value of derivatives is remeasured at each reporting date, in equity if a hedging relationship has been designated and documented, or in the income statement where no hedging relationship exists. The fair value of foreign currency forwards/futures is estimated on the basis of market conditions. The fair value of interest rate derivatives is that which the Eramet Group would receive (or pay) to transfer current contracts at the reporting date. The fair value of commodity derivatives is estimated on the basis of market conditions. Derivatives are shown in the balance sheet under current assets or liabilities.

### HEDGING TRANSACTIONS

Gains or losses on hedging instruments are recognised symmetrically with the gains or losses on the hedged items. However, changes in the fair value of hedges, independently of the hedged transactions, are recognised as profit or loss for the period under Current operating income or Other financial income and expenses, depending on the nature of the hedge.

The Eramet Group identifies the hedging item and hedged item when the hedge is set up and formally documents the hedging relationship by identifying the hedging strategy, the hedged risk and the hedge effectiveness measurement method:

- fair value hedge: the hedged item is remeasured in respect of the hedged risk and the hedging instrument is measured and recognised at fair value. The changes in both items are recognised simultaneously in Current operating income;
- cash flow hedge: the hedged item is not remeasured. Only the hedging instrument is remeasured at fair value. To offset the remeasurement, the effective portion of the change in fair value that can be ascribed to the hedged risk is recognised net of tax in shareholders' equity. The Group qualifies the ineffective portion (i.e. the time value of options and the swap points of forward transactions) as the cost of hedging, and recognises it as shareholders' equity. The cumulative amounts in shareholders' equity are recognised in income for the period when income is affected by the hedged item;
- hedging of net investment in foreign subsidiaries: derivatives intended to hedge net foreign currency investment in foreign subsidiaries are treated as net foreign currency investment hedges. The gains or losses from such hedges, and the changes in fair value (apart from the time value) are recognised in equity as currency translation differences and transferred to income when the subsidiary is sold;
- recognition of derivatives that do not fulfil hedge accounting conditions: the Eramet Group uses these derivatives only to hedge future cash flows, and changes in fair value are immediately recognised in "Other financial income and expenses".

### FAIR VALUE MEASUREMENT

The Eramet Group measures its financial instruments at fair value at each reporting date.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When measuring fair value, it is assumed that the transaction to sell the asset or transfer the liability is carried out:

- on the main market for that asset or liability;
- if there is no main market, on the best market for that asset or liability.

The fair value measurement of a non-financial asset considers the capacity of a market participant to generate economic benefits by making full use of the asset or by selling it to another market participant who will make full use of the asset.

The fair values of financial instruments are ranked according to a three-level hierarchy:

- Level 1: Listed prices (unadjusted) of the same assets and liabilities on an active market;
- Level 2: Listed price of a similar instrument on an active market, or another measurement technique based on observable parameters;
- Level 3: Measurement technique incorporating non-observable parameters.

The criteria for classifying and recognising financial assets and liabilities and any transfer from one level to another in the fair value hierarchy where applicable are given below.

ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The uncertainties and estimates as well as the judgements used are considered for the valuation of forward/futures contracts, the application of hedge accounting and the valuation of derivatives measured at fair value.

To continue to apply hedge accounting to raw material purchases and sales (nickel, fuel oil, aluminium and electricity), the Eramet Group determines that the hedging instrument is efficient so as to offset the currency risk on its raw material purchases and sales and ensures that the documentation complies with the requirements. The process for testing the efficiency of the hedge calls for the use of judgements and estimates.

FAIR VALUE MEASUREMENT

Fair value represents an estimate at a given date and can change from one period to another due to market conditions and other factors.

The Eramet Group gives priority to the assumptions that the market participants would use to determine the price of the asset or the liability, considering that the market participants act in their own best economic interests. The Eramet Group uses measurement techniques that are appropriate in the circumstances and for which sufficient data is available to determine the fair value, maximising the use of pertinent observable inputs while minimising the use of non-observable inputs.

## 8.1 Financial instruments shown in the balance sheet

| | 31/12/2022 | Breakdown by type of instrument | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Balance sheet | Fair value through profit or loss | Fair value through shareholders' equity | Loans and receivables at cost amortised | Liabilities at cost amortised | Derivatives |
| Non-consolidated equity investments | 6 | 6 | - | - | - | - |
| Other non-current financial assets | 35 | - | - | 35 | - | - |
| Other non-current assets | 11 | - | - | 11 | - | - |
| Trade receivables | 369 | - | - | 369 | - | - |
| Other current assets | 434 | - | - | 434 | - | - |
| Derivatives | 75 | - | - | - | - | 75 |
| Current financial assets | 537 | 537 | - | - | - | - |
| Cash and cash equivalents | 1,123 | 1,123 | - | - | - | - |
| **ASSETS** | **2,590** | **1,666** | **-** | **849** | **-** | **75** |
| Non-current borrowings – due in more than one year (incl. lease commitments) | 1,468 | - | - | - | 1,468 | - |
| Other non-current liabilities | 8 | - | - | - | 8 | - |
| Current borrowings – due in less than one year (incl. lease commitments) | 536 | - | - | - | 536 | - |
| Trade payables | 424 | - | - | 424 | - | - |
| Other current liabilities | 496 | - | - | 496 | - | - |
| Derivatives | 11 | - | - | - | - | 11 |
| **LIABILITIES** | **2,943** | **-** | **-** | **920** | **2,012** | **11** |

| | 31/12/2021 | Breakdown by type of instrument | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Balance sheet | Fair value through profit or loss | Fair value through shareholders' equity | Loans and receivables at cost amortised | Liabilities at cost amortised | Derivatives |
| Non-consolidated equity investments | 6 | 6 | - | - | - | - |
| Other current/non-current financial assets | 182 | - | - | 182 | - | - |
| Other non-current assets | 3 | - | - | 3 | - | - |
| Trade receivables | 375 | - | - | 375 | - | - |
| Other current assets | 286 | - | - | 286 | - | - |
| Derivatives | 38 | - | - | - | - | 38 |
| Current financial assets | 387 | 387 | - | - | - | - |
| Cash and cash equivalents | 789 | 789 | - | - | - | - |
| **ASSETS** | **2,066** | **1,182** | **-** | **847** | **-** | **38** |
| Non-current borrowings – due in more than one year (incl. lease commitments) | 1,644 | - | - | - | 1,644 | - |
| Other non-current liabilities | 1 | - | - | - | 1 | - |
| Current borrowings – due in less than one year (incl. lease commitments) | 469 | - | - | - | 469 | - |
| Trade payables | 403 | - | - | 403 | - | - |
| Other current liabilities | 399 | - | - | 399 | - | - |
| Derivatives | 74 | - | - | - | - | 74 |
| **LIABILITIES** | **2,990** | **-** | **-** | **803** | **2,114** | **74** |

The classification of financial assets and liabilities has been revised to comply with IFRS 9 classifications, as described in Note 2.5 "Basis of preparation of the consolidated financial statements". Equity investments and other current financial assets are recognised in the balance sheet at fair value. Other non-current financial assets are measured at amortised cost calculated using the effective interest rate (EIR).

Borrowings are recognised at amortised cost measured at the effective interest rate (EIR).

The fair value of trade receivables and trade payables is equal to the value shown in the balance sheet, since for the most part they fall due in less than one year.

| *(in millions of euros)* | Nature of hedging instrument | Notional amount of hedging instruments | Carrying amount of hedging instrument | |
|---|---|---|---|---|
| | | | Assets | Liabilities |
| FAIR VALUE HEDGE (FVH) | | | | |
| **Interest rate risk** | | | | |
| **Currency risk** | | | | |
| Balance sheet hedges (customers/suppliers/banks 2022) | Forward and currency option | 349 | 4 | - |
| **Commodity risk** | | | | |
| CASH FLOW HEDGE (CFH) | | | | |
| **Interest rate risk** | | | | |
| *Trading* | Interest rate swap | 43 | 4 | - |
| Setrag EUR borrowing | Interest rate swap | 56 | 4 | - |
| **Currency risk** | | | | |
| Group future revenue foreign exchange hedge | Forward and currency option | 498 | 8 | - |
| **Commodity risk** | | | | |
| Electricity supply | Future on electricity | 63 | 43 | - |

The fair value of financial instruments broken down by fair value hierarchy is as follows:

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| | Value on balance sheet | Breakdown by fair value category | | Value on balance sheet | Breakdown by fair value category | |
| *(in millions of euros)* | | Level 1 | Level 2 | | Level 1 | Level 2 |
| Current financial assets | 537 | 537 | - | 387 | 387 | - |
| Cash and cash equivalents | 1,123 | 1,123 | - | 789 | 789 | - |
| Derivatives | 75 | | 75 | 38 | | 38 |
| **ASSETS** | **1,735** | **1,660** | **75** | **1,214** | **1,176** | **38** |
| Derivatives | 11 | - | 11 | 74 | - | 74 |
| **LIABILITIES** | **11** | **-** | **11** | **74** | **-** | **74** |

## 8.2 Effects of financial instruments on the income statement

| | FY 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Effects in profit (loss) | Income and (expense) financial | Cost amortised | Fair value | Conversion monetary | Profit (loss) on disposal | Impairment net |
| Equity investments | (25) | - | - | - | - | (25) | - |
| Other current/non-current financial assets | 72 | - | - | - | 53 | - | 19 |
| Derivatives | (8) | - | - | (8) | - | - | - |
| (Net debt)/Net cash | (115) | (92) | (5) | (2) | (16) | - | - |
| **TOTAL** | **(76)** | **(92)** | **(5)** | **(10)** | **37** | **(25)** | **19** |

| | FY 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Effects in profit (loss) | Income and (expense) financial | Cost amortised | Fair value | Conversion monetary | Profit (loss) on disposal | Impairment net |
| Equity investments | (1) | - | - | - | - | (1) | - |
| Other current/non-current financial assets | 30 | 9 | - | - | 26 | - | (5) |
| Derivatives | (4) | - | - | (4) | - | - | - |
| (Net debt)/Net cash | (124) | (107) | (7) | - | (10) | - | - |
| **TOTAL** | **(99)** | **(98)** | **(7)** | **(4)** | **16** | **(1)** | **(5)** |

The financial revenue from equity investments consists of dividends of non-consolidated companies. The gains or losses on currency and commodity hedges are for the most part recognised in Current operating income. The portion that does not qualify as hedges is recognised in "Other financial income and expenses".

## 8.3 Details of financial instruments shown in the statement of financial position

| | 31/12/2022 | | 31/12/2021 | |
|---|---|---|---|---|
| *(in millions of euros)* | Assets | Liabilities | Assets | Liabilities |
| **At beginning of period** | **38** | **74** | **58** | **39** |
| Change in hedging instruments for the period – shareholders' equity[1] | 50 | (16) | (20) | (3) |
| Change in hedging instruments for the period – financial income[2] | 3 | (3) | (4) | 1 |
| Net change in hedging derivatives[3] | 5 | (3) | (11) | 21 |
| Reclassification under IFRS 5 | - | - | (4) | (7) |
| Other movements | (21) | (41) | 19 | 23 |
| **AT PERIOD CLOSE** | **75** | **11** | **38** | **74** |
| Net position in hedging derivatives[3] | 4 | 1 | 20 | 45 |
| Financial instruments – currency hedges | 15 | 10 | 16 | 28 |
| Financial instruments – interest-rate hedges | 8 | - | - | 1 |
| Financial instruments – commodity hedges | 48 | - | 2 | - |

*(1) The impact corresponds to the effective portion of the change in fair value of derivative instruments used to hedge currency, interest rate and commodity risks.*

*(2) The impact corresponds to the non-effective portion of the change in fair value of derivative instruments used to hedge currency, interest rate and commodity risks.*

*(3) Foreign-currency receivables and debts are translated at the closing rate, and the difference between the closing rate and the hedging rate is recognised under Financial instrument assets and liabilities.*

## 8.4 Risk management

The Eramet Group uses derivatives to control its exposure to currency, interest rate and commodity risks. The Executive Committee has delegated the management of the main risks to the Eramet Group Finance Department. This management is carried out directly by Eramet or via Metal Currencies, which was set up specifically to manage the Eramet Group's currency risk.

The Eramet Group's policy is to reduce its exposure to interest rate and foreign exchange fluctuations. Positions are traded either on organised markets, or over the counter with leading banking counterparties.

Gains or losses on hedging instruments are recognised symmetrically with the gains or losses on the hedged items. However, unrealised gains and losses on financing hedging transactions that are ineligible under hedging standards are recognised in Net income for the period.

All transactions outstanding at the reporting date are recognised in the Statement of financial position, without an offsetting entry.

### 8.4.1 Currency risk

When the exposure stemming from borrowings taken out by Eramet Group companies in currencies other than their functional currencies is not offset by income in those foreign currencies, the Eramet Group may have recourse to hedging instruments. In addition, the Eramet Group uses financial instruments to limit its exposure to currency risk on its sales and on certain dollar-denominated costs.

The Eramet Group is exposed to two types of currency risk, namely:

- **transactional risk** where a Group company has revenue in a currency other than its functional currency that is not offset by purchases in that currency;
- **balance sheet** risk related to changes in the net assets of subsidiaries valued in currencies other than the euro.

The Eramet Group centralises the subsidiaries' transactional risk. Each Eramet Group company reports its exposure in currencies other than its functional currency to Group Treasury. This management is part of a multi-year policy with procedures approved by the Executive Committee along with monthly reporting to its members. The Eramet Group manages the currency risk to the balance sheet for each case individually.

### 8.4.2 Transactional risk

As part of transactional risk management, currency hedging primarily involves the US dollar but also the Norwegian krone, the pound sterling, the Swedish krona and the Japanese yen. These hedges are designed to protect the Eramet Group's present and future positions on trade transactions, more than 50% of which are invoiced in foreign currencies, whereas production costs are for the most part denominated in euros or in currencies indexed to the euro. The transactions are carried out via the company Metal Currencies.

The subsidiaries in question determine the amount of their net exposure based on multiyear budgets and forecasts. The associated risks are then hedged within a maximum horizon of 36 months, without exception. The Eramet Group uses various instruments to hedge against currency risk: futures/forward contracts and options.

The breakdown of the hedging portfolio by currency is shown below:

| As at 31 December 2022 | 2022 sales | | | 2023 sales | | | 2024 sales and beyond | | |
|---|---|---|---|---|---|---|---|---|---|
| *(foreign currency unit million)* | Amount | Currency | Price | Amount | Currency | Price | Amount | Currency | Price |
| COMMERCIAL HEDGES | | | | | | | | | |
| EUR/USD | 282 | USD | 1 | 415 | USD | 1 | - | USD | - |
| EUR/NOK | (487) | NOK | 10 | (633) | NOK | 11 | (500) | NOK | 11 |
| OTHER HEDGES – TOTAL AMOUNT NOT DETAILED BY YEAR | | | | | | | | | |
| EUR/USD | 124 | USD | 1.01 | - | | - | - | | - |
| EUR/NOK | (355) | NOK | 10.71 | - | | - | - | | - |

| As at 31 December 2021 | 2021 sales | | | 2022 sales | | | 2023 sales and beyond | | |
|---|---|---|---|---|---|---|---|---|---|
| *(foreign currency unit million)* | Amount | Currency | Price | Amount | Currency | Price | Amount | Currency | Price |
| COMMERCIAL HEDGES | | | | | | | | | |
| EUR/USD | 367 | USD | 1.16 | 615 | USD | 1.17 | - | USD | - |
| EUR/NOK | 330 | NOK | 10.08 | 630 | NOK | 10.75 | 520 | NOK | 11.03 |
| OTHER HEDGES – TOTAL AMOUNT NOT DETAILED BY YEAR | | | | | | | | | |
| EUR/USD | 201 | USD | 1.14 | - | | - | - | | - |
| EUR/NOK | | NOK | | - | | - | - | | - |

### 8.4.3 Balance sheet risk

The Eramet Group manages currency risks to the balance sheet, primarily related to the US dollar, by issuing financial debt denominated in the same currency as the net assets in question, or via currency swaps.

At 31 December 2022, the fair value of currency hedges represented a net asset of €9.6 million (31 December 2021: net liability of €16 million).

For hedges of 2022 and 2023 USD revenue, an increase or decrease of 10% in the EUR/USD exchange rate would have a pre-tax impact on the hedge instruments recognised in equity at 31 December 2022 of around +€73 million should exchange rates rise (31 December 2021: +€52 million) and of around -€51 million should those rates fall (31 December 2021: -€66 million).

The notional amount of currency hedging contracts breaks down as follows:

| | 31/12/2022 | | | | 31/12/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| *(foreign currency unit million)* | Forward sales | Forward purchase | Call options | Put options | Forward sales | Forward purchase | Call options | Put options |
| CURRENCY AGAINST EUR | | | | | | | | |
| • USD | 487 | - | 323 | 210 | 942 | 125 | 370 | 550 |
| • JPY | - | - | - | - | - | 46 | - | - |
| • GBP | - | - | - | - | 49 | - | - | - |
| • NOK | - | 910 | 710 | 1,065 | - | 740 | 740 | 1,110 |
| CURRENCY AGAINST SEK | | | | | | | | |
| • USD | - | - | - | - | 4 | - | - | - |
| • JPY | - | - | - | - | - | - | - | - |
| • GBP | - | - | - | - | - | - | - | - |
| • NOK | - | - | - | - | - | - | - | - |

The pre-tax impact on shareholders' equity and profits of financial instruments hedging currency risks is shown below:

| | 31/12/2022 | | 31/12/2021 | |
|---|---|---|---|---|
| *(in millions of euros)* | Transactional risks | Balance sheet risks | Transactional risks | Balance sheet risks |
| **At beginning of period** | **(7)** | **(140)** | **(7)** | **(128)** |
| Change in unexpired hedging portion[1] | 15 | - | (1) | - |
| Change in ineffective portion via income[2] | 2 | - | - | - |
| Change in effective portion via income[3] | (4) | - | 1 | - |
| Reclassification under IFRS 5 | - | - | - | - |
| Translation adjustments and other movements | - | (152) | - | (12) |
| **AT PERIOD CLOSE** | **6** | **(292)** | **(7)** | **(140)** |
| **Changes recognised in shareholders' equity:** | | | | |
| • hedging reserve | 11 | - | - | - |
| • translation reserve | - | (152) | - | (12) |
| **Total** | **11** | **(152)** | **-** | **(12)** |
| **Changes recognised via income:** | | | | |
| • current operating income | 4 | - | (1) | - |
| • financial income | 2 | - | - | - |
| **Total** | **6** | **-** | **(1)** | **-** |

*(1) The impact corresponds to the effective portion of the change in fair value of derivative instruments used to hedge currency risks.*
*(2) The impact corresponds to the non-effective portion of the change in fair value of derivative instruments used to hedge currency risks.*
*(3) Foreign-currency receivables and debts are translated at the closing rate, and the difference between the closing rate and the hedging rate is recognised under Financial instrument assets and liabilities.*

### 8.4.4 Interest rate risk

Depending on market conditions and forecast changes in net financial debt, the Eramet Group's Finance Department monitors the allocation between fixed and floating rate debt and cash investments and decides on whether to set up rate hedges. The financial instruments used are interest rate swaps, caps and floors. The Group's Treasury Department is responsible for setting up hedges.

The cash surpluses managed by Metal Securities are invested in:

- instruments linked to the ESTR (Euro Short-Term Rate) or the EURIBOR (Euro Interbank Offered Rate), or equivalent rates in other currencies (e.g. SOFR/Fed Funds rate for the US dollar);
- bond-type fixed-rate instruments.

These instruments are included in "Other current financial assets" and are hedged using interest rate futures (fixed rates against floating rates). Other cash surpluses managed by Metal Securities are primarily invested in instruments linked to the EONIA (Euro OverNight Index Average) rate.

### 8.4.5 Commodity risk

The Eramet Group is exposed to commodity price volatility, affecting both its sales as a nickel and manganese producer and its production costs, as a consumer of energy (fuel oil and electricity) and commodities (nickel and aluminium).

The Eramet Group holds derivative instruments for the purposes of reducing its exposure. To this end, the Eramet Group mainly uses forwards, tunnel options and call options.

The main Group entities involved are:

- Eramet and Société Le Nickel-SLN for nickel sales;
- Aubert & Duval for nickel purchases;
- Société Le Nickel-SLN for fuel oil;
- Aubert & Duval for aluminium;
- Erasteel Kloster AB and Eramet Norway A/S for electricity.

The exposures to manganese and coke price volatility are not hedged since there is no organised market for these commodities.

Hedges are contracted with horizons of one to four years, depending on the commodities, and are based on the budget. Only part of the forecast consumption or production is hedged (e.g. for fuel oil, a maximum of 80% of the budget is hedged). The Eramet Group uses various instruments to hedge and limit its exposure, namely forwards/futures and options.

At 31 December 2022, the fair value of these various hedges was not material (31 December 2021: not material).

The main commodities contracts outstanding are set out below:

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| *(tonnes)* | Swaps | Call options | Put options | Swaps | Call options | Put options |
| Nickel | - | - | - | 110 | - | - |
| Aluminium | - | - | - | - | - | - |

A change of plus or minus 10% in commodity prices would have no material pre-tax impact on the hedges recognised through shareholders' equity.

### 8.4.6 Liquidity risk

The Eramet Group must ensure that it maintains a sufficient level of liquidity to meet its contractual obligations, including servicing its bank and bond debt.

In this context, the Eramet Group anticipates the regular renewal of its existing borrowings (credit facilities, bonds, IFRS 16 leases etc.) and establishes new modes of financing according to the opportunities available.

Furthermore, operational funding (investments and working capital requirements) is provided directly to some of the Eramet Group's subsidiaries as required.

Eramet also aims to diversify its sources of funding, particularly between the bond and banking markets.

Eramet centralises virtually all the cash requirements and surpluses of its controlled companies, through Metal Securities, which is responsible for managing investment of cash surpluses.

The Eramet Group's financial liquidity position at 31 December 2022 was €2,596 million (31 December 2021: €2,012 million (restated)), of which €1,123 million is classified as cash and cash equivalents (31 December 2021: €789 million).

The cash surpluses are, for the most part, transferred to Metal Securities, the Group company in charge of centralising and investing the Eramet Group's cash surpluses.

### Revolving credit facility

The Revolving Credit Facility (RCF) was renegotiated in June 2022 for an amount of €935 million with a maturity of five years, accompanied by two successive upfront one-year extension options (June 2023 and June 2024) potentially leading to a maturity in June 2029. The amount available under this revolving credit facility is €935 million.

The Eramet Group is liable to repay its borrowings, primarily comprising financial market borrowings and bank borrowings, and its other liabilities and derivatives, for which the repayment schedule is given below:

| | Balance sheet | Future payment schedule | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | 31/12/2022 | Less than one year | One to five years | More than five years | Total |
| Borrowings on capital markets | 846 | 107 | 742 | - | 849 |
| Borrowings from credit institutions | 614 | 181 | 341 | 100 | 622 |
| Bank overdrafts and creditor banks | 195 | 195 | - | - | 195 |
| Finance lease liabilities | 25 | 9 | 16 | - | 25 |
| Other borrowings and financial liabilities | 233 | 33 | 200 | - | 233 |
| IFRS 16 lease liabilities | 91 | 16 | 53 | 22 | 91 |
| **Total borrowings** | **2,004** | **541** | **1,352** | **122** | **2,015** |
| Derivatives | 11 | 11 | - | - | 11 |
| Trade and other payables | 928 | 928 | - | - | 928 |
| **Total other financial liabilities** | **939** | **939** | **-** | **-** | **939** |

The schedule of future receipts on financial assets is set out below:

| | Balance sheet | Future receipts at fair value schedule | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | 31/12/2022 | Less than one year | One to five years | More than five years | Total |
| Cash and cash equivalents | 1,123 | 1,123 | - | - | 1,123 |
| **Total cash and cash equivalents** | **1,123** | **1,123** | **-** | **-** | **1,123** |
| Other non-current financial assets | 41 | 3 | 22 | 16 | 41 |
| Current financial assets | 537 | 537 | - | - | 537 |
| Derivatives | 75 | 75 | - | - | 75 |
| Trade and other receivables | 814 | 803 | 11 | - | 814 |
| **Total other financial assets** | **1,467** | **1,418** | **33** | **16** | **1,467** |

Where appropriate, financial liabilities are covered by banking covenants at Group level or locally; the main covenants are described below:

| Company | Type of credit facility | | Contractual ratios | Nominal amount *(in millions of currency unit)* |
|---|---|---|---|---|
| Eramet S.A. | Revolving credit facility (RCF) | Net debt, excluding SLN's loan from the French government and IFRS 16 lease liabilities/shareholders' equity | < 1 | €935 million |
| | UMR Bond | Net debt excluding IFRS 16 lease liabilities/ shareholders' equity | < 1 | €50 million |
| | *Term Loan* | Net debt, excluding SLN's loan from the French government and IFRS 16 lease liabilities/shareholders' equity | < 1 | €350 million |
| | *Borrowing Base* | Net debt, excluding SLN's loan from the French government and IFRS 16 lease liabilities/shareholders' equity | < 1 | €45 million |
| | European Investment Bank | Net debt, excluding SLN's loan from the French government and IFRS 16 lease liabilities/shareholders' equity | < 1 | €171 million |
| Comilog S.A. | CAT Finance | Net debt/EBITDA on a rolling 12-month basis | < 3 | MUSD 19.2 |
| | | Net cash flow / Debt servicing | > 1.30 | €17.7 million |
| | | Net debt / Shareholder's equity | < 2 | - |
| | IFC/Proparco | Net debt / Shareholder's equity | < 1.15 | €190 million |
| | | Net debt/EBITDA on a rolling 12-month basis | < 4 | - |
| | | Debt servicing | > 1.3 | - |
| Aubert & Duval | SogeLease – Lease agreements | Consolidated net debt / Shareholder's equity | < 1 | €3.3 million |
| | CACIB – Securitisation | Net Financial Debt/Equity | < 1.1 | €19 million |
| | | EBITDA/Net Financial Interest | > 4.5 | (non-consolidated) |

Eramet's covenants are determined on the basis of the published consolidated accounts.

Comilog's covenants are determined on the basis of Comilog's individual and consolidated financial statements.

Aubert & Duval's covenants are determined on the basis of Aubert & Duval's individual and consolidated financial statements.

At 31 December 2022, there were no circumstances of accelerated maturity. Moreover, at 31 December 2022, no cases of cross-default likely to impact funding at the level of Eramet were recorded.

### 8.4.7 Credit and counterparty risk

The Eramet Group may be exposed to credit risk in the event of counterparty default: in relation to its customers and its financial partners, because of its cash surpluses invested by Metal Securities, the Group company established specifically for this purpose. The Eramet Group has several means to limit this risk: gathering information ahead of entering into transactions (from rating agencies, published financial statements etc.), credit insurance and the establishment of letters of credit and documentary credits. Specifically for trade receivables, there is a dedicated credit manager for each Division of the Group.

The age of the Group's trade receivables and overdue receivables is shown below:

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross amount | Impairment | Net amount | Gross amount | Impairment | Net amount |
| On time or not due | 280 | (9) | 271 | 272 | (4) | 268 |
| Delays: | | | | | | |
| • less than one month | 71 | - | 71 | 97 | - | 97 |
| • one to three months | 8 | - | 8 | 5 | - | 5 |
| • three to six months | 8 | - | 8 | 3 | (1) | 2 |
| • six to nine months | 2 | (1) | 1 | 2 | (1) | 1 |
| • nine to twelve months | 5 | (1) | 3 | 1 | (1) | - |
| • over one year | 9 | (3) | 6 | 5 | (3) | 3 |
| **TOTAL TRADE RECEIVABLES** | **383** | **(14)** | **369** | **384** | **(9)** | **375** |

No material unpaid or impaired receivables have been renegotiated.

### 8.4.8 Equity and bond risk

Eramet and its subsidiaries do not speculate on the stock markets; the investments held relate to unlisted controlled companies entirely in line with the Group's business activities.

In accordance with the Group's investment policy, which defines and limits the counterparty risk, the Eramet Group has purchased bonds subject to credit risk, which are recognised in "Other current financial assets" and intended to be held to maturity.

## Note 9 Working capital requirement

| *(in millions of euros)* | 31/12/2021 | Change in WCR Statement of flows | Change in trade payables on non-current assets | Translation adjustments and other movements | 31/12/2022 |
|---|---|---|---|---|---|
| Inventories | 577 | 150 | - | (3) | 724 |
| Customers | 375 | (6) | - | - | 369 |
| Suppliers | (403) | 21 | - | (42) | (424) |
| **Simplified WCR** | **549** | **165** | **-** | **(45)** | **669** |
| Other elements of WCR(1) | (232) | (54) | 65 | 20 | (201) |
| **TOTAL WCR** | **317** | **111** | **65** | **(25)** | **468** |

*(1) Includes tax and payroll payables and receivables, other assets and liabilities, tax liabilities and receivables due and liabilities on non-current assets.*

## 9.1 Inventories

Inventories consist mainly of the products of the Nickel, Manganese and Mineral Sands BUs at different stages of the production process, and are recorded at the lower of cost and net liquidation value.

### ACCOUNTING METHOD

Inventories are measured using the Weighted Average Unit Cost (WAUC) method for the industrial operations of the High Performance Alloys Division and on a First-In-First-Out (FIFO) basis for the industrial and mining operations of the Nickel, Manganese and Mineral Sands BUs.

Inventories are carried at cost price and only include production costs, while not exceeding the realisable value. Costs stemming from sub-normal activity are eliminated from inventory measurement at the end of the reporting period.

Impairment losses for raw materials are recognised when the net realisable value falls below the cost of entry into storage. Consumables are fully depreciated where the quantities are in storage over a much longer period than their estimated use. The impairment of spare parts that do not qualify for capitalisation is calculated on the basis of their use during the year. Spare parts inventory in excess of one year's use is fully depreciated. For work-in-process, intermediate and finished products in inventory for over a year, the forward-looking approach is applied on the basis of the order book and market validation of achievements within one year; the quantities beyond one year of consumption are fully depreciated, except in specific cases.

Fixed production costs relating to recognised or planned sub-normal activity are not incorporated in inventory measurement and are recognised as ordinary operating expenses for the period in which they are incurred. Sub-normal activity is taken into account when the actual production volume is considerably lower than the normal production volume (or normative capacity).

### JUDGEMENTS AND ESTIMATES

Judgement is exercised to determine the net realisable value, as well as to allocate the fixed and variable production overheads attributable directly to inventories.

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **At beginning of period** | **577** | **906** |
| Change in gross inventories | 167 | 147 |
| (Impairment)/net reversals for the period | (17) | - |
| Increase/(Decrease) in net inventories – cash flows | 150 | 147 |
| Reclassification under IFRS 5 | - | (423) |
| Translation adjustments and other movements | (3) | (53) |
| **AT PERIOD CLOSE** | **724** | **577** |
| Raw materials | 328 | 232 |
| Merchandise and finished products | 198 | 206 |
| Work-in-progress and semi-finished goods | 60 | 38 |
| Consumables and spare parts | 138 | 102 |
| $CO_2$ quotas | - | - |
| BREAKDOWN OF IMPAIRMENT LOSSES: | | |
| • **At beginning of period** | **(99)** | **(157)** |
| • (Impairment)/Net Reversals for the period | (17) | (53) |
| • Reclassification under IFRS 5 | - | 112 |
| • Translation adjustments and other movements | (2) | - |
| • **At period close** | **(118)** | **(99)** |

Impairment provisions mainly relate to raw materials, merchandise and finished products.

## 9.2 Trade and other receivables

Trade and other receivables are amounts that the Eramet Group expects to collect from third parties.

### ACCOUNTING METHOD

Receivables are booked at transaction value at initial recognition and are subsequently measured at each reporting date at amortised cost. Foreign currency receivables and payables are re-measured at the prevailing foreign exchange rate at period end. The resulting translation adjustments are recognised in current operating income or in net financial income (other financial income and expenses) depending on the type of receivable or debt.

The Group's portfolio of trade receivables is measured to take into account the expected loss rate at maturity in this portfolio. This rate is determined by qualifying the customer portfolio according to its risk exposure, with secured receivables limiting the expected level of risk of loss, and by assessing the probability of default and the impact of the expected loss on the portfolio, based on historical losses on receivables, the age of the receivable and an assessment of the risks involved.

Individual impairment losses are recognised for receivables where they are more than likely not to be recovered and it is possible to reasonably measure the amount of the impairment based on historical losses on receivables, the age of the receivable and an assessment of the risks involved. This impairment, offset in Current operating income, is deducted from the gross value of the receivable.

Receivables disposed of under a securitisation contract are removed from the balance sheet when the Eramet Group has transferred the contractual rights to collect the cash amount and where almost all the risks and rewards attached to these receivables have been transferred to the transferee. Where risks remain but do not prejudice the removal of the receivables from the balance sheet, they are recognised under Other operating receivables together with the related security deposits (Note 9).

Disposals with recourse against the Eramet Group in the event of payment default by the client means that these transferred receivables must be retained in the balance sheet.

### JUDGEMENTS AND ESTIMATES

Determining the expected level of loss on the collection of receivables requires judgement. The impairment loss is calculated consistently based on historical losses on receivables, the age of the receivable and an assessment of the risks involved for each receivable category.

| | 31/12/2022 | | | 31/12/2021 |
|---|---|---|---|---|
| *(in millions of euros)* | Gross amount | Impairment | Net amount | Net amount |
| **At beginning of period** | **854** | **(189)** | **665** | **644** |
| Change in gross amount | (1) | | (1) | 120 |
| Reversals (impairments) in the period | - | 161 | 161 | - |
| Changes in working capital requirement – cash flows | - | - | 160 | 120 |
| Reclassification under IFRS 5 | - | - | - | (82) |
| Translation adjustments and other movements | (10) | (1) | (11) | (17) |
| **AT PERIOD CLOSE** | **842** | **(29)** | **814** | **665** |
| **Trade receivables** | **383** | **(14)** | **369** | **375** |
| Tax and payroll receivables | 218 | (7) | 211 | 139 |
| Security deposit – securitisation agreement | 7 | - | 7 | 5 |
| Other operating receivables | 223 | (8) | 216 | 142 |
| **Other current assets** | **448** | **(14)** | **434** | **286** |
| Other receivables | 11 | - | 11 | 3 |
| **Other non-current assets** | **11** | **-** | **11** | **3** |
| **TOTAL** | **842** | **(28)** | **814** | **665** |

The bulk of trade and other receivables are due in less than one year.

Tax and payroll receivables include a VAT credit amount to the Gabonese government of €85.7 million at 31 December 2022 (€66.6 million at 31 December 2021). Under a memorandum of understanding signed with the Gabonese State on 5 July 2022, €48 million of taxes (corporate tax and proportional mining royalties) were offset, limiting the increase in VAT credits for the year.

### Securitisation of customer receivables

The Eramet Group uses factoring or securitisation as a source of funding for its receivables. Under these agreements, certain subsidiaries in France and the United States have committed to banking institutions to transfer their trade receivables totalling €169 million at 31 December 2022 (€148 million at 31 December 2021). The analysis of the transfer of risks and rewards resulted in full deconsolidation.

A security deposit may be required to cover the commitments given by the transferor subsidiaries to the financing company and will be returned upon the settlement of the transaction. It consists of reserves to hedge against dilution risk. This deposit amounted to €7 million at 31 December 2022 (31 December 2021: €5 million).

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Trade receivables – Invoices assigned | (169) | (148) |
| Trade receivables – Invoices not deconsolidated | - | - |
| Other operating receivables – Security deposit | 7 | 5 |

## 9.3 Trade and other payables

Trade and other payables mainly comprise amounts owed to suppliers and tax authorities that have already been billed or are already due.

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **At beginning of period** | **803** | **1,008** |
| Changes in working capital requirement | 89 | 179 |
| Change in payables on non-current assets | 12 | 7 |
| Reclassification under IFRS 5 | - | (137) |
| Translation adjustments and other movements | 24 | (253) |
| **AT PERIOD CLOSE** | **928** | **803** |
| **Trade payables** | **424** | **403** |
| Tax and payroll payables | 361 | 250 |
| Payables on non-current assets | 35 | 25 |
| Deferred income | 1 | 5 |
| Other operating payables | 100 | 118 |
| **Other current liabilities** | **496** | **399** |
| Other non-current liabilities | 8 | 1 |
| **Other non-current liabilities** | **8** | **1** |
| **TOTAL** | **928** | **803** |

Most of the trade and other payables are due in less than one year.

The debts recognised under non-current liabilities include Setrag S.A.'s 25-year debt to the Gabonese Republic for the transfer of the concession.

## Note 10 Investments

The Eramet Group groups its investments into two categories:

- industrial investments relating to assets in connection with extraction or production equipment: intangible assets and property, plant and equipment;
- financial investments that mainly relate to interest held in joint ventures and non-consolidated companies, as well as other non-current financial assets.

### 10.1 Acquisition of non-current assets

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Capital expenditure on property, plant & equipment for the period | 491 | 269 |
| Capital expenditure on intangible assets for the period | 39 | 43 |
| **Total industrial capital expenditure** | **530** | **312** |
| Change in payables for the acquisition of non-current assets(1) | 58 | - |
| **TOTAL ACQUISITION OF NON-CURRENT ASSETS – STATEMENT OF CASH FLOWS** | **588** | **312** |

*(1) Of which change in payables for the acquisition of non-current assets (other payables)*
*Of which change in supplier advances on non-current assets (other receivables)*

### 10.2 Property, plant and equipment and rights of use for leases on assets classified as Property, plant and equipment

#### ACCOUNTING METHOD

Property, plant and equipment are stated in the balance sheet at their carrying amount, which is the acquisition or manufacturing cost less depreciation and impairment of losses incurred.

Land is not depreciated.

Spare parts deemed to be items of property, plant and equipment are capitalised and depreciated on the basis of their actual use.

Tooling specifically manufactured for certain customers is capitalised and depreciated over its likely useful life.

Major repairs are deemed to be components of items of property, plant and equipment.

Borrowing costs that are directly linked to the acquisition or production of an asset, in accordance with IAS 23, are incorporated into that asset's cost.

At the beginning of the operations, a provision is made to take into account the obligations to restore the mining site, offset by an environmental and decommissioned asset. Decommissioned assets recognised against provisions are written down over the planned operating life of the mining reserves and resources intended for the plant or for export and are measured with respect to the estimated long-term nature of current licences. Revisions to these restoration cost estimates correct the value of this asset and provision by prospectively allocating the result over the period of operation, including the current year.

IFRS 16-eligible leases on assets classified as "property, plant and equipment" are recognised on the balance sheet at lease commencement for the present value of the future fixed payments (on the asset line concerned by IFRS 16 lease-purchase and/or finance contracts and on a "lease rights of use" line for operating leases). Leases where the underlying assets have a low value and/or are for a short term (12 months or less) are accounted for as a lease expense according to the exemptions permitted by the standard.

The Trans-Gabon railway concession was recognised as follows: property owned by the Eramet Group is recognised as a balance sheet asset and depreciated over the shorter of its useful life or the remaining period of the concession. Returnable assets representing the assets contributed to the concession by the Gabonese Republic that must be returned in the same state upon expiry of the agreement are not recognised in the balance sheet. Assets acquired by the Eramet Group following the signing of the concession agreement that must be turned over to the Gabonese Republic at the end of the concession are recognised as property, plant and equipment and depreciated over the term of the concession. A provision is made to cover the net value of the property, plant and equipment at the end of the concession based on investment assumptions.

#### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Judgement is exercised to determine all the expenses (i.e. labour, overheads) directly associated with the acquisition, construction, improvement or development of a non-current asset, including the costs of bringing it to the location and in the state that is required for its use as planned by Management.

Expenses for non-current assets are no longer capitalised once the non-current asset is practically completed and is capable of functioning as intended. In order to determine whether these conditions are met, a review must be carried out of the practices applied in the same industries, predetermined by the Management's judgement with reference to the factors affecting the expected production capacity.

Where a non-current asset is composed of individual components which call for different methods or depreciation rates, judgement is exercised to determine how best to split the asset. Distinguishing between inspections and major revisions for repair and maintenance, and determining the appropriate period for amortising these costs, are a matter of judgement.

### 10.2.1 Property, plant and equipment by category

| | 31/12/2022 | | | | 31/12/2021 |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross amount | Depreciation & amortisation | Impairment losses | Net amount | Net amount |
| Land and buildings[1] | 946 | (667) | (71) | 208 | 214 |
| Industrial and mining facilities[2] | 3,076 | (1,973) | (223) | 880 | 1,219 |
| Other property, plant and equipment[3] | 1,022 | (644) | (12) | 366 | 301 |
| Work-in-progress, down-payments | 793 | - | (25) | 768 | 518 |
| **TOTAL** | **5,837** | **(3,284)** | **(331)** | **2,222** | **2,253** |
| *(1) Including:* | | | | | |
| *IFRS 16 lease assets* | *1* | *-* | *-* | *1* | *1* |
| *(2) Including:* | | | | | |
| *IFRS 16 lease assets* | *27* | *(27)* | *-* | *-* | *-* |
| *Decommissioned assets – site restoration* | *257* | *(141)* | *-* | *116* | *215* |
| *(3) Including:* | | | | | |
| *IFRS 16 lease assets* | *83* | *(59)* | *-* | *24* | *4* |

### 10.2.2 Lease rights of use (type of property, plant and equipment)

| | 31/12/2022 | | | | 31/12/2021 |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross amount | Depreciation & amortisation | Impairment losses | Net amount | Net amount |
| Rights of use relating to land and buildings | 29 | (14) | - | 15 | 15 |
| Rights of use relating to industrial and mining facilities | 12 | (5) | - | 7 | 8 |
| Rights of use relating to land and buildings | 91 | (37) | - | 54 | 45 |
| **TOTAL** | **132** | **(56)** | **-** | **76** | **68** |

### 10.2.3 Change over the period

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **2,254** | **2,127** |
| Investments for the period | 461 | 269 |
| Disposals for the period | (7) | (3) |
| Depreciation and amortisation for the period | (228) | (221) |
| Impairment losses for the period | (234) | - |
| Reversals in the period | 9 | 117 |
| Change in the gross amount of decommissioned assets | (101) | - |
| Change in lease non-current assets | 26 | 2 |
| Changes to consolidation scope | - | (12) |
| Reclassification under IFRS 5 | - | (58) |
| Hyperinflation | 177 | 25 |
| Translation adjustments and other movements | (135) | 27 |
| **AT PERIOD CLOSE** | **2,222** | **2,254** |
| • Gross amount | 5,837 | 5,535 |
| • Depreciation & amortisation | (3,284) | (3,178) |
| • Impairment losses | (331) | (104) |

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **69** | **80** |
| Change in rights of use | 25 | 13 |
| Depreciation and amortisation for the period | (18) | (17) |
| Impairment losses for the period | - | (2) |
| Reclassification under IFRS 5 | - | (6) |
| Translation adjustments and other movements | - | 1 |
| **AT PERIOD CLOSE** | **76** | **69** |
| • Gross amount | 132 | 107 |
| • Depreciation & amortisation | (56) | (38) |
| • Impairment losses | - | - |

## 10.3 Intangible assets

### ACCOUNTING METHOD

Intangible assets are stated in the balance sheet at their carrying amount, which is the acquisition cost less amortisation and any impairment of losses incurred.

IFRS 16-eligible leases on assets classified as "intangible" are recognised on the balance sheet at lease commencement for the present value of the future fixed payments (on the asset line concerned by IFRS 16 lease-purchase and/or finance contracts and on a "lease rights of use" line for operating leases). Leases where the underlying assets have a low value and/or are for a short term (12 months or less) are accounted for as a lease expense according to the exemptions permitted by the standard.

#### GOODWILL

Goodwill is the difference between the acquisition price of an entity and the Eramet Group's and minority interests' share in the fair value of the identifiable asset or liability (including possible liabilities) of the acquired entity at the acquisition date. It is recognised at cost, less accumulated impairment losses.

Goodwill in associates and joint ventures is recognised under investments in joint ventures and associates (Note 9).

#### MINING RESERVES

Amounts capitalised with respect to mineral deposits relate to partial asset contributions or permits acquired since 1974. Depending on the specific operating characteristics, mining reserves are amortised on the basis of the ratio of annual production to the estimated reserves or the length of the concession.

#### GEOLOGY, PROSPECTING AND RESEARCH EXPENSES

Geology, prospecting and research expenses incurred prior to operation are recognised as intangible assets, in compliance with IFRS 6 "Exploration for and Evaluation of Mineral Resources".

The royalties paid for mining prospecting and exploration are also recognised under intangible assets.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Judgement must be used to determine whether the expenditure on intangibles can be recognised as an intangible asset.

If its useful life is limited in time, the intangible asset is amortised on a straight-line basis over the estimated useful life.

The goodwill is allocated to the cash-generating unit that it is recognised in, for the purposes of impairment testing.

At 31 December 2022, as at 31 December 2021, the Group had no rights of use to an "intangible" asset under leases or lease-purchase arrangements (IFRS 16).

### 10.3.1 Intangible assets by category

| | 31/12/2022 | | | | 31/12/2021 |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross amount | Depreciation & amortisation | Impairment losses | Net amount | Net amount |
| Goodwill | 211 | - | (3) | 208 | 206 |
| Gabon mining reserves | 61 | (46) | - | 15 | 17 |
| Senegal mining reserves | 100 | (13) | - | 87 | 90 |
| New Caledonia mining reserves | 47 | (38) | - | 9 | 9 |
| Other geology, prospecting and research expenses | 151 | (39) | - | 112 | 62 |
| Software | 86 | (76) | - | 10 | 9 |
| Other intangible assets | 43 | (37) | - | 6 | 4 |
| Work-in-progress, down-payments | 74 | - | (35) | 39 | 80 |
| **TOTAL** | **773** | **(249)** | **(38)** | **486** | **477** |

Net goodwill of €208 million at 31 December 2022 (€206 million at 31 December 2021) mainly results from:

- the acquisition of the Norwegian company Eralloys Holding A/S in 2008 for €150 million, allocated to the Eramet Norway CGU and now associated with the Manganese Alloys CGU;
- the acquisition of Mineral Deposit Limited on 1 July 2018, resulting in goodwill of €58 million, allocated to the Mineral Sands CGU.

### 10.3.2 Change over the period

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **477** | **480** |
| Investments for the period | 39 | 46 |
| Disposals for the period | - | 1 |
| Depreciation and amortisation for the period | (25) | (27) |
| Impairment losses for the period | (16) | (1) |
| Changes to consolidation scope | - | - |
| Reclassification under IFRS 5 | - | (6) |
| Hyperinflation | 4 | 2 |
| Translation adjustments and other movements | 7 | (18) |
| **AT PERIOD CLOSE** | **486** | **477** |
| • Gross amount | 773 | 723 |
| • Depreciation & amortisation | (249) | (224) |
| • Impairment losses | (38) | (22) |

## 10.4 Impairment of assets and impairment losses

### ACCOUNTING METHOD

Impairment tests are performed regularly: systematically at least once a year at the annual reporting date for goodwill and intangible assets with indefinite lives, and where there are indications of impairment. For intangible assets and items of property, plant and equipment with finite lives, impairment tests are carried out where there are indications of impairment.

Impairment testing consists in comparing the carrying amount of assets with their recoverable amount, which is defined as the higher of the value in use (or recoverable amount through use) and the fair value (or recoverable amount through sale), less selling costs.

Impairment losses are calculated as the difference between the recoverable and net book value and are recognised in the income for the period under Other operating income and expenses (Note 6).

Impairment losses recognised in goodwill are not reversible. For the other assets, previously recognised impairment losses are measured at each reporting date to identify whether the losses have decreased or no longer exist. An impairment loss is reversed only if the carrying amount of the asset does not exceed its net book value, as it would have been determined had no impairment been recognised.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Cash-generating units (CGU) are homogeneous groups of assets whose continuous use generates independent cash flows.

The Eramet Group has defined its CGUs with reference to the various production sites of the Nickel, Manganese Ore, Manganese Alloys, Mineral Sands and Lithium BUs and the High Performance Alloys Division.

Impairment tests are performed for each CGU. All intangible assets, including goodwill, and all items of property, plant and equipment are allocated to CGUs.

At 31 December 2022, the Eramet Group is divided as follows:

- five CGUs in continuing operations:
  - one CGU in the Nickel Business Unit;
  - one CGU in the Manganese Ore Business Unit;
  - one CGU in the Manganese Alloys Business Unit;
  - one CGU in the Mineral Sands Business Unit;
  - one CGU in the Lithium business unit.
- two CGUs in discontinued operations, in the High Performance Alloys Division

At 31 December 2021, the Group had four CGUs in the Manganese BU, and this BU was reorganised into two separate BUs: Manganese Ore and Manganese Alloys. In 2021, for the sake of consistency with the organisation of the BUs, the Eramet Norway, Comilog Dunkerque and Marietta CGUs were consolidated into a Manganese Alloys CGU and the Comilog Gabon CGU became the Mineral Ore CGU.

Eramet Group's General Management determines the existence of events calling for impairment testing based on several criteria. Impairment loss indicators correspond mainly to changes and fluctuations in:

- raw material prices and the selling price of finished products;
- economic and regulatory environment and market conditions;
- interest rates;
- technological level;
- asset performance and obsolescence.

An impairment test is carried out on the CGUs concerned when these indicators show a negative development.

To determine the value in use, the Eramet Group uses the method of discounted future cash flows generated from the use of the assets. The data used to calculate the discounted forecast cash flows is taken from the annual budgets and multiyear plans prepared by the Management of the CGUs concerned. These plans are created on the basis of five-year projections, in keeping with mining and industrial cycles, plus a final value corresponding to the capitalisation to infinity of normative cash flows. Plans for certain CGUs are prepared for longer periods corresponding to the operating period of the sites without assigning a terminal value.

The growth rates used are the same as those used in budgets. The growth rates to infinity used for the terminal values are generally between 1% and 1.5%, depending on the CGU.

The discount rate applied to calculate the value in use is the weighted average cost of capital (WACC), namely:

- 11.5% for mining activities (excluding lithium) (10.0% in 2021);
- 9.5% for alloy activities (8.5% in 2021);
- 13.5% for lithium activities (11% in 2021).

The Eramet Group may measure the recoverable amount using other methods that it deems relevant in the context of the CGUs concerned. These methods may include estimated transaction values.

Whatever the method used, the assumptions used are Management's best estimates. The Eramet Group regularly reviews its estimates and assessments to take account of past experience and other factors that are deemed relevant with regard to economic conditions.

The change in impairment of assets and other impairment losses is broken down as follows:

| *(in millions of euros)* | 31/12/2021 | 2022 impairment losses and reversals | Translation and other movements | 31/12/2022 |
|---|---|---|---|---|
| Nickel BU (excl. Sandouville) | (22) | (221) | (7) | (250) |
| Manganese BU | (87) | - | 3 | (84) |
| Lithium BU | (2) | - | - | (2) |
| Holding and others | (16) | - | (17) | (32) |
| **Total continuing operations** | **(127)** | **(221)** | **(21)** | **(368)** |
| High Performance Alloys Division | (492) | (84) | 7 | (569) |
| **Total discontinued operations** | **(492)** | **(84)** | **7** | **(569)** |
| **TOTAL** | **(619)** | **(305)** | **(14)** | **(937)** |
| Goodwill | (3) | - | - | (3) |
| Intangibles | (19) | - | (16) | (35) |
| Property, plant and equipment | (104) | (221) | (6) | (331) |
| IFRS 16 rights of use | - | - | - | - |
| Assets held for sale | (492) | (84) | 7 | (569) |

## 10.4.1 Sensitivity

Sensitivity is determined with reference to changes in future cash flows and discount rates.

The Eramet Group's cash projections for its mining and metallurgical businesses are highly dependent on the sale price assumptions, especially for ores (nickel, manganese, zircon etc.), on euro-dollar parity, on raw materials (electricity, coal, coke etc.) and on global demand for products sold by the Group.

### CGUs of continuing operations

#### SLN CGT – Nickel BU

The value in use is extremely sensitive to the prices of nickel and inputs (electricity and coal in particular, as well as the US dollar), which are key assumptions in the impairment testing of this CGU.

The sale prices used are determined by reference to the average industry consensus, as well as to NPI (nickel pig iron) prices. These selected prices are thus integrated into the multi-year business plan, which allows the cash flow projections of the CGU to be determined. However, there is strong interdependence between the different variables, namely the value of the dollar, the price of Brent crude oil and the prices of nickel and electricity, which generally do not impact the test in the same way.

The electricity price used is based on the use of the CAT (Centrale Accostée Temporaire [floating power plant]) and on the discussions held with the government of New Caledonia in the context of the agreement relating to the future path of Société Le Nickel-SLN. A 10% increase in the electricity price would lead to a further impairment in the order of €120 million.

A decrease of $0.1/lb in the target ferronickel price, a decrease of $1/t for nickel ore or a decrease of 1% in the euro-dollar parity would individually result in an additional impairment of between €40 and €50 million.

#### Manganese Ore CGU and Manganese Alloys CGU – Manganese BU

Manganese ore is not a listed commodity. The price is adjusted according to supply and demand, particularly concerning alloy production forecasts and the marginal capacity of the South African producer.

To determine the forecast price of manganese ore, the Eramet Group uses an internal model that takes into account the marginal cost of South African production, available logistical means (trains or trucks) and ZAR/USD parity.

The price forecasts thus determined are integrated into the business plans of the Manganese Ore and Manganese Alloys CGUs. These price forecasts can be compared with studies published by the CRU (Commodities Research Unit), an independent body that carries out studies on certain metals, including manganese.

Regarding the Mineral Ore CGU, a 0.5% increase in the discount rate, a 0.5% decrease in long-term growth rate or a fall of 1% in the EBITDA margin of the final year would not result in the recognition of an impairment loss.

#### Mineral Sands CGU

More than half of the CGU's revenues come from the sale of titanium raw materials, about one third from the marketing of zircon, and more marginally from ferrous materials.

Titanium raw materials, in the form of titanium slag or titanium dioxide, are intended for the pigment market, while zircon is produced for the ceramics market.

None of these products are listed. In both cases, the price forecasts used in the business plan are determined by reference to the analyses of sector specialists (TZMI), using the lower range of their forecast.

Regarding the Mineral Sands CGU, a 0.5% increase in the discount rate, a 0.5% decrease in long-term growth rate or a fall of 1% in the EBITDA margin of the final year would not result in the recognition of an impairment loss.

#### Lithium CGU

As indicated in Note 2.5, the Lithium CGU relates only to the project under construction in Argentina. The economic conditions that made it possible in 2021 to resume the project and reverse the previous provisions still apply.

CGUs of discontinued operations

#### Aubert & Duval CGU and Erasteel CGU – High Performance Alloys Division

As indicated in Note 2.1 “Key events in the reporting period”, these two CGUs are in the process of being sold off and have been recognised at their fair disposal value at 31 December 2022.

### 10.4.2 Residual values by CGU group

The residual values of invested capital are detailed as follows by CGU group:

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| NICKEL BU – EXCL. SANDOUVILLE | | |
| Net intangible assets and property, plant & equipment(1) | 259 | 550 |
| Working capital requirement | 125 | 90 |
| **Total** | **384** | **640** |
| MANGANESE BU | | |
| Net intangible assets and property, plant & equipment(1) | 1,492 | 1,374 |
| Working capital requirement | 351 | 294 |
| **Total** | **1,843** | **1,668** |
| MINERAL SANDS BU | | |
| Net intangible assets and property, plant & equipment(1) | 652 | 642 |
| Working capital requirement | 6 | - |
| **Total** | **658** | **642** |
| LITHIUM BU | | |
| Net intangible assets and property, plant & equipment(1) | 336 | 188 |
| Working capital requirement | 75 | (21) |
| **Total** | **411** | **167** |
| HOLDING AND OTHERS | | |
| Net intangible assets and property, plant & equipment(1) | 57 | (11) |
| Working capital requirement | (15) | (198) |
| **Total** | **42** | **(209)** |
| CONTINUING OPERATIONS | | |
| Net intangible assets and property, plant & equipment(1) | 2,796 | 2,754 |
| **Working capital requirement** | **542** | **363** |
| **TOTAL CONTINUING OPERATIONS** | **3,338** | **3,117** |
| HIGH PERFORMANCE ALLOYS DIVISION | | |
| Net intangible assets and property, plant & equipment(1) | 4 | 11 |
| Working capital requirement | 276 | 198 |
| **Total** | **280** | **209** |
| DISCONTINUED OPERATIONS | | |
| **Net intangible assets and property, plant & equipment(1)** | **4** | **65** |
| **Working capital requirement** | **276** | **215** |
| **TOTAL DISCONTINUED OPERATIONS** | **280** | **280** |

*(1) Including rights of use for leases.*

Capital employed is defined as the sum of net property plant and equipment, intangible assets and working capital requirements. It is used to determine the accounting values of assets tested as part of asset impairment tests.

## 10.5 Investments in joint ventures and associates

ACCOUNTING METHOD

Joint ventures are companies over which Eramet has joint control, meaning that the decisions concerning the relevant activities require the unanimous consent of all controlling parties.

Associates are companies over which the Eramet Group has significant influence.

Joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. Their carrying amount includes the goodwill determined at their acquisition less accumulated impairment.

The consolidated financial statements include Eramet's share in earnings and the equity movements of the companies accounted for using the equity method, after adjustments to bring the accounting rules of those companies in line with those of the Eramet Group.

The dividends received from joint ventures and associates are deducted from their balance sheet value. An impairment test is carried out when there are indicators that the recoverable amount may fall below its carrying amount (Note 10).

ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Significant influence exists when Eramet has the powers to take part in financial and operating decisions of the Company but does not exercise control or joint control over these policies. Eramet has significant presumed influence if it holds 20% to 50% of the voting rights of a company.

Eramet Group's General Management determines the existence of events calling for impairment testing under the same conditions as those given in the Impairment of assets section.

### 10.5.1 Breakdown by entity

| | | | Share of | | Share of | |
|---|---|---|---|---|---|---|
| | | | Results | Shareholders' equity | Results | Shareholders' equity |
| *(in millions of euros)*<br>Company | Country | % holding | FY 2022 | 31/12/2022 | FY 2021 | 31/12/2021 |
| Strand Minerals – Weda Bay | Indonesia | 38.7% | 258 | 297 | 121 | 97 |
| **TOTAL INVESTMENTS IN JOINT VENTURES AND ASSOCIATES** | | | **258** | **297** | **121** | **97** |

The €200 million increase in the value of the equity-accounted investments in Strand Minerals – Weda Bay is primarily related to the portion of income attributable to the Group of €258 million, less €25 million in dividends.

Since 31 December 2021, the EcoTitanium shares have been classified as assets held for sale since this company is a subsidiary of Aubert & Duval.

### 10.5.2 Key data for 100% of Weda Bay

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Turnover | 1,656 | 728 |
| EBITDA[(1)] | 890 | 395 |
| Current operating income | 845 | 355 |
| Net income | 600 | 281 |

*(1) Eramet share at 38.7%: €344 million in 2022 (€153 million in 2021)*

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Non-current assets | 231 | 237 |
| Current assets | 542 | 220 |
| Non-current liabilities | 51 | 444 |
| Current liabilities | 272 | 75 |

## 10.6 Other non-current financial assets

### ACCOUNTING METHOD

Other non-current financial assets include other long-term financial assets and non-consolidated equity investments.

Other long-term financial assets relate to loans or current accounts extended to non-consolidated companies or companies under joint control. They are initially recognised at fair value plus acquisition costs and are measured on each reporting date at amortised cost using the effective interest rate (EIR) method, less any offsetting provisions for impairment losses recognised in financial income for the period.

Non-consolidated equity investments are recognised in the balance sheet at their acquisition cost or their value on the date of their deconsolidation, less any offsetting provisions for impairment losses recognised in income for the period, to reflect changes in the fair value of this asset category.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Eramet Group has divided its non-consolidated subsidiaries into two categories:

- controlled companies that are not consolidated owing to their low cumulative impact on the Eramet Group's financial statements;
- non-controlled companies corresponding to holdings in companies over which the Eramet Group has no control or significant influence.

### 10.6.1 By category

| *(in millions of euros)* | Gross amount | Impairment | Net amount at 31/12/2022 | Net amount at 31/12/2021 |
|---|---|---|---|---|
| Deposits and guarantees | 28 | - | 28 | 13 |
| Other financial assets | 126 | (118) | 8 | 169 |
| **Other non-current financial assets** | **154** | **(118)** | **36** | **182** |
| Non-consolidated equity investments | 180 | (175) | 5 | 6 |
| **TOTAL OTHER FINANCIAL ASSETS** | **334** | **(293)** | **41** | **188** |

The change in other non-current financial assets in 2022 relates mainly to the repayment of the loan granted to Weda Bay (equity-accounted company).

### 10.6.2 Change

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **188** | **219** |
| Net change in current financial assets (statement of cash flows) | (150) | 12 |
| Net change in financial assets of discontinued operations | - | 20 |
| Impairment losses for the period | (9) | (54) |
| Changes to consolidation scope | - | (2) |
| Reclassification under IFRS 5 | - | (4) |
| Translation adjustments and other movements | 12 | (4) |
| **AT PERIOD CLOSE** | **41** | **188** |

### 10.6.3 By currency (excluding consolidated equity investments)

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Euro | 11 | 12 |
| US dollar | 14 | 158 |
| CFP franc | 5 | 8 |
| Other currencies | 6 | 4 |
| **TOTAL** | **36** | **182** |

### 10.6.4 By interest rate type (excluding consolidated equity investments)

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Interest-free | 20 | 20 |
| Fixed interest rates | 13 | 2 |
| Variable interest rates | 3 | 160 |
| **TOTAL** | **36** | **182** |

Interest-free items mainly relate to deposits and guarantees as well as certain loans to employees.

### 10.6.5 Non-consolidated equity investments

| *(in millions of euros)*<br>Company | Country | % holding | Net amount at 31/12/2022 | Net amount at 31/12/2021 |
|---|---|---|---|---|
| MAIN CONTROLLED COMPANIES: | | | | |
| • Eramet Alloys GmbH | Germany | 100% | 3 | 3 |
| • Eramet Alloys UK Ltd | United Kingdom | 100% | 2 | 2 |
| • Sodépal | Gabon | 100% | - | - |
| • GCM Liquidation Co. (formerly GCMC) | Gabon | 100% | - | - |
| MAIN NON-CONTROLLED COMPANIES: | | | | |
| Other companies | | | - | - |
| **TOTAL** | | | **5** | **5** |

Controlled but non-consolidated companies are mainly sales entities, the services of which are fully assigned to the Eramet Group, and industrial companies (shaping, wire-drawing and drawing of metallurgical products).

Equity investments in controlled companies are not consolidated since they have no material impact on the Eramet Group's consolidated financial statements.

## Note 11 Taxes

This note explains the income tax expense and related tax amounts shown in the income statement and balance sheet. The section on deferred tax provides information on expected future tax payments.

#### ACCOUNTING METHOD

Income tax includes both current and deferred tax. The income tax expense is recognised in the income statement, except where it relates to a business acquisition or items recognised directly in equity or in Other comprehensive income.

Current income tax includes taxes that the Eramet Group expects to pay on its taxable income for the reporting period at the prevailing tax rates or rates substantively enacted at the reporting date, as well as any adjustments for tax relating to prior reporting periods.

Deferred tax is recognised as temporary differences between the carrying amount of the assets and liabilities measured for the purposes of financial reporting and the tax basis of those assets and liabilities measured at the income tax rate and tax laws enacted or substantively enacted at the reporting date and effective in the period in which these temporary differences should be used.

Deferred tax assets, including those related to loss carry-forwards, which are determined by fiscal entity, are recognised whenever it can be shown that they are likely to be realised.

The deferred tax assets and liabilities are classified in the balance sheet as non-current items and are offset if the entity has a legally enforceable right of set-off as is the case with the French tax consolidation group.

Deferred tax liabilities on investments in subsidiaries, associates and joint ventures are recognised unless where the Eramet Group can determine the timetable for the reversal of the related temporary differences, and where it is likely that such differences will not reverse in the foreseeable future. Provisions are made for non-recoverable tax on dividends planned in the foreseeable future.

The Group does not report deferred taxes on first-time recognition of the right of use and the lease liability.

ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Eramet Group operates in several countries. Its income is therefore taxed at various income tax rates. Given the magnitude of the operations and the complexity of tax regulations, the Eramet Group must assess uncertainties and exercise judgement to estimate the tax amount that it will eventually pay. The tax amount finally paid depends on various factors that include negotiations with tax authorities and the outcome of tax audits.

The Eramet Group estimates deferred tax based on the temporary differences between the assets and liabilities shown in its consolidated financial statements and the tax bases of these assets and liabilities determined under the applicable tax laws. The deferred tax asset amount is generally recognised insofar as a probable taxable profit will be available in the future against which deductible temporary differences can be used. Consequently, the deferred tax asset that is recognised and considered as realisable can be reduced if the projected profit cannot be obtained.

To assess the likelihood that these assets will be realised, the Eramet Group reviews the following information in particular:

- projected future profitability;
- extraordinary losses not expected to recur in the future;
- past taxable profits; and
- tax strategies.

## 11.1 Income tax

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Current tax | (234) | (123) |
| Deferred tax | (30) | 25 |
| **INCOME TAX INCOME (EXPENSE)** | **(264)** | **(98)** |

## 11.2 Effective tax rate

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Operating income | 1,025 | 879 |
| Financial income | (89) | (111) |
| **Pre-tax profit (loss) of consolidated companies** | **936** | **768** |
| Standard tax rate in France (in percent) | 25.83% | 28.41% |
| **Theoretical tax income/(expense)** | **(242)** | **(218)** |
| Impact on theoretical tax of: | | |
| • permanent differences between accounting and taxable profit | 91 | 39 |
| *of which related to changes in consolidation scope* | *-* | *5* |
| • taxes on dividend distribution (withholding tax) | (16) | (3) |
| • impairment of assets | - | - |
| • standard rate differences in foreign countries | (12) | 8 |
| • changes in the tax rate | 6 | 1 |
| • tax credits | 1 | 2 |
| • unrecognised or limited deferred tax assets | (98) | (8) |
| • use or activation of deferred tax assets previously not recognised | 41 | 75 |
| • use of tax losses recognised in net income from discontinued operations | 2 | 13 |
| • miscellaneous items | (37) | (7) |
| **ACTUAL TAX INCOME/(EXPENSE)** | **(264)** | **(98)** |
| **TAX RATE** | **28%** | **13%** |

### FY 2022

Unrecognised or limited deferred tax assets relate mainly to the tax loss carry-forwards of Société Le Nickel-SLN, tax loss carry-forwards in France and the limited deferred taxes on asset impairments over the period.

At 31 December 2022, in view of the provisional tax results in France, €30 million in deferred tax assets of the tax consolidation group were recognised (€32 million at 31 December 2021).

## 11.3 Main standard tax rates in foreign countries

| | FY 2022 | FY 2021 |
|---|---|---|
| China | 25.0% | 25.0% |
| United States | 23.05% | 22.25% |
| Gabon | 35.0% | 35.0% |
| Norway | 22.0% | 22.0% |
| New Caledonia | 35.0% | 35.0% |
| Sweden | 20.6% | 21.4% |

## 11.4 Change in tax receivables and tax payables

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **(97)** | **(78)** |
| Current tax (income) | (234) | (123) |
| Tax paid | 187 | 105 |
| Reclassification under IFRS 5 | - | 4 |
| Translation adjustments and other movements | - | (5) |
| **AT PERIOD CLOSE** | **(144)** | **(97)** |
| • Current tax receivables | 6 | 13 |
| • Current tax payables | (150) | (110) |

## 11.5 Deferred taxes in the balance sheet

### 11.5.1 Breakdown by category

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Tax loss carry-forwards[1] | 32 | 3 |
| Intangible assets and property, plant & equipment | 22 | 6 |
| Inventory measurement | 24 | 38 |
| Financial instruments | 5 | 9 |
| Employee-related liabilities | 16 | 21 |
| Other provisions for liabilities and charges | 44 | 43 |
| Other items | 22 | 30 |
| **Deferred tax assets before netting** | **165** | **150** |
| Deferred tax netting by tax entity | (121) | (109) |
| **Deferred tax assets** | **44** | **41** |
| Regulated provisions and special amortisation and depreciation | (231) | (223) |
| Intangible assets and property, plant & equipment | (90) | (66) |
| Inventory measurement | (11) | (10) |
| Financial instruments | (18) | - |
| Employee-related liabilities | - | - |
| Other provisions for liabilities and charges | (10) | (8) |
| Distribution of dividends | (13) | (4) |
| Other items | (18) | (23) |
| **Deferred tax liabilities before netting** | **(391)** | **(334)** |
| Deferred tax netting by tax entity | 121 | 109 |
| **Deferred tax liabilities** | **(270)** | **(225)** |
| **NET DEFERRED TAX LIABILITIES** | **(226)** | **(184)** |
| *(1) Limited deferred tax assets for tax loss carry-forwards* | *602* | *673* |

### 11.5.2 Change in deferred taxes in the balance sheet

| *(in millions of euros)* | Assets | Liabilities | Net FY 2022 | Net FY 2021 |
|---|---|---|---|---|
| **At beginning of period** | **41** | **(225)** | **(184)** | **(213)** |
| Deferred tax offset in shareholders' equity | - | (12) | (12) | (17) |
| Deferred tax on profit (loss) | 17 | (48) | (31) | (28) |
| Deferred tax netting by tax entity | (17) | 17 | - | 152 |
| Other movements | 3 | (2) | 1 | (12) |
| Reclassification under IFRS 5 | - | - | - | (65) |
| Translation adjustments | - | - | - | (1) |
| **AT PERIOD CLOSE** | **44** | **(270)** | **(226)** | **(184)** |

# Note 12 Employee charges and benefits

## 12.1 Workforce and personnel costs

### 12.1.1 Average workforce and workforce at end of period by Business Unit/Division

The average workforce and workforce at end of period include all fully consolidated companies at 31 December of each year.

| | FY 2022 | 31/12/2022 | FY 2021 | 31/12/2021 |
|---|---|---|---|---|
| | Average workforce | Workforce at period end | Average workforce | Workforce at period end |
| Workers | 1,556 | 1,554 | 1,476 | 1,520 |
| Administrative, Technical and Supervisory staff | 576 | 589 | 551 | 563 |
| Management | 179 | 197 | 154 | 170 |
| **Nickel BU (excl. Sandouville)** | **2,311** | **2,340** | **2,181** | **2,253** |
| Workers | 2,254 | 2,292 | 2,232 | 2,272 |
| Administrative, Technical and Supervisory staff | 1,475 | 1,517 | 1,489 | 1,541 |
| Management | 742 | 768 | 639 | 660 |
| **Manganese BU** | **4,471** | **4,577** | **4,360** | **4,473** |
| Workers | 441 | 449 | 404 | 401 |
| Administrative, Technical and Supervisory staff | 385 | 386 | 372 | 373 |
| Management | 223 | 241 | 200 | 209 |
| **Mineral Sands BU** | **1,049** | **1,076** | **976** | **983** |
| Workers | 100 | 132 | - | - |
| Administrative, Technical and Supervisory staff | 71 | 94 | 32 | 31 |
| Management | 32 | 41 | 115 | 125 |
| **Lithium BU** | **203** | **267** | **147** | **156** |
| Workers | | | - | - |
| Administrative, Technical and Supervisory staff | 208 | 209 | 208 | 206 |
| Management | 457 | 482 | 410 | 422 |
| **Holding and others** | **665** | **691** | **618** | **628** |
| Workers | 4,351 | 4,427 | 4,112 | 4,193 |
| Administrative, Technical and Supervisory staff | 2,715 | 2,795 | 2,652 | 2,714 |
| Management | 1,633 | 1,729 | 1,518 | 1,586 |
| **TOTAL CONTINUING OPERATIONS** | **8,699** | **8,951** | **8,282** | **8,493** |

| | FY 2022 | 31/12/2022 | FY 2021 | 31/12/2021 |
|---|---|---|---|---|
| | Average workforce | Workforce at period end | Average workforce | Workforce at period end |
| Workers | 2,202 | 2,174 | 2,303 | 2,238 |
| Administrative, Technical and Supervisory staff | 1,579 | 1,616 | 1,556 | 1,551 |
| Management | 576 | 593 | 583 | 575 |
| **High Performance Alloys Division** | **4,357** | **4,383** | **4,442** | **4,364** |
| Workers | - | - | 57 | 54 |
| Administrative, Technical and Supervisory staff | - | - | 112 | 113 |
| Management | - | - | 22 | 24 |
| **Nickel BU (Sandouville)** | **-** | **-** | **191** | **191** |
| Workers | 6,553 | 6,601 | 6,472 | 6,485 |
| Administrative, Technical and Supervisory staff | 4,293 | 4,411 | 4,320 | 4,378 |
| Management | 2,210 | 2,322 | 2,123 | 2,185 |
| **TOTAL** | **13,056** | **13,334** | **12,915** | **13,048** |

The total workforce managed in the HR reporting system implemented by the Group, including non-consolidated companies, was 13,764 at 31 December 2022 (13,373 at 31 December 2021).

### 12.1.2 Personnel costs by category

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| Wages and salaries | (410) | (367) |
| Social security contributions and other personnel costs | (160) | (137) |
| Profit sharing | (12) | (10) |
| Share-based payment | (8) | (6) |
| **Personnel costs sub-total** | **(590)** | **(520)** |
| Personnel costs – temporary staff | (18) | (16) |
| **TOTAL PERSONNEL COSTS INCLUDING TEMPORARY STAFF** | **(608)** | **(536)** |
| Personnel costs (including temporary staff) as % of turnover | 12% | 15% |

## 12.2 Employee-related liabilities

The Eramet Group offers its employees many long-term benefits, such as retirement packages, pension plans, healthcare plans and long-service awards. The characteristics of these benefits vary in line with the governing laws and regulations in each country and the agreements in force in each company.

#### ACCOUNTING METHOD

Employee-related liabilities are either defined benefit plans or defined contribution plans. Defined benefit plans specify the amount that an employee will receive at the time of retirement whereas defined contribution plans specify how the contributions are calculated.

##### DEFINED CONTRIBUTION PLANS

For these plans, the Eramet Group makes payments to a fund manager and is released from its obligations for the current period and prior periods. As a result, these plans do not show any deficit or surplus and are not included in the balance sheet. The contributions are expensed when paid.

##### DEFINED BENEFIT PLANS AND OTHER LONG-TERM BENEFITS

A defined benefit plan is a post-employment benefit plan that is distinct from the defined contribution plan. The cost of the retirement benefits and other benefits accrued to employees is established actuarially for each plan using the projected unit credit cost method. They are assessed annually by independent actuaries. The obligations of the Eramet Group are recognised as balance sheet liabilities and correspond to the difference between the present value of the obligations in respect of defined benefits and the fair value of plan assets at the reporting date. Plan assets consist of assets held in pension funds or insurance policies.

The costs of services rendered are recognised in Current operating income in the period in which they are incurred. The costs of past services resulting from amendments and curtailments to the plan, as well as the gains and losses upon plan settlement are recognised in Other operating income and expenses. The interest expense for net obligations is included in Other financial income and expenses.

The actuarial gains (losses) (including the impact of foreign exchange) on plan assets and the obligation in respect of defined benefits are recognised directly in Other comprehensive income for the period in which they arise. They are recognised immediately in income in the case of long-term benefits.

ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The cost of employee benefits and the value of the obligations are calculated using assumptions such as discount rates, salary increases, retirement age, life expectancy, inflation and cost of healthcare. These assumptions are determined annually by the Eramet Group's Management.

The discount rates used are mostly calculated for each zone or country based on the average rates of private issuers observed in those zones or countries at each reporting date.

The rates vary from country to country:

- in the Eurozone and in the United States, the discount rates were determined on the basis corporate bonds;
- in Norway, the discount rate is determined based on secured bonds (such as mortgage-backed bonds);
- in New Caledonia, given that the corporate and government bond markets are illiquid, the rate used is determined with reference to the French sovereign bond rate adjusted for discounting and local inflation;
- in Gabon and Senegal, the discount rates used are based on the local governments bonds rates.

### 12.2.1 Main actuarial assumptions and related sensitivity

The actuarial assumptions used vary according to the economic and demographic conditions existing in the country in which the plan is in force. The main actuarial assumptions used for measuring these liabilities are as follows:

| | 31/12/2022 | | 31/12/2021 | |
|---|---|---|---|---|
| | Rate | | Rate | |
| | Discount | Inflation | Discount | Inflation |
| Eurozone | 3.00% | 2.00% | 1.00% | 1.80% |
| United States | 4.40% | 2.50% | 2.60% | 2.25% |
| Norway | 4.00% | 3.50% | 2.30% | 2.10% |
| New Caledonia | 3.00% | 2.00% | 1.70% | 1.50% |
| Gabon | 6.00% | 3.00% | 6.00% | 3.00% |
| Senegal | 6.00% | 3.00% | 4.00% | 2.40% |

### 12.2.2 Sensitivity

An increase or decrease of 0.5 percentage point in the discount rate or inflation rate, with other actuarial assumptions remaining constant, will have the following impact on period-end commitments:

| | 31/12/2022 Discount rate | | | | 31/12/2021 Discount rate | | | |
|---|---|---|---|---|---|---|---|---|
| | Increase +0.5% | | Decrease -0.5% | | Increase +0.5% | | Decrease -0.5% | |
| | *(in millions of euros)* | *in %* | *(in millions of euros)* | *in %* | *(in millions of euros)* | *in %* | *(in millions of euros)* | *in %* |
| France | (1) | 0% | 1 | 0% | (5) | - 5% | 7 | 7% |
| United States | (2) | - 1% | 2 | 1% | (2) | - 6% | 2 | 6% |
| Norway | (1) | 0% | 2 | 0% | (1) | - 10% | 1 | 10% |
| New Caledonia | (2) | - 1% | 2 | 1% | (2) | - 4% | 2 | 4% |
| Gabon | (1) | 0% | 1 | 0% | (1) | - 3% | 1 | 3% |
| Senegal | - | 0% | - | 0% | - | 0% | - | 0% |
| Other countries | - | 0% | - | 0% | (1) | - 15% | - | 0% |
| **TOTAL** | **(7)** | **- 3%** | **8** | **4%** | **(12)** | **- 6%** | **13** | **7%** |

### 12.2.3 Description of the main defined benefit plans and associated risks

The Eramet Group's main defined benefit plans are offered in France, United States, Gabon and New Caledonia. The main plan assets are therefore located in these countries. The main characteristics of the plans described below relate to these four countries.

Retirement packages are generally paid as a lump sum or annuities determined on the basis of the employee's length of service, final salary or average final remuneration. Pre-retirement and supplementary healthcare benefits and life insurance are also provided under the pension plan, along with long-service awards in the form of a lump sum that varies according to the number of years' service completed.

In the United States, most defined benefit plans are no longer accessible to new employees. They participate in defined contribution plans.

In New Caledonia, the obligations also include the payment of a loyalty bonus awarded after 10 years of service and then every 5 years, calculated as a percentage of the basic salary, as well as the granting of plane tickets whose number, value and frequency depends on the employee's professional category.

### 12.2.4 Risks associated with the plans

The Eramet Group is exposed to the standard risks inherent to defined benefit plans, such as higher-than-expected salary increases, increased inflation rates or lower-than-expected returns, as well as actuarial risks, especially investment risk, interest rate risk and longevity risk. The plans are also exposed to the risk of internal negotiation to reach a more favourable agreement, and the risk of increase in taxes or annuities for supplementary pension plans.

### 12.2.5 Governance policy

Under the laws governing defined benefit plans, it is the Eramet Group's duty to manage the plan assets and design investment policies that define, for each prefinanced plan, the investment objectives, the asset allocation target, risk mitigation strategies, and other components required by law for pension plans.

### 12.2.6 Investment policies and risk management initiatives

The investment policies are designed to obtain long-term return on investment which, combined with contributions, will enable the plans to have sufficient assets to be able to pay the promised benefits while keeping risk at an acceptable level.

The asset allocation target is determined on the basis of the expected market conditions and climate, the maturity profile of plan liabilities, the level of cover of the respective plans, and the risk tolerance of the plans' beneficiaries.

In France, the plans are funded by insurers through group life insurance contracts. The investments are made by the insurers in their respective euro funds. These funds, of which over 80% is invested in buy and hold rate products, have suffered from a deterioration in bond returns for some years now and are still exposed to default risk on returns in a protracted low interest rate period.

In the United States, the financial management of funds is entrusted to various asset managers who are among the key players in the business. Index-based management is used for the most part and active management for the remainder. Globally, 80% of the asset allocation is in US corporate bonds denominated in USD, with the objective of matching the liability duration. The remaining 20% is invested in funds in American equities, world equities and emerging market equities and bonds. The risks inherent to these financial assets are therefore curve risk, duration risk, credit risk and inflation risk for bonds, and market risk and capital risk for equities.

### 12.2.7 Overall cost of employee-related liabilities

The cost of employee-related liabilities is recognised in the Income Statement and in the Statement of comprehensive income below:

| | Pension plans | | Retirement package | | Other benefits | | Total employee-related liabilities | |
|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Service cost | - | - | 4 | 5 | 2 | 2 | 6 | 7 |
| Past service cost[1] | - | (19) | (2) | - | - | - | (2) | (19) |
| Net interest expense | - | - | 2 | 2 | 1 | 1 | 3 | 3 |
| Other adjustments | - | - | - | - | - | - | - | - |
| **Cost recognised in net income from continuing operations** | **-** | **(19)** | **4** | **7** | **3** | **3** | **7** | **(9)** |
| **Cost recognised in net income from discontinued operations** | **(4)** | **1** | **4** | **-** | **1** | **-** | **1** | **1** |
| Impact of revaluation on commitments | (5) | 8 | (1) | - | (3) | (1) | (9) | 7 |
| • experience | 1 | 9 | 3 | 2 | - | (1) | 4 | 10 |
| • demographic assumptions | - | - | - | - | - | - | - | - |
| • financial assumptions | (6) | (1) | (4) | (2) | (3) | - | (13) | (3) |
| Impact of revaluation on pension plan assets | 7 | (3) | (1) | - | - | - | 6 | (3) |
| **Cost recognised in other comprehensive income from continuing operations** | **2** | **5** | **(2)** | **-** | **(3)** | **(1)** | **(3)** | **4** |
| **Cost recognised in other comprehensive income from discontinued operations** | **3** | **1** | **(13)** | **(2)** | **(3)** | **(1)** | **(13)** | **(2)** |
| **TOTAL COST RECOGNISED IN COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS** | **2** | **(14)** | **2** | **7** | **-** | **2** | **4** | **(5)** |
| **TOTAL COST RECOGNISED IN COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS** | **(1)** | **2** | **(9)** | **(2)** | **(2)** | **(1)** | **(12)** | **(1)** |

*(1) Pension plan changes and curtailments.*

### 12.2.8 Change in obligations and plan assets

The table below illustrates the change in obligation by plan type, distribution by beneficiary and based on whether or not pre-financing is used, as well as the change in the fair value of the plan assets and its differentiation by category (listed and unlisted assets).

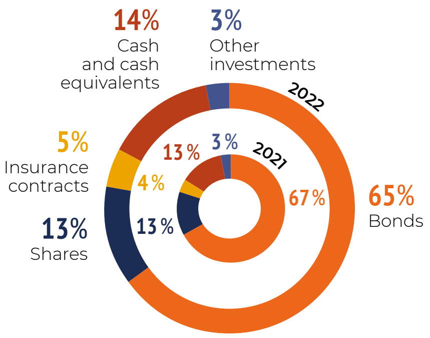
| | Pension plans | | Retirement package | | Other benefits | | Total employee-related liabilities | |
|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| CHANGE IN OBLIGATION | | | | | | | | |
| **Obligation at beginning of period** | **121** | **176** | **73** | **117** | **33** | **50** | **227** | **342** |
| • Cost recognised in income | 2 | (17) | 4 | 7 | 3 | 3 | 9 | (7) |
| • Impact of revaluation | (5) | 9 | (1) | (2) | (3) | (2) | (9) | 5 |
| • Contributions and benefits paid | (5) | (6) | (10) | (3) | (3) | (1) | (18) | (10) |
| • Change to consolidation scope | - | (9) | - | (1) | - | - | - | (10) |
| • Reclassification under IFRS 5 | - | (35) | - | (39) | - | (17) | - | (91) |
| • Translation differences and other movements | 1 | 3 | - | (6) | - | - | 1 | (2) |
| **Obligation at period close (I)** | **114** | **121** | **66** | **73** | **30** | **33** | **210** | **227** |
| **Obligation attributable to:** | | | | | | | | |
| • *working beneficiaries* | *9* | *15* | *66* | *73* | *27* | *30* | *102* | *118* |
| • *beneficiaries entitled to deferred benefits* | - | *5* | - | - | - | - | - | *5* |
| • *pensioners* | *105* | *101* | - | - | *3* | *3* | *108* | *104* |
| | ***114*** | ***121*** | ***66*** | ***73*** | ***30*** | ***33*** | ***210*** | ***227*** |
| **Commitments** | | | | | | | | |
| • *prefinanced* | *113 99%* | *116 96%* | *28 42%* | *34 46%* | - | - | *141 67%* | *150 66%* |
| • *not financed* | *1 1%* | *5 4%* | *38 58%* | *39 53%* | *30 100%* | *33 100%* | *69 33%* | *77 34%* |
| | ***114*** | ***121*** | ***66*** | ***73*** | ***30*** | ***33*** | ***210*** | ***227*** |
| CHANGE IN PLAN ASSETS | | | | | | | | |
| **Fair value of plan assets at beginning of period** | **109** | **118** | **15** | **25** | **-** | **-** | **124** | **142** |
| • Interest income recognised in income | 2 | 1 | - | - | - | - | 2 | 1 |
| • Impact of revaluation | (7) | 3 | 1 | - | - | - | (6) | 3 |
| • Contributions paid | 3 | - | - | - | 1 | 1 | 4 | 1 |
| • Benefits paid | (5) | (5) | - | - | (1) | (1) | (6) | (6) |
| • Change to consolidation scope | - | (7) | - | - | - | - | - | (7) |
| • Reclassification under IFRS 5 | - | (4) | - | (10) | - | - | - | (14) |
| • Translation differences and other movements | 2 | 3 | - | - | - | - | 2 | 3 |
| **Fair value of plan assets at period close (II)** | **104** | **109** | **16** | **15** | **-** | **-** | **120** | **124** |
| **Plan assets** | | | | | | | | |
| • *listed on an active market* | *101 97%* | *106 97%* | *16 100%* | *15 100%* | - | - | *117 98%* | *121 115%* |
| • *unlisted* | *3 3%* | *3 3%* | - | - | - | - | *3 3%* | *3 3%* |
| | ***104*** | ***109*** | ***16*** | ***15*** | **-** | **-** | ***120*** | ***124*** |
| **NET LIABILITIES IN THE BALANCE SHEET (I)–(II)** | **10** | **12** | **50** | **58** | **30** | **33** | **90** | **103** |

The table below shows the breakdown between the main countries, the obligations in connection with employee-related liabilities, plan assets, net liability and financial cover ratio.

| | 31/12/2022 | | | | 31/12/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Current value of bonds | Fair value of assets plan | Net liabilities in the balance sheet | Financial cover ratio | Current value of bonds | Fair value of assets plan | Net liabilities in the balance sheet | Financial cover ratio |
| *(in millions of euros)* | (a) | (b) | (a) + (b) | - (b)/(a) | (a) | (b) | (a) + (b) | - (b)/(a) |
| France | 97 | (87) | 10 | 89.7% | 99 | (85) | 14 | 85.9% |
| United States | 27 | (17) | 10 | 63.0% | 31 | (24) | 7 | 77.4% |
| Norway | 8 | (3) | 5 | 37.5% | 10 | (3) | 7 | 30.0% |
| New Caledonia | 40 | (13) | 27 | 32.5% | 49 | (12) | 37 | 24.5% |
| Gabon | 37 | - | 37 | - | 37 | - | 37 | - |
| Senegal | 1 | - | 1 | - | 1 | - | 1 | - |
| **TOTAL** | **210** | **(120)** | **90** | **57.1%** | **227** | **(124)** | **103** | **54.6%** |

The chart below illustrates how the funds are invested.

**Distribution as a percentage of fund investments by asset class**




### 12.2.9 Projected cash outflows

The global average term was 11 years at 31 December 2022 (31 December 2021: 12 years).

In 2023, contributions for employee-related liabilities are estimated at €27 million. Future benefits, whether paid by levies on investments or directly by the Eramet Group, are estimated at €40 million.

## 12.3 Bonus share plan and share-based payments

ACCOUNTING METHOD

The Eramet Group has established various share award plans that are all equity-settled plans: "democratic" plans open to all employees that are not subject to performance criteria and "selective" plans open to certain employees and corporate officers subject to performance requirements.

The fair value of the services received in consideration for the granting of these options is definitively measured with reference to the fair value of the options on the grant date and the number of options that will have vested by the end of the vesting period.

The total fair value thereby determined is apportioned on a straight-line basis over the full vesting period for the plans, with the number of vested exercisable options assumed at the beginning of the vesting period being reviewed at every reporting date.

This fair value is recognised in Current operating income as administrative and selling expenses, offset by an increase in shareholders' equity.

ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Judgement must be exercised to determine the fair value of share award plans at the award date.

The fair value of "democratic" plans is estimated using the Black-Scholes-Merton model.

"Selective" plans are subject to two performance conditions: one intrinsic condition based on the Eramet Group's financial performance and one external condition based on the Eramet stock performance. The fair value of these plans is measured using the Monte Carlo model.

The assumptions used to measure the plans are based on:

- expected volatility determined on the basis of an observation of the stock's historical performance;
- a risk-free zero coupon rate over the term of the plan;
- a future distribution rate based on the average for the last five years.

The bonus share awards to employees with tax residence in France fully vest after a two-year vesting period for democratic plans, and after three years for selective plans, on the understanding that the beneficiaries must retain the shares awarded to them for an additional two years.

The bonus share awards to employees with tax residence outside France fully vest and are freely transferable after a four-year period.

Share-based payments relate only to bonus share plans for the benefit of employees and settled in the form of shares. They represented an expense of €8 million for the 2022 financial year (€6 million for the 2021 reporting period).

A new bonus share plan was granted in March 2022. This plan is open to certain employees and corporate officers, including:

- a portion of the shares are subject to three performance conditions. The first, tied to corporate social responsibility, covers 20% of the shares. The second relates to internal conditions with the EBITDA indicator and covers 50%, and an external condition, covering 30%, yields an initial total of 105,846 shares; and
- part of the shares are not subject to performance conditions, for an initial total of 7,604 shares.

The criteria for share awards and the assessment of the accounting expense are the same as those described above.

The characteristics of the two new bonus share plans for 2022 are as follows:

| | | Number of shares | Exercise price *(in euros)* | Maturity *(years)*[1] | Risk-free rate | Average dividend rate | Fair value of the option *(in euros)* [2] |
|---|---|---|---|---|---|---|---|
| Plan open to all employees | France/ Italy | - | free | - | - | - | - |
| | Worldwide | - | free | - | - | - | - |
| Plan open to certain employees and corporate officers | France/ Italy | 74,309 | free | 3 + 0 | - 0.09% | 2.00% | 125.44/101.76 |
| | Worldwide | 39,141 | free | 3 + 0 | - 0.09% | 2.00% | 125.44/101.76 |

*(1) Maturity = vesting period + lock-in period.*

*(2) Bonus share award plans whose share awards are subject to two performance conditions have two fair values: the first being the intrinsic condition and the second being the external condition.*

The change in the number of bonus share awards in the 2021 and 2022 reporting periods was as follows:

| *(in number of bonus shares)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **At beginning of period** | **491,652** | **412,162** |
| New plans 2021/2022 | 113,450 | 217,313 |
| Definitive allocations | (82,448) | (89,303) |
| Prescribed shares | (9,865) | (8,732) |
| Lapsed shares | (27,219) | (39,788) |
| **AT PERIOD CLOSE** | **485,570** | **491,652** |
| DISTRIBUTION BY YEAR OF ALLOCATION | | |
| 2022 | - | 110,850 |
| 2023 | 134,723 | 136,695 |
| 2024 | 238,786 | 244,107 |
| 2025 | 112,061 | - |

## Note 13 Provisions

A provision is a debt recorded in the balance sheet. It is an estimated value owing to uncertainty as to the time of payment and the amount to be paid. The main provisions set aside by the Eramet Group relate to site restoration and environmental and social risks (especially restructuring).

### ACCOUNTING METHOD

The Eramet Group sets aside a provision, where its amount can be reliably estimated, to cover all liabilities arising from past events that are known at the reporting date and the settlement of which is likely to result in an outflow of resources to settle the liability.

#### PROVISIONS FOR SITE RESTORATION AND DECOMMISSIONING, PROVISIONS FOR ENVIRONMENTAL RISKS

The provisions for mining site restoration are recognised when mining sites are opened and as and when they show degradation and are then remeasured and accreted at each reporting date. Where there is a legal or contractual obligation to restore mining or industrial sites, a restoration provision is made, offset by an environmental and decommissioned asset. The provision is based on site-by-site estimates of the cost of this work. The asset is amortised over the life of the operation of the mine or the industrial site. Restoration costs are discounted over the period remaining until the expected end of operation of the mine or site, and the effects attributable to the passage of time (accretion expenses) are recognised in Net income for the period under Other financial income and expenses (see Note 7). Provisions are made for all other environmental contingencies on the basis of estimated future costs without, however, making any allowance for insurance indemnities receivable. For industrial sites where there are no plans to discontinue operations, no provision is made for site restoration.

Depending on the governing laws in each country, an environmental bond issued by a banking or financial institution to the benefit of local authorities may need to be set up for the rehabilitation of mining and industrial sites.

#### RESTRUCTURING AND REDUNDANCY PLANS

Provisions are made for restructuring and redundancy costs where such measures have been planned in detail and announced before the reporting date or whose implementation has begun.

### ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

#### PROVISIONS FOR SITE RESTORATION AND DECOMMISSIONING

The Group's industrial sites comply with the environmental regulations in force in each country where they are located. The Eramet Group must meet regulatory and constructive obligations with regard to the restoration of certain mining sites at the end of operation. Provisions for site restoration and decommissioning of industrial sites are estimated on the basis of forecast cash flows by maturity and discounted using an inflation rate and a discount rate determined in accordance with local economic conditions.

These provisions are recognised in relation to the immediate deterioration of an asset to be restored or decommissioned and changes in assumptions will therefore correct this value with a prospective effect.

The Eramet Group measures its provision for site restoration and decommissioning at each reporting date or as new information becomes available. The final costs of site restoration and decommissioning are therefore uncertain by their very nature. These uncertainties may lead to actual expenditure in the future whose amount may differ from the current provision amount. Therefore, major adjustments may be made to the provisions set aside, which may impact future income.

The provisions made are based on good practice in the sector and are calculated as follows:

- **For mining**, calculation of a cost per hectare for site restoration (replanting, landscaping, soil management etc.) based on the cleared areas. The costs are based on estimated internal costs or the cost of providers, depending on the nature and complexity of the areas to be restored.
- **For the decommissioning of facilities**, cost estimation based on external estimates or experience from decommissioning/remediation work performed on other Group sites.
- These costs are inflated and accreted based on the estimated useful lives. The estimated rates, including the discount rate, are fixed according to the same terms as those used for the assessment of employee-related liabilities (see Note 12).

The provision for site restoration represents the best estimate of the discounted value of future costs to be incurred.

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **796** | **736** |
| Allocations (reversals) for the period | (37) | 160 |
| • allocations for the period | 50 | 228 |
| • used (reversals) for the period | (87) | (62) |
| • unused (reversals) for the period | - | (6) |
| Accretion expenses | 7 | 9 |
| Decommissioned assets | (101) | 7 |
| Changes to consolidation scope | - | (1) |
| Reclassification under IFRS 5 | - | (119) |
| Translation adjustments and other movements | 59 | 4 |
| **AT PERIOD CLOSE** | **724** | **796** |
| • Long-term portion | 562 | 786 |
| • Short-term portion | 162 | 10 |
| Environmental contingencies and site restoration | 525 | 623 |
| Personnel | 6 | 8 |
| Other liabilities and charges | 193 | 166 |

## 13.1 Site restoration, decommissioning and environmental risks

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Site restoration[(1)] | 468 | 593 |
| Environmental risks | 57 | 30 |
| **TOTAL** | **525** | **623** |
| *(1) Of which provisions offsetting a decommissioned asset* | *115* | *501* |
| • Long-term portion | 525 | 623 |
| • Short-term portion | - | - |

### 13.1.1 Site restoration and decommissioning

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **568** | **555** |
| Allocations (reversals) for the period | (5) | (4) |
| • allocations for the period | 4 | 2 |
| • used (reversals) for the period | (9) | - |
| • unused (reversals) for the period | - | (6) |
| Accretion expenses | 7 | 9 |
| Decommissioned assets | (101) | 7 |
| Reclassification under IFRS 5 | - | - |
| Translation adjustments and other movements | (1) | 1 |
| **AT PERIOD CLOSE** | **468** | **568** |
| Société Le Nickel-SLN (New Caledonia) – Nickel BU | 381 | 465 |
| Comilog (Gabon) – Manganese BU | 45 | 44 |
| Eramet Marietta (United States) – Manganese BU | 25 | 41 |
| Comilog France – Manganese BU | 12 | 12 |
| Other companies | 5 | 6 |

### 13.1.2 Regulatory framework of provisions for site restoration and decommissioning

#### New Caledonia

**For mining,** the 2009 mining code establishes the general framework. The provisions are allocated to each of the mine sites in their prefectural operating licence.

**For industrial operations governed by ICPE (Installation Classified for the Protection of the Environment),** the regulatory framework is based on Article 3 of the decision of the Southern Province of 25 September 2008, whose implementation involves the application of certain metropolitan circulars relating to site safety.

The provisions for wash facilities (industrial facilities on mine sites) are for their part included in the ICPE prefectural orders for each of the sites concerned.

#### Gabon

The existing provisions used as a reference for Gabon have not been set out in detail (no implementing circular). However, rehabilitation projects are based on the decree establishing the conditions for application of Law No. 005/2000 of 12 October 2000 (mining code), as amended and supplemented by Order 2002 on the Mining Code in the Gabonese Republic.

The provision under Article 78 was also accounted for, in line with Article 21.5 of the Comilog Mining Convention.

#### United States

Provision is made for two key components:

- restoration of wastewater basins, a regulatory requirement contained in the local permit ("Permit to Install");
- work performed as part of the Voluntary Action Plan negotiated with the US Environmental Protection Agency (EPA) in 2010 in connection with the Ohio waste laws as part of the cessation of activities at the North site (asbestos removal and decommissioning of the corresponding facilities).

#### Senegal

The new mining Code in force in Senegal since 8 November 2016 specifies that the dismantling and restoration obligations are not applicable to GCO. However, a provision has been set aside to meet the obligations inherent in the Group's new environmental responsibility policy. It only covers the obligations to dismantle the facilities. Rehabilitation of sites for which mining constraints have been lifted are being provisioned gradually.

The discount and inflation rates used to determine the site restoration and decommissioning provisions are detailed below:

| | 31/12/2022 | | 31/12/2021 | |
|---|---|---|---|---|
| | Discount rate | Inflation rate | Discount rate | Inflation rate |
| United States | 4.40% | 2.50% | 2.60% | 2.25% |
| New Caledonia | 3.00% | 2.00% | 1.70% | 1.5% |
| Gabon | 6.00% | 3.00% | 6.00% | 3.00% |

An increase or decrease of 0.25% in the discount rate would result in an increase or decrease of around €30 million in provisions at 31 December 2022 (31 December 2021: €41 million), mainly affecting Société Le Nickel-SLN in New Caledonia.

Estimated expenditure is allocated as follows:

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| 2023-2027 / 2022-2026 | 5% | 4% |
| 2028-2032 / 2027-2031 | 0% | 1% |
| 2033 and beyond/2032 and beyond | 95% | 95% |

## 13.2 Personnel

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Other labour liabilities and charges | 6 | 8 |
| **TOTAL** | **6** | **8** |

### 13.3 Other liabilities and charges

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| **At beginning of period** | **166** | **110** |
| Allocations (reversals) for the period | 29 | 164 |
| • allocations for the period | 36 | 226 |
| • used (reversals) for the period | (7) | (62) |
| Reclassification under IFRS 5 | - | (119) |
| Translation adjustments and other movements | (2) | 11 |
| **AT PERIOD CLOSE** | **193** | **166** |
| Tax risks | 3 | 2 |
| Other provisions for liabilities and charges | 190 | 164 |

The provisions for the period relating to discontinued operations cover all the exit costs and specific guarantees provided for in the MoU for the sale of Aubert & Duval. They are registered in the income statement under the net result of discontinued operations.

## Note 14 Related-party transactions

ACCOUNTING METHOD

Transactions with related parties comprise the following:
- ordinary transactions with non-consolidated companies and associates;
- gross compensation and benefits to Directors and members of the Executive Committee.

### 14.1 Ordinary transactions with non-consolidated companies and associates

#### 14.1.1 Income statement

| *(in millions of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| TURNOVER | | |
| • Non-consolidated controlled subsidiaries | 5 | 4 |
| • Associates and joint ventures | 6 | 3 |
| EXPENSES INCLUDED IN CURRENT OPERATING INCOME | | |
| • Non-consolidated controlled subsidiaries | (13) | (8) |
| • Associates and joint ventures | (274) | (220) |
| NET DEBT COST | | |
| • Non-consolidated controlled subsidiaries | - | - |
| • Associates and joint ventures | 2 | 1 |

The above figures include continuing and discontinued operations.

Costs relate primarily to ore purchases by entities of the Weda Bay tier amounting to €258 million (€211 million in 2021) (equity-accounted company).

### 14.1.2 Balance sheet

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| TRADE AND OTHER RECEIVABLES | | |
| • Non-consolidated controlled subsidiaries | 2 | 4 |
| • Associates and joint ventures | 35 | 24 |
| TRADE AND OTHER PAYABLES | | |
| • Non-consolidated controlled subsidiaries | 8 | 5 |
| • Associates and joint ventures | 41 | 50 |
| NET FINANCIAL ASSETS (LIABILITIES) | | |
| • Non-consolidated controlled subsidiaries | 2 | 8 |
| • Associates and joint ventures | - | 213 |

The above figures include assets and liabilities classed as assets and liabilities held for sale.

## 14.2 Gross compensation and benefits to Directors and members of the Executive Committee

| *(in thousands of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| SHORT-TERM BENEFITS | | |
| • Fixed compensation | 3,084 | 4,271 |
| • Variable compensation | 2,379 | 2,395 |
| • Directors' fees | 791 | 890 |
| OTHER BENEFITS | | |
| • Post-employment benefits | 1,390 | 5,850 |
| • Retirement package | - | - |
| • Compensation paid in shares | 1,349 | 1,130 |
| **TOTAL** | **8,993** | **14,536** |

# Note 15 Off-balance sheet commitments, other commitments, contingent liabilities and other disclosures

The Eramet Group reached agreements with third parties to cover the good performance of its obligations. These obligations are dependent upon subsequent events that may result in the Eramet Group's making or receiving a payment. They are not recognised in the balance sheet if they are not likely to increase the obligations already reported in the balance sheet.

## 15.1 Off-balance sheet commitments

| *(in millions of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Commitments made:** | **100** | **118** |
| • Operating activities | 66 | 82 |
| • Financing activities | 34 | 36 |
| **Commitments received** | **45** | **44** |
| • Operating activities | 45 | 44 |
| • Financing activities | - | - |

These commitments mostly relate to:

- operating activities: client and environmental bank guarantees, other endorsements and bank guarantees (customs, leases), letters of credit;
- financing activities: guarantees, pledges, collateral and mortgages for external financing of equity method and non-consolidated companies.

#### Existing call options on EcoTitanium (equity-accounted) by UKAD (companies reclassified under IFRS 5)

A shareholder agreement between UKAD, Ademe and CACF Développement (joint shareholders in the EcoTitanium entity) grants Ademe and CACF Développement puts on their entire share in the profit of UKAD. These puts are based on EcoTitanium and UKAD volumes and EBITDA or on the occurrence of specific events. In this context, Aubert & Duval signed a joint and several guarantee agreement in the event that these puts are not financed. At 31 December 2022, as at 31 December 2021, with the criteria set out having not been met, these puts have no impact on the consolidated financial statements.

#### Functional guarantees for the performance of business contracts

Functional guarantees are any commitments relating to business contracts, given by Eramet and its subsidiaries to clients.

These commitments mainly consist of advance payment bonds and product guarantees post-delivery of goods.

To finance the performance of the contract, the Eramet Group collects advance payments from the client. To guarantee their refund in case of a breach of its contractual obligations, the Eramet Group may, at the client's request, establish an advance payment bond. These bank guarantees amounted to €3.2 million at 31 December 2022 (31 December 2021: €23.2 million).

Product warranties fall under the Eramet Group's limit of liability defined contractually for each business contract. The Eramet Group does not recognise provisions for guarantees given that there have been no warranty claims from its clients.

The Eramet Group considers its financial risk relative to all the above guarantees to be low, based on historical data and on the existence of Civil Liability policies that would limit the financial consequences on the Group's consolidated financial statements.

#### SLN: retention of mining rights

On 5 February 2019, the Congress of New Caledonia adopted provisions amending Article LP 131-12-5 of the New Caledonian Mining Code, which requires operators to survey their entire mining reserves on penalty of forfeiture.

SLN conducted geophysical surveys of its entire mining reserves, as required under the new provisions of the Mining Code.

It now has a period that expires in December 2024 for its mining claims located in the South Province and in April 2025 for its mining claims in the North Province to provide research-based corroborating evidence of the existence of a resource essential for SLN's process and thus avoid forfeiting its mining concessions.

### 15.2 Other commitments

#### Trans-Gabonese railway concession – Setrag

Under the terms of the 2005 agreement, signed for an initial period of 30 years, Setrag, the concession holder, is required to meet operating capacity targets (volume of goods and number of passengers). The concession holder is free to set prices. Its main shareholder, Comilog, is committed to ensuring that the necessary funding is made available to cover the capital expenditure required to achieve the operating capacity targets.

On 16 October 2015, Setrag and the Gabonese Republic signed a first amendment to the concession agreement for the Management and Operation of the Trans-Gabonese Railway. The aim of the amendment is to sustainably restore the technical capacity of the railway and the economic viability of the concession holder.

This amendment thus provides for a remedial investment plan estimated at €316 million over eight years, of which €93 million will be provided by the Gabonese state and €223 million by Setrag. The financing required to implement this plan was put in place in 2016. Work to renovate the railway began in 2017 and has since been ramped up. In addition, work to restore the railway platform ("unstable areas"), overseen by the Gabonese government, began in 2018. On 25 June 2021, a second amendment to the concession agreement was signed, which revalued the amount of the remedial investment plan at €509 million, comprising €158 million borne by the Gabonese State and €351 million borne by Setrag. This work continued in 2022.

On 8 September 2021, a third amendment to the concession agreement was signed, authorising Meridiam's acquisition of a 40% interest in Setrag's capital and the sale of 9% of the capital to the State, which took place at the beginning of 2022. The third amendment to the concession agreement also confirmed a 10-year extension of the concession until 2045.

## 15.3 Contingent liabilities

Contingent liabilities arise from:
- past events which, by their nature, can be solved only if one or more unpredictable future events occur or do not occur;
- a current obligation resulting from past events but not recognised because:
  - it is not likely that an outflow of resources embodying economic benefits will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

To measure their potential impact, the Eramet Group exercises judgement to a great extent and may rely on estimated outcomes of future events.

Contingent liabilities are not recognised in the financial statements unless they result from a business combination. Any material contingent liabilities are described in the notes to the financial statements.

### Review of the quality process within the High Performance Alloys Division (reclassified under IFRS 5)

A provision of €40 million was maintained to take into account the estimated cost to date of completing the in-depth residual review of the quality processes (€52 million at 31 December 2021).

During the finalisation of this review and depending on potential requests from certain customers, additional costs may be incurred, the amount of which cannot be estimated at this stage.

## 15.4 Other information

### Operational risks of the High Performance Alloys Division (reclassified under IFRS 5)

The High Performance Alloys Division produces special steels and super alloys, particularly for the aeronautics industry, which are used in the construction of aircraft, helicopters and other equipment produced by its customers in the sector. As such, the Group may be indirectly or directly liable in the event of an incident, loss or accident, death of passengers or operating losses incurred on equipment containing parts manufactured by this Division.

As part of its risk management policy, the Division takes action to control these risks. The effectiveness of such action is reflected in the obtainment and renewal of accreditations or certifications related to this type of industry and the processing and validation, as necessary, of the validation process by customers of the manufactured parts.

The Group has also taken out insurance policies to cover residual risks.

### ICPE (facilities classified for environmental protection) regulation applicable to the Doniambo power plant

With respect to the Doniambo power plant (Plant B), the order of the President of the Assembly of South Province, New Caledonia, on 12 November 2009, set new, more stringent technical directives regarding airborne emissions. These are applicable to the new power plant (Plant C) at the latest by 1 September 2013.

This deadline has been extended several times by additional orders including measures aimed at reducing airborne emissions from Plant B.

An order of the Southern Province dated 13 January 2021, amending the order of 2019, has authorised the operation of Plant B until 12 June 2025. The provisions that have been added are based on the decision of 17 February 2014 concerning Large Combustion Facilities with a thermal power of more than 50 MWh.

During 2023, the Centrale Accostée Temporaire (CAT) will take over from Plant B. Technical commissioning was approved on 22 November 2022, and commercial commissioning on 6 January 2023. This plant will make it possible to meet the energy needs of the Doniambo plant. The three-year regulatory period of operation of the CAT runs from 3 January 2023 until 3 January 2026. Beyond these three years, the solution for the Caledonian network, through implementation of the STENC (Schéma de Transition Energétique de la Nouvelle Calédonie [New Caledonia Energy Transition Scheme]), must be implemented. The operating principles of the STENC were set out in the Framework Agreement of 24 May 2022 signed with the government, the South Province and the Caledonian metallurgists.

## 15.5 Information on current procedures

To the best of the Company's knowledge, there are no governmental, legal or arbitration proceedings either pending or threatened that could have, or have had in the past twelve months, a material impact on the Company's financial position or profitability.

## Note 16 Fees paid to the Statutory Auditors

| | Grant Thornton | | KPMG | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| *(in thousands of euros)* | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| STATUTORY AUDIT, CERTIFICATION, EXAMINATION OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | |
| Eramet S.A. | 248 | 214 | 306 | 188 | - | - | 554 | 402 |
| Fully consolidated companies | 842 | 792 | 1,007 | 940 | 44 | 92 | 1,893 | 1,824 |
| **Sub-total** | **1,090** | **1,006** | **1,313** | **1,128** | **44** | **92** | **2,447** | **2,226** |
| | *96%* | *96%* | *88%* | *96%* | *100%* | *60%* | *92%* | *93%* |
| OTHER WORK AND SERVICES DIRECTLY RELATING TO THE STATUTORY AUDIT | | | | | | | | |
| Eramet S.A. | 41 | 38 | 63 | 34 | - | - | 104 | 72 |
| Fully consolidated companies | 6 | 9 | 76 | 13 | - | - | 82 | 22 |
| **Sub-total** | **47** | **47** | **139** | **47** | **-** | **-** | **186** | **94** |
| | *4%* | *4%* | *9%* | *4%* | *0%* | *0%* | *7%* | *4%* |
| OTHER SERVICES PROVIDED BY THE STATUTORY AUDITOR FIRMS TO THE FULLY CONSOLIDATED COMPANIES | | | | | | | | |
| Legal, tax and employee-related | - | - | 25 | - | - | 62 | 25 | 62 |
| Other | - | - | 9 | - | - | - | 9 | - |
| **Sub-total** | **-** | **-** | **34** | **-** | **-** | **62** | **34** | **62** |
| | *0%* | *0%* | *2%* | *0%* | *0%* | *40%* | *1%* | *3%* |
| **TOTAL** | **1,137** | **1,053** | **1,486** | **1,175** | **44** | **154** | **2,667** | **2,382** |

## Note 17 Events after the reporting date

As indicated in Note 2 “Key events in the reporting period”, Eramet renewed and extended the term loan for an amount of €480 million at the end of January 2023 (maturity 2027).

In France, Eramet and Electricité de Strasbourg (ES) announced a cooperation agreement in January 2023 with the signing of an exclusive memorandum of understanding to jointly study the development of lithium production in Alsace from geothermal brines. Expected production, all of which would take place in France, would be around 10,000 tonnes of lithium carbonate per year, corresponding to the needs of approximately 250,000 EV batteries. This could begin before the end of the decade, subject to a final investment decision within the next four years.

On 13 February 2023, the French government announced an additional loan of €40 million maturing in June 2024 to enable SLN to meet its short-term cash flow requirements. In addition, the existing overdraft authorisation between Eramet and all of its subsidiaries was extended to give SLN the necessary flexibility to manage the fluctuations in its liquidity as effectively as possible.

## Note 18 Consolidation principles and scope

### 18.1 Consolidation principles

The consolidated financial statements of the Eramet Group comprise the financial statements of Eramet and those of its fully consolidated and equity-accounted subsidiaries.

The subsidiaries are fully consolidated if Eramet holds exclusive direct or indirect control. Eramet has exclusive control over a subsidiary when it is exposed to variable returns from its involvement with that subsidiary and has the ability to affect those returns through its power over the subsidiary. Eramet reassesses its control over a subsidiary if facts and circumstances indicate a change to any audit elements.

The subsidiaries are accounted for using the equity method if Eramet exercises joint control or has significant influence (Note 10.5). The equity method of accounting consists of replacing the carrying amount of the holding in a joint venture or an associate by the acquisition cost of these shares adjusted for Eramet’s share in the equity at the reporting date.

### 18.2 Translation of foreign currency-denominated transactions and financial statements

Foreign currency transactions are translated at the applicable exchange rate at the time of the transaction. Foreign currency debts and receivables are measured at the closing rate. Translation adjustments resulting from this conversion are recognised in income for the period, except those involving loans and borrowings between the Eramet Group companies, considered an integral part of the net investment in a foreign subsidiary. These are recognised directly in shareholders' equity under Translation adjustments, linked to the foreign subsidiary.

The financial statements of foreign entities with functional currencies other than the euro were translated using the official exchange rates at 31 December 2022 for balance sheet items, except for shareholders' equity, for which historical rates were applied. For cases where the hyperinflation criteria do not apply, items from the Income statement and Statement of cash flows are translated at the average rate over the period. Translation adjustments stemming from currency fluctuations used to translate shareholders' equity and profit (loss) for the period are allocated to reserves. Translation adjustments are carried as a change to shareholders' equity and broken down between Group and non-controlling interests. Where a foreign subsidiary ceases to be consolidated, the cumulative amount of translation differences is recognised in profit or loss for the period.

The main currencies used to prepare the consolidated financial statements for the 2021 and 2022 reporting periods are as follows (conversion into euro):

| | FY 2022 | | FY 2021 | |
|---|---|---|---|---|
| Currency/conversion rate for €1 | closing | average | closing | average |
| US dollar | 1.0666 | 1.05438 | 1.1326 | 1.18418 |
| Norwegian krone | 10.5138 | 10.0924 | 9.9888 | 10.1711 |
| Yuan Renminbi | 7.3582 | 7.0762 | 7.1947 | 7.64211 |
| CFA franc (pegged) | 655.957 | 655.957 | 655.957 | 655.957 |
| CFP franc (pegged) | 119.33174 | 119.33174 | 119.33174 | 119.33174 |

### 18.3 Scope of consolidation

| *(in number of companies)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Fully consolidated companies | 40 | 40 |
| Equity method companies | 3 | 4 |
| **NUMBER OF CONSOLIDATED COMPANIES** | **43** | **44** |

#### FY 2022

There were no changes in the scope of consolidation at 31 December 2022 compared to 31 December 2021, with the exception of the following movements:

- entry into the scope of consolidation of the newly established companies PT Eramet Halmahera Nickel, PT Eramet Indonesia Mining and Eramet S.A. Nickel WBN;
- disposal of Eramet Sandouville on 4 February 2022;
- deconsolidation of TiZir Mauritius Ltd;
- transfer of all assets and liabilities (merger) of Eramet Comilog Manganese to Eramet Holding Manganese.

#### FY 2021

There were no changes to the scope of consolidation at 31 December 2021 compared to 31 December 2020, with the exception of:

- Erasteel Stubs, being considered a dormant entity, was deconsolidated in the first half of 2021;
- the entities CFED, Comilog Asia and Weda Bay Inc. were wound up during the year;
- Brown Europe was sold on 30 June 2021;
- transfer of all assets and liabilities (merger) of Comilog International to Comilog Holding.

## 18.4 List of companies within the scope of consolidation as at 31 December 2022

| Company | Country | Head office | Consolidation method | Percentage (%) control | Percentage (%) interest |
|---|---|---|---|---|---|
| **Eramet** | **France** | **Paris** | **Consolidating entity** | - | - |
| SUBSIDIARIES OF CONTINUING OPERATIONS | | | | | |
| **Nickel** | | | | | |
| Le Nickel-SLN | New Caledonia | Noumea | Fully consolidated | 56 | 56 |
| Strand Minerals Pte Ltd | Singapore | Singapore | Equity method | 43 | 43 |
| PT Weda Nickel Ltd | Indonesia | Jakarta | Equity method | 38.7 | 38.7 |
| PT Eramet Halmahera Nickel | Indonesia | Jakarta | Fully consolidated | 100 | 100 |
| PT Eramet Indonesia Mining | Indonesia | Jakarta | Fully consolidated | 100 | 100 |
| Eramet S.A. Nickel WBN | France | Paris | Fully consolidated | 100 | 100 |
| Eramet Holding Nickel | France | Paris | Fully consolidated | 100 | 100 |
| **Manganese** | | | | | |
| Eramet Holding Manganèse | France | Paris | Fully consolidated | 100 | 100 |
| Eramet Comilog Manganese | France | Paris | Deconsolidated | N/A | N/A |
| Eramet Marietta Inc. | United States | Marietta | Fully consolidated | 100 | 100 |
| Eramet Norway A/S | Norway | Porsgrunn | Fully consolidated | 100 | 100 |
| Comilog S.A. | Gabon | Moanda | Fully consolidated | 63.71 | 63.71 |
| Setrag S.A. | Gabon | Libreville | Fully consolidated | 100 | 32.49 |
| Comilog Holding | France | Paris | Fully consolidated | 100 | 63.71 |
| Port Minéralier d'Owendo S.A. | Gabon | Libreville | Fully consolidated | 97.24 | 61.95 |
| Comilog France | France | Paris | Fully consolidated | 100 | 63.71 |
| Comilog Dunkerque | France | Paris | Fully consolidated | 100 | 63.71 |
| **Mineral sands** | | | | | |
| Eramet Mineral Sands | France | Paris | Fully consolidated | 100 | 100 |
| Eralloys Holding A/S | Norway | Baerum | Fully consolidated | 100 | 100 |
| Mineral Deposit Ltd | Australia | Melbourne | Fully consolidated | 100 | 100 |
| Mineral Deposit Ltd Mining | Australia | Melbourne | Fully consolidated | 100 | 100 |
| TiZir Ltd | United Kingdom | London | Fully consolidated | 100 | 100 |
| Eramet Titanium & Iron | Norway | Tyssedal | Fully consolidated | 100 | 100 |
| TiZir Mauritius Ltd | Mauritius | Mauritius | Deconsolidated | N/A | N/A |
| Grande Côte Operations S.A. | Senegal | Dakar | Fully consolidated | 90 | 90 |

| Company | Country | Head office | Consolidation method | Percentage (%) control | Percentage (%) interest |
|---|---|---|---|---|---|
| **Lithium** | | | | | |
| Eramet Lithium (formerly Eramine) | France | Paris | Fully consolidated | 100 | 100 |
| Bolera Minera S.A. | Argentina | Buenos Aires | Fully consolidated | 82.43 | 82.43 |
| Eramine Sudamerica S.A. | Argentina | Buenos Aires | Fully consolidated | 66.8 | 66.8 |
| **Holding and others** | | | | | |
| ERAS S.A. | Luxembourg | Luxembourg | Fully consolidated | 100 | 100 |
| Metal Securities | France | Paris | Fully consolidated | 100 | 100 |
| Metal Currencies | France | Paris | Fully consolidated | 100 | 100 |
| Eramet Services | France | Paris | Fully consolidated | 100 | 100 |
| Eramet Ideas (previously Eramet Research) | France | Trappes | Fully consolidated | 100 | 100 |
| Eramet Marketing Services | France | Paris | Fully consolidated | 100 | 100 |
| Eramet Holding Alliages | France | Paris | Fully consolidated | 100 | 100 |
| SUBSIDIARIES OF DISCONTINUED OPERATIONS | | | | | |
| **Alloys** | | | | | |
| Erasteel S.A.S. | France | Paris | Fully consolidated | 100 | 100 |
| Erasteel Champagnole | France | Champagnole | Fully consolidated | 100 | 100 |
| Erasteel Kloster AB | Sweden | Söderfors | Fully consolidated | 100 | 100 |
| Erasteel Inc. | United States | New Jersey | Fully consolidated | 100 | 100 |
| Erasteel Innovative Materials Co. Ltd | China | Tianjin | Fully consolidated | 100 | 100 |
| Aubert & Duval | France | Paris | Fully consolidated | 100 | 100 |
| Interforge | France | Clermont-Ferrand | Fully consolidated | 95.7 | 95.7 |
| EcoTitanium | France | Paris | Equity method | 44.8 | 44.8 |
| UKAD | France | Paris | Fully consolidated | 100 | 100 |
| **Nickel** | | | | | |
| Eramet Sandouville | France | Sandouville | Deconsolidated | N/A | N/A |

# Glossary

### EBITDA

Earnings before financial income and expenses and other operating income and expenses, income tax, provisions for liabilities and charges, and depreciation of property, plant and equipment and amortisation of intangible assets.

### Adjusted EBITDA

EBITDA including Eramet's share in the EBITDA of material joint ventures accounted for by the equity method in the Group's financial statements.

### Current operating income (COI)

Includes EBITDA (as defined above), depreciation of property, plant and equipment, amortisation of intangible assets and provisions for liabilities and charges. Current operating income excludes material transactions that are considered unusual in nature, in particular events related to restructuring and impairment losses, shown in operating income and expenses.

### Net income, Group share

Net income for the period after tax, attributable to Eramet shareholders, after accounting for the non-controlling interest in each of the Eramet Group companies.

### OCI (Other Comprehensive Income)

Transactions for which the change in value of an asset or liability is recognised directly in equity without passing through the income statement. This is the case, for example, for unrealised gains or losses on hedging instruments, actuarial gains and losses relating to employee benefits, and certain translation differences.

### Capital expenditure

Includes the acquisition of property, plant and equipment and intangible assets.

### Group reporting

Financial information prepared for the Executive Committee, the chief operating decision-maker (CODM). This information is reconciled with published data and is used to measure the performance of the Eramet Group, its Divisions and Business Units (segment information – see Note 4). It is also used for the Eramet Group's financial reporting.

### Net financial debt

Represents the gross financial debt (long and short-term borrowings) less cash and cash equivalents and current financial assets. These items include the valuation of debt-hedging derivatives.

### *Gearing*

Ratio of net financial debt to total equity (Group non-controlling interest).

### Financial liquidity

Includes cash and cash equivalents, current financial assets and the available amount in the credit facilities made available to Eramet Group companies.

# Statutory Auditors' Report on the Consolidated Financial Statements

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*
*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**For the year ended December 31, 2022**

To the Shareholders,

## Opinion

In compliance with the engagement entrusted to us at the Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Eramet S.A., for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risk and Ethics Committee.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

## Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 2.2 to the consolidated financial statements "Operating difficulties at SLN in New Caledonia: impairment of assets and continuation of the support plan", which sets out the continuation of the plan together with the framework under which SLN will be able to handle its short-term payments and best manage its liquidity fluctuations.

## Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

### Impairment testing of goodwill, intangible assets and property, plant & equipment

#### Risks identified

At December 31, 2022, fixed assets amounted to €2,708 million.

As indicated in Note 10.4 to the consolidated financial statements, the Group systematically performs impairment tests on goodwill and intangible assets with indefinite useful lives, at least once a year when it issues its annual report or whenever there is an indication of impairment. For intangible assets and items of property, plant and equipment with finite useful lives, impairment tests are carried out whenever there is an indication of impairment.

Cash-generating units (CGU) are homogeneous groups of assets whose continuous use generates independent cash flows. Impairment tests are performed for each CGU. All intangible assets, including goodwill, and all items of property, plant and equipment are allocated to CGUs.

Eramet Group's General Management determines the existence of events calling for impairment testing based on several criteria. An impairment test is carried out on the CGUs concerned when these indicators show a negative trend.

Impairment testing consists in comparing the carrying amount of assets with their recoverable amount, which is defined as the higher of value in use (or recoverable amount through use) and fair value (or recoverable amount through sale), less selling costs.

To determine value in use, the Eramet Group mainly uses discounted cash flows generated from the use of the assets or other methods if circumstances allow another approach to market value. The data used to calculate the discounted forecast cash flows is taken from the annual budgets and multi-year plans prepared by the management of the CGUs concerned. Impairment losses are calculated as the difference between the recoverable amount and the carrying amount, if the carrying amount exceeds the recoverable amount.

Impairment testing is a key point of the audit due to the material importance of the value of the non-current assets in the Group's financial statements and because the calculation of their recoverable amount, most often based on projected discounted cash flows, requires the use of assumptions, estimates or assessments.

#### Audit procedures implemented in view of the identified risks

We examined the process of identifying the impairment indicators and the procedures for implementing the impairment tests, including on the following cash generating units (CGUs) of the Mining and Metals Division: the Lithium CGU, the SLN CGU, the Manganese Ore CGU, the Manganese Alloys CGU, and the Mineral Sands CGU.

In the context of our audit of the consolidated financial statements, our work on this subject mainly consisted of:

- assessing the completeness of the elements making up the carrying amount of the CGUs relating to the tested activities and how consistent the calculation of this amount was with the way in which cash flow projections were determined for value in use;
- studying the consistency of:
  - past and future cash flows with the latest management estimates as presented to the Board of Directors as part of the budget process, taking into account the impact of the health crisis;
  - the information taken into account in these models with regard to our knowledge of the sector and the activity within the scope of our assignment, in particular the examination of the strategic plan and interviews with management control;
- the price parameters used by the Group (industry consensuses for nickel and internal company analyses for manganese);
- assessing the appropriateness of the discount rates applied to the estimated cash flows by specifically ascertaining that the different parameters making up the weighted average cost of capital of each CGU approximate the return expected by market participants for similar activities, with the assistance of our measurement experts (audit team members);
- studying the value-in-use sensitivity analyses conducted by management, taking changes in the main assumptions used into account;
- verifying the mathematical accuracy of the calculations.

Lastly, we assessed the appropriateness of the disclosures provided in Note 10.4 to the consolidated financial statements.

### Provisions for site decommissioning and restoration

#### Risks identified

As mentioned in Note 13 to the consolidated financial statements, the Group recognizes provisions for site decommissioning and restoration to cover its environmental obligations, mainly in New Caledonia. At December 31, 2022, these provisions amounted to €468 million for the entire Group.

These provisions are estimated on the basis of forecasted cash flows by maturity and discounted using an inflation rate and a discount rate determined in accordance with local economic conditions.

These provisions are recognized in relation to the immediate degradation of an asset to be restored or decommissioned. Subsequent different assumptions will correct this value with prospective effect.

These provisions are measured at each reporting date or as new information becomes available. The final costs of site restoration and decommissioning are, by their very nature, uncertain. Actual future expenditure may differ from current estimates used to measure the provision.

We considered this subject to be a key point of our audit, given the materiality of the amounts in question, the occasionally distant time horizons for the estimates, the sensitivity of the assumptions and the degree of judgment required by management to determine these provisions.

#### Audit procedures implemented in view of the risks

In the context of our audit of the consolidated financial statements, our work on this subject mainly consists of:

- interviewing the persons responsible for environmental matters at Le Nickel-SLN (New Caledonia) and the Group about the framework of their obligations and communication with the authorities;
- examining the procedures implemented by the Group in order to identify and list all of its obligations;
- assessing the accounting framework and consistency of accounting policies between reporting periods;
- obtaining an understanding of the Group's analysis of the corresponding documentation, including consultations with external advisors;
- analyzing the various parameters and assumptions used by management to estimate the amount of these provisions, including:
  - the inventory of property and sites to be decommissioned and areas to be restored;
  - restoration cost, particularly pertaining to external estimates and feedback from past experience;
  - the residual useful life of facilities and deposits in line with the technical analyses and the mining plan.
  - the inflation and discounting assumptions used.

Lastly, we examined the information provided in Note 13 to the consolidated financial statements in this regard.

### Presentation and valuation of assets held for sale

#### Risks identified

As indicated in Notes 2.1, and 3.2 to the consolidated financial statements, in its strategic roadmap Eramet Group announced that it aims to become exclusively a Mining and Metallurgy player. To this end, the Group has decided to dispose of certain assets. The sale of Eramet Sandouville was finalized on February 4, 2022 and Eramet announced that it had signed an agreement for the sale of Aubert & Duval on June 20, 2022. The disposal process for Erasteel, a subsidiary specializing in high speed steel, is ongoing. Given these conditions, the foregoing were classified as non-current assets held for sale, in accordance with IFRS 5 – "Non-current Assets Held for Sale and Discontinued Operations".

The effects of IFRS reclassifications were indicated in the note concerning each account affected by this change of presentation.

We considered the presentation and valuation of assets and operations within a disposal plan as key audit matters, given (i) the size of these accounts in the Group's financial statements; (ii) the level of management judgement required to determine the high likelihood of these sales; and (iii) the assumptions, estimates and assessments used to determine fair value during the disposal, this particularly concerned the Aubert & Duval and Erasteel CGUs, for which the accounting impact, as of December 31, 2022, of the transactions was -€156 million, recognized in net income (expense) of the businesses being sold caption.

#### Audit procedures implemented in view of the risks

Our work on this subject mainly consisted of:

- Corroborating the reasonableness of the main data and assumptions on which IFRS 5 classification was based, through discussions with Management and analysis of the minutes of Board of Directors' meetings and of available documentation on the pending sales;
- Assessing the consistency of the valuation of assets and liabilities of activities held for sale (i.e. the lower of carrying amount or fair value les disposal costs) with available documentation on negotiations in progress, purchase offers received, and consideration of specific guarantees granted by Eramet;
- Assessing that all assets and liabilities, cash flow statements and income statements of businesses being sold, as broken down in Note 3.2, were presented in accordance with IFRS 5.

We also assessed the appropriateness of the information provided in Note 3.2 "Application of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations".

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

We attest that the consolidated non-financial information required by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with article L.823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

## Report on Other Legal and Regulatory Requirements

### Presentation of the consolidated financial statements included in the annual financial report

In accordance with the professional standard applicable in France relating to procedures performed by statutory auditors on annual and consolidated financial statements presented in the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic reporting format defined in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

It is not our responsibility to verify that the consolidated financial statements that your company actually includes in the annual financial report filed with the AMF match those on which we have worked.

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Eramet S.A. by the combined shareholders' meeting held on May 29, 2015 for KPMG Audit, and by the annual shareholders' meeting held on May 28, 2022 for Grant Thornton.

As at December 31, 2022, KPMG Audit was in its eighth year of total uninterrupted engagement and Grant Thornton in the second year of its engagement.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risk and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on the consolidated financial statements.

### Report to the Audit, Risk and Ethics Committee

We submit a report to the Audit, Risk and Ethics Committee which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risk and Ethics Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this audit report.

We also provide the Audit, Risk and Ethics Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit, Risk and Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, March 22, 2023

The Statutory Auditors
*French original signed by*

| KPMG Audit | | Grant Thornton | |
|---|---|---|---|
| A division of KPMG S.A. | | French member firm of Grant Thornton International | |
| Michel Piette<br>*Partner* | Jérémie Lerondeau<br>*Partner* | Jean-François Baloteaud<br>*Partner* | Alexandre Mikhail<br>*Partner* |

# 2.2 INDIVIDUAL FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

## Income statement

| *(in thousands of euros)* | Notes | FY 2022 | FY 2021 |
|---|---|---|---|
| Sales of goods and merchandise | | 1,049,033 | 948,312 |
| Income from ancillary activities | | 144,296 | 121,192 |
| **Turnover** | **5.1** | **1,193,329** | **1,069,505** |
| Capitalised production | | - | - |
| Operating subsidies | | 71 | 521 |
| Reversals of provisions and amortisation, transfer of charges | | 7,424 | 6,278 |
| Other income | | 24 | 128 |
| **Other income** | | **7,519** | **6,927** |
| **Total operating income** | | **1,200,848** | **1,076,432** |
| Purchase of goods | | (583,168) | (608,085) |
| Changes in inventories (goods) | | (399,610) | (137,064) |
| Purchase of raw materials and other supplies | | (46,377) | (179,888) |
| External purchases and expenses | | (157,143) | (100,160) |
| Taxes, duties, and other levies | | (2,382) | (3,011) |
| Wages and salaries | | (41,843) | (42,423) |
| Social security contributions | | (15,557) | (15,709) |
| Depreciation and amortisation | | (11,046) | (8,033) |
| Provisions for current assets | | (147) | (5) |
| Provisions for liabilities and charges | | (15,463) | (27,127) |
| Other expenses | | (6,458) | (5,827) |
| **Total operating expenses** | | **(1,279,193)** | **(1,127,331)** |
| **Operating revenue** | | **(78,345)** | **(50,900)** |
| **Financial income** | **5.2** | **135,005** | **382,160** |
| **Current income before taxes** | | **56,660** | **331,261** |
| **Extraordinary income** | **5.3** | **(1,251)** | **(72,917)** |
| Employee shareholding | | (1,358) | (2,067) |
| Income taxes | | 88,539 | 74,646 |
| **NET INCOME** | | **142,591** | **330,923** |

## Balance sheet – Assets

| *(in thousands of euros)* | Notes | Gross amount | Depreciation, amortisation and provisions | 31/12/2022 Net amount | 31/12/2021 Net amount |
|---|---|---|---|---|---|
| Patents, licences, rights and similar assets | | 32,226 | 24,424 | 7,802 | 5,860 |
| Goodwill | | 64 | - | 64 | 64 |
| Intangible assets in progress | | 34,727 | 34,727 | - | - |
| **Intangible assets** | | **67,017** | **59,151** | **7,865** | **5,924** |
| Technical installations, industrial machinery and equipment | | 496 | 496 | - | - |
| Other property, plant and equipment | | 9,506 | 5,999 | 3,508 | 4,943 |
| Property, plant and equipment in progress | | 26,997 | 16,158 | 10,839 | 11,119 |
| **Property, plant and equipment** | | **36,999** | **22,653** | **14,346** | **16,062** |
| Equity investments | | 3,218,378 | 1,820,702 | 1,397,675 | 1,583,523 |
| Receivables from equity investments | 4.2 | 1,246,455 | 427,450 | 819,005 | 1,062,507 |
| Other long-term investments | | 22,599 | 16,686 | 5,913 | 3,589 |
| Other non-current financial assets | 4.2 | 13,967 | - | 13,967 | 12,820 |
| **Non-current financial assets** | | **4,501,398** | **2,264,838** | **2,236,560** | **2,662,440** |
| **Non-current assets** | **4.1** | **4,605,414** | **2,346,642** | **2,258,772** | **2,684,426** |
| Goods | | 6,767 | 152 | 6,615 | 23,641 |
| **Inventories and work in progress** | **4.7** | **6,769** | **154** | **6,615** | **23,641** |
| Advances and down payments on orders | | 5,632 | - | 5,632 | 8,283 |
| Trade receivables | | 142,295 | - | 142,295 | 148,939 |
| Other receivables | | 35,289 | - | 35,289 | 39,217 |
| **Operating receivables** | **4.2 & 4.7** | **177,585** | **-** | **177,585** | **188,155** |
| **Cash and cash equivalents** | **4.3** | **75,518** | | **75,518** | **91,047** |
| Prepaid expenses | | 3,493 | - | 3,493 | 3,791 |
| Loan issue costs to be deferred | | 8,249 | - | 8,249 | 6,994 |
| Bond redemption premiums | | 690 | - | 690 | 979 |
| **Adjustment accounts** | **4.4** | **12,433** | **-** | **12,433** | **11,764** |
| **Current assets** | | **277,937** | **154** | **277,783** | **322,891** |
| **TOTAL ASSETS** | | **4,883,351** | **2,346,796** | **2,536,555** | **3,007,317** |

## Balance sheet – Liabilities

| *(in thousands of euros)* | Notes | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Capital | | 87,703 | 87,703 |
| Issue, merger and contribution premiums | | 466,485 | 466,485 |
| Legal reserve | | 8,770 | 8,124 |
| Other reserves | | 181,305 | 253,839 |
| Retained earnings | | (283,567) | (614,690) |
| Result for the financial year | | 142,591 | 330,923 |
| **Net position** | **4.5** | **603,287** | **532,384** |
| Regulated provisions | 4.8 | 7,608 | 7,608 |
| **Shareholders' equity** | | **610,895** | **539,992** |
| Provisions for liabilities | | 196,919 | 300,544 |
| Provisions for charges | | 2,237 | 2,321 |
| **Provisions for liabilities and charges** | **4.8** | **199,156** | **302,865** |
| Bond issues | | 848,601 | 908,432 |
| Borrowings and debt with credit institutions | | 482,053 | 685,882 |
| Current account liabilities with the Group | | 170,163 | 337,826 |
| **Financial debts** | **4.9** | **1,500,817** | **1,932,141** |
| Advances and deposits received on current orders | | 838 | 2,636 |
| Trade payables and related accounts | | 163,786 | 162,689 |
| Tax and payroll payables | | 27,160 | 26,345 |
| **Operating debts** | **4.9 & 4.10** | **190,946** | **189,035** |
| Liabilities on non-current assets and related accounts | | - | 46 |
| Other liabilities | | 33,062 | 39,704 |
| **Miscellaneous liabilities** | **4.9 & 4.10** | **33,062** | **39,751** |
| **Adjustment accounts** | **4.10** | **840** | **898** |
| **Liabilities** | | **1,726,503** | **2,164,460** |
| **TOTAL LIABILITIES** | | **2,536,555** | **3,007,317** |

## Net debt table

| *(in thousands of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net income | 142,591 | 330,923 |
| Elimination of income and expenses with no impact on cash flow or not related to operating activities | 308,131 | (168,291) |
| **Cash flow from operations** | **450,722** | **162,632** |
| Change in operating working capital requirement | 85,254 | (30,679) |
| **Net cash flow generated by operating activities** | **535,976** | **131,954** |
| INVESTING ACTIVITIES | | |
| Net payments for non-current financial assets | (36,322) | (139,557) |
| Payments for intangible assets and PP&E | (22,805) | (6,658) |
| Disposal of non-current assets | - | - |
| Change in other receivables and payables | 900 | 208 |
| **Net cash used in investing activities** | **(58,226)** | **(146,008)** |
| EQUITY TRANSACTIONS | | |
| Dividends paid to Eramet S.A. shareholders | (71,687) | - |
| Share capital increases | - | 95,595 |
| **Net cash used in financing activities** | **(71,687)** | **95,595** |
| **INCREASE (DECREASE) IN NET CASH** | **406,063** | **81,542** |
| **Net cash (Borrowings) at beginning of period** | **(584,907)** | **(666,449)** |
| **Net cash (Borrowings) at period end** | **(178,844)** | **(584,907)** |

## Notes to the individual financial statements

## Note 1 Description of activities

The Group is one of the world's leading producers of:

- alloy metals, especially manganese and nickel, which are used to improve the properties of steel;
- alloys and high-performance special steels used by industries such as aeronautics, power generation and tooling.

The Group is structured into Business Units, in turn grouped in two Divisions corresponding to the Group's activities: the Operations Department (formerly the Mining and Metals Division) and the High Performance Alloys Division.

Eramet S.A., the parent company, has two main functions:

- a pure holding function called Eramet Holding, bringing together the various support services including the Administrative and Financial Department, the Human Resources Department, the Communication and Sustainable Development Department, the Legal Department, the Purchasing Department, the Information Systems Department and the Strategy, Development and Innovation Department;
- the operational activity of the Nickel Business Unit (excluding personnel costs).

The costs of these various services are billed to the Group's various subsidiaries through intermediary management fee contracts. Other operating costs relating to nickel are directly allocated to the Nickel BU.

Eramet also has directly held subsidiaries, acting on behalf of the various entities or for the parent company. These include:

- Eramet Services: a company which includes accounting functions, payroll and IT support for the Group's French companies;
- Eramet Ideas: Eramet's Research Centre, which brings together Research and Development and project and technology engineering activities;
- Eramet International: a company that brings together Eramet's sales network for certain activities of the two divisions. Eramet International has subsidiaries and branches throughout the world. The activity of Eramet International is generally remunerated by agency commission contracts;
- Metal Securities: the Group's cash management company, which centralises cash surpluses and short-term requirements for the Group as a whole;
- Metal Currencies: the Group's foreign exchange management company, which carries out all foreign exchange hedging operations for the Group as a whole;
- ERAS: reinsurance company.

## Note 2 Key events in the reporting period

### Refocusing of the Group's activity on the Mining and Metals business

The Eramet Group announced in its strategic roadmap that it aims to be a player dedicated exclusively to its Mining and Metals business. To this end, the Group has decided to dispose of certain assets.

The disposal of Eramet Sandouville in the Nickel Business Unit was finalised on 4 February 2022.

On 20 June, Eramet signed a contract with the consortium consisting of Airbus, Safran and Tikehau for the sale of Aubert & Duval. The conditions precedent linked to this sale are in the process of being lifted. The necessary approvals, particularly in the context of the antitrust process, are expected to be obtained in the first quarter of 2023, allowing a disposal on that date.

With regard to Erasteel, the Group entered into exclusive negotiations with a potential buyer in early January 2023, allowing the sale to be effectively completed during 2023 after the lifting of the usual conditions precedent, mainly administrative in nature.

The accounting effects of the transaction have been recognised in Eramet's income where applicable, and in particular have resulted in the recognition of provisions for the equity investments of the entities concerned, as well as for the loans granted to those entities.

### Construction of the lithium plant in Argentina resumes

In the first quarter of 2022, via its subsidiary Eramine Sudamerica, Eramet commenced construction of the lithium plant in Argentina in accordance with the schedule for entry into production in early 2024. Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint. Its partner Tsingshan, whose stake in Eramine Sudamerica currently stands at 33.2% for a total amount of $175 million, has begun financing the construction of the plant. Production volumes will be marketed by each partner based on their respective shareholding.

### Hydrometallurgical project in Indonesia

In 2022, in partnership with BASF, Eramet continued studies on Sonic Bay, a hydrometallurgical project (HPAL16) for the production of battery-grade nickel-cobalt from lateritic ore extracted from the Weda Bay mine, with a view to making an investment decision by the end of 2023. The plant is expected to come on stream in early 2026. This project will position Eramet as a key player in the EV battery value chain, while also creating value for Weda Bay ore.

### Battery recycling in France

In France, through its ReLieVe project in partnership with Suez, Eramet is continuing prefeasibility studies on the potential construction of a battery pretreatment production plant in collaboration with Suez, as well as a hydrometallurgical refining plant using processes developed by Eramet. Eramet should receive substantial financial grants of around €80 million, mainly from the European Union. The Group has begun the construction of a pre-industrial demonstrator at its research and innovation centre near Paris, and is currently finalising discussions to reserve a location for a first battery recycling plant in the Dunkirk region. Recycling activities could start in 2025 for pretreatment and in 2027 for refining. This project would allow Eramet to position itself both upstream and downstream of the electric battery value chain.

### Operational difficulties for SLN in New Caledonia, impairment of assets and continuation of the support plan

In New Caledonia, mining production reached 5.4 Mwmt, on a par with 2021, reflecting the persistent difficulties of mining operations in a context of very severe weather (precipitation almost 90% higher in 2022 compared with the average over the last six years). Exports of low-grade nickel ore amounted to 3.0 Mwmt, on a par with 2021. Ferronickel production and sales were up by 5% at 40.9 ktNi and 41.3 ktNi respectively. Over the year, however, the operation of the Doniambo plant was severely disrupted by ore and electricity supply difficulties.

The increase in energy costs, mainly for electricity and coal (the price of which more than doubled compared with 2021), but also fixed costs, combined with a fall in productivity, weighed heavily on net income. As a result, SLN generated a negative free cash flow of -€70 million over the year. A new plan to reduce costs and preserve cash was put in place by the subsidiary at the end of 2022 in order to address these difficulties. An emergency progress plan is being implemented to drastically reduce costs and focus efforts on production, the first essential step in rescuing the company.

In these circumstances, the review of the medium-term plans, taking into account in particular the increase in energy and coal costs and the expected level of production, led to the recognition of a provision of €123 million for impairment of the shares of Eramet Holding Nickel, SLN's parent company, and a provision of €119 million for impairment of the loan granted to SLN. The electricity price assumption takes into account a price consistent with the discussions held with stakeholders.

In view of the critical cash flow situation, which is very sensitive to fluctuations in sale prices and particularly input prices, the French Government granted an additional loan of up to €40 million maturing in June 2024 to enable SLN to meet its short-term cash flow requirements. The existing overdraft authorisation between Eramet and all of its subsidiaries was extended to give SLN the necessary flexibility to manage the fluctuations in its liquidity as effectively as possible.

### Signing of a new RCF agreement and extension of the term loan

In July and December 2021, the drawn line of credit of the revolving credit facility, amounting to €900 million, was repaid. The balance of €81 million was repaid in January 2022. In June 2022, the Group refinanced the revolving credit facility, increasing it to €935 million with a maturity of five years, accompanied by two successive up-front one-year extension options (June 2023 and June 2024) potentially leading to a maturity in June 2029. Two of the Group's decarbonisation CSR indicators were integrated into the agreement.

On 31 January 2023, Eramet renewed and extended the term loan for an amount of €480 million with a pool of banks. The new floating-rate loan matures in January 2027 and can be amortised as of January 2025. €270 million of this loan has been drawn down, mainly to refinance the outstanding amount of the old loan.

## Note 3 Accounting principles, rules and methods

The financial statements of Eramet S.A. as at 31 December 2022 were approved by the Board of Directors on 22 February≈2023.

### Review of principles

The annual financial statements for the year ended 31 December 2022 have been prepared in accordance with French Accounting Standards Authority (ANC) Regulation No. 2015-06 of 23 November 2015 and Regulation No. 2020-09 of 4 December 2020, amending Regulation No. 2014-03 of 5 June 2014 relating to the general chart of accounts. The Company also applies ANC Regulation No. 2015-05 on forward financial instruments and hedging transactions, as well as ANC recommendation No. 2013-02 of 7 November 2013, amended on 5 November 2021, on the rules for valuing and accounting for pension commitments and similar benefits.

The general accounting conventions have been applied in accordance with the principle of prudence and in compliance with the basic assumptions of a going concern, consistency of accounting methods and independence of financial years and according to the rules for drawing up and presenting the annual financial statements.

The basic method used to value recorded items is the historical cost method.

### Change of method

There was no change in method compared with 31 December 2021.

## Rules and methods applied to the various balance sheet and income statement items

### 3.1 Intangible assets and property, plant and equipment

The gross value of non-current assets is the value at which the items were recorded when first acquired by the Company and includes any expenses required to bring them into working order.

Non-current assets not used or whose market value is lower than the carrying value are generally written down through extraordinary depreciation or provisions.

The economically justified depreciation is the straight-line depreciation. This depreciation is calculated over the expected life of the assets.

The useful lives of property, plant and equipment for depreciation purposes are, except in exceptional cases, as follows:

- Buildings: between 20 and 30 years;
- Technical installations: between 12 and 20 years;
- Equipment and tooling: between 3 and 10 years;
- Installations, fixtures and fittings: between 5 and 10 years;
- Transport equipment: between 5 and 8 years;
- Office equipment, computers and furniture: between 3 and 8 years.

The impact of the difference between straight-line depreciation and diminishing value depreciation is recognised through a special depreciation allowance.

### 3.2 Non-current financial assets

The gross value of non-current financial assets consists of the purchase price excluding incidental expenses. Loans are stated at their nominal value. At the end of the financial year, securities are estimated at their value in use, which takes into account both the net asset value and expected future profitability. When the value in use is less than the gross value, an impairment provision is recognised to the amount of the difference.

### 3.3 Ongoing development projects

Costs incurred on these projects are initially recognised either as assets or as expenses. If these development projects do not meet sufficient economic criteria or do not succeed, these costs are recognised as expenses, or written down or recognised as exceptional losses.

### 3.4 Inventories

Inventories of nickel-bearing products are valued at cost price calculated on a “first-in, first-out” basis. When the value thus obtained is greater than the net realisable value (selling price less selling costs), a provision for impairment corresponding to this difference is recognised.

### 3.5 Receivables and payables

Currency receivables and payables are re-measured at the prevailing rate at period end.

The effects of currency hedging transactions applied to currency receivables and payables are recognised as foreign exchange gains or losses in the income statement. The contra entry is made in the “Difference in hedging valuation” accounts.

Provisions for impairment of trade receivables are valued on a customer-by-customer basis according to the estimated risk.

### 3.6 Marketable securities

These are valued at acquisition cost and are subject to impairment provisions if their net asset value (average share price for the last month) is lower. Unrealised gains are not recognised.

### 3.7 Provisions for liabilities and charges

Provisions are made when the risk is estimated to be probable and the amount can be reliably estimated, to cover all liabilities arising from past events that are known at the reporting date and the settlement of which is likely to result in an outflow of resources representing the economic benefits necessary to settle the liability.

#### Personnel salaries and allowances

Eramet offers its employees various long-term benefits such as retirement packages and other post-employment benefits, such as long-service awards.

Certain commitments are covered completely or partially by contracts with insurance companies.

In this case, commitments and hedging assets are valued independently. A provision is therefore made for the level of commitments and financial assets.

Eramet’s commitments are valued by independent actuaries. The actuarial assumptions used (Eramet’s probability of maintaining active staff, probability of mortality, retirement age wage trends etc.) vary according to the demographic and economic conditions prevailing in the country. The discount rates are based on the rate of government bonds or qualified companies of “Premium Quality” with a duration equivalent to the commitments at the valuation date.

The expected returns on assets over the long term have been determined taking into account the investment portfolio structure.

### Bonus share plan for employees

The corresponding provision has been valued based on the value of the treasury shares and the share price at 31 December 2022.

The provision is spread over the vesting period (from two to four years depending on the plan) for Eramet S.A. employees. For other beneficiaries (excluding Eramet S.A.), the provision is created as of the allocation date of the plans.

## 3.8 Turnover

Sales comprise:

- sales of ferronickel (sales and purchases of SLN products);
- nickel salts (purchase/sale of products from the Eramet Sandouville plant) until the sale of the business to Eramet Sandouville on 24 January 2022, the prior step for the takeover of the Sandouville plant by the Sibanye Stillwater Group, finalised in April 2022;
- provision of services and billing back of shared costs.

Revenue is recognised as sales when the business has transferred the risks and rewards of property ownership to the buyer.

## 3.9 Net debt table

The Net debt table presents the changes in the following balance sheet items:

- receivables from equity investments (gross value). *See Note 4.2*;
- cash and cash equivalents. *See Note 4.3*;
- other equity. *See Note 4.9*;
- financial debts. *See Note 4.10*

# Note 4 Explanatory notes to the balance sheet

## 4.1 Non-current assets & depreciation and amortisation

### Intangible assets

| *(in thousands of euros)* | Acquisition values at 31/12/2021 | Acquisitions | Reclassification | Outflows[1] | Acquisition values at 31/12/2022 |
|---|---|---|---|---|---|
| Concessions, patents, licences, trademarks, processes, rights and similar assets | 26,170 | 6,884 | - | (828) | 32,226 |
| Goodwill | 64 | - | - | - | 64 |
| Other intangible assets | 18,555 | | 16,172 | - | 34,727 |
| **TOTAL** | **44,789** | **6,884** | **16,172** | **(828)** | **67,017** |

*(1) Disposals, retirements and adjustments.*

Acquisitions for the year mainly include expenses incurred for the development of a solution chosen by Eramet to digitalise and harmonise its Human Resources Information System, the development of office technology, collaboration and communication practices with the Office 365 integrated platform, support activities linked to the adoption of new office technology practices, and the implementation of standard practices and tools configured to manage the Group's information in complete security.

During the course of the year, the Company also reclassified under "Other non-current assets" costs previously recognised under "Other receivables" linked to the development of the lithium direct extraction process, for which around 10 patents have been filed since 2014. This process is based on the use of absorption equipment that makes it possible to capture the lithium contained in brine deposits and thus replace the evaporation ponds used in conventional processes, in order to considerably shorten the production time.

| *(in thousands of euros)* | Depreciation, amortisation and provisions at 31/12/2021 | Allocations | Reversals | Outflows[1] | Depreciation, amortisation and provisions at 31/12/2022 |
|---|---|---|---|---|---|
| Concessions, patents, licences, trademarks, processes, rights and similar assets | 20,310 | 4,942 | - | (828) | 24,424 |
| Other intangible assets | 18,555 | 16,172 | - | - | 34,727 |
| **TOTAL** | **38,865** | **21,115** | **-** | **(828)** | **59,151** |

*(1) Disposals, retirements and adjustments.*

Depreciation and amortisation expenses essentially relate to the new budget simulation tool, the creation of the Cloud digital platform and the transformation of the Group Datacenter, the necessary modifications made to the consolidation tool in order to meet the constraints of the Eramet Group, the implementation of standard practices and tools configured to manage the Group's information in complete security, and the supplier relations management tool. In 2022, depreciation and amortisation of the solution chosen by Eramet to digitialise and harmonise its Human Resources Information System, the development of office technology, collaboration and communication practices with the Office 365 integrated platform, as well as support activities linked to the adoption of new office technology practices, were added.

The expenses incurred for the development of the Lithium process previously recognised under "Other receivables" were fully written down at 31 December 2021. This impairment was also reclassified to "Non-current assets" at 31 December 2022.

As a reminder, the non-current assets related to the development of hydrometallurgical technology were fully depreciated in 2015 for €18.5 million following the decision to suspend the hydrometallurgical process.

## Property, plant and equipment

| *(in thousands of euros)* | Acquisition values at 31/12/2021 | Acquisitions | Outflows[1] | Acquisition values at 31/12/2022 |
|---|---|---|---|---|
| Technical installations, industrial machinery and equipment | 496 | - | - | 496 |
| Other property, plant and equipment | 9,566 | 28 | (88) | 9,507 |
| Property, plant and equipment in progress | 27,277 | - | (280) | 26,997 |
| **TOTAL** | **37,339** | **28** | **(368)** | **36,999** |

*(1) Disposals, retirements and adjustments.*

| *(in thousands of euros)* | Depreciation, amortisation and provisions at 31/12/2021 | Allocations | Reversals | Outflows[1] | Depreciation, amortisation and provisions at 31/12/2022 |
|---|---|---|---|---|---|
| Technical installations, industrial machinery and equipment | 496 | - | - | - | 496 |
| Other | 4,623 | 1,426 | (50) | - | 5,999 |
| Non-current assets under construction | 16,158 | - | - | - | 16,158 |
| **TOTAL** | **21,277** | **1,426** | **(50)** | **-** | **22,653** |

*(1) Disposals, retirements and adjustments.*

The €16.2 million allowance for impairment of non-current assets under construction recognised during the 2020 financial year follows on from the suspension of the Convergence project to design and roll out a new ERP solution in the Group.

## Non-current financial assets

| *(in thousands of euros)* | Acquisition values at 31/12/2021 | Acquisitions | Outflows[1] | Acquisition values at 31/12/2022 |
|---|---|---|---|---|
| Equity investments | 3,188,889 | 66,350 | (36,862) | 3,218,378 |
| Receivables from equity investments | 1,256,187 | 652,294 | (662,025) | 1,246,456 |
| Other long-term investments | 18,884 | 8,997 | (5,281) | 22,599 |
| Other | 12,820 | 4,611 | (3,465) | 13,967 |
| **TOTAL** | **4,476,780** | **732,252** | **(707,634)** | **4,501,399** |

*(1) Disposals, retirements and adjustments.*

The increase in the “Equity investments” item is due to:

1. the capital increase of €8 million carried out with Eramet Ideas to finance an investment in a pilot battery recycling plant;
2. the acquisition of 100% of the shares of Eramet Marketing Services from Eramet Holding Nickel for €57 million, in anticipation of the transfer of all assets and liabilities between the two companies on 1 January 2023;
3. subscription to the capital of two Indonesian companies registered during the course of the year: PT Eramet Halmahera Nickel and PT Eramet Indonesia Mining, for €675,000 each;
4. the Strand capital reduction of €36.9 million.

The increase in “Receivables from equity investments” mainly reflects the granting of a loan of €252 million to Eramet Holding Alliages, replacing the loan of €202 million granted to Aubert & Duval during the course of the year, the granting of a loan of €218 million to Eramet Mineral Sand, the granting of a loan of €80 million to Eramet Norway and the increase in the loans to Société Le Nickel for €27 million and to Eramet Lithium for €32 million.

The decreases in “Receivables from equity investments” mainly reflect the repayment of the loan granted to Eramet Sandouville in connection with its sale to Sibanye Stillwater in the amount of €242 million, the €226 million decrease in the TiZir loan and the €158 million repayment of the Strand loan.

The line “Other long-term investments” concerns treasury shares. Movements in this item are attributable to repurchases of Eramet shares for €7 million, outflows of shares, mainly due to the delivery to employees of French and foreign companies of selective bonus share plans for 2018 and 2019, and democratic bonus share plans for 2018 and 2019, amounting to €5.3 million, as well as the net balance of the liquidity agreement.

The shares from the buyback mandates (balance of 140,806 shares as of 31 December 2022) are to be distributed as part of the bonus share plans.

| *(in thousands of euros)* | Depreciation, amortisation and provisions at 31/12/2021 | Allocations | Reversals | Outflows[1] | Depreciation, amortisation and provisions at 31/12/2022 |
|---|---|---|---|---|---|
| Equity investments | 1,605,366 | 215,336 | - | - | 1,820,702 |
| Receivables from equity investments | 193,679 | 423,276 | (189,506) | - | 427,450 |
| Other long-term investments | 15,295 | - | (114) | 1,505 | 16,686 |
| **TOTAL** | **1,814,341** | **638,612** | **(189,620)** | **1,505** | **2,264,838** |

*(1) Disposals, retirements and adjustments.*

Provisions for impairment of equity investments were recorded during the year for the subsidiaries Eramet Holding Nickel in the amount of €123 million, due to the impairment of the shares of Société Le Nickel, Erasteel in the amount of €55 million and Eralloys in the amount of €37 million.

Provisions for impairment of receivables from equity investments were recorded for the Eramet Holding Alliages loans in the amount of €252 million, Société Le Nickel in the amount of €119 million, Erasteel in the amount of €47 million and Eramet Cameroun in the amount of €6 million. A reversal of the provision for impairment was made on the Eramet Sandouville loan in the amount of €190 million.

## Breakdown of equity investments

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Gross amount | Impairment | Net amount | Gross amount | Impairment | Net amount |
| Agence Calédonienne de Transit | 151 | - | 151 | 151 | - | 151 |
| Comilog S.A. | 53,407 | - | 53,407 | 53,407 | - | 53,407 |
| Eramet Holding Alliages | 1,045,861 | (994,861) | 51,000 | 1,045,861 | (994,861) | 51,000 |
| Eramet Holding Manganèse | 310,156 | - | 310,156 | 310,156 | - | 310,156 |
| Eramet Holding Nickel | 229,652 | (143,588) | 86,064 | 229,652 | (20,722) | 208,930 |
| Eramet Mineral Sands | 50 | - | 50 | 50 | - | 50 |
| Enercal | 305 | (260) | 45 | 305 | (260) | 45 |
| Eralloys Holding | 419,445 | (237,825) | 181,620 | 419,445 | (200,638) | 218,807 |
| Eramet Cameroun | 15 | - | 15 | 15 | - | 15 |
| Eramet Ideas | 9,161 | - | 9,161 | 1,161 | - | 1,161 |
| Eramet International | 892 | - | 892 | 892 | - | 892 |
| Eramet Services | 1,540 | - | 1,540 | 1,540 | - | 1,540 |
| Eramet Lithium (Eramine S.A.S.) | 40,040 | - | 40,040 | 40,040 | - | 40,040 |
| ERAS | 1,986 | - | 1,986 | 1,986 | - | 1,986 |
| Erasteel | 444,169 | (444,169) | - | 444,169 | (388,886) | 55,283 |
| Metal Currencies | 1 | - | 1 | 1 | - | 1 |
| Metal Securities | 66 | - | 66 | 66 | - | 66 |
| Société Le Nickel | - | - | - | - | - | - |
| Strand | 384,323 | - | 384,323 | 421,186 | - | 421,186 |
| TiZir | 218,807 | - | 218,807 | 218,807 | - | 218,807 |
| Eramet Halmahera Nickel | 675 | - | 675 | - | - | - |
| Eramet Indonesia Mining | 675 | - | 675 | - | - | - |
| Eramet Marketing Services | 57,000 | - | 57,000 | - | - | - |
| **TOTAL** | **3,218,378** | **(1,820,702)** | **1,397,675** | **3,188,889** | **(1,605,366)** | **1,583,523** |

## Breakdown of receivables from equity investments

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Gross amount | Impairment | Net amount | Gross amount | Impairment | Net amount |
| Strand Minerals Ltd/Weda Bay Minerals Singapore | - | - | - | 157,667 | - | 157,667 |
| Erasteel S.A.S. | 47,000 | (47,000) | - | 37,414 | - | 37,414 |
| Eramet Holding Alliages | 251,893 | (251,893) | - | - | - | - |
| Eramet Lithium (Eramine S.A.S.) | 257,643 | - | 257,643 | 225,166 | - | 225,166 |
| TiZir | 27,489 | - | 27,489 | 254,258 | - | 254,258 |
| SLN | 328,277 | (118,847) | 209,430 | 273,732 | - | 273,732 |
| Sandouville | - | - | - | 242,185 | (189,506) | 52,679 |
| Eralloys Holding | 26,187 | - | 26,187 | 61,370 | - | 61,370 |
| Mineral Deposit Ltd | - | - | - | 222 | - | 222 |
| Eramet Cameroun | 9,710 | (9,710) | - | 4,173 | (4,173) | - |
| Eramet Mineral Sands | 217,763 | - | 217,763 | - | - | - |
| Eramet Norway CC EUR | 80,493 | - | 80,493 | - | - | - |
| **TOTAL** | **1,246,455** | **(427,450)** | **819,005** | **1,256,187** | **(193,679)** | **1,062,507** |

## 4.2 Schedule of receivables

| *(in thousands of euros)* | Gross amount at 31/12/2022 | 1 year or less | Over 1 year | Reminder 31/12/2021 |
|---|---|---|---|---|
| Receivables from equity investments(1) | 1,246,455 | 115,378 | 1,131,077 | 1,256,187 |
| Other non-current financial assets(2) | 13,967 | 13,967 | - | 12,820 |
| Trade receivables and related accounts | 142,295 | 140,070 | 2,225 | 148,944 |
| Other receivables(3) | 35,289 | 35,289 | - | 106,353 |
| **TOTAL** | **1,438,006** | **304,704** | **1,133,302** | **1,524,304** |

*(1) Receivables from equity investments: loans to Group companies.*

*(2) Of which excess €8 million contribution to the supplementary defined benefit pension plan.*

*(3) Other receivables include, among other things, a €4 million net corporate tax receivable as part of the tax consolidation and performance interest of €15 million receivable from Metal Currencies. Following the restart of the Lithium project during the first quarter of 2022, an expense of €67.4 million recognised under "Other receivables" was reclassified under "Extraordinary expenses" in the amount of €51.3 million and the balance of €16.2 million relating to the extraction process was reclassified under "Other intangible assets". These expenses were fully provisioned at 31 December 2021.*

## 4.3 Cash and cash equivalents

Cash and cash equivalents are only made up of bank accounts.

## 4.4 Prepaid expenses and accrued income

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Prepaid expenses(1) | 3,493 | 3,791 |
| Loan issue costs to be deferred(2) | 8,249 | 6,994 |
| Bond redemption premiums(3) | 690 | 979 |
| **TOTAL** | **12,433** | **11,764** |

*(1) Prepaid expenses relate to prepaid insurance premiums in the amount of €0.8 million (€0.9 million at 31 December 2021), software maintenance charges in the amount of €1.7 million and licence costs in the amount of €0.9 million.*

*(2) Loan issue costs (revolving credit facility, bonds, Borrowing Base, BEI) spread over the term of repayment of the loan.*

*(3) Premium related to the issue of a new bond loan of €300 million in November 2019.*

## 4.5 Net position

The share capital is broken down as follows:

| | 31/12/2022 | | | | 31/12/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital | | Voting rights | | Capital | | Voting rights | |
| | % | number of shares | % | number of shares | % | number of shares | % | number of shares |
| REGISTERED SHARES | | | | | | | | |
| Sorame and Compagnie d'Études Industrielles du Rouvray (CEIR) | 37.08 | 10,661,562 | 43.46 | 20,501,705 | 37.08 | 10,661,562 | 43.49 | 20,501,705 |
| FSI Equation (a subsidiary of Bpifrance) and the French State (Caisse des Dépôts et Consignations) | 27.13 | 7,801,093 | 30.97 | 14,611,510 | 27.13 | 7,801,093 | 30.99 | 14,611,510 |
| S.T.C.P.I. | 4.03 | 1,159,994 | 4.73 | 2,230,581 | 4.03 | 1,159,994 | 4.73 | 2,230,581 |
| Eramet S.A. | 0.73 | 209,377 | - | - | 0.64 | 183,413 | - | - |
| Eramet S.A. share fund | 0.62 | 179,060 | 0.62 | 291,718 | 0.71 | 203,500 | 0.67 | 316,158 |
| Other | 30.41 | 8,743,961 | 20.22 | 9,538,069 | 30.41 | 8,745,485 | 20.12 | 9,484,524 |
| **TOTAL NUMBER OF SHARES** | **100.00** | **28,755,047** | **100.00** | **47,173,583** | **100.00** | **28,755,047** | **100.00** | **47,144,478** |
| • of which registered shares | 72.40 | 20,818,491 | 83.33 | 39,309,022 | 72.34 | 20,802,646 | 83.24 | 39,242,236 |
| • of which bearer shares | 27.60 | 7,936,556 | 16.67 | 7,864,561 | 27.66 | 7,952,401 | 16.76 | 7,952,402 |

Pursuant to a Shareholders' Agreement concluded on 16 March 2012, which entered into force on 16 May 2012, tacitly renewed by six-month period as of 1 January 2021 (as per the amendment on 30 November 2020, which was notified to the Autorité des marchés financiers (AMF) under No. 220C5283), which was the subject of a decision and information of the Autorité des marchés financiers under No. 212C0647 when it was concluded and decision and information No. 216C1753 relating to the change within the group acting in concert at the time of the acquisition by the Agence des participations de l'État (APE) of the entire share capital of FSI Equation, the Company is majority controlled by a group of shareholders having declared to be acting in concert, including:

- a subgroup between Sorame and CEIR, companies controlled by the Duval family, under a concurrent Shareholders' Agreement dated 19 July 1999, which came into force on 21 July 1999 and was the subject of an amendment on 13 July 2009;
- the Agence des Participations de l'État (APE), through its subsidiary FSI Equation.

The provisions of the shareholders' agreement mentioned above, and those of the subgroup agreement, are contained in key extracts from the AMF decision and notice texts numbered 220C5283, 216C1753, 212C0486 and 209C1013 (amended on 13 July 2009).

Since 1 January 2002, registered shares that meet the necessary conditions benefit from double voting rights.

An amendment to the Shareholders' Agreement concluded on 23 April 2021, which was the subject of a decision and information of the AMF under No. 221C0886, stipulates that as long as the positions of Chair and CEO of Eramet are held by the same person, the parties undertake to jointly propose and/or support the Board of Directors' appointment of a chosen lead director, by mutual agreement, from among the independent directors put forwards by Sorame and CEIR. The parties also agree to do their utmost to ensure that the candidate that they wish to nominate as lead director is named by Eramet Board of Directors, and that these commitments will be valid for as long as the Shareholders' Agreement is in force and at the latest until the Shareholders' Meeting to be held in 2025 is called to approve the financial statements for the financial year 2024.

The net position is broken down as follows:

| *(in thousands of euros)* | Number of shares | Capital | Premiums, reserves and retained earnings | Result for the financial year | Total |
|---|---|---|---|---|---|
| **Net position as at 31 December 2020** | **26,636,005** | **81,240** | **931,907** | **(907,356)** | **105,790** |
| Appropriation of 2020 result | - | - | (907,356) | 907,356 | - |
| Result as of 31 December 2021 | - | - | - | 330,923 | 330,923 |
| Dividend | - | - | - | - | - |
| Impact of ANC Recommendation No. 2013-02 on the rules for valuing and accounting for pension commitments | - | - | 75 | - | 75 |
| Premium for conversion of bonds into shares as at 31 December 2021 | 2,119,042 | 6,463 | 89,132 | - | 95,595 |
| **Net position as at 31 December 2021** | **28,755,047** | **87,703** | **113,758** | **330,923** | **532,384** |
| Appropriation of 2021 result | - | - | 330,923 | (330,923) | - |
| Result as of 31 December 2022 | - | - | - | 142,591 | 142,591 |
| Dividend | - | - | (71,687) | - | (71,687) |
| **NET POSITION AS AT 31 DECEMBER 2022** | **28,755,047** | **87,703** | **372,994** | **142,591** | **603,287** |

The share capital of €87,702,893.35 (31 December 2021: €87,702,893.35) is composed of 28,755,047 fully paid-up shares (31 December 2021: 28,755,047 shares) with a par value of €3.05 each.

## 4.6 Treasury shares

The table below summarises the treasury share transactions:

| | Number of shares | Market making[(1)] | Grants to employees | Total |
|---|---|---|---|---|
| **Position at 1 January 2021** | **26,636,005** | **55,631** | **109,557** | **165,188** |
| *As a percentage of capital* | - | *0.21%* | *0.41%* | *0.62%* |
| Buyback mandate | - | - | 113,000 | 113,000 |
| Final allocation of bonus shares | - | - | (89,303) | (89,303) |
| Purchases/sales | - | (5,472) | - | (5,472) |
| **Position at 31 December 2021** | **28,755,047** | **50,159** | **133,254** | **183,413** |
| *As a percentage of capital* | - | *0.17%* | *0.46%* | *0.64%* |
| Buyback mandate | - | - | 90,000 | 90,000 |
| Final allocation of bonus shares | - | - | (82,448) | (82,448) |
| Purchases/sales | - | 21,836 | - | 21,836 |
| **POSITION AT 31 DECEMBER 2022** | **28,755,047** | **71,995** | **140,806** | **212,801** |
| *As a percentage of capital* | | *0.25%* | *0.49%* | *0.74%* |

*(1) Liquidity agreement signed with Exane BNP Paribas.*

The balance of 212,801 shares corresponds to:

- the shares purchased under a market maker contract entered into with Exane BNP Paribas;
- the shares to be allocated under the bonus share plans.

## 4.7 Provisions for impairment of current assets

| *(in thousands of euros)* | 31/12/2021 | Allocations | Reversals | 31/12/2022 |
|---|---|---|---|---|
| Raw materials and other supplies | - | - | - | - |
| Semi-finished and finished products | 2 | - | - | 2 |
| Goods | - | 152 | - | 152 |
| Trade receivables | 5 | - | (5) | - |
| Other receivables[(1)] | 67,136 | - | (67,136) | - |
| **TOTAL** | **67,142** | **152** | **(67,142)** | **152** |

*(1) See Note 4.2.*

## 4.8 Provisions in liabilities

| | 31/12/2021 | Allocations | Reversals | | Reclassification | 31/12/2022 |
|---|---|---|---|---|---|---|
| *(in thousands of euros)* | | | used during the financial year | not used during the financial year | | |
| Special depreciation allowances | 7,608 | - | - | - | - | 7,608 |
| **Total regulated provisions** | **7,608** | **-** | **-** | **-** | **-** | **7,608** |
| Personnel[(1)] | 2,321 | 23 | (107) | - | - | 2,237 |
| Other provisions for liabilities[(2)] | 280,340 | 78,958 | (190,775) | - | - | 168,523 |
| Other provisions for charges[(3)] | 20,204 | 14,979 | (5,281) | - | (1,505) | 28,396 |
| **Total provisions for liabilities and charges** | **302,865** | **93,960** | **(196,163)** | **-** | **(1,505)** | **199,156** |
| **PROVISIONS FOR LIABILITIES** | **310,473** | **93,960** | **(196,163)** | **-** | **(1,505)** | **206,764** |

*(1) Eramet makes provisions for pension and similar commitments according to the actuarial valuation carried out by an independent firm. Detailed calculations were made as of 31 December 2022. The corridor method is used to calculate pension commitments. As at 31 December 2022, the balance relating to pension and similar commitments was €2.2 million.*

*(2) The provision for financial risk corresponds to the potential loss on the bond portfolio of Metal Securities guaranteed by Eramet for €17.4 million. It also includes the effects of the signing of the Aubert & Duval sale MoU described in Note 2 "Key events in the reporting period", amounting to €119.2 million, and a provision of €32 million related to the sale of Erasteel.*

*(3) Other provisions for charges mainly relate to bonus share plans and a provision to cover HR disputes.*

## Employee-related liabilities

| *(in thousands of euros)* | Actuarial value of obligations | Fair value of assets plan | Financial position Surplus/(Deficit) |
|---|---|---|---|
| Supplementary pension plan | 83,624 | (84,107) | (483) |
| Retirement package | 3,366 | (1,901) | 1,465 |
| Long service awards | 2,238 | - | 2,238 |
| Plans for medical expenses | - | - | - |
| **TOTAL** | **89,228** | **(86,008)** | **3,220** |

| *(in thousands of euros)* | Unrecognised actuarial (gains)/ losses | Unrecognised services recorded | Provision on the balance sheet (Assets)/Liabilities |
|---|---|---|---|
| Supplementary pension plan | (7,714) | 610 | (7,587) |
| Retirement package | (1,434) | (37) | (6) |
| Long service awards | - | - | 2,238 |
| Plans for medical expenses | - | - | - |
| **TOTAL** | **(9,148)** | **573** | **(5,355)** |
| Personnel provisions | | | 2,238 |
| Plan assets (other non-current financial assets) | | | (7,593) |

### Details of pension fund investments

| *(in thousands of euros)* | Insurance contract | Other investments | Total |
|---|---|---|---|
| Amount | 86,008 | | 86,008 |
| Percentage | 100% | | 100% |

### Change in pension liabilities

| *(in euros)* | FY 2022 |
|---|---|
| **At beginning of period** | **(3,494)** |
| Expenses recognised | (1,412) |
| • Service cost | 448 |
| • Amortisation of actuarial gains (losses) | (82) |
| • Interest expense | 889 |
| • Return on plan assets | (2,667) |
| Contributions and benefits paid | (2,712) |
| **AT PERIOD CLOSE** | **(7,618)** |

The actuarial assumptions used for the valuations are as follows:

| Actuarial assumptions | FY 2021 | FY 2022 |
|---|---|---|
| Discount rate | 1.00% | 3.00% |
| Inflation rate | 1.80% | 2.00% |
| Salary increase rate | 2.10% | 2.30% |
| Rate of return on plan financial assets | 1.00% | 3.00% |

## 4.9 Breakdown of liabilities and maturity schedule

| Net amount *(in thousands of euros)* | 31/12/2022 | 1 year or less | More than 1 year and up to 5 years | More than 5 years | 31/12/2021 |
|---|---|---|---|---|---|
| Other bond issues[1] | 848,601 | 106,506 | 742,095 | - | 908,432 |
| Borrowings and debt with credit institutions[2] | 482,053 | 207,720 | 222,291 | 52,042 | 685,882 |
| Other borrowings and financial debts(3) | 170,258 | 170,258 | - | - | 337,826 |
| Suppliers and related accounts[4] | 163,786 | 163,786 | - | - | 162,689 |
| Tax and payroll payables | 27,160 | 27,160 | - | - | 26,345 |
| Liabilities on non-current assets and related accounts | - | - | - | - | 46 |
| Other various liabilities(5) | 32,967 | 32,967 | - | - | 39,704 |
| **TOTAL** | **1,724,825** | **708,397** | **964,386** | **52,042** | **2,160,926** |

*(1) This item includes several bond issues:*
- *2014 issue for €77.5 million (the initial issue of €100 million was partially redeemed for €22.5 million in July 2020);*
- *September 2017 issue for €500 million (partially redeemed for €57.9 million in December 2022);*
- *November 2019 issue for €300 million.*

*(2) Borrowings from credit institutions include the Borrowing Base for €45 million, a €262.5 million loan and four loans from the European Investment Bank for a total of €170.2 million.*

*(3) The Eramet loan is provided by the Metal Securities company, an 87.92% subsidiary of Eramet. The amount as of 31 December 2022 is €170.2 million, compared with €336.8 million as of 31 December 2021.*

*(4) The company has a trade payable more than 60 days from the invoice date of €434,000.*

*(5) This item includes the foreign exchange hedge liability of €25 million.*

### Breakdown of miscellaneous borrowings and financial debts

| Net amount *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Current accounts with Metal Securities | 170,163 | 336,850 |
| Deposits received | 40 | 40 |
| Revolving credit facility utilisation/non-utilisation fee | 55 | 936 |
| **TOTAL** | **170,258** | **337,826** |

## 4.10 Breakdown of liabilities and accrued expenses

| Gross amount *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Trade payables and related accounts | 163,786 | 162,689 |
| Tax and payroll payables | 27,160 | 26,345 |
| Liabilities on non-current assets and related accounts | - | 46 |
| Other liabilities | 33,062 | 39,704 |
| Deferred income | 840 | 898 |
| **TOTAL** | **224,848** | **229,684** |

## 4.11 Information on related companies

### Balance sheet

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Equity investments | 3,239,628 | 3,207,774 |
| Financial receivables | 1,210,606 | 840,089 |
| Trade receivables and related accounts | 69,378 | 74,294 |
| Other receivables | 15,428 | 6,992 |
| Other borrowings and financial debts | (170,162) | (336,850) |
| Trade payables and related accounts | (114,470) | (135,948) |
| Other liabilities | (5,753) | (20,485) |

### Income statement

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Operating income | 407,913 | 350,010 |
| Operating expenses | (1,054,174) | (1,017,729) |
| Financial income | 34,728 | 40,239 |
| Financial expenses | (4,167) | (1,101) |

# Note 5 Explanatory notes to the income statement

## 5.1 Turnover

| *(in thousands of euros)* | Total | France | Foreign |
|---|---|---|---|
| Sales of products and goods[1] | 1,049,033 | 237 | 1,048,796 |
| Income from ancillary activities | 144,296 | 54,694 | 89,602 |
| **TURNOVER** | **1,193,329** | **54,931** | **1,138,398** |

*(1) Sales include a positive currency difference of €40 million, mainly due to hedges in USD.*

## 5.2 Increases and reductions in future tax liabilities

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| INCREASES IN TAXABLE BASE | | |
| • Regulated provisions | 7,608 | 7,608 |
| REDUCTIONS IN TAXABLE BASE | | |
| • Provisions not deductible in the accounting period | 1,053 | 17,517 |
| • Accrued expenses | (525) | (688) |
| • Tax loss carryforwards | (806,667) | (920,032) |
| **Net reduction in taxable base** | **(798,531)** | **(895,595)** |
| **INCREASE IN FUTURE TAXATION** | **(206,261)** | **(254,439)** |
| | **25.83%** | **28.41%** |

### Breakdown of income tax

| *(in thousands of euros)* | Gross amount | Tax owed | 31/12/2022 Net income | 31/12/2021 Net income |
|---|---|---|---|---|
| Current income | 56,660 | - | 56,660 | 331,261 |
| Extraordinary income | (1,251) | - | (1,251) | (72,917) |
| Employee shareholding | (1,358) | - | (1,358) | (2,067) |
| Impact of tax consolidation and research tax credit | - | 88,539 | 88,539 | 74,646 |
| **TOTAL** | **54,052** | **88,539** | **142,591** | **330,923** |

### Corporate taxes

The tax consolidation agreement signed between Eramet and its subsidiaries respects the principle of neutrality and places the subsidiaries in the situation they would have been in without consolidation. Each subsidiary determines its tax as if it were not part of the consolidated tax group and pays its corporate tax contribution to Eramet as the parent company of the Group. The subsidiaries keep their deficits to determine the amount of the corporate tax contribution they have to pay Eramet.

As a result of the tax consolidation, the corporate income tax account can be broken down as follows:

- -€21.1 million in tax charges for the consolidated tax group (including -€26 million in 2022 corporate tax, -€0.5 million in 2021 corporate tax adjustments, +€5.4 million in 2022 tax credits and +€0.5 million in adjustments of previous Group tax credits);
- €114 million in 2022 tax consolidation income;
- -€4.5 million of tax consolidation expenses (including tax credits returned to subsidiaries: -€4 million in 2022 tax credit).

## 5.3 Tax consolidation

All French subsidiaries that are at least 95% owned are consolidated for tax purposes, Eramet being the Group's parent company. The scope of tax consolidation in France includes the following companies:

| Tax-consolidated companies | 31/12/2022 | 31/12/2021 | 31/12/2020 | 31/12/2019 | 31/12/2018 |
|---|---|---|---|---|---|
| CONSOLIDATED COMPANIES | | | | | |
| Brown Europe[(1)] | | | X | x | x |
| Eramet | X | X | X | x | x |
| Eramet Holding Alliages (formerly SIMA) | X | X | X | x | x |
| Eramet Holding Manganese (EHM) | X | X | X | x | x |
| Eramet Holding Nickel (EHN) | X | X | X | x | x |
| Eramet Mineral Sands | X | X | X | | |
| Eramet Marketing Services (previously Eramet Nickel) | X | X | X | x | x |
| Eramet Ideas | X | X | X | x | x |
| Eramet Services | X | X | X | x | x |
| Eramet Lithium (formerly Eramine) | X | X | X | x | x |
| Erasteel | X | X | X | x | x |
| Erasteel Champagnole | X | X | X | x | x |
| Metal Securities | X | X | X | x | x |
| NON-CONSOLIDATED COMPANIES | | | | | |
| Campus Eramet | X | X | X | x | x |
| Eramet International | X | X | X | x | x |
| Forges de Monplaisir | | X | X | x | x |

*(1) Brown Europe was sold in 2021.*

## 5.4 Financial income

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Investments – Dividends(1) | 480,454 | 242,935 |
| Investments – Interest(2) | 38,552 | 44,948 |
| Other dividends and interest | 1,194 | 775 |
| Reversals of provisions(3) | 382,196 | 700,814 |
| Exchange rate differences(4) | 24,071 | 11,501 |
| Net proceeds from sale of marketable securities | - | 89 |
| **Financial income** | **926,467** | **1,001,061** |
| Depreciation, amortisation and provisions(5) | (717,594) | (487,317) |
| Interest and similar expenses(6) | (73,868) | (85,358) |
| Losses on receivables related to equity investments | - | (46,225) |
| **Financial expenses** | **(791,462)** | **(618,900)** |
| **FINANCIAL INCOME** | **135,005** | **382,160** |

*(1) Dividends paid by Eramet Holding Nickel (€252 million), Eramet Holding Manganese (€185 million), Strand/Weda Bay (€25 million) and Comilog S.A. (€18 million).*

*(2) Interest income on current account loans of the Group (€39 million).*

*(3) Reversal of Eramet Holding Alliages provision for financial risk amounting to €191 million. Reversals of impairments of the Eramet Sandouville loan amounting to €189.5 million.*

*(4) Net exchange gain of €24 million mainly resulting from the revaluation of Group loans and borrowings in foreign currencies.*

*(5) Impairment of Eramet Holding Nickel shares in the amount of €122.9 million, Erasteel shares in the amount of €55.2 million and Eralloys shares in the amount of €37.2 million. Impairment of the loan to Eramet Holding Alliages in the amount of €251.9 million, Société Le Nickel in the amount of €118.7 million, Erasteel in the amount of €47.1 million and Eramet Cameroun in the amount of €5.5 million.*

*(6) Consists mainly of interest expense on financial debt in the amount of €65.8 million (revolving credit facility, Metal Securities, bonds, BEI) and interest on Metal Securities current accounts in the amount of €8.1 million.*

## 5.5 Extraordinary income

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Income from management transactions | - | - |
| Gains on capital transactions | - | - |
| Reversals of provisions and expense transfer(1) | 72,435 | 2,271 |
| **Extraordinary income** | **72,435** | **2,271** |
| Charges on management transactions(2) | (51,388) | - |
| Expenses on capital transactions(3) | (6,095) | (64,529) |
| Exceptional depreciation, amortisation and provisions(4) | (16,202) | (10,659) |
| **Extraordinary expenses** | **(73,686)** | **(75,188)** |
| **EXTRAORDINARY INCOME** | **(1,251)** | **(72,917)** |

*(1) Reversal of provision related to the Lithium project (€67.1 million) and for the bonus share plan (€5.3 million).*

*(2) Recognition in losses of historical expenses related to the Lithium project (€51.3 million).*

*(3) Income from the sale of bonus shares under the 2022 plan (€5.3 million).*

*(4) Provision for impairment of other intangible assets related to the Lithium project in the amount of €16.2 million.*

## 5.6 Workforce

| | FY 2022 | FY 2021 |
|---|---|---|
| Management | 205 | 166 |
| Administrative, Technical and Supervisory staff | 44 | 36 |
| **WORKFORCE AT END OF PERIOD** | **249** | **202** |
| **AVERAGE NO. OF EMPLOYEES** | **224** | **201** |

## Note 6 Off-balance-sheet commitments

| *(in thousands of euros)* | 31/12/2022 | 31/12/2021 |
|---|---|---|
| COMMITMENTS MADE: | | |
| Securities, endorsements and guarantees | 102,377 | 7,542 |
| Forward sales in USD | - | 15,000 |
| COMMITMENTS RECEIVED | | |
| Securities, endorsements and guarantees | 3,842 | 3,842 |
| Internal USD exchange contracts (MCUR) | 153,533 | 254,109 |
| Multi-currency revolving credit facility | 935,000 | 901,000 |
| Credit facilities | 25,000 | 15,000 |

The table above does not include current orders for the business or commitments on non-current asset orders related to investment projects.

#### Functional guarantees for the performance of business contracts

Functional guarantees are any commitments relating to business contracts, given by Eramet to customers. Eramet, on behalf of some of its subsidiaries, particularly in the Alloys Division, grants product warranties which fall under Eramet's limit of liability defined contractually for each business contract. Eramet does not recognise provisions for guarantees given that there have been no warranty claims from its customers.

Eramet considers its financial risk relative to all the above guarantees to be low, based on historical data and on the existence of civil liability policies that would limit the financial consequences on Eramet's financial statements.

## Note 7 Risk management

### 7.1 Currency risk

Eramet is exposed to exchange risk on two levels:

- by way of its Nickel business, Eramet receives its income mainly in US dollars, while its costs are mainly denominated in Euros (Sandouville fees and nickel purchases at SLN). Hedging transactions are therefore carried out on the basis of multi-annual budgets and forecasts, with a maximum horizon of 36 months. As part of the technical assistance between Eramet and its subsidiary SLN, all commercial hedges are made on behalf of SLN and billed back directly to SLN under the marketing agreement;
- by way of its Holding business, Eramet puts loans in place in foreign currencies for the benefit of Group companies and may enter into foreign exchange hedges. As at 31 December 2022, there was no currency hedging on long-term loans.

### 7.2 Risks on raw materials

Eramet is exposed to the volatility of commodity prices with regard to its sales. Eramet may be required to set up term hedges on a limited portion of nickel sales.

These hedges are made on behalf of SLN, a producer of ferronickel. As part of the technical assistance contract, the result of these hedges is charged to SLN's monthly bills.

To a lesser extent, hedging can also be implemented as part of customer fixed price hedging.

As at 31 December 2022, there was no hedging on raw materials (31 December 2021: 60 tonnes hedged for a fair value of -€36,000).

### 7.3 Credit or counterparty risk

The counterparty risks of Eramet relate mainly to its commercial operations and, by extension, to customer accounts. Thus, Eramet may be exposed to credit risk in the event of counterparty default. To limit this risk, of which the maximum exposure is equal to the net receivables recognised in the balance sheet, Eramet uses different tools: gathering information ahead of financial transactions (from rating agencies, published financial statements etc.), credit insurance and the establishment of letters of credit and documentary credits in order to prevent certain specific risks inherent to, for example, the geographical situation of customers.

Furthermore, Eramet's customer portfolio consists mainly of large international groups in the fields of metallurgy whose insolvency risks are more limited.

### 7.4 Interest rate risk

As of 31 December 2022, no interest rate hedging.

### 7.5 Liquidity risk

The Eramet Group must ensure that it maintains a sufficient level of liquidity to meet its contractual obligations, including servicing its bank and bond debt. In this context, the Eramet Group anticipates the regular renewal of its existing borrowings (credit facilities, bonds, IFRS 16 leases etc.) and establishes new modes of financing (ODIRNAN 2016), according to the opportunities available. Furthermore, operational funds (investments and receivables) are implemented directly in the Eramet Group's subsidiaries. Eramet also aims to diversify its sources of funding, particularly between the bond and banking markets.

Eramet centralises virtually all the cash requirements and surpluses of its controlled companies, through Metal Securities, which is responsible for managing investment of cash surpluses. The Eramet Group's financial liquidity position at 31 December 2022 was €2,596 million (€2,024 million at 31 December 2021), including €1,661 million classified under cash and investments (31 December 2021: €1,189 million).

The cash surpluses are, for the most part, transferred to Metal Securities, the Group company in charge of centralising and investing the Eramet Group's cash surpluses.

#### Revolving credit facility

The revolving credit facility (RCF) was extended in June 2022 for an amount of €935 million and for a five-year term, with a new maturity in June 2027. The amount available under this revolving credit facility is €935 million. At 31 December 2022, this credit line had not been drawn down.

On 31 December 2022, the €120 million loan from the European Investment Bank to finance investments in research, development and innovation (RDI) in digitalisation and advanced manufacturing had not been drawn down.

Lastly, on 11 December 2019, the Group signed a Multi-currency Term Loan Agreement for €350 million to fund general and investment requirements. The maturity of this financing is now set for January 2024, following the exercise of an extension option on 11 September 2021. At 31 December 2022, this credit line had also been fully drawn down for the residual amount of €262.5 million.

#### Financial liabilities are subject to the bank covenants described below:

| Type of credit facility | | Ratio | Amount |
|---|---|---|---|
| Revolving Credit Facility | Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity | < 1 | €935 million |
| Term Loan | Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity | < 1 | €262 million |
| Borrowing Base | Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity | < 1 | €65 million |
| Euro private placement | Net debt / Shareholder's equity | < 1 | €80 million |
| European Investment Bank | Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity | < 1 | €173 million |

At 31 December 2022, the covenants showed no circumstances of accelerated maturity. Moreover, at 31 December 2022, no cases of cross-default likely to impact funding at the level of Eramet were recorded.

### 7.6 Operational risks of the High Performance Alloys Division

The High Performance Alloys Division produces special steels and super alloys, particularly for the aeronautics industry, which are used in the construction of aircraft, helicopters and other equipment produced by its customers in the sector. As such, Eramet may be indirectly or directly liable in the event of an incident, loss or accident, death of passengers or operating losses incurred on equipment containing parts manufactured by this Division.

As part of its risk management policy, the Division takes action to control these risks. The effectiveness of such action is reflected in the obtainment and renewal of accreditations or certifications related to this type of industry and the processing and validation, as necessary, of the validation process by customers of the manufactured parts. The Group has also taken out insurance policies to cover residual risks.

## Note 8 Fees paid to the Statutory Auditors

The Statutory Auditors' fees for the certification of the financial statements invoiced for 2022 amounted to €438,000 (including €234,000 for KPMG and €204,000 for GT).

## Note 9 Consolidation of the Company's financial statements

Eramet S.A. is consolidated in the Eramet Group, of which it is the parent company.

## Note 10 Employee charges and benefits

### Compensation of administration and management bodies

| *(in thousands of euros)* | FY 2022 | FY 2021 |
|---|---|---|
| SHORT-TERM BENEFITS | | |
| • Fixed compensation | 3,084 | 4,272 |
| • Variable compensation | 2,379 | 2,395 |
| • Directors' fees | 791 | 890 |
| OTHER BENEFITS | | |
| • Post-employment benefits | 1,390 | 5,850 |
| **TOTAL** | **7,643** | **13,407** |

### Bonus share plans

Two new bonus share plans were granted in February and March 2022:

These plans are open to certain employees and corporate officers, including:

- a portion of the shares are subject to three performance conditions. The first, tied to corporate social responsibility, covers 20% of the shares. The second relates to internal conditions with the EBITDA indicator and covers 50%, and an external condition, covering 30%, yields an initial total of 105,846 shares; and
- part of the shares are not subject to performance conditions, for an initial total of 7,604 shares.

The criteria for share awards and the assessment of the accounting expense are the same as those described above.

The characteristics of the two new bonus share plans for 2022 are as follows:

| | | Number of shares | Exercise price *(in euros)* | Maturity *(years)*[1] | Risk-free rate | Average dividend rate | Fair value of the option *(in euros)* [2] |
|---|---|---|---|---|---|---|---|
| Plan open to all employees | France/Italy | - | free | - | - | - | - |
| | Worldwide | - | free | - | - | - | - |
| Plan open to certain employees and corporate officers | France/Italy | 74,309 | free | 3 + 0 | - 0.09% | 2.00% | 125.44/101.76 |
| | Worldwide | 39,141 | free | 3 + 0 | - 0.09% | 2.00% | 125.44/101.76 |

(1) *Maturity = vesting period + lock-in period.*

(2) *Bonus share award plans whose share awards are subject to two performance conditions have two fair values: the first being the intrinsic condition and the second being the external condition.*

The change in the number of bonus share awards in the 2021 and 2022 reporting periods was as follows:

| Number of bonus shares | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **At beginning of period** | **491,652** | **412,162** |
| New plans 2021/2022 | 113,450 | 217,313 |
| Definitive allocations | (82,448) | (89,303) |
| Prescribed shares | (9,865) | (8,732) |
| Lapsed shares | (27,219) | (39,788) |
| **AT PERIOD CLOSE** | **485,570** | **491,652** |
| **Distribution by year of allocation** | | |
| 2022 | - | 110,850 |
| 2023 | 134,723 | 136,695 |
| 2024 | 238,786 | 244,107 |
| 2025 | 112,061 | - |

## Note 11 Events after the reporting date

As part of an internal reorganisation and simplification of the Group's legal organisation chart in connection with the refocusing of the Group's activity on the Mining and Metals business, the marketing of the Group's mining and metallurgical products, previously carried out by Eramet Marketing Services, is now carried out by Eramet S.A. as of 1 January 2023. The employees of Eramet Marketing Services were transferred to Eramet S.A., which now includes all headquarters employees (excluding those in the High Performance Alloys Division). This reorganisation was effected by a transfer of all assets and liabilities of Eramet Marketing Services S.A.S. to Eramet S.A.

As indicated in Note 2 “Key events in the reporting period”, Eramet renewed and extended the term loan for an amount of €480 million on 31 January 2023 (maturity 2027).

In France, Eramet and Electricité de Strasbourg (ES) announced a cooperation agreement in January 2023 with the signing of an exclusive memorandum of understanding to jointly study the development of lithium production in Alsace from geothermal brines. Expected production, all of which would take place in France, would be around 10,000 tonnes of lithium carbonate per year, corresponding to the needs of approximately 250,000 EV batteries. This could begin before the end of the decade, subject to a final investment decision within the next four years.

On 13 February 2023, the French Government announced an additional loan of up to a maximum of €40 million maturing in June 2024 to enable its short-term cash flow requirements to be met. In addition, the existing overdraft authorisation between Eramet and all of its subsidiaries was extended to give SLN the necessary flexibility to manage the fluctuations in its liquidity as effectively as possible.

To the best of the company's knowledge, no other event occurred after the reporting date.

## Note 12 Table of subsidiaries and equity investments

### As at 31 December 2022

| | | Capital | Equity other than share capital | Share of capital held | Gross carrying amount of shares held | Net carrying amount of shares held | Loans and advances granted and not repaid | Endorsements and guarantees given | Dividends received during the year | Sales of past financial year | Profit(loss) in last completed financial year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in thousands of euros or currencies)* | | Currency | Currency | % | EUR | EUR | EUR | EUR | EUR | Currency | Currency |
| I – DETAILED INFORMATION ON EACH SECURITY (GROSS VALUE GREATER THAN 1% OF THE CAPITAL OF THE COMPANY) | | | | | | | | | | | |
| **Subsidiaries (at least 50% of share capital owned)** | | | | | | | | | | | |
| Eralloys Holding | NOK | 12,800 | 1,360,125 | 100% | 419,445 | 181,620 | 26,187 | - | - | - | (41,315) |
| Eramet Cameroun | XAF | - | - | 100% | 15 | 15 | 9,710 | - | - | - | - |
| Eramet Holding Alliages (formerly SIMA) | EUR | 10,000 | (202,623) | 100% | 1,045,860 | 51,000 | 251,893 | - | - | 3,773 | (246,082) |
| Eramet Holding Manganèse | EUR | 310,156 | 68,227 | 100% | 310,156 | 310,156 | - | - | 185,000 | - | 188,752 |
| Eramet Holding Nickel | EUR | 227,104 | (141,040) | 100% | 229,652 | 86,064 | - | - | 252,000 | - | 129,221 |
| Eramet Ideas (formerly Eramet Research) | EUR | 9,410 | 2,845 | 100% | 9,162 | 9,162 | - | - | - | 21,482 | 1,293 |
| Eramet International(1) | EUR | 160 | 4,947 | 100% | 892 | 892 | - | - | - | 1,492 | 147 |
| Eramet Mineral Sands | EUR | 50 | (6,155) | 100% | 50 | 50 | 217,763 | - | - | - | (1,446) |
| Eramet Services | EUR | 1,540 | 239 | 100% | 1,540 | 1,540 | - | - | - | 18,810 | (47) |
| Eramine | EUR | 40,040 | (6,256) | 100% | 40,040 | 40,040 | 257,643 | - | - | - | (691) |
| ERAS | EUR | 2,000 | 9 | 100% | 1,986 | 1,986 | - | - | - | - | - |
| Erasteel | EUR | 60,000 | (20,163) | 100% | 444,169 | - | 47,000 | 3,842 | - | 239,896 | (8,547) |
| Mineral Deposits Ltd | AUD | 520,900 | (168,708) | 100% | 218,807 | 218,807 | - | - | - | - | (297) |
| Eramet Marketing Services | EUR | 300 | 55,430 | 100% | 57,000 | 57,000 | - | - | - | 3,350,001 | 291,054 |
| PT Eramet Halmahera Nickel | EUR | 691 | - | 100% | 675 | 675 | - | - | - | - | - |
| PT Eramet Indonesia Mining | EUR | 691 | - | 100% | 675 | 675 | - | - | - | - | - |
| **Equity investments (between 10 and 50% held)** | | **-** | **-** | | **2,780,124** | **959,682** | **-** | **-** | **-** | **-** | **-** |
| Comilog | XAF | 40,811,593 | 695,104,806 | 23% | 53,407 | 53,407 | - | - | 18,430 | 929,095,401 | 196,859,093 |
| Strand Minerals Pte Ltd | USD | 720 | 6,679 | 43% | 384,324 | 384,324 | - | - | 24,867 | - | 6,340 |
| | | | | | **437,731** | **437,731** | | | | | |
| II – GENERAL INFORMATION ON OTHER SECURITIES (GROSS VALUE AT MOST EQUAL TO 1% OF THE CAPITAL OF THE COMPANY) | | | | | | | | | | | |
| • French subsidiaries | EUR | - | - | - | 67 | 67 | - | - | - | - | - |
| • Foreign subsidiaries | EUR | - | - | - | - | - | - | - | - | - | - |
| • Equity investments | EUR | - | - | - | 458 | 198 | 328,277 | - | 100 | - | - |
| **TOTAL** | | **-** | **-** | **-** | **3,218,380** | **1,397,678** | **1,138,473** | **3,842** | **480,397** | **-** | **-** |

*(1) Turnover and results as at 31 December 2022.*

| | Siren No. | Head office address |
|---|---|---|
| I – DETAILED INFORMATION ON EACH SECURITY (GROSS VALUE GREATER THAN 1% OF THE CAPITAL OF THE COMPANY) | | |
| **Subsidiaries (at least 50% of share capital owned)** | | |
| ERAS | N/A | 6B, route de Trèves L – 2633 Senningerberg R. C. Luxembourg B 35.721 |
| Eramet Ideas (previously Eramet Research) | 301,608,634 | 1, avenue Albert Einstein BP 120 78193 Trappes, France |
| Eramet International | 398,932,939 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Eramet Holding Nickel | 335,120,515 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Weda Bay Minerals Inc. | N/A | 14th Floor, 220 Bay Street Toronto Ontario, M5J2W4 Canada |
| Eramet Holding Manganèse | 414,947,275 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Eralloys Holding | N/A | Eralloys Holding AS Strandv 50 1366 Lysaker Norway |
| Eramet Holding Alliages (formerly SIMA) | 562,013,995 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Erasteel | 352,849,137 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Mineral Deposits Ltd | | |
| Eramet Services | 529,241,895 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Eramine | 428,739,627 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| Eramet Cameroun | | Rue 1828 next to the Embassy of Japan, BP No. 35580 Yaoundé-Bastos Cameroon |
| Eramet Mineral Sands | 879,061,968 | 10, boulevard de Grenelle 75015 Paris Cedex 15 France |
| **Equity investments (between 10 and 50% held)** | | |
| Comilog | N/A | Compagnie minière de l'Ogooué Z.I. de Moanda BP 27-28 Gabon |
| Strand Minerals Pte Ltd | N/A | 8 Marina Boulevard #05-02 – Marina Bay Financial Centre – Singapore 018981 |

# Statutory auditors' report on the financial statements

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*
*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Year ended 31 December 2022**

To the Shareholders' Meeting of Eramet,

## Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Eramet for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

## Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 2 to the financial statements "Operating difficulties at SLN in New Caledonia: impairment of assets and continuation of the support plan", which sets out the continuation of the plan together with the framework under which SLN will be able to handle its short-term payments and best manage its liquidity fluctuations.

## Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

#### Impairment tests on equity investments and related receivables

| Risk identified | Audit procedures in response to the identified risk |
|---|---|
| Equity investments and related receivables are recorded on the balance sheet at 31 December 2022 for €2,217 million net. They are initially recognised at acquisition cost and depreciated based on their value in use, in accordance with the approach described in note 3.2 to the annual financial statements. Management generally estimates value in use by taking into account both the net asset value and expected future profitability, When the value in use is less than the gross value, an impairment provision is recognized to the amount of the difference. In estimating the value in use of these equityinvestments and related receivables, Management uses its judgement to select the items to be taken into consideration, depending on which equity investments and related receivables are concerned.<br>Impairment testing is a key audit matter due to the material importance of the value of the equity investments and related receivables in the company's financial statements and because the calculation of their recoverable value, when it is based on projected discounted future cash flows, requires the use of assumptions, estimates, judgments or assessments. | We examined indicators of impairment as well as how impairment tests were conducted.<br>For impairment tests based on the historical data, our procedures consisted, in particular, in:<br>• reconciling the shareholders' equity used with the financial statements of the entities that were audited or were subject to other procedures where necessary;<br>• assessing whether any adjustments made to equity were based on documentation that provides the grounds for such adjustments.<br>For impairment tests based on the forecasts, our procedures consisted, in particular, in:<br>• obtaining cash flow forecasts for the activities of the entities concerned and assessing their consistency with the medium- and long-term plans, if so, reviewed by management in the context of the crisis.<br>• assessing the consistency of the assumptions used with our knowledge of the economic environment on the date the financial statements were prepared;<br>• comparing the forecasts used for the previous periods with the corresponding actual results to assess whether the past targets have been achieved;<br>• assessing whether any adjustments made to the cash flow forecasts were based on documentation that provides the grounds for such adjustments.<br>Our work also consisted in assessing the degree to which receivables from equity investments are recoverable, in the light of the audit procedures performed on the equity investments. |

## Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by laws and regulations.

#### Information given in the management report and in other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment ratios mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

#### Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 et L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the compensation and benefits received by, or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

Regarding the information that your company has considered likely to have an impact in the event of a takeover bid or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we have verified its consistency with the documents from which it was extracted and which were communicated to us. On the basis of our work, we have no matters to report on this information.

## Report on Other Legal and Regulatory Requirements

### Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the CEO, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF correspond to those which we have performed our work on.

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Eramet S.A. by your combined shareholders' meeting of May 29, 2015 for KPMG Audit and by your combined shareholders' meeting of May 28, 2021 for GRANT THORNTON.

At 31 December 2022, KPMG Audit was in the eighth year of its uninterrupted engagement and GRANT THORNTON in the second year.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit, Risks and Ethics Committee

We submit to the Audit, Risks and Ethics Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Ethics Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit, Risks and Ethics Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit, Risks and Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, March 22, 2023

The Statutory Auditors
*French original signed by*

| KPMG Audit | | Grant Thornton | |
|---|---|---|---|
| A division of KPMG S.A. | | French member firm of Grant Thornton International | |
| Michel Piette<br>*Partner* | Jérémie Lerondeau<br>*Partner* | Jean-François Baloteaud<br>*Partner* | Alexandre Mikhail<br>*Partner* |

# Statutory auditors' report on related party agreements

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*
*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Annual General Meeting held to approve the financial statements for the year ended 31 December 2022

To the Annual General Meeting of Eramet,

In our capacity of the statutory auditors of your Company, we hereby present to you our report on the related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended 31 December 2022, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

## Agreements submitted for approval to the Annual General Meeting

In accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*), we have not been notifed of any related party agreements authorized during the year ended 31 December 2022 that should be submitted to the approval of the Shareholders' Meeting.

## Agreements previously approved by the Annual General Meeting

In accordance with Article R.225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2022.

### With Société Le Nickel-SLN

**Person performing the duties of director at both companies:**

Ms. Christel Bories (CEO of your Company)

#### 1. Technical assistance contract

***Nature and purpose***

Under the terms of the technical assistance contract signed in 1999, your Company provides general support to Société Le Nickel-SLN in strategic, industrial, financial, tax and human resource management matters. This agreement was amended with retroactive effect from 1 January 2010.

***Terms and conditions***

The services are remunerated on the basis of the costs actually incurred by your Company for these services, plus a margin of 8%. The amount billed was €7,954,404 for 2022 compared with €6,547,149 for 2021.

#### 2. Marketing agreement

***Nature and purpose***

The marketing agreement entered into between your Company and Société Le Nickel-SLN in 1985, under which your Company markets the products of Société Le Nickel-SLN (excluding ore), was amended with retroactive effect as from 1 January 2010.

***Terms and conditions***

Under this agreement, your Company purchased nickel matt and ferro-nickel from Société Le Nickel-SLN, based on a purchase price at which Eramet could realise a 3% sales margin plus a bonus, the calculation terms and trigger threshold price of which have been redefined.

The total amount of purchases billed by Société Le Nickel-SLN to your Company was €712,199,865.74 in 2022 compared with €546,473,032.29 in 2021.

Under the same agreement, your Company, as an agent of Société Le Nickel-SLN, billed Société Le Nickel-SLN a 1.5% commission on sales of low-grade or intermediate-grade ore or washing by-products or Demag slag. The amount billed was €5,045,274.48 in 2022, compared with €2,465,587.18 in 2021.

Under an amendment that took effect on 9 May 2016 and in line with the conditions of one of your Company's "borrowing base" financing agreements, the terms for full or partial early payment were set at the fourth business day of the month, in exchange for remuneration at a rate of 1-month Euribor + 2.10%

### 3. Intra-group loan agreements

***Nature and purpose***

An intra-group loan agreement granted by Eramet to Société Le Nickel-SLN, entered into on 23 December 2015 (authorized by the Board of Directors on 22 December 2015 and approved by the Annual General Meeting of 27 May 2016) for an initial amount of €120 million, amended as follows

- Amendment No. 1 of 22 February 2016 (authorized by the Board of Directors on 17 February 2016 and approved by the Annual General Meeting of 27 May 2016, increasing the loan to €150 million;
- Amendment No. 2 of 27 May 2016 (authorized by the Board of Directors on 9 May 2016 and approved by the Annual General Meeting of 23 May 2017), increasing the loan to €190 million and extending the maturity to 31 December 2016;
- Amendment No. 3 of 27 July 2016 (authorized by the Board of Directors on 27 July 2016 and approved by the Annual General Meeting of 23 May 2017)), increasing the loan to €325 million and extending the maturity to 30 June 2024. The interest rate was also increased to 4% plus the performance participation rate based on the EBITDA of Société Le Nickel-SLN;
- Amendment No. 4 (authorized by the Board of Directors on 24 May 2018 and approved by the Annual General Meeting of 23 May 2019), extending the loan availability period from 30 June 2018 to 31 December 2020.
- Amendment No. 5 (authorized by the Board of Directors on 10 December 2020) extending the loan availability period from 31 December 2020 to 31 December 2021.
- Amendment No. 6 (authorized by the Board of Directors on 9 December 2021) extending the loan availability period from 31 December 2021 to 31 December 2022.

***Terms and conditions***

At the end of December 2022, €325 million had been drawn down. The interest was calculated based on an interest rate of 4%. The performance participation rate was zero in the period.

The interest amount billed was €12,056,109.59 in 2022, compared with €10,840,000 in 2021.

Paris La Défense and Neuilly-sur-Seine, March 22, 2023

The Statutory Auditors
*French original signed by*

| KPMG Audit | | Grant Thornton | |
|---|---|---|---|
| A division of KPMG S.A. | | French member firm of Grant Thornton International | |
| Michel Piette<br>*Partner* | Jérémie Lerondeau<br>*Partner* | Jean-François Baloteaud<br>*Partner* | Alexandre Mikhail<br>*Partner* |

## Table of the financial results of the Company over the past five years

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| SHARE CAPITAL AT END OF YEAR | | | | | | |
| a) | Share capital *(in euros)* | 81,239,446 | 81,239,800 | 81,239,815 | 87,702,893 | 87,702,893 |
| b) | Number of shares issued | 26,635,884 | 26,636,000 | 26,636,005 | 28,755,047 | 28,755,047 |
| OPERATIONS AND RESULTS FOR THE YEAR *(in thousands of euros)* | | | | | | |
| a) | Sales excluding tax | 715,464 | 731,954 | 842,313 | 1,069,505 | 1,193,329 |
| b) | Result before tax, employee shareholding, depreciation, amortisation and provisions | 212,505 | 128,866 | (26,645) | 87,115 | 358,411 |
| c) | Income tax | 3,918 | 2,343 | 2,253 | 74,646 | 88,539 |
| d) | Employee shareholding | - | - | - | 2,067 | 1,358 |
| e) | Result after tax, employee shareholding, depreciation, amortisation and provisions | 54,371 | 4,697 | (907,356) | 330,923 | 142,591 |
| f) | Amount of proposed dividend | - | - | - | - | - |
| EARNINGS PER SHARE (IN EUROS) | | | | | | |
| a) | Result after tax and employee shareholding but before depreciation, amortisation and provisions | 7.83 | 4.75 | (1.08) | 0.36 | 9.34 |
| b) | Result after tax, employee shareholding, depreciation, amortisation and provisions | 2.04 | 0.18 | (34.07) | 11.51 | 4.96 |
| c) | Proposed dividend per share | - | - | - | - | 2.50 |
| PERSONNEL | | | | | | |
| a) | Average number of employees | 144 | 181 | 204 | 201 | 224 |
| b) | Payroll *(in thousands of euros)* | 23,090 | 24,950 | 39,261 | 42,423 | 41,843 |
| c) | Sums paid for social security benefits *(in thousands of euros)* | 11,665 | 10,882 | 12,165 | 15,709 | 15,557 |

## Invoices received and issued not settled at year-end and past due (table provided under I of Article D. 441-4)

| *(in thousands of euros)* | Article D. 441.-I: Invoices received and not settled at year-end and past due | | | | | | Article D. 441.-I: Invoices issued and not settled at year-end and past due | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0 day (for information) | 1-30 days | 31-60 days | 61-90 days | 91 days or more | Total (1 day or more) | 0 day (for information) | 1-30 days | 31-60 days | 61-90 days | 91 days or more | Total (1 day or more) |
| (A) LATE PAYMENT TRANCHES | | | | | | | | | | | | |
| Number of invoices concerned | 405 | | | | | 1,705 | 2 | | | | | 289 |
| Total amount of invoices concerned inc. tax | 5,369 | 5,552 | (562) | (135) | (1,208) | 3,647 | 16,406 | 6,773 | 604 | 236 | 4,207 | 11,820 |
| Percentage of total amount of purchases in the year inc. tax | 0.44 | 0.46 | (0.05) | (0.01) | (0.10) | 0.30 | | | | | | |
| Percentage of sales for the year inc. tax | | | | | | | 1.18 | 0.49 | 0.04 | 0.02 | 0.30 | 0.85 |
| (B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNBOOKED PAYABLES AND RECEIVABLES | | | | | | | | | | | | |
| Number of invoices excluded | | | | | | 0 | | | | | | 0 |
| Total amount of invoices excluded inc. tax | | | | | | 0 | | | | | | 0 |
| (C) REFERENCE PAYMENT PERIODS USED (CONTRACTUAL OR LEGAL – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE) | | | | | | | | | | | | |
| Payment periods used to calculate late payments | Contractual periods: (specify)<br>Legal periods: (specify) | | | | | | Contractual periods: (specify)<br>Legal periods: (specify) | | | | | |

## Reincorporation of general costs and sumptuary expenses

Not applicable.

## 2.3 CONSOLIDATED FINANCIAL STATEMENTS FOR 2021 AND 2020

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following information is included by reference in this Universal Registration Document:

a) For the financial year ended 31 December 2021, the consolidated financial statements and the individual financial statements, the reports of the Statutory Auditors relating thereto and their special report on regulated agreements and commitments and the management report appearing respectively in Chapter 3 "Consolidated financial statements and individual financial statements" (pages 102-221), the integrated report (pages 38-40 and 41) and Chapter 2 "Activities" (pages 44, 56, 67, 73 and 92-95) of the 2021 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on 4 April 2022 under number D. 22-0235 and available on the Company's website (https://www.eramet.com/sites/default/files/2022-04/Eramet_2021_COMPLET_MEL_BD.pdf).

b) For the financial year ended 31 December 2020, the consolidated financial statements and the annual financial statements, the reports of the Statutory Auditors relating thereto and their special report on regulated agreements and commitments and the management report appearing respectively in Chapter 3 "Consolidated financial statements and individual financial statements" (pages 100-215), the integrated report (pages 14-23 and 38-43) and Chapter 2 "Activities" (pages 46-47, 57-58, 67-68, 74, 85 and 86) of the 2020 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on 14 April 2021 under number D. 21-0305 and available on the Company's website (https://www.eramet.com/sites/default/files/2021-04/ERAM_DEU_2020_EN_MEL-Vdef.pdf).

The parts not included in the 2020 and 2021 Universal Registration Documents are either not applicable to investors or are covered elsewhere in this Universal Registration Document.

The two reference documents cited above are available on the Company's website (www.eramet.com) and on the AMF's website (www.amf-france.org).

## 2.4 DIVIDEND POLICY

### Dividend payment methods

Dividends are paid out annually at the time and place established by the Shareholders' Meeting, or, failing this, by the Board of Directors, within a maximum period of nine months from the end of the financial year. Dividends duly received cannot be repeated.

An interim dividend may be paid out before the date of the Shareholders' Meeting, by setting the amount, as decided by the Board of Directors, under the conditions established in Article L. 232-12, paragraph 2, of the French Commercial Code.

It may be proposed to shareholders, in whole or in part, that they opt for payment in new shares of the Company, under the conditions of Article L. 232-18, paragraph 1 of the French Commercial Code.

In accordance with the provisions in force in France, the limitation period for unclaimed dividends is five years from their payment date. Unclaimed sums are paid to the French State, in accordance with the applicable provisions.

### Allocation and division of results (Article 24 of the Articles of Association)

"From the net profits, as defined by law, less previous losses where applicable, 5% shall be deducted to establish the reserve fund provided for by law, until this fund has reached one-tenth of the share capital.

Distributable profit is made up of net profit for the financial year, less previous losses and the deduction provided above and increased by profit carryforwards. From the distributable profit, the Ordinary Shareholders' Meeting may deduct any sum it deems appropriate to set, either to be carried forward to the next financial year, or to be carried in one or more reserve funds, general or special, the assignment or use of which it shall determine.

Any surplus shall be distributed evenly across all of the shares.

The Shareholders' Meeting may grant each shareholder, for all or part of the dividend distributed, the option of a dividend payment in shares under legal conditions, or in cash".

### Table of allocation of 2022 result

The proposed allocation of the 2021 result and the recap of the dividends paid over the last three financial years appear in the resolutions proposed to the next Shareholders' Meeting in the Shareholders' Meeting chapter of this document.

## Dividend policy

### Payment methods

The Company does not usually pay out an interim dividend. Dividends are paid out each year after the Shareholders' Meeting called to vote on the management and the financial statements for the previous year. A mixed pay-out in cash and in shares may be proposed as an option for shareholders.

### Amount of dividend

The Company strives to pay regular, substantial dividends.

# 2.5 INSURANCE POLICY

## Property and casualty insurance (Fire, Accident, Multi-risk)

As risks are identified and their impact managed, the Group defines the most suitable insurance strategy to transfer the financing of its insurable residual risks as part of global schemes, taken out with internationally recognised, reputable insurers of sound financial standing.

The Group thus implements adapted solutions, offering the optimum balance between the cost and scope of the proposed coverage, and has sufficient insurance in place to cover the main risks relating to its business, and that of its subsidiaries, both in scope and in the amounts insured or cover limits.

The Group also provides primary coverage in some insurance schemes, which enables it to define and/or adapt retention levels to have some control over insurance costs.

The three main categories of insurance taken out cover possible claims against the Group's civil liability stemming from its activities, damage to its facilities and the associated operating loss, and the risk of damage or loss during transportation.

## Civil liability

General civil liability schemes appropriate to the Group's activities, covering the financial consequences for the insured parties of loss, damage or injury caused to third parties in the context of their activities or due to their products.

Each of these schemes includes civil liability components: exploitation/pre-delivery, products/post-delivery, professional or engineering.

A scheme for civil liability for aeronautical products has been taken out specifically for the requirements of the High Performance Alloys Division.

The Group's activities are also covered by an insurance scheme for Harm to the Environment and Environmental Liability.

## Property damage and operating losses

Its purpose is to cover the damaging consequences of events that may occur at facilities such as fire, explosion, machine breakdown or natural event.

## Faculty/goods transported

This scheme covers all of the Group's subsidiaries around the world for all of the goods transported for which they are responsible.

# 3

# CORPORATE GOVERNANCE REPORT

This report, provided for in the last paragraph of Article L. 225-37 of the French Commercial Code, covers the points provided for in Articles L. 225-37-4, L. 22-10-9, L. 22-10-10 and L. 22-10-11 of the French Commercial Code.

# 3.1 GOVERNANCE INFORMATION

## 3.1.1 The Board of Directors and its Committees

### 3.1.1.1 Composition of the Board

The Company is administered by a Board of Directors with 17 members at most. Where relevant, the members include a Government representative and directors appointed at the Government's proposal pursuant to Articles 4 and 6 of Order No. 2014-948 of 20 August 2014 on the governance and share capital transactions of publicly owned companies. Under this Order, a Government representative, Mr Romain Valenty, was appointed to the Board by the order of 18 October 2022. Furthermore, in accordance with Article L. 22-10-7 of the French Commercial Code and Article 10.9 of the Articles of Association, two directors representing employees were appointed, one by the Company Social and Economic Council and the other by the European Works Council. Their term of office is four years from their appointment.

In accordance with the Shareholders' Agreement of 16 March 2012 between Sorame and CEIR, on the one hand, and FSI Equation (wholly owned by the State) on the other, as set out in the chapter of this document entitled "Eramet and its shareholders", the Board of Directors is comprised as follows:

- five directors put forward by the Sorame-CEIR agreement (Émeric Burin des Roziers (independent director), François Corbin (independent director), Jérôme Duval, Sorame represented by Cyrille Duval, CEIR represented by Nathalie de La Fournière);
- three directors put forward by the APE (Jean-Yves Gilet, Claude Tendil (independent director), Romain Valenty appointed as Government representative in accordance with Order 2014-948 of 20 August 2014);
- two directors put forward by STCPI (Jean-Philippe Vollmer, the second post is currently vacant);
- one director put forward by Sorame-CEIR and APE by mutual agreement (Alilat Antsélévé Oyima);
- five "qualified persons", three put forward by the Sorame-CEIR concert (Christine Coignard, Manoelle Lepoutre, Miriam Maes), and two by the APE (Catherine Ronge, Sonia Sikorav), selected in view of their expertise and their independence with respect to the nominating party and the Company itself, in line with the AFEP-MEDEF Corporate Governance Code for listed companies;
- one director called on to chair the Board of Directors (Christel Bories).

In accordance with the Articles of Association and the Directors' Charter, each individual director must become the holder of one hundred shares within eighteen months of joining the Board and retain them for the duration of their term of office.

The terms of office of the 16 directors appointed by the Shareholders' Meeting are as follows: eight terms of office expiring at the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2022; three terms expiring at the Shareholder's Meeting called to approve the financial statements for the year ended 31 December 2023; and four terms expiring at the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024.

Other participants at Board meetings: Cécile Green (Social and Economic Council delegate).

### 3.1.1.2 Detail of terms of office

Full details of the composition of the Board of Directors and of the terms of office of its members at the date of this report can be found below.

## Christel **Bories**

**DIRECTOR(E)**
**CHAIR AND CEO**

**Date of birth:**
20 May 1964 (58 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
16,306 (23,361 voting rights)

#### Training and professional career

Christel Bories joined Eramet in February 2017 and, since May 2017, has been the Chairwoman and Chief Executive Officer of the Eramet Group.

Christel Bories was previously Deputy Chief Executive Officer of Ipsen (listed company) from 27 February 2013 until March 2016. Before that, she held various positions of responsibility with the Pechiney Group from 1995 onwards. After Pechiney was taken over by the Alcan Group in 2003, Christel Bories was appointed Chairwoman and Chief Executive Officer of Alcan Packaging and then Chairwoman and Chief Executive Officer of Alcan Engineered Products, and finally Chief Executive Officer of Constellium (formerly Alcan), from which she resigned in December 2011. From 1993 to 1995, she was Director of Strategy and Control at Umicore.

She began her career in 1986 as a strategy consultant at Booz-Allen & Hamilton, and then at Corporate Value Associates.

Christel Bories is a graduate of the École des Hautes Études Commerciales (HEC Paris).

#### Date of first appointment

Director and Chair and CEO: Shareholders' and Board Meeting of 23 May 2017

#### Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 28 May 2021, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2024 financial statements

#### Other offices held

- **Within Group companies**
  - Director of Comilog S.A.
  - Director of Société Le Nickel SLN
- **Within non-Group companies**
  - Director of Legrand (listed company)
  - Director of the France Industrie organisation

#### Offices held and completed during the past five years

- **Within non-Group companies**
  - Director of Smurfit Kappa (listed company) (until December 2019)
- **Within Group companies**
  - Chair of the Board of Aubert & Duval (from December 2017 to February 2018), and EcoTitanium (from December 2017 to March 2018)

*(E) CSR and Strategy Committee.*

# Alilat **Antsélévé-Oyima**

**DIRECTOR**

**Date of birth:**
Born 1 January 1960 (62 years old)

**Nationality:** Gabonese

**Business address:**
BP 20169, Libreville, Gabon

## Training and professional career

Alilat Antsélévé-Oyima took up his current position as Special Advisor to the President of the Republic of Gabon in the division of hydrocarbons, mines and industries in 2019. He was previously Head of Hydrocarbons until January 2017.

From December 2006 to December 2009, Alilat Antsélévé-Oyima was Deputy Chief Executive Officer of Shell Gabon. Before that, he was advisor to the Gabon Minister of Mines and Hydrocarbons and began his career as Head of Topography and Operational Oversight at Comilog.

Alilat Antsélévé-Oyima is a Mining Engineer (Moscow Mining Institute) and holds an MBA from UQAM.

## Date of first appointment

Shareholders' Meeting of 28 May 2021

## Date of last reappointment, and end date of term of office

Expiry date: Shareholders' Meeting called to approve the 2024 financial statements

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies**

– None

## Offices held and completed during the past five years

– None

# Émeric **Burin** des Roziers

**DIRECTOR** (D)

**Date of birth:**
8 July 1980 (42 years old)
**Nationality:** French
**Business address:**
10, boulevard de Grenelle
75015 Paris, France
**Eramet shares held:**
1,067 (1,938 voting rights)

## Training and professional career

Since January 2023, Émeric Burin des Roziers has been CEO of the NW Group, specialising in the production of renewable electricity, electricity storage and electric mobility services. He is a corporate officer of NW Energy and NW Storm. Émeric Burin des Roziers was previously the Chief Executive Officer of Endel (an Engie subsidiary) and the Deputy Chief Executive Officer of Engie Solution's Industry BU from 2016 to April 2022.

*From 2011 to 2016, he served the Eramet Group* as Director of Business Development of the Manganese Branch, Chief Executive Officer of the Recycling Activity and Director of Central Operations Restructuring.

Émeric Burin des Roziers served as advisor and then Deputy Cabinet Director to the Ministry of Energy (2006-2011). He began his career in 2003 as a consultant with the Boston Consulting Group.

Émeric Burin des Roziers graduated from the École Polytechnique and ENSTA.

## Date of first appointment

Shareholders' Meeting of 23 May 2019

## Date of last reappointment, and end date of term of office

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies (unlisted companies)**
  - Chair of Heos (since July 2022)
  - CEO of NW Energy and NW Storm (since January 2023)

## Offices held and completed during the past five years

- Chair of Endel S.A.S. and of Technical Engineering Support S.A.S. (an Endel subsidiary) (until April 2022)
- Manager of SN Europipe (until April 2022)

*(D) Independent director.*

# Christine **Coignard**

**DIRECTOR**(A) (D) (E)

**Date of birth:**
05 February 1964 (58 years old)

**Nationality:**
French and Canadian

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
418 (518 voting rights)

## Training and professional career

Christine Coignard is the Founder and Managing Director of Coignard & Haas GmbH, a strategy and development consultancy since 2001, where she holds general management and financing consultancy positions for several clients, mainly active in the mining sector.

Christine Coignard was Director of Investments and Financing at Norilsk Nickel from 1997 to 2000 and has worked for the investment firm Interros.

She began her career in 1988 at the Royal Bank of Canada (1988-1991), followed by Société Générale (1991-1994) and Citibank (1994-1996).

Christine Coignard is a graduate of EM Lyon and holds an MBA from the Schulich School of Business (Canada).

## Date of first appointment

Shareholders' Meeting of 23 May 2017

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 28 May 2021, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2024 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Managing Director and Founding Partner of Coignard & Haas GmbH (Germany)
  - Director of Rigel Resource Acquisition Corporation (listed company – United States)
  - Director of Ecora Resources plc (listed company – United Kingdom and Canada)

## Offices held and completed during the past five years

- Director of Polymetal International plc (listed company – United Kingdom) (until April 2020)

*(A) Audit, Risks and Ethics Committee.*
*(D) Independent director.*
*(E) CSR and Strategy Committee.*

# François **Corbin**

**LEAD DIRECTOR**[(A) (D)]

**Date of birth:**
14 September 1957 (65 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
1,101 (1,101 voting rights)

## Training and professional career

François Corbin is Vice President of MEDEF International in charge of coordination in the ASEAN region, and the French Minister for Europe and Foreign Affairs' special representative for economic affairs in the ASEAN region.

François Corbin joined the Michelin Group in 2004, where he held Senior Management positions in Business Units, then on the Group's Executive Committee and finally, from 2019 to July 2021, as General Delegate for International Affairs to the Chair of the Group.

François Corbin began his career in 1980 at the Pechiney Group where he held several positions as head of the operating department, after which he was Human Resources Director and Business Units Chief Executive Officer.

François Corbin graduated from the École Centrale de Paris.

## Date of first appointment

Shareholders' Meeting of 23 May 2019

## Date of last reappointment, and end date of term of office

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies (unlisted companies)**
  - Director and Vice-President Medef International (France)
  - Director, MEDEF International (United States)

## Offices held and completed during the past five years

- Chair of Michelin Ventures SASU (until 2019)
- Director, Michelin Foundation (until 2019)
- Director, France/China Committee (until 2020)

*(A) Audit, Risks and Ethics Committee.*
*(D) Independent director.*

# Jérôme **Duval**

**DIRECTOR (E)**

Cousin of Cyrille Duval and Nathalie de La Fournière.

**Date of birth:**
30 December 1972 (50 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
600 (1,200 voting rights)

**Indirect holding:**
CEIR and Sorame shareholder

## Training and professional career

Jérôme Duval has been Director of Intermodal Financing Activities at Crédit Agricole CIB since September 2022. He was previously Director of Maritime and Americas Intermodal Financing activities at Crédit Agricole CIB New York from 2013. In New York, he established the regional maritime financing platform and went on to create the Intermodal financing activity for the bank.

He began his career at Crédit Lyonnais in New York followed by experience in professional client coverage at Crédit Agricole in Île-de-France. He then joined Crédit Agricole CIB where, after coordinating international maritime financing activities, he developed a portfolio of the sector's key accounts from London.

Jérôme Duval holds a Director's certificate from Sciences Po-IFA and a Master's degree from ISG.

## Date of first appointment

Shareholders' Meeting of 23 May 2019

## Date of last reappointment, and end date of term of office

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies (unlisted companies)**

– Chief Executive Officer of CEIR S.A.S.

## Offices held and completed during the past five years

– None

*(E) CSR and Strategy Committee.*

# Sorame

**DIRECTOR[A] [B] [C] [E] REPRESENTED BY CYRILLE DUVAL**

Uncle of Nathalie de La Fournière, cousin of Jérôme Duval

**Date of birth:**
18 July 1948 (74 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
6,041 (12,082 voting rights)

**Indirect holding:**
CEIR and Sorame shareholder

## Training and professional career

Cyrille Duval is Chief Executive Officer of Sorame and Chairman of CEIR.

Cyrille Duval has held the positions of Chief Financial Officer of Aubert & Duval, followed by General Secretary of Eramet's Alloys division until 2016.

## Date of first appointment

Shareholders' Meeting of 11 May 2011

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - Director of Comilog S.A. and Metal Securities
- **Within non-Group companies (unlisted companies)**
  - Chairman of CEIR S.A.S.
  - Chief Executive Officer of Sorame S.A.S.
  - Chief Executive Officer of Fornop S.A.S. (since 2021)

## Offices held and completed during the past five years (Group companies)

- Director of Nexans (until May 2019)

*(A) Audit, Risks and Ethics Committee.*
*(B) Remuneration and Governance Committee.*
*(C) Appointments Committee.*
*(E) CSR and Strategy Committee.*

# Jean-Yves **Gilet**

**DIRECTOR** [(E)]

**Date of birth:**
9 March 1956 (66 years old)

**Nationality:** French

**Business address:**
82, rue de l'Université
75007 Paris, France

**Eramet shares held:**
100 (100 voting rights)

## Training and professional career

Jean-Yves Gilet has been Chair of Gilet Trust Invest S.A.S., a strategy and management consulting company, since 2017. He is an engineer in the Corps des mines.

Jean-Yves Gilet was Executive Director of BPI France from 2013 to 2016 and prior to that, CEO of the Fonds Stratégique d'Investissement (FSI) from 2010 to 2013.

Beginning in 1991, he held various senior management roles in the Usinor Sacilor Group, followed by Arcelor (2002-2005) and ArcelorMittal (2006-2010).

Having held various positions in the Direction générale de l'industrie (DGI) and Datar (1981-1988), Jean-Yves Gilet was Cabinet Director to the Deputy Minister in charge of Regional Planning and Conversions (1988-1990).

He began his career in 1981 as deputy to the Regional Director of Industry and Research in Picardy.

Jean-Yves Gilet is a graduate of the École Polytechnique and the École Nationale Supérieure des Mines de Paris (ENSMP).

## Date of first appointment

Co-opted by the Board on 23 September 2016

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 23 May 2019, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Chair of Gilet Trust Invest S.A.S.
  - Director of Fondation Mines-Télécom (since 2017)
  - Chair of Initiative Grandes Écoles et Université (since 2020)
  - Member of the Supervisory Board of la Brigade du Buyer (since 2022)
  - Director of Telos Transition (Brazil) (since 2022)

## Offices held and completed during the past five years

– None

*(E) CSR and Strategy Committee.*

# CEIR

**DIRECTOR (E) REPRESENTED BY NATHALIE DE LA FOURNIÈRE**

Niece of Cyrille Duval,
cousin of Jérôme Duval

**Date of birth:**
Born 1 October 1967 (55 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
100 (200 voting rights)

**Indirect holding:**
CEIR and Sorame shareholder

## Training and professional career

Nathalie de la Fournière is currently Human Resources and Finance Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine. Since 1999, she has held positions as research officer and Research Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine.

Nathalie de La Fournière began her career in 1990 at the RATP as a research officer followed by operational manager of the network.

Nathalie de La Fournière graduated from the École Centrale de Paris and holds a Master's degree in auditing and management control from Toulouse Business School, as well as a Director's certificate from Sciences Po-IFA.

## Date of first appointment

Shareholders' Meeting of 11 May 2011 (for CEIR), Shareholders' Meeting of 29 May 2015 (for Ms de La Fournière)

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Chief Executive Officer of Sorame S.A.S.

## Offices held and completed during the past five years

- None

*(E) CSR and Strategy Committee.*

# Manoelle **Lepoutre**

**DIRECTOR**(C) (D) (E)

**Date of birth:**
08 May 1959 (63 years old)

**Nationality:** French

**Business address:**
10 boulevard de Grenelle
75015 Paris

**Eramet shares held:**
100 (200 voting rights)

## Training and professional career

Manoelle Lepoutre has been consulting at MSML Tech Conseil since June 2022.

Manoelle Lepoutre has worked with TotalEnergies in the energy sector for many years.

She has held various corporate positions within the Group: Director of Sustainable Development in 2009, Human Resources Director (Managers and High-Flyers) in 2013 and Citizen Engagement Director (CSR) from 2016 to the end of 2021.

In 2004, she was appointed R&D Director of the Exploration & Production division.

In 2000, she was appointed to the Executive Committee of Total E&P USA, where she held the position of Geosciences Director, responsible for exploration and the management of permits and reserves for North America.

In 1998, she was appointed to the Executive Committee of Elf Norge, as Exploration Director.

Her career began in 1982 in the exploration and production sector, and she has held various roles in exploration and R&D, in France and the Netherlands.

Manoelle Lepoutre is a graduate of the École Nationale Supérieure de Géologie de Nancy (ENSG) and the École Nationale Supérieure des Pétroles et des Moteurs (ENSPM). She is an elected member of the National Academy of Technologies of France.

## Date of first appointment

Shareholders' Meeting of 11 May 2011

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  – None
- **Within non-Group companies**
  – None

## Offices held and completed during the past five years

– Director of several non-profits (Chair of Industreet, Admical, Rameau)

*(C) Appointments Committee.*
*(D) Independent director.*
*(E) CSR and Strategy Committee (Chair).*

# Miriam **Maes**

**DIRECTOR**(A) (B) (D)

**Date of birth:**
08 May 1956 (66 years old)

**Nationality:** Dutch

**Business address:**
Condominium Verde Mar
Rua Monte Leite 346
Edificio B1 3 Esq
São Jão Estoril
2765-496 Estoril, Portugal

**Eramet shares held:**
100 (200 voting rights)

## Training and professional career

Since 2007, Miriam Maes has been Chairwoman of Foresee, a London-based consulting firm that provides sustainable development and energy management advice to companies.

She worked in the energy sector from 2002 to 2007, and was Chief Executive Officer of EDF Energy Development in London from 2003 to 2007.

Prior to that, Miriam Maes held senior management roles in Europe in several international groups in the agri-food sector (Unilever and Imperial Chemical Industries). Her career began in marketing in 1977.

Miriam Maes holds a degree in business administration from the Nijenrode Business School.

## Date of first appointment

Appointed by the Shareholders' Meeting of 27 May 2016

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 26 May 2020, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2023 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of Assystem S.A. (France) (listed company)
  - Chair of the Supervisory Board of the Port of Rotterdam (Netherlands)
  - Director of Urenco (England) and member of the Supervisory Board of Ultra Centrifuge Netherlands (Netherlands)
  - Chair of Foresee (United Kingdom)

## Offices held and completed during the past five years

- Director of Naturex (France) (listed company) (until September 2018), and Vilmorin & Cie (France) (listed company) (until December 2019)
- Chair of the Board of Directors of Elia Asset BV and Elia System Operator BV (Belgium) (listed company) (until May 2017)

*(A) Audit, Risks and Ethics Committee (Chair).*
*(B) Remuneration and Governance Committee.*
*(D) Independent director.*

# Nicolas **Noël**

**DIRECTOR REPRESENTING EMPLOYEES**

**Date of birth:**
16 October 1977 (45 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
25 (46 voting rights)

## Training and professional career

Nicolas Noël has been Market Treasurer at Eramet since 2015.

From 2009 to 2014, he was Quality Manager and Project Engineer at Aubert & Duval.

From 2001 to 2009, he held a series of engineering and manufacturing support manager positions in the Renault and Safran groups.

Nicolas Noël has a degree in mechanics from the École Supérieure d'Ingénierie Léonard de Vinci.

## Date of first appointment

Appointed by the Social and Economic Council from 23 June 2022 in accordance with Article 10.9 of the Articles of Association

## Date of last reappointment, and end date of term of office

Expiry date: 22 June 2026

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies**

– None

## Offices held and completed during the past five years

– None

# Franck **Pecqueux**

**DIRECTOR REPRESENTING EMPLOYEES**

**Date of birth:**
7 January 1970 (52 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
12 (22 voting rights)

## Training and professional career

Franck Pecqueux has been Management Controller and Internal Control Coordinator at Comilog Dunkerque since 2000.

Franck Pecqueux has previously held various positions in accounting and management control in industrial groups.

Franck Pecqueux has completed a certified training course in management control and holds a technical diploma (BTS) in accounting and management.

## Date of first appointment

Appointed by the European Works Council at its meeting on 12 November 2022 in accordance with Article 10.9 of the Articles of Association

## Date of last reappointment, and end date of term of office

Expiry date: 11 November 2026

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies**

– None

## Offices held and completed during the past five years

– None

# Catherine **Ronge**

**DIRECTOR(B) (D)**

**Date of birth:**
13 April 1961 (61 years old)

**Nationality:** French

**Business address:**
INNEVA
3, rue de Chaillot
75116 Paris, France

**Eramet shares held:**
100 (200 voting rights)

## Training and professional career

Catherine Ronge is currently the Chairwoman and CEO of the Le Garrec et Cie Group, a mid-size family-owned company with diversified activities.

She was the founding Chairwoman of the strategy, innovation and sustainable development consulting firm Weave Air (2006-2020).

At the Suez Group (1999-2006), Catherine Ronge was Chairwoman and CEO of Ondeo Industrial Solutions, which encompasses all engineering and industrial water management activities for the Suez Group throughout the world, and prior to that, Deputy CEO of Degrémont in charge of industry activities and North America.

She previously held various roles at the Air Liquide Group (1988-1999) in marketing, sales and strategy/M&A and R&D as Group Vice-Chair.

Catherine Ronge began her career in 1984 as a research engineer at CEA.

Catherine Ronge is an alumnus of the École Normale Supérieure and holds a PhD in quantum physics. She is also a graduate of the European Institute of Business Administration (INSEAD).

## Date of first appointment

Co-opted by the Board on 17 February 2016

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 23 May 2017 and Shareholders' Meeting of 28 May 2021, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2024 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of the Colas Group and GTT (listed companies)
  - Director of Paprec Holding
  - Chair and CEO of Le Garrec et Cie
  - Chair of Inneva

## Offices held and completed during the past five years

- Chair of Weave Air (until 2020)
- Vice-Chair of the Armines Association (until 2021)

*(B) Remuneration and Governance Committee.*
*(D) Independent director.*

# Sonia **Sikorav**

**DIRECTOR**[(A) (D) (E)]

**Date of birth:**
08 May 1957 (65 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
100 (200 voting rights)

## Training and professional career

Sonia Sikorav is an independent director.

From 2010 to 2014, Sonia Sikorav was Purchasing Director for the Total Group.

From 2005 to 2007, she was Strategy Director at Alstom Transport.

She served from 1991 to 2005 at the Saint-Gobain Group as Director of the Operational Division and Director of Group Purchasing.

Sonia Sikorav began her career in 1982 with the Rhône Poulenc group, where she held positions in management control and as project manager to the CEO and in R&D.

Sonia Sikorav graduated with a PhD from the École Normale Supérieure, where she is associate professor of physical chemistry.

## Date of first appointment

Appointed by the Shareholders' Meeting of 27 May 2016

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meeting of 26 May 2020, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2023 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of NSC Groupe and the Gascogne Group (listed companies) (France)
  - Member of the Briand Group's Strategic Committee

## Offices held and completed during the past five years

- Director of Eolane (France) – (2009-2017)
- Director of PSB (France) – (2017-2021)

*(A) Audit, Risks and Ethics Committee.*
*(D) Independent director.*
*(E) CSR and Strategy Committee.*

# Claude **Tendil**

**DIRECTOR(B) (C) (D)**

**Date of birth:**
25 July 1945 (77 years old)

**Nationality:** French

**Business address:**
10, boulevard de Grenelle
75015 Paris, France

**Eramet shares held:**
100 (200 voting rights)

## Training and professional career

Claude Tendil was Chairman of the Board of Directors of Generali IARD from 2016 to June 2020, non-executive Chairman of Generali France from 2013 to 2016 and Chairman and CEO of the Generali Group in France from 2002 to 2013.

Within the Axa Group, Claude Tendil was Vice-Chairman of the Board of Directors of the Axa Group from 2000 to 2001, CEO of the Axa Group from 1991 to 2000, prior to which he was CEO of Axa-Midi Assurances from 1989 to 1991 and Chairman and CEO of Présence Assurances (subsidiary of Axa) from 1987 to 1989.

From 1980 to 1987, Claude Tendil was Marketing Director and then Deputy CEO of the Drouot Group.

Claude Tendil began his career in 1972 at the Inspectorate General of the Union des assurances de Paris (UAP).

Claude Tendil holds degrees from the École des Hautes Études Commerciales (HEC Paris), the Institut d'Études Politiques (IEP) in Paris and the Centre des Hautes Études en Assurances (CHEA).

## Date of first appointment

Co-opted by the Board on 25 May 2012 (ratified by the Shareholders' Meeting of 15 May 2013)

## Date of last reappointment, and end date of term of office

Reappointment: Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: Shareholders' Meeting called to approve the 2022 financial statements

## Other offices held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of SCOR SE (listed company)
  - Chair of the Institut pour l'innovation économique et sociale (2IES)
  - Honorary Chair of Fondation ARC for cancer research

## Offices held and completed during the past five years

- Director of Generali VIE France (until 2021)
- Director of Europ Assistance Holding (until 2021)
- Member of the Executive Committee of MEDEF (until 2021)
- Chair of RVS (association) (until 31 December 2022)
- Chair of the Board of Generali IARD (until 30 June 2020)
- Director of Generali France (until 2020)
- Chair and CEO of Generali France, Generali Vie, Generali IARD (until October 2013)
- Chair of the Board of Directors of Generali France, Generali France Assurances and Generali Vie (until 2016)

*(B) Remuneration and Governance Committee (Chair).*
*(C) Appointments Committee (Chair).*
*(D) Independent director.*

# Romain **Valenty**

**GOVERNMENT REPRESENTATIVE**[(A) (B) (C) (E)]

**Date of birth:**
30 May 1983 (39 years old)

**Nationality:** French

**Business address:**
Agence des participations de l'État
139, rue de Bercy
Teledoc 229
75012 Paris, France

**Eramet shares held:**
not applicable

## Training and professional career

Romain Valenty has been Head of Equity Investments in charge of the Energy Sector at the APE since 3 October 2022. Romain Valenty is a chief engineer in the Corps des mines.

From 2020 to 2022, he was Director of Organisation, then Secretary General of the Nexity Group's housing division.

From 2016 to 2020, he was with the Casino Group, first as Head of Strategy, then as Group Head of Data and Strategic Partnerships.

In 2015, he was investment advisor to the Government in the cabinet of the French Minister of Finance and Public Accounts.

In 2009, he joined the French Ministry of Economy and Finance, firstly at the APE, as GDF Suez manager (2009-2011), then from 2011 to 2015, as head of market operations at the French Treasury Agency (AFT).

He began his professional career in 2007 as a project officer at the French Postal and Electronic Communications Regulator (ARCEP).

Romain Valenty is a graduate of the École Polytechnique and the École Nationale Supérieure des Télécommunications (ENST).

## Date of first appointment

Appointed as State representative on 18 October 2022 in accordance with the 20 August 2014 order

## Date of last reappointment, and end date of term of office

N/A

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies**

– Government representative on the Board of Directors of Orano
– Government representative on the Board of Directors of Areva

## Offices held and completed during the past five years

– None

*(A) Audit, Risks and Ethics Committee.*
*(B) Remuneration and Governance Committee.*
*(C) Appointments Committee.*
*(E) CSR and Strategy Committee.*

# Jean-Philippe **Vollmer**

**DIRECTOR**

**Date of birth:**
5 October 1976 (46 years old)

**Nationality:** French

**Business address:**
13, rue Kervistin – Motor Pool
98800 Nouméa
New Caledonia

**Eramet shares held:**
1 (1 voting right)

## Training and professional career

Jean-Philippe Vollmer is Chairman of Société des Hôtels de Nouméa in New Caledonia, Co-Manager of SNC Casino de Nouméa and Chairman and Chief Executive Officer of the transportation company Carsud S.A.

Jean-Philippe Vollmer has spent most of his career with French groups specialising in services to local authorities (environment and public transport), where he has participated in the development and restructuring of activities.

Jean-Philippe Vollmer holds a Master 2 in Business Administration.

## Date of first appointment

Co-opted by the Board on 15 October 2020

## Date of last reappointment, and end date of term of office

Expiry date: Shareholders' Meeting called to approve the 2023 financial statements

## Other offices held

- **Within Group companies**

– None

- **Within non-Group companies**

– Chair of Société des Hôtels de Nouméa
– Société des Hôtels de Nouméa's permanent representative on the Boards of Directors of Société Hôtelière de Deva and Maguenine SEO
– Co-manager of SNC Casino de Nouméa
– Director of the public interest groups, Union pour le Handicap, Handicap Dépendance and Bien Vieillir
– Chairman and Chief Executive Officer of the transportation company Carsud S.A.

## Offices held and completed during the past five years

– Director of the Banque Calédonienne d'Investissement (until July 2019)
– Director representing the government of New Caledonia on the Board of the EIG, Tourisme Pointe Sud (until 2022)

### 3.1.1.3 Composition of Committees

The internal rules specifying the operating rules and duties of each Committee are available on the Company's website.

The Audit, Risks and Ethics Committee currently comprises six directors: Miriam Maes (Committee Chair and independent director), Christine Coignard (independent director), François Corbin (independent director), Cyrille Duval, Sonia Sikorav (independent director) and Romain Valenty.

The Remuneration and Governance Committee currently comprises five directors: Claude Tendil (Committee Chair and independent director), Cyrille Duval, Miriam Maes (independent director), Catherine Ronge (independent director) and Romain Valenty.

The Appointments Committee currently comprises four directors: Claude Tendil (Committee Chair, Chair of the Remuneration and Governance Committee and independent director), Cyrille Duval, Manoelle Lepoutre (independent director) and Romain Valenty.

The CSR and Strategy Committee currently comprises nine directors: Manoelle Lepoutre (Committee Chair and independent director), Christel Bories (Chair and CEO), Christine Coignard (independent director), Cyrille Duval, Jérôme Duval, Nathalie de La Fournière, Jean-Yves Gilet, Sonia Sikorav (independent director) and Romain Valenty.

### 3.1.1.4 Changes to the composition of the Board of Directors and its Committees during the 2022 financial year and up to the date of filing of this registration document

| BOARD | |
|---|---|
| Co-opting | None |
| Appointment of new permanent representatives representing legal entity directors | None |
| Appointments by the Shareholders' Meeting | None |
| Resignations | Bruno Vincent resigned from his position as Government representative on 22 September 2022. Romain Valenty was appointed as the new Government representative by order of 18 October 2022. |
| Expiry of the terms of office of directors | Nicolas Noël became a director representing employees on 23 June 2022, replacing Jean-Philippe Letellier, whose term of office had expired. Franck Pecqueux became a director representing employees on 12 November 2022, replacing Frédéric Gaidou, whose term of office had expired. |
| **COMMITTEES** | |
| Audit, Risks and Ethics Committee | Romain Valenty replaced Bruno Vincent as Government representative from 18 October 2022. |
| Remuneration and Governance Committee | The term of office of Frédéric Gaidou, a director representing employees, expired on 12 November 2022. Romain Valenty replaced Bruno Vincent as Government representative from 18 October 2022. |
| CSR and Strategy Committee | The term of office of Jean-Philippe Letellier, a director representing employees, expired on 23 June 2022. Romain Valenty replaced Bruno Vincent as Government representative from 18 October 2022. |
| Appointments Committee | Romain Valenty replaced Bruno Vincent as Government representative from 18 October 2022. |

As provided by paragraph 12.1 of Appendices 1 and 2 of Commission Delegated Regulation (EU) 2019/980, the Company states that, to the best of its knowledge and at the time of writing this report:

- no conviction of fraud has been handed down in the last five years against any member of the Board of Directors or of General Management;
- in the last five years, no member of the Board of Directors or of General Management has been associated with a bankruptcy, receivership, liquidation or court-ordered administration in their capacity as member of an administrative, management or supervisory body, or as CEO of a company, with the exception of Ms Sikorav, independent director of the NSC Group, whose subsidiary, NSC Packaging, was placed into liquidation in April 2020 by the Sedan Commercial Court, after selling its operations;
- no proceedings and/or official public penalty has been handed down in the last five years against any member of the Board of Directors or of General Management by the statutory or regulatory authorities (including the relevant professional bodies); and
- no director or member of General Management has in the last five years been stripped by a court of his or her right to act as a member of an administrative, management or supervisory body or from participating in the management or business affairs of a listed company.

No director has a conflict of interest within the meaning of section 12.2 of Appendices 1 and 2 of Commission Delegated Regulation (EU) 2019/980 or has entered into a service contract with Eramet.

### 3.1.1.5 Changes to the composition of the Board in 2023

#### Terms of office expiring in 2023

The directorships of Sorame (represented by Cyrille Duval), CEIR (represented by Nathalie de La Fournière), Émeric Burin des Roziers, François Corbin, Jérôme Duval, Jean-Yves Gilet, Claude Tendil and Manoelle Lepoutre expire at the end of the annual Shareholders' Meeting of 2023.

Émeric Burin des Roziers, François Corbin, Jérôme Duval, Jean-Yves Gilet, Nathalie de La Fournière and Manoelle Lepoutre have put themselves forward as candidates to succeed them. The provisions of Articles 10.4 and 10.6 of the Company's Articles of Association do not permit Cyrille Duval and Claude Tendil to be re-appointed for a new term of office, given their age at the time of their last re-appointment.

**Émeric Burin des Roziers** has been an Eramet director since May 2019. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. Since January 2023, Émeric Burin des Roziers has been CEO of the NW Group, specialising in the production of renewable electricity, electricity storage and electric mobility services. He is a corporate officer of NW Energy and NW Storm. Émeric Burin des Roziers was previously the Chief Executive Officer of Endel (an Engie subsidiary) and the Deputy Chief Executive Officer of Engie Solution's Industry BU from 2016 to April 2022. *From 2011 to 2016, he served the Eramet Group as Director of Business Development of the Manganese Branch, Chief Executive Officer of the Recycling Activity and Director of Central Operations Restructuring.* Émeric Burin des Roziers served as Advisor and then Deputy Cabinet Director to the Ministry of Energy (2006-2011). He began his career in 2003 as a consultant with the Boston Consulting Group. Émeric Burin des Roziers graduated from the École Polytechnique and ENSTA.

**François Corbin** has been an Eramet director since May 2019. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. François Corbin is Vice President of MEDEF International in charge of coordination in the ASEAN region, and the French Minister for Europe and Foreign Affairs' special representative for economic affairs in the ASEAN region. François Corbin joined the Michelin Group in 2004, where he held Senior Management positions in Business Units, then on the Group's Executive Committee and finally, from 2019 to July 2021, as General Delegate for International Affairs to the Chair of the Group. François Corbin began his career in 1980 at the Pechiney Group where he held several positions as head of the operating department, after which he was Human Resources Director and Business Units Chief Executive Officer. François Corbin graduated from the École Centrale de Paris.

**Jérôme Duval** has been an Eramet director since May 2019. Jérôme Duval is a cousin of Nathalie de La Fournière, Héloïse Duval and Cyrille Duval and holds shares in Sorame and CEIR. It is proposed that the Shareholders' Meeting in 2023 votes to appoint him as the new permanent representative of Sorame for a period of four years. Jérôme Duval has been Director of Intermodal Financing Activities at Crédit Agricole CIB since September 2022. He was previously Director of Maritime and Americas Intermodal Financing activities at Crédit Agricole CIB New York from 2013. In New York, he established the regional maritime financing platform and went on to create the Intermodal financing activity for the bank. He began his career at Crédit Lyonnais in New York followed by experience in professional client coverage at Crédit Agricole in Île-de-France. He then joined Crédit Agricole CIB where, after coordinating international maritime financing activities, he developed a portfolio of the sector's key accounts from London. Jérôme Duval holds a Director's certificate from Sciences Po-IFA and a Master's degree from ISG.

**Jean-Yves Gilet** has been an Eramet director since September 2016. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. Jean-Yves Gilet has been Chair of Gilet Trust Invest S.A.S., a strategy and management consulting company, since 2017. He is an engineer in the Corps des mines. Jean-Yves Gilet was Executive Director of BPI France from 2013 to 2016 and prior to that, CEO of the Fonds Stratégique d'Investissement (FSI) from 2010 to 2013. Beginning in 1991, he held various senior management roles in the Usinor Sacilor Group, followed by Arcelor (2002-2005) and ArcelorMittal (2006-2010). Having held various positions in the Direction générale de l'industrie (DGI) and Datar (1981-1988), Jean-Yves Gilet was Cabinet Director to the Deputy Minister in charge of Regional Planning and Conversions (1988-1990). He began his career in 1981 as deputy to the Regional Director of Industry and Research in Picardy. Jean-Yves Gilet is a graduate of the École Polytechnique and the École Nationale Supérieure des Mines de Paris (ENSMP).

**Nathalie de La Fournière** has been an Eramet director since May 2015 as permanent representative of CEIR. Nathalie de La Fournière is a cousin of Cyrille Duval, Jérôme Duval and Héloïse Duval and holds shares in Sorame and CEIR. It is proposed that the Shareholders' Meeting in 2023 votes to appoint her as the permanent representative of CEIR for a period of four years. Nathalie de la Fournière is currently Human Resources and Finance Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine. Since 1999, she has held positions as research officer and Research Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine. Nathalie de La Fournière began her career in 1990 at the RATP as a research officer followed by operational manager of the network. Nathalie de La Fournière graduated from the École Centrale de Paris and holds a Master's degree in auditing and management control from Toulouse Business School, as well as a Director's certificate from Sciences Po-IFA.

**Manoelle Lepoutre** has been an Eramet director since May 2011. It is proposed that the Shareholders' Meeting in 2023 votes to renew her term for a period of four years. Manoelle Lepoutre has been consulting at MSML Tech Conseil since June 2022. Manoelle Lepoutre has worked with TotalEnergies in the energy sector for many years. She has held various corporate positions within the Group: Director of Sustainable Development in 2009, Human Resources Director (Managers and High-Flyers) in 2013 and Citizen Engagement Director (CSR) from 2016 to the end of 2021. In 2004, she was appointed R&D Director of the Exploration & Production division. In 2000, she was appointed to the Executive Committee of Total E&P USA, where she held the position of Geosciences Director, responsible for exploration and the management of permits and reserves for North America. In 1998, she was appointed to the Executive Committee of Elf Norge, as Exploration Director. Her career began in 1982 in the exploration and production sector, and she has held various roles in exploration and R&D, in France and the Netherlands. Manoelle Lepoutre is a graduate of the École Nationale Supérieure de Géologie de Nancy (ENSG) and the École Nationale Supérieure des Pétroles et des Moteurs (ENSPM). She is an elected member of the National Academy of Technologies of France.

During its meeting of 21 March 2023, on the recommendation of the Appointments Committee, the Board of Directors reconfirmed the independent status of Émeric Burin des Roziers and François Corbin and considered that Manoelle Lepoutre could no longer be considered independent as from the Shareholders' Meeting of May 2023 due to the three four-year terms of office she will have completed on that date.

### Appointment of new directors in 2023

To enhance its composition, on the proposal of the Appointments Committee, the Board of Directors recommended the appointment of Ms Héloïse Duval, put forward by Sorame/CEIR, and Mr Lescuyer, an independent director put forward by the APE, for a term of four years.

The proposal to appoint Mr Lescuyer originated from the assignment entrusted to an external candidate short-listing firm, based on a competency matrix, before being presented to the Appointments Committee and then to the Board.

During its meeting of 21 March 2023, on the recommendation of the Appointments Committee, the Board of Directors examined the personal circumstances of Ghislain Lescuyer and noted that Mr Lescuyer could be considered as independent.

**Héloïse Duval** is a cousin of Cyrille Duval, Jérôme Duval and Nathalie de La Fournière and holds shares in Sorame and CEIR. Héloïse Duval is a Mergers & Acquisitions Project Director for the SEB Group. She joined the Group in 2018 in the Group Strategy and Mergers & Acquisitions Directorate, where she coordinated strategic projects and oversaw the integration of acquired companies, before switching to focussing solely on mergers and acquisitions. Héloïse Duval began her career with Unibail-Rodamco-Westfield, where she was responsible for investments and transaction structuring. Héloïse Duval has a degree from the École des Hautes Études Commerciales (HEC Paris) and holds a Director's certificate from Sciences Po-IFA.

From 2015 to April 2022, **Ghislain Lescuyer** was Chairman of the Management Board and then Chief Executive Officer of the Saft Group; he founded the Automotive Cells Company (a JV between Stellantis, Daimler and Saft/TotalEnergies), where he was Chairman of the Board of Directors from September 2020 to September 2022. In 2007, he was appointed Executive Vice-President of Areva T&D's Products division, then, when it was taken over by Alstom, Senior Vice-President of Strategy & Development and Chief Information Officer (2010-2015). In 2003, he became a member of the Executive Committee and Director of various activities with Thomson/Technicolor in France and the United States. From 2000 to 2003, he was Managing Director of Europ@web (Groupe Arnault). Within the Bull group (1994 – 1999), he was a member of the Executive Committee and led various activities. Ghislain Lescuyer began his career as a Sales Engineer at SAT and Hewlett Packard, before becoming a consultant at McKinsey (1989-1994). Ghislain Lescuyer holds degrees from Télécom Paris (1980) and INSEAD (MBA 1988).

## 3.1.1.6 Work of the Board and its Committees during the 2022 financial year

### Board of Directors

The Board met seven times in 2022.

Each year, directors also take part in a one-day strategic seminar to review the Group's strategy.

In addition to examining recurring items relating to the business of the Group and its subsidiaries, Board meetings were concerned, in particular, with:

- approval of the Group's and Company's financial statements for 2021 and of the documents relating to the convening of the annual Shareholders' Meeting and the disclosure of information to shareholders;
- review of the 2022 interim financial statements;
- review of occupational safety action plans and results within the Group;
- the Group's strategy review;
- analysis of the Group's CSR roadmap and of its implementation;
- review of budget items, monitoring results and operational KPIs, and earnings and cash flow forecasts;
- review of the activities' investment and divestment projects and, in general, the Group's strategic expansion projects and significant operations;
- examination of development financing options for the Group and its main subsidiaries;
- review of the Group's HR policy;
- analysis of the Group's risk mapping;
- analysis of the Group's digital transformation roadmap;
- review of the report required by Article L. 225-102-3 of the French Commercial Code on payments made to the authorities of countries where the Group conducts mining activities;

Individual participation at meetings of the Board of Directors and the Committees in 2022 is shown in the table below.

| | Board of Directors | Audit, Risks and Ethics Committee | Remuneration and Governance Committee | CSR and Strategy Committee | Appointments Committee |
|---|---|---|---|---|---|
| Alilat Antsélévé-Oyima | 100% | - | - | - | - |
| Christel Bories | 100% | - | - | 100% | - |
| Émeric Burin des Roziers | 100% | - | - | - | - |
| Christine Coignard | 100% | 100% | - | 100% | - |
| François Corbin | 100% | 100% | - | - | - |
| Cyrille Duval (Sorame) | 100% | 100% | 100% | 100% | 100% |
| Jérôme Duval | 100% | - | - | 100% | - |
| Nathalie de La Fournière (CEIR) | 100% | - | - | 100% | - |
| Frédéric Gaidou (until 12/11/2022) | 100% | - | 100% | - | - |
| Jean-Yves Gilet | 100% | - | - | 66% | - |
| Manoelle Lepoutre | 100% | - | - | 100% | 100% |
| Jean-Philippe Letellier (until 23/06/2022) | 100% | - | - | 100% | - |
| Miriam Maes | 100% | 100% | 100% | - | - |
| Nicolas Noël (from June 2022) | 100% | - | - | - | - |
| Franck Pecqueux (from November 2022) | 100% | - | - | - | - |
| Catherine Ronge | 86% | - | 80% | - | - |
| Sonia Sikorav | 100% | 100% | - | 100% | - |
| Claude Tendil | 86% | - | 100% | - | 100% |
| Romain Valenty (from October 2022) | 100% | 100% | 100% | 100% | N/A |
| Bruno Vincent, Government representative (until September 2022) | 100% | 100% | 100% | 100% | 100% |
| Jean-Philippe Vollmer | 43% | - | - | - | - |
| **AVERAGE ATTENDANCE RATE** | **95%** | **100%** | **97%** | **96%** | **100%** |

## Audit, Risks and Ethics Committee

The Company refers to the AMF working group's report on Audit Committees when organising the Committee's work (AMF recommendation of 22 July 2010).

The Committee meetings are notably attended by the Chair and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer in charge of procurement and IT, the Statutory Auditors, the Group Director of Risk, Internal Control and Internal Audit, the Group Director of Accounting, Consolidation and Taxation, the Group Director of Planning and Management Control, the Director of Financing and Treasury, the Director of Ethics and Compliance and the General Counsel.

The Committee met seven times in 2022.

In addition to presenting the financial statements for the previous year in February and examining the interim financial statements in July, the Committee conducts an annual review of the internal audit reports for the year, as well as the internal audit programme for the following year. The examination of the financial statements by the Committee is accompanied by a presentation by the Statutory Auditors describing the findings of their work and the main issues involved.

In 2022, the Committee examined the following points in particular:

- the monitoring of budget items and changes in the Group's and its main subsidiaries' profit, cash-flow and working capital requirement forecasts;
- the monitoring of the financial disclosure process to the market;
- the monitoring of progress in the Group's and its subsidiaries' projects;
- the monitoring of the Group's divestment plans;
- the monitoring of the Group's financing and investment operations;
- the process for monitoring the Group's risk management processes, including social and environmental risks;
- the monitoring and implementation of the Eramet Management System (EMS) and the Group's internal control systems;
- the work of the Internal Audit Department for the current year and its draft work plan for the following year;
- the process of monitoring the relevance and consistency of accounting methods, and of monitoring the Group's off-balance sheet commitments and tax issues;

- the monitoring of the Group's ethics compliance programme;
- the monitoring of the Group's procurement roadmap;
- the monitoring of cybersecurity risks;
- the monitoring of the Group's contract management function;
- primary changes to the Group's insurance;
- apart from the conclusions of the Statutory Auditors, the monitoring of their fees and their independence;
- draft reports to shareholders.

#### Remuneration and Governance Committee

The Committee met five times in 2022.

During the year, in addition to its proposals regarding the items of compensation for executive corporate officers, which are described in detail later in this chapter, the Committee reviewed the collective variable remuneration criteria for executives and proposed that the Board approve an annual Performance Share Plan for the Company's and its subsidiaries' corporate officers and senior executives. As it does every year, the Committee reviewed the criteria and conclusions of the annual evaluation of the Board's operations.

#### Appointments Committee

The Committee met twice in 2022 for the annual review of the independence criteria for independent directors and of the succession planning for key Group management personnel in the short-, mid- and long-term. The executive corporate officer is involved in the work of the Appointments Committee.

#### CSR and Strategy Committee

In particular, the Committee's mission is to assist the Board in determining multi-year strategic CSR guidelines and, in particular, to assess the alignment between the CSR strategy and the methods by which it is implemented, its action plan and the timescales in which these actions are carried out.

The Committee met three times in 2022. During the year, the Committee conducted the annual review of the extent to which the Group's ongoing multi-year CSR roadmap had been achieved, as well as supervising the preparation of the next multi-year roadmap for the Group's Corporate Social and Environmental Responsibility. Throughout the year, the Committee also examined the evolution of the markets in which the Group operates and their competitiveness, as well as the resulting strategic options. On a case by case basis, the Committee examined the Group's projects, as well as its investment or divestment plans. During the year, the Committee also reviewed the Group's exploration strategy and its innovation strategy.

### 3.1.1.7 Assessment of the Board's work

The Board provides for an assessment of the Board by an external independent consultancy firm every three years. For 2022, the assessment dealt with the Board collective functioning and identifying sources of improvement. It was carried out through document reviews, on-line questionnaires and by way of individual interviews with each director. The results of the assessment were discussed with the Chair of the Board, the Lead Director and the Remuneration and Governance Committee and presented and discussed at the Board meeting of 21 March 2023.

In terms of shared sources of improvement, consultants suggested several possible options, namely: work on the size and composition of the Board in view of future required competencies, notably by professionalising the recruitment of directors, by making choices on the type of work carried out by the Board in order not to impinge on the scope of decisions of management, by reinforcing relationships between the Board and management through supporting as well as challenging decisions, by increasing the role of independent directors in discussions, by giving feedback to directors on their roles, and by focussing the CSR and Strategy Committee on CSR issues to capitalise on this expertise.

### 3.1.1.8 Internal rules of the Board and its Committees, Directors' Charter, and Securities Trading Code of Conduct

The internal rules, which can be consulted on the Company's website, specify the composition, organisation and functioning of the Board and its Committees, the roles and powers of the Chair of the Board and the Chief Executive Officer and the rights and duties of the directors. The internal rules are binding on all directors, as well as on any other person who may attend meetings of the Board or its Committees in any capacity whatsoever.

In addition to its general powers defined by law and the rules, the Board reviews and approves all decisions relating to the Group's major strategic directions and ensures that they are effectively implemented by General Management.

Board members and Committee members may, in the performance of their respective duties and having first informed the Chair and CEO, confer with members of the Group's management. They report on the information obtained and advice received. The Group's key management executives regularly take part in the various meetings of the Board and its Committees on matters that concern them.

The Committee members may request any advice or opinion from any external consultant or expert, if they consider it necessary.

To this end, they may request external technical studies relating to matters within the Committee's competence, at the expense of the Company, after being put out to competitive tender and after informing the Chair and CEO or the Board of Directors itself, subject to reporting back to the Board thereon.

The Board meets as often as the interests of the Company require on dates that are adapted to legal obligations. Convening notices are sent by the means judged to be the best adapted for ensuring traceability of the convening notice and within sufficient time to allow the directors to examine the files with the appropriate advance notice. If specified in the convening notice, Board meetings may be held by videoconference or telecommunications on subjects authorised by the Company's Articles of Association or by law.

The Chair is responsible for circulating to each director, in advance of the meeting, a file containing all the documents and information required for consideration of the items on the agenda.

The Secretary of the Board draws up the minutes of each Board meeting, which the Chair submits to directors for approval at the subsequent Board meeting, the draft minutes being sent to each participant (directors and employee representative) before the scheduled meeting date.

In the interest of good corporate governance, the Board has incorporated the Directors' Charter into its internal rules, which sets out the rights and duties of the directors and to which every director is accountable. Directors must adhere to the charter by signing it when they are appointed. This charter notes in particular that:

- directors shall, in all circumstances, act in the corporate interest of the Company, and are committed to defending and promoting the Company's values;
- directors must ensure that the Board is fully informed in advance of any actual, potential or perceived conflict of interests. He/she must abstain from taking part in the debate on the related resolution;
- directors must maintain their personal independence of analysis, judgement, decision and action, and reject any direct or indirect pressure that may be exerted on them, which may emanate from any third party or functions they perform elsewhere;
- directors contribute to the collective responsibility and efficiency of the work of the Board and the Committees, acting in good faith, with loyalty and with duty of confidentiality;
- directors must dedicate the necessary time and attention to their duties and, where possible, attend all meetings of the Board and the Committees of which they are a member, take the necessary time to prepare the work carried out therein and obtain all relevant information for such purpose. Directors undertake to keep the Board informed of mandates held in other companies. They attend Shareholders' Meetings;
- directors must seek the approval of the Board before committing themselves personally to a competitor of the Group;
- directors must treat all the files submitted to them for the performance of their mandate in the strictest confidence, as well as the debates and information to which they have access as part of the Board and the Committees and, as such, shall not disclose them to anyone in any way;
- directors must ensure that they receive in a timely manner all documents and information required for the fulfilment of their duties. It is their responsibility to request from the Chair all documents they deem necessary for such purposes. Any director who believes that the information provided in advance is not sufficient may request the Chair or the Board to postpone ruling on this issue;
- if a director is no longer in a position to perform his or her duties, either by his/her own decision or for any other reason, he/she must inform the Chair of the Board of Directors, seek solutions to remedy the situation and, failing this, draw the personal conclusions with regard to the exercise of his/her mandate.

The Stock Exchange Ethical Procedure, established in accordance with the European "market abuse" regulation, aims at preventing insider trading offences and infringements and establishes a blackout period for any transaction involving Eramet securities prior to publication of the Company's annual and interim financial statements and its quarterly financial results. All directors shall follow this procedure.

## 3.1.1.9 Governance principles

### Corporate Governance Code

In accordance with the decision of the Board of Directors taken on 9 December 2008, Eramet refers to the AFEP-MEDEF Corporate Governance Code for listed companies ("the AFEP-MEDEF Code") as its reference framework; the Code is available on the AFEP and MEDEF websites.

The Company considers that its practices are compliant with AFEP-MEDEF Code recommendations. In some cases, certain adjustments have been made to the recommendations for reasons detailed in the table set out in the Appendix to this report.

### Diversity policy applied to Board members (excluding directors representing employees): a description of its objectives, implementation methods and results obtained during the past financial year

Pursuant to Article L. 22-10-10 of the French Commercial Code, the Board of Directors reflected on the desirable balance of its composition and that of the Committees it has set up within it, particularly in terms of diversity (representation of women and men, nationalities, age, qualifications and professional experience).

In general, the Board recognises the benefits of diversity in its broadest sense and considers the diversity of its members as an essential element for its discussions and decision-making, which promotes effective functioning and good governance. A diversified Board is a Board that has a balance of skills, experience and expertise, as well as a diversity of perspectives that are relevant to the Company's interests and strategic objectives.

With regard to the composition of the Board during the past financial year, the following points should be noted:

- Forty-four percent (44%) of the directors are female (i.e. 7 of the 15 members chosen by the shareholders, plus the government representative). This proportion is in compliance with the minimum threshold of 40% provided for in the first paragraph of Article L. 22-10-3 of the French Commercial Code.
- The directors are between 39 and 77 years old. The average age of directors is 58. Under Article 10 of the Articles of Association, directors may not be over seventy years of age at the time of their appointment. A director who has reached the age of seventy during their term of office may have their term of office renewed once. The number of directors over the age of seventy may not exceed one-third of the Board's membership. Two directors are over the age of 70 and their expiring terms of office will not be renewed at the 2023 Meeting. Directors are appointed for a term of four years.
- On the date of the 2023 Shareholders' Meeting, of the 15 directors chosen by the shareholders, five directors will have been in office for four years or less, seven for between six and eight years, two for between 10 and 12 years and one for more than 12 years. The Government representative has been in office for less than one year. The distribution between the older directors on the Board and those most recently appointed combines new vision with long-term consistency;
- Eleven of the directors chosen by the shareholders reside in metropolitan France, two elsewhere in the European Union, one in New Caledonia and one in Gabon. The government representative resides in metropolitan France.

### Directors' competencies

In its deliberations on 12 March 2020, the Board decided: "to structure the process for appointing new directors to bring it more in line with best governance practices as follows: adoption of a competency matrix approved by the Board on the proposal of the Committee; review of candidates by an external firm; short-listing of candidates; presentation to the Board of several fully documented candidate files." The competency matrix used by the Board incorporates the requirement to promote diversity in the composition of the Board, while at the same time enhancing it by appointing members with specific professional skills in mining, metallurgy and finance, non-financial competencies (CSR, HR etc.), skills in digital technologies and innovation, and knowledge of the Group's key geographical territories.

### Independence of directors

The AFEP-MEDEF Code considers a director to be independent "when he/she has no relationship of any kind whatsoever with the Company, its Group or its management that could compromise his/her freedom of judgement. Therefore, an independent director means any non-executive corporate officer of the Company or its Group who does not have any special ties (significant shareholder, employee, other) with the Company, its Group or its management". The AFEP-MEDEF Code also identifies a number of criteria that the Board must consider to determine whether a director can be classified as independent:

- "not being or not having been in the preceding five years:
  - an employee or an executive corporate officer of the Company,
  - a salaried employee, executive corporate officer or director of a company consolidated by the Company,
  - a salaried employee, executive corporate officer or director of the parent company or of a company consolidated by the latter";
- "not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which a directorship is held by a salaried employee designated as such or by an executive corporate officer (current or former within the past five years), of the Company";
- "not being a customer, supplier, investment banker, commercial banker or advisor (or being directly or indirectly related to these persons):
  - whose role vis-à-vis the Company or its Group is considered significant,
  - or for which the Company or its Group represents a significant percentage of its business activity.

  The assessment of the significance of the relationship with the Company or its Group is debated by the Board and the quantitative and qualitative criteria leading to this assessment (continuity, economic dependency, exclusivity etc.) are explained in the report on corporate governance.";
- "not having close family ties with a corporate officer";
- "not having been a Statutory Auditor of the Company in the past five years";
- "not having been a director of the Company for more than twelve years. After twelve years, a director is no longer considered to be independent."
- "A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the Company or the Group."
- "Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification of a director as independent in the light of the make-up of the Company's capital and the existence of a potential conflict of interest."

As at the date of this report, based on the Board's annual review of the aforementioned criteria, eight of the 15 Board members chosen by the shareholders and the government representative were considered to be independent directors. The two directors representing employees were not counted, in accordance with the provisions of the AFEP-MEDEF Code. As such, more than one third of Board members are independent, in accordance with recommendation 8.3 of the AFEP-MEDEF Code, applicable to controlled companies. However, the Board considered that, from the Shareholders' Meeting of May 2023, Manoelle Lepoutre will no longer qualify as independent, as she will have competed three four-year terms of office on that date.

It is noted that at the annual review of the independent status of directors, the Board performed an appraisal of any business relationships that may exist between the Eramet Group and the group in which certain independent directors work or hold a corporate office. As at the date of this document, the conclusion of this appraisal is that there are no business relationships with Eramet directors.

### 3.1.1.10 Implementation of the "Comply or Explain" rule

| AFEP-MEDEF Code recommendation | Eramet Corporate Governance |
|---|---|
| **Recommendation 19.1** - Membership of employee directors on the Compensation Committee: "It is recommended (...) that one of its members should be an employee director." | The Remuneration and Governance Committee included a director representing employees until his term of office expired on 12 November 2022. The Board will review the composition of the committee within 12 months of the new directors representing employees taking office. |
| **Recommendation 18.1 –** on the composition of the Appointments Committee: "It must comprise a majority of independent directors". | The Appointments Committee comprises two independent directors out of its four members, including the Chair of the Remuneration and Governance Committee, who is also Chair of the Appointments Committee. This is due to the control on the Company's shares in which a group of shareholders holds 64% of shares and 74% of voting rights. For the Appointments Committee, the HCGE agreed that the presence of 50% of the independent directors (in lieu of a majority) meets the Code's recommendations when the Committee Chair is independent. |

## 3.1.2 General management

### 3.1.2.1 Management of the Company – Lead Director

Since the deliberations of the Board meeting of 26 March 2003, the Company's Chief Executive Officer is also Chair of the Board of Directors, given that the Board considered this arrangement best suited to the Company's organisation and shareholding structure, with 64% of the share capital controlled by two shareholder groups in concert. Regular dialogue between the two main shareholders that are party to the Shareholders' Agreement and General Management is thus facilitated through a single point of contact combining the duties of Chair of the Board of Directors and CEO. The amalgamation of the functions of Chair and Chief Executive Officer is in compliance with balanced corporate governance rules, based on:

- a Board structure comprising at least one third independent directors;
- prior examination by the CSR and Strategy Committee, with Board approval required for major strategic lines of action.

In accordance with Article 16 of the Articles of Association, the Board may, at the recommendation of the head of the Company's General Management, appoint up to five Deputy CEOs. The Company's CEO and the Deputy CEOs may not hold their position beyond the age of 70. There are currently no Deputy CEOs.

#### Lead Director

After seeking the opinion of the Nominations Committee, the Board may appoint a Lead Director, chosen from among the independent directors. The Lead Director's duties include: ensuring that the Company's governance bodies function effectively; collaborating with the Remuneration and Governance Committee in the annual self-assessment and three-year external assessment of the Board; and arranging at least one annual meeting between the non-executive Board members and the independent directors to facilitate access, on the part of directors – whether independent or not – to the information they require to perform their duties in the best conditions possible.

Mr François Corbin was appointed Lead Director as from 30 March 2021. The full list of the Lead Director's duties is set out in the Company's internal regulations, updated 30 March 2021 and published on the Company's website. In 2022, fulfilment of these duties achieved the following:

- preventing conflicts of interest: the Group guarantees that directors have no ongoing conflicts of interest vis-à-vis their various duties. When opening each session, the Chair asks each director to indicate whether they have a conflict of interest regarding one of the agenda items. If a director in fact does, they shall leave the meeting; the Lead Director shall ensure this. This occurred on several occasions;

- holding non-executive meetings: the Lead Director held such a meeting on 27 July 2022 and then shared his key comments and suggestions with the Chair. A report was written and recommendations issued and applied;
- holding meetings solely for independent directors: this meeting took place on 22 February 2022. Feedback on this was given to the Chair;
- facilitating a clear structure for the roles of Chairperson and CEO, and ensuring that Committee meetings run properly: the Lead Director meets frequently with the Chair for this purpose;
- participating, in collaboration with the Remuneration and Governance Committee, in the annual self-evaluation. The Lead Director is involved in the 2023 evaluation;
- discussing the Group's governance issues. The Lead Director shall make himself available to the shareholders who so request. He shall also take the initiative to meet with the two reference shareholders to make every effort to anticipate any divergences that may arise. Said shareholders shall also regularly take the initiative to meet with the Lead Director.

### 3.1.2.2 Role of General Management

The Executive Committee (Comex) is made up of the Chair and Chief Executive Officer, the Chief Operating Officer, the Executive Vice-President Human Resources, Health and Security, the Chief Financial Officer in charge of procurement and IT, the Chief Sustainability and External Affairs Officer in charge of corporate affairs and communication, the Chief Development Officer in charge of Strategy, Innovation and Business Development, and the General Counsel. The fact that the Corporate heads of the Group's support functions (Human Resources, Health and Security, Finance in charge of procurement and IT, Sustainability and Corporate Engagement in charge of public affairs and communication, Strategy, Innovation and Business Development, and Legal) are members of the Executive Committee strengthens the effectiveness and consistency of their actions.

All members of the Executive Committee, as well as the Director of Risk, Internal Control and Internal Audit, the Director of Group Safety and the Director of Ethics and Compliance report directly to the Chair and Chief Executive Officer.

The Chief Financial Officer in charge of procurement and IT also supervises investor relations, information systems, Group management control, insurance, financing and treasury, accounting, consolidation, Group taxation and Group purchasing.

### 3.1.2.3 Limitations to the powers of the Chief Executive Officer

At its meeting of 23 May 2017, the Board of Directors granted Ms Bories all powers conferred by French law to a Chair and CEO of a public limited company.

The Chair and CEO exercises full authority pursuant to the law and within the scope of the Company's corporate purpose, subject to the proviso that, "no decision relating to the Company's major strategic, economic, financial or technological direction may be taken without first being discussed by the Board", as specified in Article 13, sub-section 2 of the Articles of Association.

However, in accordance with the Board's Internal Rules, the following operations are subject to prior authorisation by the Board: all strategic investment projects, as well as any significant transaction, particularly acquisitions or disposals, exceeding €50 million or that may significantly affect the Group's results, the structure of its balance sheet or its risk profile. Projects and transactions of between €20 million and €50 million that are not significant in scope are submitted to the Board for information purposes.

In line with Article 13, sub-section 4 of the Articles of Association, "acts concerning the Company are signed either by the CEO, the Deputy CEO or by any specially authorised person."

## 3.1.3 Miscellaneous provisions

### 3.1.3.1 Description of related-party agreements – internal procedure to assess current agreements concluded under normal conditions

For full details on related-party agreements, please refer to the section of the Statutory Auditors' special report entitled, "Financial Statements". An internal procedure has been implemented to assess current agreements concluded under normal conditions. The procedure follows the CNCC 2014 guidelines on agreement types. It is implemented by the Company's internal departments, and provides for an annual review by the Audit Committee of the types of agreements entered into during the financial year and the conditions attached to them. The Audit Committee's conclusions are submitted annually to the Board for review.

### 3.1.3.2 Powers given by the Shareholders' Meeting to the Board of Directors relating to capital increases and the status of their use – Information on share ownership, shareholders' agreements and investments in associates

This information appears in section "Eramet and its shareholders" of this document.

### 3.1.3.3 Means of shareholder participation at Shareholders' Meetings

The means by which shareholders may participate at Shareholders' Meetings are set out in Articles 8, 20, 21 and 22 of the Articles of Association.

### 3.1.3.4 Company policy on gender equality in the workplace, including within the Executive Committee

These elements are included in the Chapter entitled "Non-Financial Performance Statement/Human resources" of this document.

# 3.2 INFORMATION RELATING TO REMUNERATION OF THE MANAGEMENT AND ADMINISTRATION BODIES

In accordance with Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, this chapter includes a comprehensive explanation of the components that make up the remuneration of Eramet S.A. corporate officers, including the following components, which will be submitted for the approval of the Shareholders' Meeting to be held on 23 May 2023.

***Say on Pay Ex Ante:***

- in the fifteenth resolution regarding the remuneration policy applicable to the Chair and Chief Executive Officer;
- in the fourteenth resolution regarding the remuneration policy applicable to the members of the Board of Directors;

***Say on Pay Ex Post:***

- in the sixteenth resolution regarding the information set out in Article L. 22-10-9 of the French Commercial Code;
- in the seventeenth resolution regarding the items comprising the total remuneration paid in 2022 and granted in that financial year to the Chair and Chief Executive Officer.

The remuneration policy will be published on the Company's website on the next business day after the vote, where it will remain freely available to the public throughout the period it applies, together with the date and result of the vote by the Shareholders' Meeting.

## 3.2.1 *Say On Pay Ex Ante* – Remuneration policy for corporate officers for financial year 2023

Our remuneration policy was set out by the Board of Directors on 21 March 2023, in accordance with Article L. 22-10-8 of the French Commercial Code, based on the recommendations of the Remuneration and Governance Committee.

As at the date of this report, the Company's corporate officers are Christel Bories, Chair and CEO, and all the members of the Board of Directors.

### 3.2.1.1 Guiding principles for the remuneration policy applicable to all corporate officers

#### a. Process to determine, review and implement the remuneration policy for corporate officers

The Board of Directors decides on the remuneration policy applicable to the corporate officers and oversees implementation. It sets the remuneration of Eramet's

Chair and Chief Executive Officer and its directors. Moreover, as part of its preparatory work for the annual review of the remuneration of corporate officers, the Remuneration and Governance Committee is informed about the changes proposed for the Group's employees as a whole, both in terms of fixed and variable compensation and the granting of shares, with or without performance conditions. This information ensures alignment and consistency between the provisions applicable to corporate officers and those applicable to the Group's employees.

#### i. Determination

The remuneration policy applicable to corporate officers is determined by the Board of Directors, on a recommendation by the Remuneration and Governance Committee, then submitted each year for the approval of the shareholders. The Board of Directors ensures that the remuneration policy applicable to corporate officers is in the corporate interest, is aligned with the Eramet Group's business strategy and is designed to promote our performance and competitiveness over the medium and long term to ensure our longevity.

These are the principles underlying the policy:

| | |
|---|---|
| **Compliance** | In its analysis and proposals, the Remuneration and Governance Committee pays special attention to making sure that the remuneration policy accords with legal and regulatory requirements, as well as with the recommendations of the AFEP-MEDEF Code and the High Committee on Corporate Governance. |
| **Simplicity and consistency** | In drafting the remuneration policy, the Remuneration and Governance Committee ensures that it proposes simple, intelligible rules that are consistent with those that apply to Group employees. |
| **Comprehensiveness and balance** | All components of remuneration and benefits of all kinds are exhaustively analysed each year, with both an approach by component, based on justification and the interests of the Company and the Group, and an analysis of overall consistency. The aim is to achieve the best possible balance between fixed and variable, individual and collective, short and long-term compensation. |
| **Aligning interests** | This criterion is predicated on the need to be able to attract, motivate and retain the talent to execute on the strategy the Company needs, and to meet the requirements of shareholders and other stakeholders, especially when it comes to CSR and the link to performance. |
| **Competitiveness** | We regularly benchmark remuneration levels and structures against panels of our corporate peers, with the assistance of external consulting firms.<br>The international panel is made up of international mining players: Rio Tinto, Anglo American, BHP, Vale, Lonmin, Bolinden and Glencore.<br>In the national market, we use a panel of 120 companies comprising the SBF 120 (the 120 most actively traded stocks on the Paris Bourse), with a particular focus on industrial companies like Alstom, Faurecia, Nexans, Valeo, Vallourec, Arkema and CGG. |
| **Performance** | Financial and extra-financial performance requirements are stringent and assessed annually. They encompass the key factors of value creation and the Company's profitable and sustainable growth and are aligned with our short, medium and long-term objectives, which contributes to lasting growth. They are regularly reviewed in line with the Group's strategic priorities. |

#### ii. Review

The remuneration policy applicable to corporate officers is reviewed each year by the Board of Directors, on a recommendation by the Remuneration and Governance Committee, to ensure that the policy remains relevant and aligned with the Group's strategy.

In turn, these recommendations are based on analysing market practices and on yearly surveys of the remuneration of corporate officers of companies with a turnover and market capitalisation comparable to that of the Eramet Group.

The Chairman of the Remuneration and Governance Committee reports to the Board of Directors on the Committee's work, studies and recommendations.

Under its remit, the Remuneration and Governance Committee may request technical studies relating to the compensation of corporate officers from any outside advisor, consultant or expert.

#### iii. Implementation

The remuneration policy is implemented rigorously by the Board of Directors, in compliance with the resolutions voted on by the Shareholders' Meeting. No payment, award or commitment can be made that contradicts the remuneration policy.

The Remuneration and Governance Committee meets as often as necessary, especially before approving the "Say on Pay" agenda item for the Shareholders' Meeting.

The Committee is tasked with:

- deciding on all forms of compensation for the corporate officer, including benefits in kind, pensions or retirement benefits, received from any Group company or affiliated company;
- scrutinising and formulating proposals to the Board of Directors on the remuneration of the Chair and CEO and, in particular, the fixed portion, the variable portion, medium- and long-term remuneration plans (including performance shares), as well as pension plans and the contractual terms and conditions relating to their termination of employment (including the fixed portion and the variable portion of remuneration);

- proposing the principles for determining how directors' fees should be allocated amongst the directors;
- proposing the total annual sum allocated to the directors, the breakdown of individual amounts, as well as the remuneration allocated to the directors tasked with exceptional assignments.

### b. Structure of the remuneration policy

By being tailored to the Group's strategy and performance, and the context in which it operates, the remuneration policy helps to ensure its longevity. In keeping with this, in order to align the remuneration policy with the Group's strategy, and reflecting the practice of previous financial years, the remuneration of the Chair and Chief Executive Officer is made up of a fixed annual portion, annual variable remuneration and long-term remuneration, with the majority of the variable components being directly linked to the performance of both the Group and the Chair and Chief Executive Officer themselves. Most of the criteria are based on the Group's financial performance and on its social and environmental contributions.

- The **annual variable remuneration**, which is applicable to all Group executives, is based on demanding objectives that are consistent with the corporate strategy. These objectives are based on:
  - CSR performance criteria in the form of quantitative indicators selected with the aim of being a committed and contributing player in social and environmental matters;
  - safety criteria related to the accident record, as well as criteria on prevention initiatives aimed at building a robust safety culture;
  - financial indicators reflecting economic performance and aimed at strengthening the Group's capacity to finance major projects in order to guarantee growth;
  - criteria related to business development and management issues.
- The **long-term remuneration** scheme for the Chair and Chief Executive Officer, which is identical to the scheme for the Group's key executives and managers, is based exclusively on intrinsic and extrinsic financial performance criteria, and CSR criteria.

  The performance conditions for 2023 are based on three indicators:
  - the relative performance of the Eramet share for 30% of the share grant (this involves comparing the total shareholder return over a three-year period with that of a panel of several dozen comparable companies on the Euromoney Global Mining Index; this performance condition is only 100% achieved if the Eramet share is ranked among the top 15% in this basket);
  - the intrinsic EBITDA *(Earnings Before Interest, Taxes, Depreciation and Amortisation)* performance achieved in three instalments over a three-year period for 50% of the grant. This performance condition is only 100% achieved if these objectives are met;
  - Eramet Group's CSR performance over three years for 20% of the share grant. This is the level of achievement of the Group's CSR roadmap, which is based on 13 indicators that can be broken down into 15 objectives that must be achieved, mainly covering the following areas: safety, training and commitment of employees, diversity, energy transition, respect for human rights, respect for the environment and biodiversity, reduction of atmospheric emissions and $CO_2$ emissions, responsible procurement etc. Each objective and the measurement of its progress are defined and quantified in Chapter 5.1.5.1.

### c. Method used to determine the performance criteria for executive corporate officers

During the first quarter of each year, the Board of Directors, on a recommendation by the Remuneration and Governance Committee, sets the various annual variable remuneration objectives for the current year, as well as the long-term remuneration objectives and expected levels of performance.

Each annual variable remuneration objective is measured using quantitative and qualitative criteria.

- Quantitative objectives are defined using the following performance thresholds:
  - the threshold below which no variable remuneration is paid;
  - the target and maximum levels of the variable remuneration due when each objective is achieved or exceeded.
- Qualitative objectives relate to strategic, business and management issues.

In terms of the objectives for long-term variable remuneration, the Board of Directors, on a recommendation by the Remuneration and Governance Committee, sets the following for each criterion:

- the threshold below which no share vests;
- target share acquisition level when each objective is met and which entitles holders to all shares granted.

### d. Method used to evaluate the performance criteria for executive corporate officers

During the first quarter of each year, the Board of Directors, on recommendations by the Remuneration and Governance Committee, evaluates the level to which the performance criteria for the last year, upon which the annual variable remuneration and the long-term remuneration of the Chair and Chief Executive Officer are based, have been achieved.

#### i. Evaluation of the performance criteria for annual variable remuneration

The level to which the **annual variable remuneration** objectives have been achieved is communicated separately for each criterion when performance has been assessed by the Board of Directors.

Annual variable remuneration is therefore determined in the following ways:

- 100% of the bonus is paid when objectives are met;
- up to 150% of the bonus may be paid if these objectives are exceeded.

The financial performance criteria are evaluated on the basis of the detailed figures in the annual financial statements approved by the Statutory Auditors.

The safety indicators are evaluated by applying the "Accident and safety incident reporting" procedure. Reporting is carried out using the SAFEE tool, which allows the results to be compared with those from previous years, thereby ensuring consistent monitoring. The Group Safety and Prevention Department periodically checks the safety information collected. These checks are based on verifying that the information expected is consistent with that of previous periods, and they rely on the information regularly collected from the sites. They ensure the quality and completeness of the information can be checked. The results are available in the form of consolidated reports that can be consulted using the Power BI tool.

The level to which the CSR roadmap objectives have been achieved is assessed annually by the CSR and Strategy Committee. It is determined annually by conducting a precise evaluation of each pre-defined objective.

An external reasoned report on the non-financial performance statement, which sets out Eramet's approach to its commitments in detail, is prepared by an independent third party on the statement's compliance with Article R. 225-105 of the French Commercial Code, as well as on the fairness of the information provided in accordance with said Article R. 225-105-I(3) and II, namely the policy outcomes, including key performance indicators, and the measures implemented to address the main non-financial risks.

The level to which the annual variable remuneration objectives have been achieved is determined as a result of assessment by the Board of Directors, on a recommendation by the Remuneration and Governance Committee. To make its recommendation, the Remuneration and Governance Committee relies on (quantitative and qualitative) evaluations submitted by management.

#### ii. Evaluation of the performance criteria for long-term remuneration

The level to which the long-term remuneration objectives have been achieved is communicated separately for each criterion when performance has been assessed by the Board of Directors.

If all the performance conditions are fully achieved, long-term remuneration corresponds to 100% of annual fixed remuneration.

The financial performance criteria are evaluated on the basis of the detailed figures in the annual financial statements approved by the Statutory Auditors.

The level to which the CSR roadmap objectives have been achieved is assessed annually by the CSR and Strategy Committee. It is determined annually by conducting a precise evaluation of each pre-defined objective.

An external reasoned report on the non-financial performance statement, which sets out Eramet's approach to its commitments in detail, is prepared by an independent third party on the statement's compliance with Article R. 225-105 of the French Commercial Code, as well as on the fairness of the information provided in accordance with said Article R. 225-105-I(3) and II, namely the policy outcomes, including key performance indicators, and the measures implemented to address the main non-financial risks.

The relative performance of Eramet shares is assessed by an external firm, Forward Finance. Their detailed assessment is sent every year to the Remuneration and Governance Committee.

### e. Managing conflicts of interest

In its procedures for managing conflicts of interest, Eramet complies with the recommendations of the AFEP-MEDEF Code on the independence of directors that sit on the Remuneration and Governance Committee and the Board of Directors.

All directors are bound by the Directors' Charter appended to Eramet's Internal Regulations, which sets out the directors' obligations with respect to conflicts of interest.

Accordingly, the executive corporate officer concerned (in this case, the Chair and Chief Executive Officer) does not take part in the work of the Remuneration and Governance Committee that concerns him/her.

Similarly, the executive corporate officer does not take part in the deliberations or vote on decisions concerning him/her taken by the Board of Directors.

### f. Changes to the remuneration policy

The remuneration policies applicable to directors and to the Chair and Chief Executive Officer were approved by more than 99% of the shareholders when they voted on the sixth and seventh resolutions at the Shareholders' Meeting of 31 May 2022. The Board of Directors, on a recommendation by the Remuneration and Governance Committee, decided to renew the remuneration policies applicable to directors and to the Chair and Chief Executive Officer for 2023.

### g. Method used to apply the remuneration policy

#### In the event of a potential change in governance

If a new Chair and CEO were appointed, the same principles, criteria and remuneration components in the policy for the remuneration of the Chair and CEO would apply.

If one or more Deputy CEOs were appointed, the principles and criteria for the calculation, breakdown and granting of remuneration components in the remuneration policy for the Chair and CEO would apply to them. On a recommendation of the Remuneration and Governance Committee, the Board of Directors would then decide, based on their individual positions, on the objectives, performance levels, parameters, structures and maximum percentages of fixed remuneration to consider, which may not be higher than those applied to the Chair and CEO.

If the Chairman of the Board of Directors and Chief Executive Officer are separate positions, the Chairman of the Board will be remunerated on the same basis as the directors and will receive fixed remuneration, the amount of which will be determined based on their individual positions and responsibilities.

If a CEO is appointed, the remuneration policy as it is currently structured and applied to the Chairperson and CEO will apply in principle, tailored to the individual's position, the objectives, performance levels, parameters, structure and maximum percentage of fixed annual remuneration. The levels set for the Chief Executive Officer may not exceed those currently set for the Chair and Chief Executive Officer.

Moreover, pursuant to Article 26.4 of the AFEP-MEDEF Code, if a new executive is appointed from a company outside the Eramet Group, the Board of Directors may decide to grant them an onboarding allowance (in cash and/or shares) to compensate for the loss of previous remuneration or benefits (excluding pension benefits).

Such remuneration may be paid or implemented subject only to the approval of the Shareholders' Meeting pursuant, to Article L. 22-10-8 of the French Commercial Code.

In addition, if the Chief Executive Officer were to be appointed as a Company director, no compensation would be paid for this office.

If a new director were appointed, the same principles, criteria and remuneration components in the policy for the remuneration directors would apply.

#### Exceptional circumstances

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, in exceptional circumstances, the Board of Directors, on a recommendation by the Remuneration and Governance Committee, may depart from the remuneration policy if this departure is temporary, in line with the corporate interest and necessary to guarantee the longevity or viability of the Company. Exceptional circumstances may arise, in particular, from a development, or even a substantial change, in the economy, the conditions of the market in which the Group operates or the competitive climate, a significant change in the Group's scope such as a transformative operation (merger, disposal etc.), the acquisition or creation of a significant new business activity, or withdrawal of a significant business activity, or a change in accounting method/standard.

In these circumstances, the Board of Directors may, following a recommendation by the Remuneration and Governance Committee, adjust the criteria and performance conditions for variable remuneration. Any adjustments will be duly justified and strictly implemented. This remuneration will be submitted to the ex post vote of the Shareholders' Meeting and may only be paid if approved by the Shareholders. Any such changes must remain aligned with the best interests of the shareholders and beneficiaries. A detailed report on this matter will be given by the Board of Directors to the shareholders.

## 3.2.1.2 Remuneration policy applicable in 2023 to the Chair and Chief Executive Officer

### a. Term of office of the Chair and Chief Executive Officer

Christel Bories was appointed Chair and Chief Executive Officer with effect from 23 May 2017, for the duration of her term of office as director, until the Shareholders' Meeting called to approve the financial statements for the 2020 financial year.

The ninth resolution of the Shareholders' Meeting of 28 May 2021, called to approve the financial statements for the 2020 financial year, voted by 99.66% to renew the term of office of Christel Bories, Chair and Chief Executive Officer, for a period of four years, i.e., until the Shareholders' Meeting called to approve the financial statements for the 2024 financial year.

The Chair and Chief Executive Officer may be dismissed at any time by the Board of Directors.

### b. Total remuneration and benefits of any kind

#### i. Fixed remuneration

The Chair and Chief Executive Officer receives a fixed remuneration in consideration for the responsibilities attached to this type of corporate office. The remuneration is determined mainly on the basis of the following:

- level of responsibility and complexity of the assignments attached to this position;
- skills, professional experience, expertise and background of the incumbent;
- market research on the remuneration for similar positions at French companies with revenues and market capitalisation comparable to those of the Group. By conducting such research, the Group seeks to position itself in the market median of comparable companies.

The fixed remuneration of the Chair and Chief Executive Officer was defined as part of her appointment as Chair and Chief Executive Officer on 23 May 2017. It amounts to €800,000 (annual gross fixed amount) and has remained unchanged since that date.

However, the fixed remuneration of the Chair and Chief Executive Officer is reviewed each year, and its revision may be proposed in the event of significant change to the incumbent's scope of responsibility or discrepancy with respect to the Company's market positioning, on the basis of the remuneration surveys carried out each year.

#### ii. Annual variable remuneration

The objective of the annual variable remuneration is to encourage the Chair and Chief Executive Officer to attain the annual performance objectives set by the Board of Directors in line with the implementation of the Company's strategy.

The variable portion for objectives achieved (i.e. 100% of the gross fixed annual remuneration) and the maximum variable portion (i.e. 150% of the gross fixed annual remuneration) are reviewed each year by the Remuneration and Governance Committee in relation to market practice, as part of the remuneration surveys conducted annually. Annual variable remuneration of the Chair and Chief Executive Officer, identical to the one applied to the Group's executives and the Executive Committee, is determined as follows:

| | Weighting | Indicator | Comments |
|---|---|---|---|
| **Safety objective** | **10%** | • **-Workplace accident frequency rate** with or without lost days, including the accident record of Eramet employees, temporary workers and subcontractors.<br>In the event of a fatal accident at a site, the level of achievement is zero. In the event of a serious accident[1], the level of achievement is halved.<br>• **Risk prevention indicator** determined by initiatives relating to the causes of serious or high-potential incidents across all Group sites. | Given the very positive trend in its safety results, the Group wanted to supplement the accident frequency objective with an objective based on a risk prevention indicator in order to promote initiatives to improve safety. |
| **CSR objective** | **10%** | **Progress on the CSR roadmap** broken down into criteria related to social and environmental issues.<br>They are focused on the following main areas:<br>• **committed to people;**<br>• **committed to economic responsibility;**<br>• **committed to the planet.** | The non-financial criteria linked to the progress of the CSR roadmap used to assess the performance of the Chair and Chief Executive Officer and all Group executives in 2023 are detailed in Chapter 5 of this document. Performance is based on 13 general indicators broken down into 15 precisely defined objectives. Each objective and the measurement of its progress are defined and quantified in Chapter 5.1.5.1. |
| **Financial quantitative objective** | **55%** | **Group operational cash flow** | As in 2022, the entire variable portion calculated on financial objectives will be based on the operational cash flow criterion. The financial indicator used aims to strengthen the Group's ability to finance major projects in order to guarantee growth. The objectives of the variable portion are therefore consistent with this focus and will be applied to all Group executives. |
| THE CHAIR AND CHIEF EXECUTIVE OFFICER'S QUALITATIVE OBJECTIVES FOR 2023 BREAK DOWN AS FOLLOWS: | | | |
| **Qualitative objectives** | **25%** | • **Deliver growth projects** while ensuring that partnerships are running smoothly<br>• **Deliver the Group's financing strategy** in order to fund its growth, especially for major projects<br>• Play an active role in building a solution for SLN while looking after the Group's interests | Qualitative objectives are determined by the Board of Directors at the proposal of the Remuneration and Governance Committee and focus on strategic, business and managerial issues specific to the next financial year. They may concern the implementation of strategic orientations approved by the Board of Directors, major industrial and commercial developments and programmes, organisational and management actions and achievements that are part of the Group's corporate social responsibility (CSR) and sustainable development approach. They do not fall under routine tasks but are specific actions for which the Board of Directors expects a particular performance. |

*(1) Serious accident: any injury causing permanent disability.*

All the criteria contribute to the remuneration policy objectives, insofar as:

- the performance criteria are stringent and correspond to the Group's key profitable and sustainable growth factors and are generally aligned with the short- and long-term objectives and priorities of the Eramet Group;
- the performance criteria include Eramet's performance with respect to the Group's Social Responsibility, whether through performance in workplace safety and environment, or by achieving the objectives of the CSR roadmap. As an organisation that is committed to the planet, Eramet has incorporated quantitative objectives into its CSR roadmap, particularly in terms of the fight against climate change, as described in Chapter 5.2.1.1 of this document;
- the performance criteria are consistent with those of all of the Group's executive employees and managers, thereby aligning all key employees with the interests of shareholders to help achieve sustainable and profitable growth for the Eramet Group.

The Company cannot demand that the annual variable remuneration be returned.

The variable portion owed in a given year is determined by the Board of Directors approving the financial statements for the same year. Thus, in accordance with Article L. 22-10-34 of the French Commercial Code, payment of the variable portion due for 2023 will be subject to an *ex post* vote by the Shareholders' Meeting called in 2024 to approve the financial statements for the 2023 financial year. It is paid within the month following the validation of this payment by the Shareholders' Meeting.

There is no other period of potential postponement.

### iii. Long-term remuneration

The share-based payment plan for the Chair and Chief Executive Officer, which is identical to the plan in place for the Group's key executives and managers, is based on both intrinsic and extrinsic financial performance criteria, and CSR criteria.

The Chair and Chief Executive Officer's long-term remuneration is exclusively based on the granting of shares that are contingent on performance conditions, as detailed below.

Share-based remuneration is in line with the objectives of the remuneration policy, since it allows the Company to retain its executives and encourages aligning their interests with the Group's corporate interests and the interests of shareholders.

Since 2021, the granting of performance shares to the Chair and Chief Executive Officer is set at 100% of annual fixed remuneration when all performance conditions in the plan are met. The level of this share grant is subject to analysis, renewed at least every three years to ensure that it corresponds to best market practices and, under all circumstances, to AFEP MEDEF guidelines. A revised share grant may be proposed in the event of a material change to the Chair and Chief Executive Officer's scope of responsibility or a divergence relative to the Company's market positioning, on the basis of the remuneration surveys carried out.

Share grants are granted annually at the same time of year and are not discounted. Since these concern existing shares as opposed to new shares, there is no share dilution. With regard to the dilution of voting rights, the granting of existing shares only has a marginal impact, given the composition of Eramet's equity, on one hand, and the selectivity of the criteria established for these plans, on the other. The share plan regulations prohibit hedging operations and executive corporate officers give a formal undertaking in this respect.

Granted shares are contingent on performance conditions as described below as well as a continuous three-year presence condition for the Group's employees. Since the 2021 grants, an additional two-year holding period no longer applies to shares vested at the end of the three-year vesting period to ensure that the plan is both attractive and competitive internationally.

Nonetheless, the Chair and Chief Executive Officer is required to hold 20% of the shares vested under the performance share plans until the end of her term as a corporate officer, a decision that must be reviewed each time her term of office is renewed.

#### *Performance conditions*

Share grant performance conditions are calculated over three years and are identical to those imposed on other Eramet Group beneficiaries. These performance condition indicators are reviewed at least every three years, after analysing the practices of comparable companies on the market, and to ensure alignment and consistency between long-term remuneration and the Eramet Group's strategy.

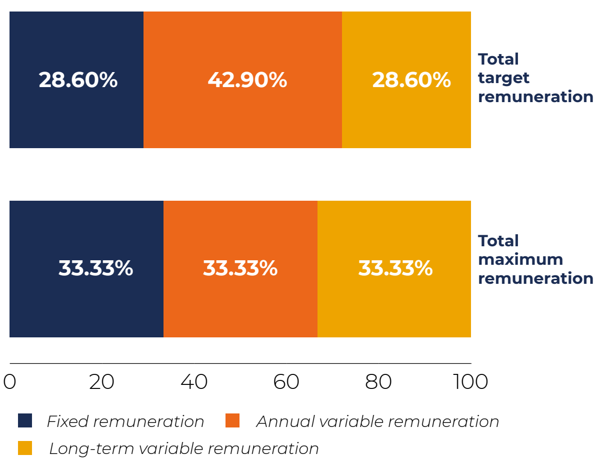
In 2023, performance conditions are based on three indicators:

- the relative performance of the Eramet share for 30% of the share grant (this involves comparing the total shareholder return over a three-year period with that of a panel of several dozen comparable companies on the Euromoney Global Mining Index; this performance condition is only 100% achieved if the Eramet share is ranked among the top 15% in this basket);
- the intrinsic EBITDA *(Earnings Before Interest, Taxes, Depreciation and Amortisation)* performance achieved in three instalments over a three-year period for 50% of the grant. This performance condition is only 100% achieved if these objectives are met;
- Eramet Group's CSR performance over three years for 20% of the share grant. This is the level of achievement of the Group's CSR roadmap, which is based on 13 indicators that can be broken down into 15 objectives that must be achieved, mainly covering the following areas: safety, training and commitment of employees, diversity, energy transition, respect for human rights, respect for the environment and biodiversity, reduction of atmospheric emissions and $CO_2$ emissions, responsible procurement etc. Each objective and the measurement of its progress are defined and quantified in Chapter 5.1.5.1.

### iv. Respective weight of remuneration components

The remuneration policy for the Chair and Chief Executive Officer aims to strike a balance between long-term and short-term performance in order to promote the development of the Eramet Group for all of its stakeholders.

The total target and maximum remuneration for the Chair and Chief Executive Officer breaks down as follows:



### v. Other remuneration components

***Supplementary insurance scheme and healthcare plan***

The Chair and Chief Executive Officer is covered by the supplementary insurance scheme and healthcare plan in force within the Company under the same conditions as those applicable to other employees.

The supplementary healthcare plan, which is 56% financed by Eramet and 44% by beneficiaries, covers the hospitalisation, medical costs, dental and optical costs of beneficiaries and their assigns.

The supplementary insurance scheme, which is 67% financed by Eramet and 33% by beneficiaries, provides coverage in the event of lost days due to illness or accident, a disability allowance, as well as capital or income proportional to the gross annual pay in the event of death.

Insurance policies related to these schemes can be cancelled under the statutory law conditions applicable in the field.

Furthermore, the Board of Directors may unilaterally revisit whether these schemes shall apply to the Chair and Chief Executive Officer.

***Supplementary pension plan***

The Chair and Chief Executive Officer is covered by a life insurance policy pursuant to Article 82 of the French General Tax Code, designed to supplement the level of the Chair and Chief Executive Officer's replacement income when she retires.

The annual amount paid in respect of this policy is 30.39% of the gross total annual remuneration (fixed remuneration + variable remuneration subject to performance conditions) paid to the Chair and Chief Executive Officer during the reference year.

The amount thus determined shall be paid in two instalments:

- payment by the Company to an insurance company of an annual contribution, up to 50% of the total amount of the additional remuneration;
- annual payment by the Company to Chair and Chief Executive Officer of an amount in cash, up to 50% of the total amount of the additional remuneration, to finance the corresponding social security and tax charges.

The subscription of the life insurance policy was authorised by the Board of Directors on 26 July 2017 and approved by the Shareholders' Meeting of 24 May 2018 under the procedure for related-party agreements (Article L. 225-38 et seq. of the French Commercial Code). Insurance policies related to these schemes can be cancelled under the statutory law conditions applicable in the field.

To comply with the objectives of the remuneration policy, the basis for calculating this additional remuneration includes fixed and variable remuneration and is therefore de facto subject to performance conditions, which are described in section 3.2.1.2.b.ii on annual variable remuneration.

### vi. Absence of other remuneration items

***Non-competition commitment***

There is no provision for the Chair and Chief Executive Officer to receive payment in respect of a non-competition commitment upon conclusion of her respective term of office.

***Compensation for term of office as director***

The Chair and Chief Executive Officer does not receive any compensation for the directorships held within the Group's companies.

***Exceptional remuneration***

The principle of an exceptional remuneration does not exist.

***Company car***

The Eramet Group's remuneration policy provides that the Chair and Chief Executive Officer and other Group executives shall be provided a company car.

The Chair and Chief Executive Officer has waived the benefit of this company car.

***Employment or service contracts***

The Chair and Chief Executive Officer does not have an employment contract nor a service contract.

### vii. Severance package

The corporate office of the Chair and Chief Executive Officer provides that in case of dismissal (except for gross misconduct) or forced resignation, particularly following a change of company control or substantial imposed changes to the scope of responsibility (including in the event that the roles of Chair and Chief Executive Officer are separated before the end of Ms Bories' renewed term of office, that Ms Bories is proposed to continue with only one of those two roles and that she would decline the proposal), the Chair and Chief Executive Officer will be awarded severance pay equal to two years of her gross fixed and variable remuneration.

To comply with the objectives of the remuneration policy, this package is subject to the condition that the sum of gross variable remuneration received over the last three complete years of her term of office must be 35% or more of the total gross annual fixed remuneration received during the same three-year period.

In the event that the number of full financial years is less than three, the performance will be assessed based on the actual duration of the term of office, at the discretion of the Board of Directors as proposed by the Remuneration and Governance Committee.

The Board of Directors can unilaterally cancel this severance package based on a performance evaluation.

### 3.2.1.3 Remuneration policy applicable in 2023 to directors

#### a. Term of office of directors

Directors are appointed for a term of four years in office. The director can be dismissed at any time by resolution of the Shareholders' Meeting.

| | | |
|---|---|---|
| **Christel Bories** | appointed on 23 May 2017 | expiry date SM convened for 2024 financial statements |
| **Michel Antsélévé** | appointed on 15 May 2013 | expiry date SM convened for 2024 financial statements |
| **Emeric Burin des Roziers** | appointed on 23 May 2019 | expiry date SM convened for 2022 financial statements |
| **Christine Coignard** | appointed on 23 May 2017 | expiry date SM convened for 2024 financial statements |
| **François Corbin** | appointed on 23 May 2019 | expiry date SM convened for 2022 financial statements |
| **Jérôme Duval** | appointed on 23 May 2019 | expiry date SM convened for 2022 financial statements |
| **Sorame (Cyrille Duval)** | appointed on 11 May 2011 | expiry date SM convened for 2022 financial statements |
| **CEIR (Nathalie de La Fournière)** | appointed on 11 May 2011 | expiry date SM convened for 2022 financial statements |
| **Jean-Yves Gilet** | appointed on 23 September 2016 | expiry date SM convened for 2022 financial statements |
| **Manoelle Lepoutre** | appointed on 11 May 2011 | expiry date SM convened for 2022 financial statements |
| **Miriam Maes** | appointed on 27 May 2016 | expiry date SM convened for 2023 financial statements |
| **Nicolas Noël** | Director appointed to represent employees | term of office effective from 23 June 2022 until 22 June 2026 |
| **Franck Pecqueux** | Director appointed to represent employees | term of office effective from 12 November 2022 until 11 November 2026 |
| **Catherine Ronge** | appointed on 17 February 2016 | expiry date SM convened for 2024 financial statements |
| **Sonia Sikorav** | appointed on 27 May 2016 | expiry date SM convened for 2023 financial statements |
| **Claude Tendil** | appointed on 25 May 2012 | expiry date SM convened for 2022 financial statements |
| **Romain Valenty** | Appointed as Government representative on 18 October 2022, as per the Order of 20 August 2014 | Not appointed by the AGM |
| **Jean-Philippe Vollmer** | appointed on 15 October 2020 | expiry date SM convened for 2023 financial statements |

#### b. Remuneration of the directors for financial year 2023

The total sum allocated to the Board of Directors was set at €950,000 at the Shareholders' Meeting of 23 May 2017 (seventeenth resolution). As previously disclosed, the Chair and Chief Executive Officer receives no remuneration as a corporate officer in the Company. Consequently, that remuneration is split among the other members of the Board, including the two directors who represent the employees. These rules for distribution comply with the AFEP-MEDEF Code, which recommends that the variable component of directors' fees weigh more heavily.

##### Fixed remuneration

Directors receive an annual package of €10,000.

Depending on cases, directors receive the following compensation:

- an annual package of €5,000 for Appointments Committee members; annual package of €15,000 for the Lead Director;
- compensation of €2,500 for each meeting of the Board of Directors, the CSR and Strategy Committee and the Remuneration and Governance Committee attended. This amount is increased to €5,000 for the Chairman of each of these two Committees;
- compensation of €3,000 for each meeting of the Audit, Risks and Ethics Committee attended. This amount is increased to €6,000 for the Chairman of the Committee.

The directors holding this post in Eramet subsidiaries (Cyrille Duval) are paid in accordance with the rules defined by each of these companies.

##### Travel allowance

Each director who is a non-European resident receives a travel allowance of €1,525 for each journey to attend a Board or Committee meeting.

##### Absence of other remuneration items

Directors do not receive variable or exceptional remuneration, nor share-based payments.

The above remuneration procedures apply to all Eramet directors.

##### Employment or service contracts

Directors do not, under any circumstances, have an employment contract nor a service contract with Eramet.

## 3.2.2 *Say On Pay Ex Post* – Total remuneration and benefits paid during the 2022 financial year or granted during that financial year to the corporate officers

### 3.2.2.1 Total remuneration and benefits paid in 2022 or granted during that financial year to the Chair and Chief Executive Officer

#### a. Summary of components applicable to the Chair and Chief Executive Officer

The tables below summarise the remuneration and benefits of any kind paid during the 2022 financial year or granted for that financial year to the Chair and Chief Executive Officer:

SUMMARY OF THE REMUNERATION, SHARES AND OPTIONS GRANTED TO THE CHAIR AND CHIEF EXECUTIVE OFFICER

(TABLE 1 OF THE CORPORATE GOVERNANCE CODE)

| *(in euros)* | 2022 | 2021 |
|---|---|---|
| **Christel Bories, Chair and CEO** | | |
| Remuneration granted for the financial year[1] (detailed in table 2) | 2,207,242 | 2,456,548 |
| Value of share options granted during the financial year (detailed in table 4) | 0 | 0 |
| Value of performance shares granted during the financial year[2] (detailed in table 6) | 1,250,617 | 1,051,141 |
| Value of other long-term remuneration plans | 0 | 0 |
| **TOTAL** | **3,457,859** | **3,507,689** |

*(1) The valuation method used to calculate the value of performance shares does not permit the actual remuneration of executives to be extrapolated from these figures for the years in question.*

*(2) Calculated according to the fair value per share on the grant date by the Board of Directors, namely €118.34 at 10 March 2022 and €53.96 at 28 May 2021. There were no options granted during the financial year.*

*The 2021 valuation corresponds to the maximum share grant of 19,480 shares, corresponding to 100% achievement of the performance criteria.*

*The 2022 valuation corresponds to the maximum share grant of 10,568 shares, corresponding to 100% achievement of the performance criteria.*

SUMMARY OF REMUNERATION OF THE CHAIR AND CHIEF EXECUTIVE OFFICER

(TABLE 2 OF THE CORPORATE GOVERNANCE CODE)

| | Amount for 2022 | | Amount for 2021 | |
|---|---|---|---|---|
| *(in euros)* | Granted | Paid | Granted | Paid |
| **Christel Bories, Chair and CEO** | | | | |
| Fixed remuneration | 800,000 | 800,000 | 800,000 | 800,000 |
| Annual variable remuneration | 892,800 | 1,084,000 | 1,084,000 | 874,000 |
| Contribution to the Art. 82 scheme | 514,442 | 572,548 | 572,548 | 508,729 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 |
| Exceptional remuneration | 0 | 0 | 0 | 0 |
| Remuneration allocated for term of office as director | 0 | 0 | 0 | 0 |
| Benefits in kind | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,207,242** | **2,456,548** | **2,456,548** | **2,182,729** |

## b. Remuneration components paid for financial year 2022

### i. Fixed remuneration

For the 2022 financial year, Christel Bories received gross fixed remuneration of €800,000.

### ii. Variable remuneration

**The gross variable remuneration paid in 2022** in respect of the 2021 financial year was €1,084,000. This represents an overall objective achievement level of 135.5% distributed between:

LEVEL OF ACHIEVEMENT OF 2021 OBJECTIVES FOR VARIABLE REMUNERATION PAID IN 2022

| Objectives | Weighting | Achievement rate | Percentage paid in respect of this objective |
|---|---|---|---|
| 2021 Group operating cash flow | 60% | 150% | 90% |
| Safety (FR2 including employees, temporary workers and subcontractors) | 10% | 75% (1) | 7.5% |
| Qualitative objectives linked in particular to the implementation of major Group projects, the continued roll-out of the transformation programme | 30% | 126.5% | 38% |
| **OVERALL OBJECTIVES ACHIEVEMENT RATE** | **100%** | | **135.5%** |

*(1) Despite the objective achievement rate above 150%, a fatal accident occurred in 2021. As a result the achievement rate for this objective was cut by 50%.*

The Company did not demand that a variable remuneration be returned.

**Variable remuneration granted in 2022** and paid in 2023 totalled €892,800 gross. This amount was determined in accordance with the level of achievement of objectives described below:

LEVEL OF ACHIEVEMENT OF 2022 OBJECTIVES FOR VARIABLE REMUNERATION PAID IN 2023

| Objectives | Weighting | Achievement rate | Percentage paid in respect of this objective |
|---|---|---|---|
| 2022 Group operating cash flow | 55% | 107% | 58.85% |
| Corporate Social Responsibility: | | | |
| • Safety (FR2 including employees, temporary workers and subcontractors) | 10% | 100% | 10% |
| • Progress on the CSR roadmap | 10% | 114.6% | 11.46% |
| Qualitative objectives linked in particular to the implementation of major Group projects, the continued roll-out of the transformation programme | 25% | 125% | 31.25% |
| **OVERALL OBJECTIVES ACHIEVEMENT RATE** | **100%** | | **111.6%** |

**In terms of corporate social responsibility**, the Chair and Chief Executive Officer's objectives are broken down into:

- **safety objective** based on workplace accident frequency rate with or without lost days, including the accident record of Eramet employees, temporary workers and subcontractors;
- **progress on the CSR roadmap**, where performance is based on 13 general indicators broken down into 15 precisely defined objectives, as follows:

Commitment to people

1. Ensure the health and safety of employees and subcontractors,
2. Build skills and promote talent and career development,
3. Strengthen employee engagement,
4. Integrate and foster the richness of diversity,
5. Be a valued and contributing partner to our host communities,

Commitment to responsible economy

6. Be an energy transition leader in the metals sector,
7. Actively contribute to the development of the circular economy,
8. Be a reference company in terms of respect for human rights in our field of activity,
9. Be an ethical partner of choice,
10. Be a responsible company of reference in the mining and metallurgy sector,

Commitment to the planet

11. Reduce our atmospheric emissions,
12. Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity,
13. Reduce our energy and climate footprint.

Each of the above commitments is associated with a public objective, which Eramet aims to achieve by 2023. All these targets and their annual progress measure the Group's CSR performance. The annual results are presented in Chapter 5.

### iii. Long-term remuneration

***Performance shares granted***

PERFORMANCE SHARES GRANTED TO THE CHAIR AND CHIEF EXECUTIVE OFFICER DURING THE YEAR

(TABLE 6 OF THE CORPORATE GOVERNANCE CODE)

| | Plan No. and date | Number of shares granted | Value of shares[1] | Acquisition date | Date available | Performance conditions |
|---|---|---|---|---|---|---|
| C. Bories | Plan from 10/03/2022 | 10,568 | 1,250,617 | 10/03/2025 | 10/03/2025 | The applicable performance criteria are set out below in the section on "Current performance share plan" |
| **TOTAL** | | **10,568** | | | | |

*(1) Calculated according to the fair value of the share on the grant date by the Board of Directors, namely €118.34 on 10 March 2022. Although the remuneration policy provides for the award of LTIs of up to 100% of the fixed remuneration, calculated on the basis of the share price for the three months preceding the award, the fact that Say on Pay is governed by the AFEP MEDEF code means that the fair-value valuation of this award on the award date must be disclosed.*

***Current performance share plan***

The Board of Directors' meeting of 10 March 2022 granted Christel Bories 10,568 performance shares (i.e. 0.04% of the share capital), at an estimated value of €1,250,617 using the method adopted for the consolidated financial statements (fair value of the share on the day of the share grant by the Board of Directors) where all the plan performance conditions are met. 20% of the vested shares are locked up until the end of the corporate officer's term of office.

These very rigorous performance conditions are calculated over a three-year period, as follows:

- the relative performance of the Eramet share for 30% of the share grant (this involves comparing the total shareholder return over a three-year period with that of a panel of 27 comparable mining companies on the Euromoney Global Mining Index; this performance condition is only 100% achieved if the Eramet share is ranked among the top 15% in this basket);
- the intrinsic EBITDA *(Earnings Before Interest, Taxes, Depreciation and Amortisation)* performance achieved in three instalments over a three-year period on a constant economic budget basis, for 50% of the share grant. This performance condition is only met at 100% if these objectives are met;
- Eramet Group's CSR performance over three years for 20% of the share grant. This is the level of achievement of the Group's CSR roadmap, which is based on 13 indicators that can be broken down into 15 objectives that must be achieved, mainly covering the following areas: safety, training and commitment of employees, diversity, energy transition, respect for human rights, reduction of atmospheric emissions and $CO_2$ emissions, responsible procurement etc. The CSR indicators are published annually and the results presented each year to the CSR and Strategy Committee.

***Performance shares that became available during the 2022 financial year***

SHARES GRANTED FREE OF CHARGE TO THE CHAIR AND CHIEF EXECUTIVE OFFICER AND MADE AVAILABLE DURING THE YEAR

(TABLE 7 OF THE CORPORATE GOVERNANCE CODE)

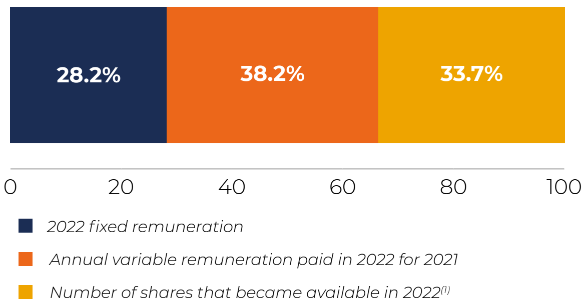
| | Plan date | Number of shares granted | Number of shares that became available during the financial year (end of the holding period for the plan dated 23/05/2017: 23/05/2022 |
|---|---|---|---|
| C. Bories | Plan from 23/05/2017 | 12,500 | 6955[1] |
| **TOTAL** | | **12,500** | |

*(1) Taking into consideration the performance conditions, the vesting rate as a percentage of shares granted under the plan dated 23 May 2017 is 55.64%. As a result, 6,955 shares became available in 2022.*

Pursuant to Article 24 of the AFEP MEDEF Code, 20% of the shares acquired under the performance share plans are locked in until the end of the term of office.

### *Relative proportion of fixed and variable remuneration*

WEIGHTING OF TOTAL REMUNERATION PAID IN 2022




*(1) The number of shares that became available in 2022 has been valued at the opening share price on 23 May 2022, the date that the shares became available, i.e. 6,955 shares at €137.50.*

### *Performance share grant history*

INFORMATION ON PERFORMANCE SHARES

(TABLE 9 OF THE CORPORATE GOVERNANCE CODE)

| | 2017 plan | 2017 plan | 2018 plan | 2019 plan | 2020 plan | 2021 plan | 2021 plan | 2022 plan |
|---|---|---|---|---|---|---|---|---|
| Date of Shareholders' Meeting | 27/05/2016 | 27/05/2016 | 27/05/2016 | 24/05/2018 | 24/05/2018 | 24/05/2018 | 28/05/2021 | 28/05/2021 |
| Date of Board Meeting | 23/02/2017 | 23/05/2017 | 22/03/2018 | 20/02/2019 | 12/03/2020 | 11/03/2021 | 28/05/2021 | 10/03/2022 |
| Maximum total number of shares granted<br>• for 150% performance (for plans dated 2017 to 2020);<br>• for 100% performance for plans from 2021 | 142,546 | 12,500 | 206056[1] | 179596[1] | 188013[1] | 196965[1] | 20089[1] | 113450[1] |
| Of which number granted[1] to the corporate officer: | | | | | | | | |
| • C. Bories[1] | | 12,500 | 15,000 | 15,000 | 15,000 | | 19,480 | 10,568 |
| Total number of shares vested | | 6,955 | 3,544 | 5,707 | | | | |
| Total number of shares available | | 6,955 | | | | | | |
| Date of vesting of France Plan shares | 23/02/2020 | 23/05/2020 | 22/03/2021 | 20/02/2022 | 12/03/2023 | 11/03/2024 | 28/05/2024 | 10/03/2025 |
| End date of holding period France | 23/02/2022 | 23/05/2022 | 22/03/2023 | 20/02/2024 | 12/03/2025 | 11/03/2024 | 28/05/2024 | 10/03/2025 |
| End date of vesting and holding period for International Plan shares | 23/02/2021 | 23/05/2020 | 22/03/2022 | 20/02/2023 | 12/03/2024 | 11/03/2024 | 28/05/2024 | 10/03/2025 |

| | 2017 plan | 2017 plan | 2018 plan | 2019 plan | 2020 plan | 2021 plan | 2021 plan | 2022 plan |
|---|---|---|---|---|---|---|---|---|
| Performance conditions | • Total shareholder return (TSR) of the Eramet share compared to that of companies included in the indices (Euromoney Global Mining Index: diversified metals & mining, steel) (1/3)<br>• Intrinsic performance of economic indicators (2/3) (operating margin (COI/sales) and cash flow from operating activities<br>• Gradual vesting over three years<br>Taking into consideration the performance conditions, the vesting rate as a percentage of shares granted is as follows: **55.64%** | | • Total shareholder return (TSR) of the Eramet share compared to that of companies included in the indices (Euromoney Global Mining Index: diversified metals & mining, steel) (1/3)<br>• Intrinsic performance of economic indicators (1/3) EBITDA and (1/3) ROCE on a constant economic budget basis<br>• Gradual vesting over three years<br>Taking into consideration the performance conditions, the vesting rate as a percentage of shares granted is as follows:<br>2018: **The plan's achievement rate is 35.44% of the target shares granted, corresponding to 23.6% of the maximum award.**<br>2019: **The plan's achievement rate is 57.1% of the target shares granted, corresponding to 38% of the maximum award.** | | • Total shareholder return (TSR) of the Eramet share compared to that of companies included in the indices (Euromoney Global Mining Index: diversified metals & mining, steel) (30%)<br>• Intrinsic performance of economic indicators (25%) EBITDA and (25%) NET DEBT on a constant economic budget basis<br>• Corporate Social Responsibility (CSR) performance (20%)<br>• Gradual vesting over three years | • Relative performance (TSR) of the Eramet share compared to a panel of comparable mining companies belonging to the Euromoney Global Mining Index (30%)<br>• Intrinsic performance of economic indicators: 50% EBITDA on a constant economic budget basis<br>• Corporate Social Responsibility (CSR) performance (20%);<br>• Gradual vesting over three years | | |
| Number of shares vested at 31/12/2022 (international plan) | 26,501 | | 16,177 | | | | | |
| Number of shares vested at 31/12/2021 (France Plan) | 63,368 | 6,955 | 41,382 | 54,355 | | | | |
| Cumulative number of cancelled or lapsed shares | 52,677 | 5,545 | 148,497 | 39,133 | | | | |
| Performance shares remaining at financial year end | 0 | 0 | 0 | 86,108 | 188,013 | 96,965 | 20,089 | 113,450 |

(1) *Before 2021, the number of shares awarded corresponds to an objective achievement rate of 150%. Since 2021, the number of shares awarded corresponds to an objective achievement rate of 100% and is calculated on the basis of an average of the closing prices for the three months preceding the award.*

***Share subscription or purchase options during financial year 2022***

TABLES 4 AND 5 – NOT APPLICABLE

No share purchase or subscription options were granted to executive corporate officers during the financial year. No share purchase or subscription options were exercised by executive corporate officers during the financial year.

TABLE 8 — NOT APPLICABLE

There is no share purchase or subscription option plan currently in operation.

### iv. Other remuneration components

***Social protection scheme***

Christel Bories benefits from the supplementary healthcare plan and the supplementary disability and life insurance scheme operating within the Eramet Group.

In 2022:

- the employer contribution to the healthcare plan amounted to €1,219.68;
- the employer contribution to the supplementary life insurance scheme amounted to €7,863.48.

***Life insurance (Article 82)***

Christel Bories is covered by a life insurance policy pursuant to Article 82 of the French General Tax Code, designed to supplement the level of the Chair and CEO's replacement income when she retires. This policy guarantees that savings will be set aside which, on the retirement date, will be converted into a life annuity or paid as a lump sum.

The supplementary remuneration prompts the following two payments:

- the financing of a life insurance contract:

  The Company has arranged for Christel Bories to take out a life insurance policy underwritten by the Company with an approved insurance company. This contract, known as "Article 82", is an individual life insurance contract. The financing of this contract is fully covered by the Company and represents 50% of the additional remuneration determined in accordance with the above. It does not constitute a retirement commitment;
- an annual cash payment:

  Each year, the Company pays an amount in cash equal to 50% of the additional remuneration determined in accordance with the above provisions, in order to cover the related social and tax charges.

The annual amount of the additional remuneration paid is 30.39% of the total gross annual remuneration (fixed + variable) paid to Christel Bories during the reference year. The basis for calculating this additional remuneration includes both fixed and variable remuneration. For the 2022 financial year, the employer contribution paid by the Company amounted to €572,548, which breaks down into €286,274 paid to the insurer and €286,274 paid to Christel Bories to offset the related social and tax charges.

The Company's commitment is limited to the payment of the contribution mentioned above and it remains free to terminate this contract at any time.

***Exceptional remuneration***

Christel Bories did not receive any exceptional remuneration.

***Other forms of remuneration***

Christel Bories did not receive any of the following remuneration:

- benefits in kind;
- deferred variable remuneration;
- multi-year variable remuneration.

TABLE 10 — NOT APPLICABLE

There is no multi-year remuneration for the executive corporate officer.

***Remuneration allocated to directors***

Christel Bories did not receive any remuneration in respect of her term of office as director.

***Remuneration paid by a company in the scope of consolidation***

Christel Bories did not receive any remuneration paid by a company in the scope of consolidation.

***Severance package***

SUMMARY OF THE REMUNERATION AND BENEFITS PAYABLE ON TERMINATION OF THE DUTIES OF THE CHAIR AND CHIEF EXECUTIVE OFFICER

(TABLE 11 OF THE CORPORATE GOVERNANCE CODE)

| Corporate officers | Employment contract | Supplementary pension plan | Compensation or benefits falling due or which may fall due, as the result of departure or a change of position | Compensation related to a non-compete clause |
|---|---|---|---|---|
| **Christel Bories**<br>Chair and Chief Executive Officer: 23/05/2017<br>End of term of office for the director at the Shareholders' Meeting called to approve the 2024 financial statements | No | No, but the Company is financing a life insurance contract | Yes | No |

### c. Consideration of the latest *ex post* vote of the Shareholders' Meeting

In its ninth resolution, the Shareholders' Meeting of 31 May 2022 voted by 93.715% to approve the ex post resolution on the disclosures relative to total remuneration of the Chair and Chief Executive Officer in respect of the 2021 financial year included in the 2021 Universal Registration Document (URD), section 4.2.2.1. "Corporate governance report".

### d. Compliance of the remuneration paid with the remuneration policy

The components of Christel Bories' remuneration described above are compliant with the provisions defined by the Board of Directors, on the recommendation of the Remuneration and Governance Committee. They are determined in compliance with the corporate interest, as tailored to Company's commercial strategy, and correspond to a policy of performance and competitiveness in the medium and long term to ensure the Company's longevity.

All the criteria contribute to the remuneration policy objectives, insofar as:

- the performance criteria are stringent, assessed on an annual basis and correspond to the key factors of value creation and the Group's profitable and sustainable growth. More generally, they are aligned with the Eramet Group's short- and long-term objectives and priorities;
- the performance criteria include Eramet's performance with respect to the Group's Social Responsibility, whether through performance in workplace safety and environment, by achieving the objectives of the CSR roadmap, or through more qualitative annual objectives;
- the performance criteria are consistent with those of all of the Group's executive employees and managers, thereby aligning all key employees with the interests of shareholders to help achieve sustainable and profitable growth for the Eramet Group.

Share grant performance conditions are calculated over three years and are identical to those required of other Eramet Group executive beneficiaries.

The Company did not deviate from the remuneration policy implementation procedure.

The Company did not waive the remuneration policy.

## 3.2.2.2 Remuneration ratio: changes in remuneration, performance and fairness ratios

The following presentation was made in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code and the latest AFEP-MEDEF recommendations updated in February 2021. The ratios below were calculated based on **fixed and variable remuneration paid** during the last five financial years, **as well as the performance and bonus shares granted during these same periods and measured at fair value on the grant date.**

A comparison with the "mainland France" consolidated scope was added, to take into account the recommendations of the High Committee on Corporate Governance. This scope accounts for 100% of the companies with continuing operations in mainland France, namely Eramet S.A., Eramet Marketing Services, Eramet Ideas, Eramet Services and Comilog Dunkerque.

The employees included are those continuously employed during the periods mentioned. For all beneficiaries, including the corporate officer, remuneration includes gross annual remuneration (including variable remuneration), employee savings (profit-sharing, employee shareholding, employer contributions), free shares and performance shares granted during the financial years and valued at their fair value on the award date.

### THE FAIRNESS RATIO BETWEEN THE REMUNERATION LEVEL OF THE CHAIR AND CHIEF EXECUTIVE OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF ERAMET S.A. AND GROUP EMPLOYEES IN MAINLAND FRANCE

| Chair and CEO (Christel Bories) | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Changes in remuneration paid and shares granted during that financial year to Christel Bories, Chair and Chief Executive Officer[1] | not reported | - 31% | - 6% | 49% | 15% |
| INFORMATION RELATING TO ERAMET S.A. [2] | | | | | |
| Ratio compared to the average remuneration of employees of the listed company | 25 | 17 | 18 | 16 | 23 |
| Change in ratio *(%)* compared to the previous financial year | not reported | - 31% | 7% | - 12% | 46% |
| Ratio compared to the median remuneration of employees of the listed company | 40 | 26 | 26 | 36 | 38 |
| Change in ratio *(%)* compared to the previous financial year | not reported | - 34% | - 1% | 41% | 3% |
| INFORMATION RELATING TO THE GROUP'S EMPLOYEES IN MAINLAND FRANCE[3] | | | | | |
| Ratio compared to the **average** remuneration of Group employees in mainland France[1] | 35 | 25 | 25 | 29 | 36 |
| Change in ratio *(%)* compared to the previous financial year | not reported | - 27% | - 3% | 17% | 24% |
| Ratio compared to the **median** remuneration of Group employees in mainland France | 51 | 35 | 33 | 49 | 54 |
| Change in ratio *(%)* compared to the previous financial year | not reported | - 32% | - 5% | 50% | 9% |
| COMPANY PERFORMANCE | | | | | |
| Change in Company performance (EBITDA)[4] | -3% | -25% | -18% | 104% | 49% |
| Share price at 31/12 in euros | 56.85 | 45.84 | 42.92 | 71.95 | 83.85 |
| % change compared to the previous financial year | not reported | - 19% | - 6% | 68% | 17% |

**Methodological clarifications**

*(1) Christel Bories has been Chair and Chief Executive Officer throughout all of FY 2018, 2019, 2020, 2021 and 2022.*

*(2) Employees of the listed company: Eramet S.A.*

*(3) Employees of companies with ongoing operations in mainland France: Eramet S.A, Eramet Marketing Services, Eramet Ideas, Eramet Services, Comilog Dunkerque.*

*(4) The data presented is adjusted data from the Group's reporting, in which the operating performance of the joint ventures is recognised under proportionate consolidation until 2018: the TiZir subgroup (Mineral Sands BU, Mining and Metals Division) until 30 June and UKAD (High Performance Alloys Division) until 31 December. From 2021, these figures have been calculated in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".*

## 3.2.2.3 Total remuneration and benefits paid in 2022 or granted during that financial year to the directors

### a. Remuneration items

The components of directors' remuneration for 2022 are set out in the following table:

REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

(TABLE 3 OF THE CORPORATE GOVERNANCE CODE)

The amounts shown below for financial year 2022 are the gross amounts.

| *(gross amounts in euros rounded to the nearest euro)* | Eramet | Other companies | Total 2022 | Total 2021 |
|---|---|---|---|---|
| Alilat Antsélévé-Oyima [2] | 30,550 | - | 30,550 | 21,495 |
| Christel Bories [1] | - | - | - | - |
| Emeric Burin des Roziers | 27,500 | - | 27,500 | 32,500 |
| Christine Coignard | 56,000 | - | 56,000 | 58,000 |
| François Corbin | 63,500 | - | 63,500 | 61,750 |
| Cyrille Duval (Sorame) [9] | 73,500 | 28,000 | 101,500 | 107,000 |
| Jérôme Duval | 41,100 | - | 41,100 | 44,575 |
| Nathalie de La Fournière (CEIR) | 35,000 | - | 35,000 | 40,000 |
| Frédéric Gaidou[3] | 33,630 | - | 33,630 | 47,500 |
| *Other remunerations excluding corporate office: €108,819* | | | | |
| Jean Yves Gilet[4] | 32,500 | - | 32,500 | 40,000 |
| Manoelle Lepoutre | 47,500 | - | 47,500 | 52,500 |
| Jean-Philippe Letellier[10] | 17,240 | - | 17,240 | 37,500 |
| *Other remunerations excluding corporate office: €105,181* | | | | |
| Miriam Maes | 82,000 | - | 82,000 | 81,000 |
| Louis Mapou[6] | - | - | - | 12,678 |
| Nicolas Noël [5] | 12,760 | - | 12,760 | - |
| *Other remunerations excluding corporate office: €82,715* | | | | |
| Franck Pecqueux [11] | 3,870 | - | 3,870 | - |
| *Other remunerations excluding corporate office: €41,952* | | | | |
| Catherine Ronge | 35,000 | - | 35,000 | 45,000 |
| Sonia Sikorav | 56,000 | - | 56,000 | 58,000 |
| Claude Tendil | 55,000 | - | 55,000 | 60,000 |
| Romain Valenty[8] | 14,250 | | 14,250 | |
| Bruno Vincent [7] | 53,750 | - | 53,750 | 78,000 |
| Jean-Philippe Vollmer | 20,550 | - | 20,550 | 27,500 |
| **TOTAL** | **791,200** | **28,000** | **819,200** | **904,998** |

*(1) Other remuneration: see other tables related to executive corporate officers' remuneration.*
*(2) Appointed on 28 May 2021.*
*(3) Director representing employees whose term of office expired on 22 June 2022.*
*(4) 15% of the amount due is paid to the Ministry of Finance.*
*(5) Director representing employees whose term of office began on 23 June 2022.*
*(6) Term of office expired on 8 July 2021.*
*(7) Amount paid to the French Ministry of Finance. On 23 May 2019, Bruno Vincent was appointed Government representative and served until 22 September 2022.*
*(8) Amount paid to the French Ministry of Finance. On 18 October 2022, Romain Valenty was appointed Government representative.*
*(9) Remuneration received in respect of directorships at Comilog and Metal Securities.*
*(10) Director representing employees whose term of office expired on 11 November 2022.*
*(11) Director representing employees whose term of office began on 12 November 2022.*

### b. Remuneration paid by a company in the scope of consolidation

With the exception of Cyrille Duval as mentioned in Table 3, directors received no remuneration from a company in the scope of consolidation.

### c. Respective weight of remuneration items

Directors did not receive any variable or exceptional compensation in respect of the 2022 financial year.

### d. Consideration of the latest *ex post* vote of the Shareholders' Meeting

In its eighth resolution, the Shareholders' Meeting of 31 May 2022 voted by 99.75% to approve the ex post resolution on the disclosures relative to total remuneration of the directors in respect of the 2021 financial year included in the 2021 Universal Registration Document (URD), section 3.2.2.2. "Corporate governance report".

### e. Compliance of the remuneration paid with the remuneration policy

The remuneration policy for the directors was first approved in 2020.

The Company did not deviate from the remuneration policy implementation procedure.

The Company did not waive the remuneration policy.

### f. Suspension of the remuneration paid to directors

As the Board of Directors is organised in accordance with the provisions of Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, payment of the compensation set out in the first sub-paragraph of Article L. 225-45 of the aforesaid Code has not been suspended.

## 3.2.3 Components of remuneration paid or granted for 2022 subject to the approval of the shareholders

### a. Components of remuneration paid or granted for 2022 subject to the approval of the Shareholders' Meeting to be held in 2023 in application of Article L. 22-10-34 of the French Commercial Code

| Remuneration items | Amounts granted in respect of 2022 or accounting valuation | Amounts paid in 2022 | Presentation |
|---|---|---|---|
| | | | No suspended employment contract.<br>Christel Bories holds a corporate office. |
| Fixed remuneration | €800,000 | €800,000 | Gross fixed remuneration, paid for the 2022 financial year in accordance with the provisions adopted by the Board of Directors of Eramet S.A. on 23 February 2017. |
| Annual variable remuneration | €892,800 (amount determined for the 2022 financial year) | €1,084,000 (amount paid in 2022 for the 2021 financial year) | At its meeting on 21 March 2023, the Board of Directors, on a recommendation by the Remuneration and Governance Committee and following the Audit Committee's approval of the financial items, approved the amount of variable remuneration of Christel Bories for the financial year 2022 at €892,800 (i.e., 111.6% of her target variable remuneration).<br>The variable portion is based on quantitative and qualitative objectives, whose selection and weighting are proposed by the Remuneration and Governance Committee and approved by the Board of Directors.<br>These objectives are based on the following criteria:<br>• **55% are quantitative objectives** determined by the Group's operational cash flow for 2022.<br>The objectives achieved (100%) correspond to the budget figures;<br>• **20% are objectives related to Corporate Social Responsibility:**<br>• 10% on safety and working conditions (accident frequency rate of employees, temporary workers and subcontractors) which is reduced if a fatal accident occurs,<br>• 10% relate to progress on the Group's CSR, the criteria of which relate to social and environmental issues;<br>• **25% are qualitative objectives**, the details of which for 2022 are set out in section 3.2.2.1.b.ii.<br>The objective-based annual variable portion is set at 100% of gross annual fixed remuneration based on the achievement rate of various objectives. This remuneration may vary from 0 to 150% of gross annual fixed remuneration, 100% of fixed remuneration corresponding to 100% of objectives achieved. It may not exceed 150% of gross annual fixed remuneration. The variable portion for objectives achieved and the maximum variable portion are reviewed each year by the Remuneration Committee in relation to market practice, as part of remuneration surveys conducted annually.<br>Pursuant to the remuneration policy, the Company cannot demand that the annual variable remuneration be returned. |
| Deferred variable remuneration | N/A | | Christel Bories does not receive any deferred variable remuneration. |
| Multi-year variable remuneration | N/A | | Christel Bories does not receive any multi-year variable remuneration. |
| Exceptional remuneration | N/A | | Christel Bories does not receive any exceptional remuneration. |

| | | | |
|---|---|---|---|
| Performance shares or stock options, or any other long-term remuneration item | 10,568 performance shares = €1,250,617 (applying the method used in the consolidated financial statements, fair value of the share on the day of granting by the Board of Directors)<br>Options = N/A<br>Other items = N/A | | The Board of Directors meeting of 10 March 2022 confirmed, in accordance with the authorisation granted by the Shareholders' Meeting of 28 May 2021 (eighteenth resolution), that Christel Bories would be granted 10,568 performance shares if all performance conditions were fully achieved, for an estimated value of €1,250,617 (or 0.04% of the share capital) based on the method used for the consolidated financial statements (fair value of the share on the date of the share grant by the Board of Directors). This number corresponds to the number of shares that may be vested, fully or partially, three years after they are granted provided that the performance conditions are fully or partially met. These performance shares are not subject to an additional holding period. However, 20% of the vested shares are locked up until the end of the corporate officer's term of office.<br>These very rigorous performance conditions are calculated over a three-year period, and are set out in section 3.2.2.1.b.iii of this document.<br>Christel Bories was not granted any other long-term remuneration item during the financial year ended 31 December 2022. |
| Remuneration for term of office as director | N/A | | Christel Bories does not receive remuneration for the offices she holds at Eramet and its subsidiaries. |
| Benefits of any kind | N/A | | Christel Bories does not have a company car. |

### b. Remuneration items falling due or granted for the financial year ended which have been or are subject to shareholder approval pursuant to the procedures related to regulated agreements and commitments

| Remuneration items | Amounts granted in respect of 2022 or accounting valuation | Amounts paid in respect of 2022 | Presentation |
|---|---|---|---|
| Compensation related to taking up or leaving a post | No payment | | In the event of dismissal (except for gross misconduct) or forced resignation, particularly following a change of company control or substantial imposed changes to the scope of responsibility (including in the event that the roles of Chair and Chief Executive Officer are separated before the end of Christel Bories' term of office, that she is proposed to continue with only one of those two roles and that she declines the proposal), the Chair and Chief Executive Officer will be awarded severance pay equal to two years of gross fixed salary and variable remuneration. This benefit is subject to the condition that the sum of gross variable remuneration received over the last three complete years of her term of office must be 35% or more of the total gross annual fixed remuneration received during the same three-year period. In the event that the number of full financial years is less than three, the performance will be assessed based on the actual duration of the term of office, at the discretion of the Board of Directors as proposed by the Remuneration and Governance Committee.<br>In accordance with the procedures related to regulated agreements and commitments (and with the provisions of Article L. 225-42-1 of the French Commercial Code applicable at the time), this commitment was authorised by the Board of Directors on 23 February 2017 and approved by the Shareholders' Meeting of 24 May 2018. |

| Remuneration items | Amounts granted in respect of 2022 or accounting valuation | Amounts paid in respect of 2022 | Presentation |
|---|---|---|---|
| Contribution Article 82 scheme | €514,442 | €572,548 | Christel Bories is covered by a life insurance policy under Article 82 of the French General Tax Code.<br>On 26 July 2017, the Board of Directors, acting on a proposal from the Remuneration Committee, authorised the implementation of the system under the following conditions:<br>• the annual amount of the additional remuneration paid is 30.39% of the total gross annual remuneration (fixed + variable) paid to Christel Bories during the reference year. The basis for calculating this additional remuneration includes both fixed and variable remuneration.<br>The additional remuneration determined in accordance with the preceding provisions shall give rise to the following two payments:<br>• the financing of a life insurance contract:<br>The Company has arranged for Christel Bories to take out a life insurance policy underwritten by the Company with an approved insurance company.<br>This contract, known as "Article 82", is an individual life insurance contract.<br>The financing of this contract is fully covered by the Company and represents 50% of the additional remuneration determined in accordance with the above.<br>It does not constitute a retirement commitment;<br>• an annual cash payment:<br>Each year, the Company pays an amount in cash equal to 50% of the additional remuneration determined in accordance with the above provisions, in order to cover the related social and tax charges.<br>For the financial year 2022, the basis for calculating this remuneration includes the fixed remuneration and the variable remuneration and is accordingly subject to performance conditions. Considering the achievement rate of 2022 variable remuneration objectives, which corresponds to 111.6%, the amount of employer contribution totals €514,442 broken down into the proportions mentioned above.<br>The Company's commitment is limited to the payment of the contribution mentioned above and it remains free to terminate this contract at any time. |
| Supplementary insurance scheme and healthcare plan | | Employer share of healthcare costs: €1,219.68<br>Employer share and life insurance: €7,863.48 | Christel Bories benefits from the supplementary healthcare plan and the supplementary disability and life insurance scheme operating within the Eramet Group.<br>In accordance with the procedures related to regulated agreements and commitments, this commitment was authorised by the Board of Directors on 23 February 2017 and approved by the Shareholders' Meeting of 24 May 2018. |

# 4

# RISK FACTORS AND CONTROL ENVIRONMENT

This chapter presents the Risk Management System implemented by General Management and all of the Eramet teams to prevent and control the significant Group risks which Eramet believes it may have to address.

The Group conducts its business in a constantly changing environment, which creates risks, many of which are beyond its direct control. The risks and uncertainties described in this chapter are not the only risks to which the Group is currently exposed or will be exposed in the future. Other risks or uncertainties of which the Group is currently unaware or regards as immaterial as at the date of this document might have an adverse effect on its operations, results, financial situation and outlook.

In addition, Eramet cannot provide an absolute guarantee that the risk management objectives will be met or that the risks will be completely eliminated.

## 4.1 PRINCIPLES OF RISK MANAGEMENT WITHIN ERAMET

Convinced that risk-taking is vital and inherent to its business development and aware of the potential impacts of mining and metallurgical activities on the natural environment and local populations, the Eramet Group has been committed for several years to a risk management approach that provides a better understanding of its risks in order to increase performance over the long term and enable it to take better advantage of opportunities.

In this respect, risk management is considered by the Group's Executive Committee to be a key component of its governance system. This is why the Group has developed an integrated risk management approach aligned with the organisation's objectives and strategy, creating Risk Management, Internal Control and Internal Audit functions and coordinating the three lines of defence presented below:

### 4.1.1 First line of defence

Operational managers, who are responsible for implementing internal control processes – as defined by the second line of defence – within their organisations, are a key part of the system. They monitor the implementation of control activities, analyse results, correct deficiencies and seek to improve the efficiency of their systems. The BUs and the directors of operational entities are responsible for implementing and supervising the internal controls that apply within the scope of their activities. They play an essential role in ensuring the quality of the control environment: promoting the Group's values, defining the organisation, evaluating results etc.

### 4.1.2 Second line of defence

The second line of defence is provided by various functions (Management Control, Insurance, Ethics and Compliance, Human Rights, Environment, Safety, Taxation etc.) set up by management to monitor risk control and compliance.

In addition, the Internal Control, as part of the second line of defence, coordinates the implementation of all internal control processes at Eramet. It is organised by geographic region and operates a network of Internal Control Coordinators that, under the responsibility of the entities' directors, steer the internal control system. It monitors and anticipates regulatory and Group developments in order to adjust the systems accordingly. Lastly, it organises training and information sessions.

The Risk Management Department also represents a second line of defence that helps to protect Eramet's assets and secure the achievement of its operational and strategic objectives. This is done by providing a structured approach to identify, categorise, handle and control all kinds of risks and any significant challenges that the Group may face. This function operates a network of Risk Management Coordinators who roll out the approach within the operational entities.

### 4.1.3 Third line of defence: The Internal Audit Department

Internal Audit is an independent and objective activity that helps protect Eramet's assets by assessing the Group's governance, risk management and internal control systems and whether they are being correctly implemented by all Group entities. On the basis of a multi-year audit plan of assignments associated with the risks mapping of the Group and the BU activities, the business processes are reviewed. Internal Audit bases its work on the Group's standards and objectives for operational efficiency described in the standards developed by the different functions of the Group.

The role of Internal Audit is to certify the existence, compliance, operation and quality of all internal control systems and to propose action plans. Eramet Internal Audit activities comply with the International Professional Practices Framework (IPPF).

In order to ensure the independence of its activities, Internal Audit reports hierarchically to the Risk Management, Audit and Internal Control Directorate (CARE), which in turn reports to the Chief Financial Officer in charge of IT Systems and Group Purchasing and to the Group's Chair and Chief Executive Officer, and functionally to the Chair of Eramet's Audit, Risk and Ethics Committee.

### 4.1.4 Coordination of the three lines of defence

The coordination of the three lines of defence that make up the Risk Management System is provided in particular by the Risk Management Committee composed of eleven permanent members: the Group Risk Manager, the Director of Risk, Audit and Control, the Director of Environment and ESG Performance, the Director of Social Impact and Human Rights, the Industrial Risk Coordinator, the Security Director, the Safety and Prevention Director, the Group Insurance Manager, the Director of Ethics and Compliance, the Information Systems Security Manager and the Director of Public Affairs. This Committee forms an operational body across the different business lines that contribute to risk control processes and it represents a vector for risk management culture within the Group. Its objectives are to inform its various different members of their respective roles in helping to improve risk management, provide a comprehensive overview of the risks and challenges, enabling them to identify the risks within their area of expertise in relation to other risks, and ensure that emerging or rapidly evolving risks are taken into account.

The Group's Risk Management System also includes a Crisis Management mechanism. Since 2021, it has been completed by a half-year committee meeting to monitor the progress of risk-reduction plans at the level of the Group's Executive Committee and is organised in the same form quarterly at the level of Metals and Mining Operations and the High Performance Alloys Business Units (BU).

## 4.2 GROUP CONTROL AND RISK MANAGEMENT ENVIRONMENT

As an integrated industrial group, Eramet has standards in place that can be implemented by anyone and by all Group companies. These standards, available to all employees via the intranet, are provided in one place within the Eramet Management System (EMS) and strengthen the Group's internal control and risk management environment. This environment is based on the following elements:

- the Group's purpose, which has been formalised in an Ethics Charter, in the CSR Roadmap and in a set of policies distributed widely to all employees;
- a governance guide to ensure that the Group's governance is shared and made more visible;
- an organisational and hierarchical structure to enable a clear definition of responsibilities and powers, primarily through Delegation of Authorities Handbooks;
- the key standards applicable to all our employees and our subsidiaries, which constitute the "golden rules" at Eramet;
- functional business procedures that describe the best practices in a specific function and are applicable to all employees within that business area; and
- training organised around current issues and ongoing training for Internal Control Coordinators and Risk Management Coordinators to share best practices.

The existing reporting systems on all the Group's major processes collect and disseminate pertinent and reliable information at various levels of the Group. For example, the strategic process formalised a 10-year vision, defined operationally and financially in a five-year operating plan and then in an annual budget process. The major processes are completed by performance reviews of the Business Units, subsidiaries and functions, as well as by several reporting processes (financial, human resources, societal and environmental responsibility, etc.) and by questionnaires on compliance of internal control with Group standards completed by each executive of the Group's entities.

## 4.3 AN INTEGRATED APPROACH TO RISK MANAGEMENT WITHIN ERAMET

### 4.3.1 Organisation

The Group has combined Risk Management, Internal Control and Internal Audit within a single directorate in order to improve risk management for the Group, relying on the expertise of each of the three functions that work in synergy and ensure the methodological consistency of the approaches.

This directorate operates through the main tools that make up the Eramet Management Systems (EMS): risk mapping, internal control framework, assessment campaigns, audits and the monitoring of action plans.

The Group Internal Control Department operates through a Central Internal Control Manager and Internal Control Managers for each geographic region (Africa, Europe, America and Asia/Oceania). These managers operate the network of local Internal Control Coordinators, whose role in turn is to lead the process in their units. Across the Group as a whole, the specialist internal control workforce accounted for more than 30 people at the end of 2022.

Responsibility for risk management is assigned at the most appropriate level in accordance with a subsidiarity principle. Each operations manager is therefore directly involved in the implementation of internal controls and is responsible for assessing and reducing the risks related to the processes and activities for which they are responsible. The effectiveness of the system is verified by the Internal Control Department. However, as with any control system, it cannot provide an absolute guarantee that these risks are totally eliminated, hence the importance of the third level of control represented by Internal Audit.

The Risk Management Department monitors changes in the identified risks and the implementation of control mechanisms; it is composed of the Group Risk Manager, the departmental/BU Risk Managers and the Risk Management Coordinators within the Group's various entities. With regard to operational risks, risk monitoring is carried out by the business managers and BU directors in conjunction with the Group's Risk Management Department and Support Departments:

- the Group's Sustainability and Corporate Engagement Department for industrial risks and risks related to the environment and human rights;
- the Group Human Resources, Health and Security Department for risks related to their respective areas of responsibility;
- the Group Safety and Prevention Department for risks related to occupational health;
- the Information Systems Department for IT and cyber risks;
- the Ethics and Compliance Department for risk of non-compliance and non-respect of the ethical standards of the Group.

For Group financial risks, the monitoring of changes in the risks identified and the implementation of the related control systems are carried out by the Group Finance and Treasury Department, in conjunction with the managers of the Group's subsidiaries. The Executive Committee is responsible for managing and handling the Group's strategic and/or major and ethical risks, with the assistance of the Risk Management, Internal Control and Audit Directorate. Finally, the Group Insurance Management Department defines and implements the Group's residual risk transfer policy, following approval by the Executive Committee.

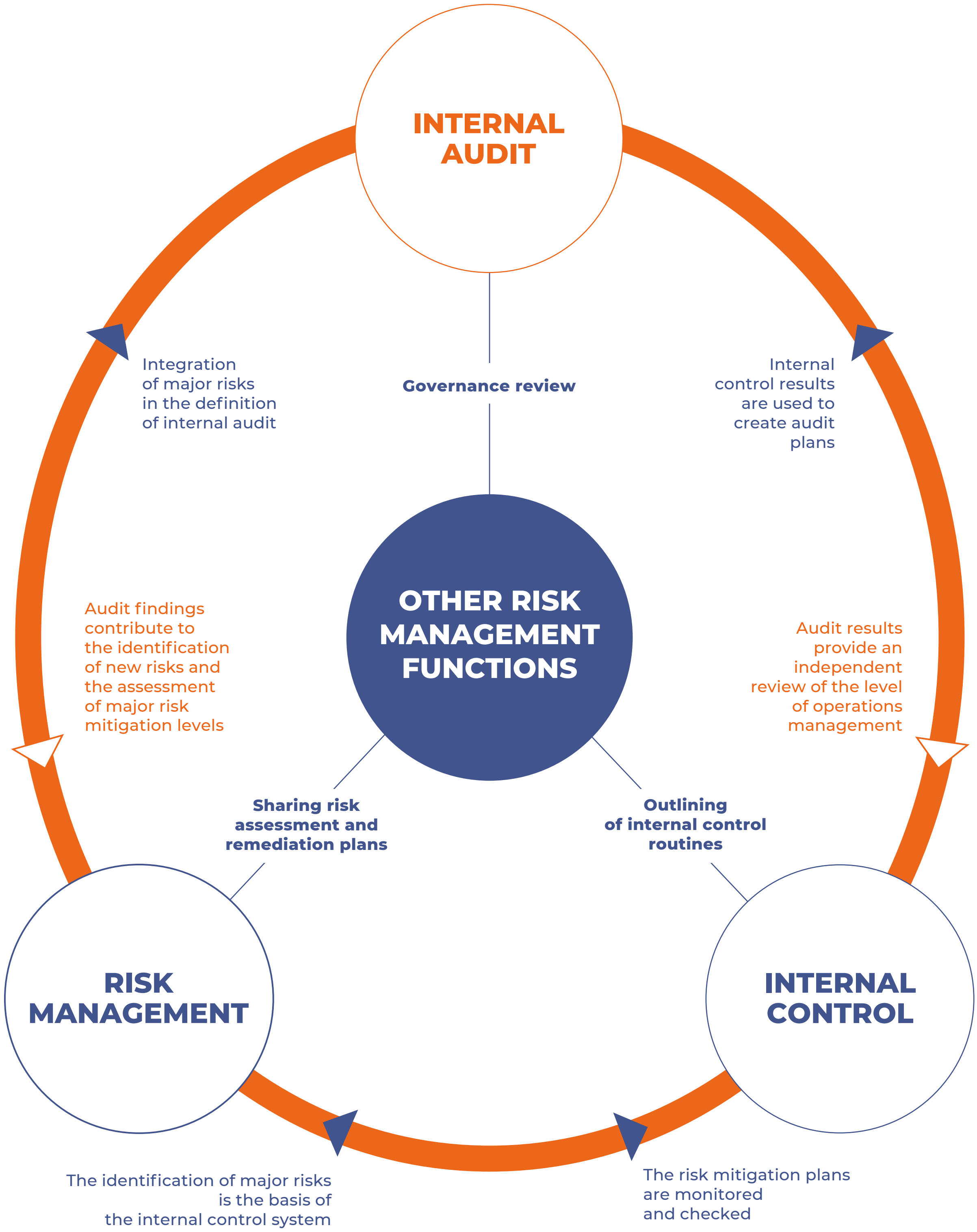
The Internal Audit Department consists of six senior auditors and is managed by the Head of Internal Audit. Its role is to:

- provide an assessment of the adequacy and effectiveness of Eramet's organisational processes for controlling its activities and managing its risks in the areas defined by the mission and scope of activity;
- report any major problems associated with the Eramet Group's control processes for its activities, suggest potential improvements that may be made, and provide information to resolve these problems;
- periodically provide information on the progress and results of the annual audit plan and on the adequacy of the resources committed to the internal audit activity; and to
- ensure compliance with international audit norms, standards and benchmarks as defined by the IIA (Institute of Internal Auditors) and the IFACI (French Institute of Internal Audit and Internal Control) through periodic external audits.

The structure described above is current as of 2022; organisational changes were set out at the end of 2022 and will be deployed in the first quarter of 2023 in order to further strengthen the synergies between the three units of the CARE Directorate (merger of the Risk Management and Internal Control functions, creation of an Operational Excellence cluster for CARE) and in order to further embed these functions at Eramet (addition of a Junior Auditor and an Anti-Fraud Officer to the Internal Audit team, creation of two positions: Deputy Director of Risk and Deputy Director of Internal Audit).

## 4.3.2 Systems

The Risk Management, Internal Control and Internal Audit systems are described in the diagram below:



More specifically, **the Risk Management System** provides a structured approach to identify, categorize, handle and control all kinds of risks faced by the Group. It contributes to Eramet's success by anticipating risks and by minimising the probability of occurrence and/or the impact of these risks. It aims to identify the strategic, operational, financial and regulatory risks that might materialise over a time horizon of three to five years, to address them by defining action plans to mitigate the probability and impact of these risks, to establish or optimise the necessary internal control processes to manage the Group's different activities and operations, and to monitor the Group's exposure to the specific risk universe associated with its business model. It is based on an iterative approach that enables continuous monitoring of risks.


In 2022, the implementation of the process resulted in the mapping of the Group's major risks, established on the basis of interviews and workshops with a representative panel of Group employees, managers and members of governance. The main risks identified and described below help to outline control areas that are then rolled out in operational action plans designed to strengthen existing control mechanisms.

**The internal control process** set up by the Group consists of a set of resources, behaviours, policies, procedures, tools and actions adapted to the characteristics of Eramet. It is designed to ensure compliance with laws and regulations, the application of the instructions and guidelines set by the Group's General Management, the proper operation of the Group's internal processes and those of its entities, and the reliability of financial reporting. Generally, it contributes to the management of Group activities, the effectiveness of its operations and the efficient use of its resources. The internal control process is permanently driven by the risk management process. In this way, the internal control process regularly adapts and responds to changes in the Group's risk universe.

The primary mission of the Internal Control function is to maintain the Eramet Management System and the standards of the key internal controls, both of which are defined in collaboration with the Group's Business Process Owners. With the assistance of Group Internal Control and Risk Management, they identify areas of risk and define the standards and control activities to respond to such risks.

The function ensures that, in the event of non-implemented or unsatisfactory controls, action plans are present, formalised and monitored.

Finally, it organises the roll-out of internal controls and assessment campaigns through the network of Internal Control Coordinators, and communicates on changes and on the Group's maturity level in terms of internal control.

In 2022, Internal Control continued its initiatives to roll out the internal control guidelines. A "Governance, Risks and Compliance" type software package centralises all key internal control assessments and the related action plans. A timetable is created for internal control and Group companies must assess their level of compliance on the basis of their size or their process. *"A Group Affirmation Letter"* is issued each year, and each Eramet Director of a Business Unit or Activity must declare their level of compliance with Group standards.

During assignments, Internal Audit assesses risk-mitigation initiatives proposed by local management and assesses the maturity of internal control by reviewing the KPIs calculated and reported by the audited organisation. It also independently reviews the roll-out of the Eramet CSR Roadmap by assessing the governance in place, verifying the achievement of identified milestones or by checking compliance with the related guidelines.

Internal Audit methods and organisation are certified by the IFACI (French Institute of Internal Audit and Control) as compliant with the best standards. The team of auditors is composed of a mix of experienced managers and young talented employees. Audit recommendations are tracked and reported every month to the Group Executive Committee. Internal Audit directs and monitors audit assignments and updates the status of recommendations in real time using the "Governance, Risks and Compliance" software package, shared with Internal Control.

In 2022, Internal Audit completed 23 audits, six more than in 2021, which had been put at a disadvantage due to the global health situation.

# 4.4 MAIN RISK FACTORS TO WHICH THE GROUP IS EXPOSED

## Main risk factors

The main risk factors described below, to which the Group is exposed due to its business model and the activities it performs, were identified in the 2022 risk mapping. The net level of importance, i.e. taking into account the risk management measures in place, derives from the Group's assessment of the probability of occurrence of the risks and their potential impact, as shown below:

| Category | Risks | Net importance level 2022 | Trend observed in 2022 |
|---|---|---|---|
| STRATEGIC AND FINANCIAL | Risks of non-recovery of assets held by the Group for which profitability is insufficient | High | Stable |
| | Risks related to non-execution of the development strategy for energy transition metals | High | Stable |
| | Risks of a sharp drop in metal prices | High | Decreasing |
| | Risk of geopolitical tensions | Medium | Increasing |
| OPERATIONAL | Risks of a serious accident on the Trans-Gabonese railway line | High | Stable |
| | Risks of failure of information systems, data protection and cyber-attacks | High | Stable |
| | Risk of disruption to the supply chain and long-lasting additional energy costs | High | Increasing |
| | Risks of the physical impact of climate change and difficulties in decarbonising activities | Medium | Increasing |
| COMPLIANCE | Risk of unethical behaviour | High | Stable |
| | Risk of increased expectations and tightened regulations relating to CSR | Medium | Stable |

We are presenting below a complete description of each risk, its potential effects on the Group and changes in 2022.

## 4.4.1 Strategic and Financial Category

### 4.4.1.1 Risks of non-recovery of insufficiently profitable Group portfolio assets *– High net significance level – Stable*

The Group is exposed to the cycles of the Chinese economy, the aerospace market, and the volatility of the commodities market (in particular, energy) and the Euro/USD exchange rate. The Group's turnover and profitability are therefore directly dependent on these exogenous and highly volatile factors.

The competitiveness of some of the Group's assets also depends on the valuation of mineral resources and reserves, the evolution of which over time are directly linked to the technical and economic assumptions used for their exploitation and processing (geological data, techniques and operating costs, conversion factors, choice of process, environmental, legal and tax regulations) and on access to electricity at a competitive cost.

Aubert & Duval, a subsidiary of the Group High Performance Alloys Division, posted significant financial losses in 2019, 2020, 2021 and 2022, which can be partly explained by the review of quality processes and the subsequent logistics crisis, and partly by the COVID-19 pandemic and its consequences on the aerospace market. This situation was accentuated during 2022 due to the unprecedented increase in energy prices and the price of raw materials, mainly due to the outbreak of the conflict in Ukraine.

Despite a nickel market that is currently favourable, the financial performance of SLN has been degraded for several years, particularly because of insufficiently competitive production costs. This lack of competitiveness was exacerbated in 2022 by the upsurge in energy costs (oil and coal).

If the subsidiary continues to report poor financial results in upcoming years, the Group will have to mobilise substantial financial resources that will impact the strategy of its other activities.

#### Risk management

In order to address this risk, several operational productivity and performance improvement plans have been launched. The roll-out of these plans continued in 2022 and their objectives were readjusted, and even accelerated, to optimise results.

Specifically, the Group launched a rescue plan for SLN, based on increasing the number of mine and plant working hours, on making the organisation more productive, and on increasing exports of low-grade ore, thereby absorbing more of the fixed costs. The construction and commissioning of the new power plant in New Caledonia, which is expected to take over from the current power plant at the end of its life cycle, and the optimisation of distribution conditions for this energy are part of the plan; these measures should help to reduce energy costs and make SLN's cash-cost more competitive and sustainable.

However, over the last two years, SLN has faced significantly unfavourable weather conditions, which have greatly disrupted the growth of mining activity, and consequently the production of ore from the plant. Major societal obstacles also cast doubt on the speed at which the Company can achieve the necessary production increases.

In addition, the project plans for a new power station are still pending, even though the current power plant experienced a major failure, leading SLN to commission a temporary solution in its place. The increase in energy costs (fuel oil and coal), which intensified following the Russian-Ukrainian conflict, have had such a significant financial impact that the company is now on the brink of not being able to meet its liabilities despite a plan to drastically reduce expenditure. An ad hoc mandate and subsequent conciliation procedure was initiated in order to reach an agreement on the financing of the company and the provisions for a competitive energy price. In February 2023, the French government granted SLN a €40 million loan to enable it to meet its short-term cashflow commitments. This new loan constitutes emergency support and, together with the application of the emergency progress plan currently being implemented by the company, wards off the risk of the company not being able to meet its liabilities.

In 2022, Aubert & Duval continued its in-depth transformation programme against an external backdrop of major changes – the recovery of the civil aerospace market, primarily in the single-aisle segment, accelerated. There were also positive developments in other Aubert & Duval markets, particularly nuclear power, thanks to stimulus in this sector from the French and British governments, and defence, following the Russian-Ukrainian conflict. At the same time, Aubert & Duval had to deal with the unprecedented rise in the costs of energy and raw materials, another consequence of this conflict. In this context, the Company continued its operational improvement plan led by each Business Unit, specifically: (i) the roll-out of best practices for operational excellence, (ii) the strengthening and acceleration of all energy efficiency and consumption reduction initiatives, (iii) a tailored business strategy requiring significant dialogue with customers and facilitating the adjustment of sales prices to this sharp increase in production costs. These initiatives partially limited the impact of the increase in the cost of factors on Aubert & Duval's results.

It should also be noted that, pursuant to IFRS 5 "Non-current Assets Held for Sales and Discontinued Operations", Aubert & Duval is presented in the Group consolidated financial statements as activities held for sale for financial years 2021 and 2022.

### 4.4.1.2 Risk of geopolitical tensions – *Medium net significance level – increasing*

The Eramet Group is exposed to geopolitical risks mainly due to the location of its mining deposits in New Caledonia, Gabon, Senegal, Indonesia, Argentina and Cameroon, but also due to its international trade flows, in particular to China and North America.

Geopolitical risks, also known as country risk, can be defined as all adverse political, administrative, national or international events or decisions that could lead to economic, industrial, commercial or financial losses for the Eramet Group. This risk mainly refers to the risk of confiscation, nationalisation and expropriation of the assets of a corporation which would deprive such corporation of its means of production. It also refers to all actions or non-actions that have a long-term, significant adverse impact on the economic model of a corporation in a given country. Such actions can take a variety of forms, including questioning previous state-level agreements, applicable taxation, customs regime, import-export rules, labour law, environmental constraints, administrative constraints such as deadlines and obtaining permits.

The challenges of country risk for Eramet entail the ability to mitigate or avoid the occurrence of the risks presented above, to enable the smooth execution and development of the Group's projects and activities and avoid damage to its image or reputation, as well as its financial profitability.

In 2022, country risks were specifically related to the implementation of foreign exchange control regulations in the CEMAC zone to which Gabon belongs, and to obtaining a satisfactory tax and financial flow control framework in Argentina that could impact the capacity of foreign investments.

In New Caledonia, SLN and the New Caledonian government signed an agreement on 15 February 2023 on the subsidiary's future path, based in particular on an increase in the authorisations on nickel ore exports to 6 million tonnes per year. However, SLN's financial position deteriorated during 2022, sending it into conciliation procedures at the end of the year. As controlling shareholder, Eramet will participate in the expected discussions with the State and New Caledonia in order to find a solution for the future of SLN, one which makes it both competitive and resilient on international markets and ensures that it contributes to the economic development of the territory.

#### Risk management

A Country Risk Committee chaired by a member of the Group Executive Committee and mainly made up of the country correspondents of each of the Group's operating sites is tasked with monitoring geopolitical risk trends in the Group's countries of operation and anticipating action plans to mitigate emerging risks.

The Country Risk Committee analyses country risk by analysing the trends of five main topics:

- State policy and functioning;
- Security situation;
- Legal and regulatory situation;
- Economic indicators and business climate;
- CSR and fundamental rights.

### 4.4.1.3 Risks of a sharp drop in metal prices – *High net significance level – Decreasing*

The Group is exposed to global economic cycles and the likely resulting volatility of metal prices. A sharp drop in metal prices can lead to excess production capacities, leading to high global inventory levels with respect to demand which adapts or to political tensions that may lead to decline in trading.

The impact of a variation in metal prices on the Group's adjusted EBITDA is estimated as follows (on the basis of a EUR/USD exchange rate at 1.09):

- SLN ferronickel: €90 million for a variation of 1 USD/lb in nickel price on the LME;
- nickel ore (1.8% CIF China), SLN: €35 million for a variation of 10 USD/wet tonne in average ore price;
- Weda Bay nickel ore (1.8% HPM nickel, 35% moisture content): €90 million for a variation of 10 USD/wet tonne in average ore price;
- manganese ore: €275 million for a variation of 1 USD/dmtu;
- manganese alloys: €60 million for an average variation of 100 USD/t in manganese alloy price;
- in addition, the sensitivity to the dollar is €220 million for a variation of 10 cents and to the price of a barrel of oil is -€20 million for a variation of 10 USD/barrel.

As such, risks of a sharp drop in metal prices have a strong potential impact on the profitability of Group operations. These risks have a high net significance level as they mostly stem from exogenous factors.

#### Risk management

The Eramet Group has a diversified portfolio on the ore extracted from its mines. As a global provider of manganese ore, the Group is able to make high-level assessments of market needs.

The Group's operations are competitive and resilient to potential collapse in prices thanks to its access to world-class deposits. The operational excellence approaches used by sites contribute to maintaining a competitive production cost. Similarly, the ability to detect weak signals or market leads means that the Group is able to anticipate the necessary production adaptations to better respond to demand, limit its variable costs and adapt its inventory levels.

The ability to generate increases in the level of production for the mining activities permits better absorption of fixed costs, high intrinsic savings and provides the best resilience for the Group's current operating income and EBITDA.

#### 4.4.1.4 Risks related to non-execution of the development strategy for energy transition metals – *High net significance level – Stable*

Eramet's strategy includes plans to develop the Group's activities in energy transition metals, including the Centenario lithium project in Argentina, the Sonic Bay HPAL plant project in Indonesia and the ReLieVe battery recycling project for electric vehicles in France. In addition, Eramet is developing a portfolio of projects on these metals through its exploration and Business Development teams.

However, given the capital intensity involved, the decision to launch new mining operations hinges on the results of technical and financing feasibility studies and is directly impacted by changes in the price of raw materials, exchange rates, costs and financing methods and even local acceptability. At the bottom of an economic cycle, some of these decisions may be delayed or the projects may be abandoned, which may have an adverse impact on the Group's financial situation.

A delay in the implementation of the new strategy could affect the Group's financial position and degrade its competitive positioning, affecting the ability of its business model to create value over the long term.

##### Risk management

The Group is now engaged in a balanced strategy of profitable growth through a selective allocation of resources combining return on capital and long-term growth. It has set up a Project Management Office to consolidate project management expertise, which improves the effectiveness and efficiency of project management. On some of its projects, the establishment of partnerships provides a pooling of expertise and a sharing of risks.

In addition, Eramet has created a successful modular implementation strategy for projects to expand capacity in order to gain more execution flexibility, monitor market changes better and adapt to the Group's financing capabilities.

CSR is also integrated very early in the development of projects, which ensures correct integration of the requirements of the interested parties.

Lastly, the Group's substantial debt reduction over the last two years, 2021 and 2022, has enabled it to secure the financial foundations necessary for the deployment of this strategy.

### 4.4.2 Operational risks

#### 4.4.2.1 Risks of a serious accident on the Trans-Gabonese railway – *High net significance level – Stable*

Through its subsidiary, Setrag, the Group holds the concession for the Trans-Gabonese railway for a period of 40 years from November 2005. In addition to providing a public service and transporting miscellaneous goods, the railway primarily carries manganese ore from the Moanda mine to the embarkation port in Owendo (Libreville) for Comilog.

On December 24$^{th}$, 2022, a landslide swept away 500 metres of the railway and caused the derailing of a Comilog train with four employees on board. As at the date of writing of this paragraph, the four employees – who received immediate care – are all in good health, the clearing work following the landslide has been completed and rail traffic has resumed, this process taking place gradually in order to ensure that the safety requirements are being met to allow for a return to normal levels.

As such, the risk of train accidents on the railway tracks materialised in 2022. Such an event could have led to severe bodily harm for passengers in the event of passenger trains, caused damage to transported freight, interrupted rail transport in Gabon and strongly disrupted the operations of Setrag, Comilog and other customers of this railway. Fortunately, this was not the case, thanks to the mobilisation of Setrag and Comilog teams and the support from the Gabonese State.

##### Risk management

Since 2016, Setrag has been implementing a plan to renovate the Trans-Gabonese railway line, with the primary goal of enhancing safety. The plan mainly focuses on the unstable areas of the track, and is intended to replace worn cross ties and renovate the engineering structures of the railway, in partnership with the Gabonese government. Setrag also continues to improve equipment maintenance and is investing in new rolling stock under an investment programme spread over approximately eight years. In 2021, Setrag opened its equity to MERIDIAM, which brings a portion of the financing needs and complementary expertise in infrastructures, in Africa and Gabon in particular. The Gabonese government also acquired a stake in Setrag, thus strengthening ties with the concessionaire. In 2022, capital expenditures related to the PRN were revised upwards.

The landslide of December 24$^{th}$, 2022 demonstrated Setrag's ability to execute its emergency plan and to mobilise in order to restore the necessary level of safety for the railway's continued operation. The inspection of embankments and structures has been stepped up, along with the ongoing monitoring of geotechnical studies.

### 4.4.2.2 Risks of failure of information systems, data protection and cyber attacks – *High net significance level – Stable*

The Eramet Group depends on IT infrastructure and applications, particularly for supply, production, distribution and invoicing, reporting and consolidation activities, as well as for new product design and development. The risks to the Group could be information system malfunction (loss of availability, data theft, destruction or loss of data integrity) related to external threats (denial of service, hacking, malware) or internal threats (tampering, breach of data confidentiality).

Other indirect threats should also be prevented, such as those related to social engineering (Chairman or treasurer fraud, blackmail, ransomware etc.). As the Group is part of the supply chain of major contractors, it is particularly likely to be targeted by threats designed to cause disruption throughout this chain.

All of these risks and threats could impact the Group's operations and profitability.

#### Risk management

To address these risks and threats, the safety of information systems or "cybersecurity" has been improved with the hiring of a team dedicated to the protection of the Information System of all Group entities. Its objectives are to: (i) prevent the risk by raising awareness among all employees, emphasising best practices to be followed; (ii) continue the Information System protection programme and strengthen control of access of people and materials, the protection of systems and networks as well as the detection of potential vulnerabilities through the technical audit of critical components; and (iii) improve the prevention and detection of security incidents and the response model as a function of the various risks and threats.

### 4.4.2.3 Risk of disruption to the supply chain and long-lasting additional energy costs – *High net significance level – Increasing*

Like almost all international industrial groups, Eramet is exposed to the risk of disruption of its supply chain. This risk may affect different stages of its supply chain and may result from a multitude of external factors: weather conditions, the emergence of conflict, changes in regulations etc.

Supply disruptions may have a considerable impact on Eramet's activities, and more specifically, on its metallurgical sites, which are entirely dependent on their supplies to operate. Assessing and controlling this risk across Eramet's entire supply chain is therefore a high priority.

Furthermore, the European electricity market is facing an unprecedented crisis, with the risk of a shortage of natural gas and electricity, particularly during the winter period. Electricity prices have reached historically high levels not only for current supply, but also for future conditions.

#### Risk management

A risk analysis relating to the purchase of raw materials has been carried out in 2022 following the conflict in Ukraine and the increased risk of disruption to the supply of carbonaceous materials, which are critical to the operation of the Group's metallurgical sites. As a result, a specialist consulting firm was commissioned at the end of 2022 to support the Eramet Group in the development of its new raw materials purchasing strategy. Lastly, in January 2023, a collaborative effort in conjunction with a specialist firm began the comprehensive mapping and assessment of the Group's purchasing risks. This risk mapping will facilitate the implementation from the third quarter of 2023 onwards of an action plan for securing the purchasing risks, and more specifically the supply risks that may impact the value chain of Eramet's activities.

To handle the situation of additional energy costs, a mitigation plan has been established in 2022, including the adaptation of our production operations to market conditions (partial or total reduction, participation in load-management programmes), lobbying activity and trade negotiations (transferring costs to customers, negotiation of more favourable conditions and possibilities of hedging contracts with electricity suppliers). The financial impact on our activities should remain limited for most of our metals and mining activities. Long-term contracts and hedges are in place for the electricity consumption of our manganese alloys and titanium slag operations, covering approximately 80% of our maximum needs in 2023. As a result, the energy costs for these units are not threatened, provided that electricity consumption remains within the limits of our contracts and hedges.

### 4.4.2.4 Risks of the physical impact of climate change and difficulties in decarbonising activities – *Medium net significance level – Increasing*

In light of rapid climate change and recognising the anthropogenic cause of this change, Eramet is conscious of its duty to prevent, adapt and communicate transparently with its employees, its partners and all of its stakeholders in general.

Risks related to the physical impacts of climate change include extreme weather events and long-term changes in climate patterns (rising sea levels, water stress, fires etc.), some of which are already happening. They could impact the Group's assets and/or business, depending on their location and their exposure to these climate changes.

### Risk management

Eramet is engaged in a process compatible with the goals of the Paris Agreement aimed at integrating climate challenges into both its strategic decisions and reporting to an increasing degree. To do so, Eramet follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which is one of the best international practices in the field.

Moreover, the Group's emissions reduction trajectory to 2035, defined in 2020, has been given official "target set" status by the SBTi (Science-Based Target Initiative). For more details, see Chapter 5.2.6 "Fight against climate change". The result of a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), SBTi ensures that the commitments made by participating companies are valuable and consistent with the Paris Agreement.

The transition to a low-carbon economy is a systemic issue and Eramet has chosen to broaden the perspectives of climate change impacts beyond the matter of its direct carbon footprint by assessing the impacts on the entire value chain in which it operates.

In addition to the Group's essential contribution to the energy transition and combating climate change, Eramet is increasingly including in its strategy, the physical and non-physical impacts of climate change on the Group's assets and the markets on which its products are sold. After initially assessing the major issues linked to the physical risks of climate change, which took place in 2021, this approach was extended in 2022, looking at the top 3 priority sites. Two approaches were tested: an internal assessment based on the Carbone 4 OCARA method, and a Climate Change Risk Assessment, applying the requirements of the Equator principles. The sites characterised as having the most at stake, in view of the Group's activities, are in Indonesia and the United States. Workshops with the operations managers of the sites in question have allowed for a detailed assessment of the risks associated with the operating processes and infrastructures of these installations, in relation to climate hazards identified as likely to worsen significantly by 2050. This review identified the numerous existing measures to mitigate the harm, and potential additional measures.

## 4.4.3 Compliance category

### 4.4.3.1 Risk of unethical behaviour – *High net significance level – Stable*

The Eramet Group is committed to complying with all regulations that are applicable to all of its sites worldwide. Like any French organisation with international operations, Eramet may therefore be exposed to legal and/or reputational risks, with potentially significant financial impacts if one of its employees fails to comply with the many laws in force. Unethical behaviours include in particular corruption, fraud, sexual harassment and sexist behaviour and other HR-related issues such as discrimination, moral harassment or any breach of the Group's ethical standards, which have been brought to the attention of all employees and external stakeholders.

#### Risk management

Risk ownership and responsibility for risk management are assigned at the most appropriate level, according to the principle of subsidiarity; therefore each operations manager is directly involved in the management of risks related to the activities for which he or she is responsible.

To ensure compliance with regulations relating to ethics and the fight against corruption, the Ethics and Compliance Department coordinates efforts to reduce and control the risk of breaches of our ethics standards, including the Ethics Charter, as well as any non-compliance with business ethics regulations. In the last two years, the Group has strengthened its approach to corruption specifically. The compliance programme was rolled out within the Group in 2018 and is based on three pillars: organisation, guidelines and tools. This approach is largely modelled on compliance with the provisions of France's Sapin II Act, namely:

- a dedicated structure (Ethics and Compliance Network, ambassadors);
- standards and procedures: Ethics Charter, anti-corruption Guide and policy, training, third-party assessment system;
- and tools: the Integrity Line whistleblowing system (available to internal staff and external stakeholders, covering more than 12 topics including sexual harassment, gender-based violence, forgery of documents, corruption, violation of Group ethical standards etc.), a third-party tool-based assessment process managed by dedicated teams; and corruption risk mapping, which was updated in March 2021. The main categories of risks identified have been addressed by dedicated action plans and are monitored at the highest level of the Group in close collaboration with the Audit, Risks and Ethics Committee. A risk prevention strategy was thus implemented both internally and externally and closely managed by monitoring key performance indicators and sharing them with the Executive Committee on a regular basis.

All these topics are also the subject of accounting controls which are part of the Group's internal control routines aimed at preventing and detecting these risks, and audit engagements including ethics, compliance and anti-corruption criteria.

With regard to more specific subjects such as sexual harassment and sexist behaviour, the same approach has been implemented, with a dedicated organisational structure. As of 2021, the Group decided to widely deploy the network of advisors – initially deployed at all French sites in accordance with the Schiappa law – and particularly in Gabon (Setrag, Comilog) and Senegal (GCO). In 2022, the Group continued this momentum by deploying the network in Argentina (Eramine) and China (Eramet International, EIML).

Following the identification of financial fraud at the end of 2021 within the Group's central Treasury management, as announced in a press release issued on 21 December, an action plan was defined in order to strengthen the internal controls and security measures at level of the Group's treasury, with in particular an overhaul of its procedures. In addition, we strengthened our Internal Control and Internal Audit organisational structures and conducted anti-fraud audits on our major subsidiaries, in order to provide maximum protection against this type of risk in the future.

The organisation, means and methods for controlling these risks are detailed in section 5.4.1 "Ethics, Compliance and Anti-Corruption" in Chapter 5 herein.

### 4.4.3.2 Risk of increased expectations and tightened regulations relating to CSR – Medium net significance level – *Stable*

Mining operation and metallurgical activities are subject to various environmental regulations depending on the country of activity. The products sold by the Group, because they contain metals, are also subject to laws that regulate their marketing conditions. Considering the scientific consensus on the need to ramp up environmental protection actions, these regulations are constantly updated throughout the world. If the regulations become more stringent, the Group may be exposed to additional costs to ensure the compliance of its facilities, or its operating permits for some mines may be challenged, or again, it may face tougher marketing conditions.

The expectations of stakeholders (local communities, administrative authorities, investors and civil society in general) continue to rise in the area of corporate social responsibility. This risk has been continually rising since 2020, due to the COVID-19 pandemic and the growing job insecurity in some regions. Local communities and governments are turning more towards operators to act for local populations. Civil society increasingly sees the company as a player in local life and a legitimate contributor to society. The ability to meet society's expectations is also closely monitored by investors that use non-financial ratings to direct their investments.

#### Risk management

The net level of importance of this risk is considered to be medium because of the system set up by Eramet. In addition to the goal dedicated to relationships with host communities as part of the CSR Roadmap 2018-2023, in 2021 the Group created a Social Impact and Human Rights Department within the Sustainability and Corporate Engagement Department. The primary mission of this Department is to reinforce the contribution component, particularly with local communities impacted by the Group's activities.

The Group has designed procedures specific to community relations that are integrated within the Eramet Management System in order to ensure methodological homogeneity among the various sites concerned. The local contribution plans are decided with the local populations on the basis of their priority expectations.

Since 2022, Eramet has published its contribution to each country's economy on its website every year, which includes the performance of social indicators by each of the subsidiaries and at consolidated Group level. This publication specifically highlights the positive impact on local populations in terms of economic development, infrastructure building, education and improving living and health conditions.

As an illustration, in 2021, Eramet created a CSR Fund to meet the growing expectations of local people, in partnership with the Gabonese State. This fund is dedicated to the implementation of actions with local communities impacted by mining activity in Moanda. These actions cover areas such as infrastructure improvements or support for local economic diversification.

The Sustainability and Corporate Engagement Department, in liaison with the Group Legal Department, coordinates the risk control measures related to legislative and regulatory changes. These approaches carried out under the Group's Responsible Lobbying Policy, are aimed at promoting an approach to regulation commensurate with the risk and based on scientific knowledge of topics. By adopting the highest international societal standards, Eramet limits the risk of finding itself not in compliance with new regulatory principles that may be asked of it in the countries where the Group operates.


NPK
Prélèvement : B17, Le 11-02-2022
Semis : Le 11-02-2022

# 5

# NON-FINANCIAL PERFORMANCE STATEMENT

# 5.1 CSR ISSUES AND APPROACH OF THE ERAMET GROUP

## 5.1.1 Group business model

Eramet is a global mining and metallurgy group and a key player in the extraction and beneficiation of metals (manganese, nickel, mineral sands). The Group supports the energy transition by developing high growth potential activities such as extraction and refining of lithium and recycling. Eramet is positioned as its customers' preferred partner in the steelmaking, stainless steelmaking, aeronautics, pigments, energy and new-generation batteries industries.

Since 2021, the Group has had a defined purpose: "**Become a reference for the responsible transformation of the Earth's mineral resources for "living well" together.**" **This purpose is explicitly stated in the Articles of Association.**

Relying on operational excellence, high-quality investment and the know-how of its employees, the Group has a virtuous industrial, management and societal model that creates value. As a corporate and fiscal citizen, Eramet works to achieve a sustainable and responsible industry. With a presence in 20 countries, Eramet has 9,090 employees within the new scope, and 4,674 employees working in operations fields which are in the process of being discontinued, in the production and transformation of high added-value alloys (high-speed steel, high-performance steel, superalloys, aluminium or titanium alloys). In 2022, the Group's turnover was €5 billion from continuing operations and €837 million from discontinued operations.

The infographic illustrating the business model is available in the integrated report, which can be found at the beginning of this document. This graphical representation shows the Group's strategy, resources, activities and the value created for its various stakeholders. The activities and markets in which the Group operates are detailed in the integrated report.

## 5.1.2 Materiality matrix

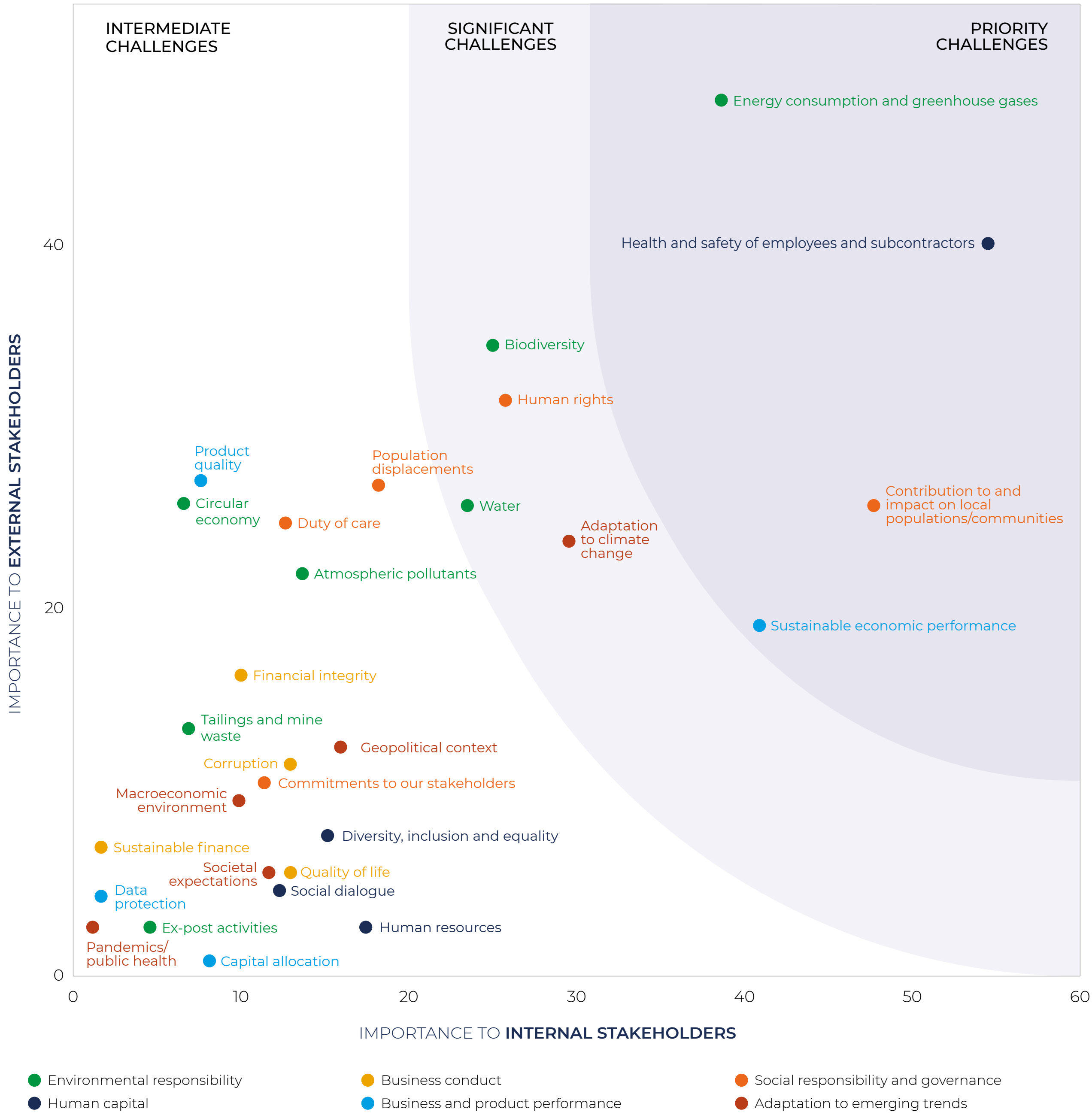
**In 2022, Eramet updated its materiality matrix**, which was originally drawn up in 2019. Cross-referencing the importance of CSR issues to the company with stakeholders' expectations about these issues, the materiality analysis helps to drive an open and dynamic CSR strategy.

To conduct the materiality analysis, the expectations of the Group's stakeholders were assessed once again, by a third party. Over 600 stakeholders, both within the company and outside of it (compared with around 400 in 2019) were asked to rank 29 issues, in order of importance to them. The issues fall into six broad categories: human capital, business and product performance, environmental responsibility, social responsibility and governance, business conduct and adaptation to emerging trends.

The selected panel comprised Group directors, managers and site directors and employee representatives from inside the Group; and customers, suppliers, public authorities, NGOs, civil society associations, professional associations, banks, investors and shareholders, partners, journalists, ratings agencies and researchers and universities from outside the Group. The consultation was based on a questionnaire with 236 respondents (as opposed to 115 respondents in 2019), and ten individual interviews (eight in 2019). All responses were anonymised and equally weighted prior to consolidation.

This materiality matrix demonstrates that Eramet is in line with stakeholder expectations, because all the issues identified as high priority or high significance are taken into account in the Group's CSR Roadmap. Employees' health and safety, energy consumption and GHG emissions, care for local populations and communities in areas where we operate, and sustainable economic performance are the four top-priority issues. The stakeholders recognise the Group's expertise in managing its energy consumption and GHG emissions, and urge it to continue with these efforts. Climate-related issues are perceived as most important from an environmental standpoint, ranking above other environmental issues surrounding mining, such as the management of tailings and mining waste. Issues relating to human capital are not perceived as being material, because they are part of the Group's ordinary activities, and are already well managed.

The results of the materiality analysis are presented in full in the table shown below. In addition to stakeholder expectations in relation to the Group, this approach confirms the relevance of the Group's CSR objectives. The integrated report also presents an overview of the Group's relations with all of its stakeholders.




PRIORITY CHALLENGES (chosen by 30% or more of respondents)
SIGNIFICANT CHALLENGES (chosen by 25-30% of respondents)

INTERMEDIATE CHALLENGES (chosen by 25% or fewer of respondents, including the top intermediate challenges chosen by 15-25% of respondents)

## 5.1.3 CSR risk assessment

In addition to its risk mapping exercise that takes account of CSR risks (risk management is described in Chapter 4), Eramet, with the support of its stakeholders, has developed specific risk maps in three particular areas:

- the environment;
- human rights; and
- anti-corruption.

This comprehensive work on risk assessment provides the Group with a precise view of the challenges it faces.

The table summarises the main CSR risks that have emerged from the various risk mapping exercises(1). The order in which the risks are presented has no relation to the impact or occurrence of that risk.

OVERVIEW OF THE ERAMET GROUP'S CSR RISKS

| Main CSR risks | Stakeholder expectations | Information in Non-Financial Performance Statement | | CSR Roadmap 2018-23 objective |
|---|---|---|---|---|
| ENVIRONMENTAL RISKS | | SECTION 5.2 | | |
| Atmospheric emissions | OO | 5.2.3.1 | Airborne emissions | Objective 11 |
| Historical soil pollution | O | 5.2.3.3 | Rehabilitation of closed industrial sites | |
| Production of waste (hazardous and non-hazardous) | OO | 5.2.4.1<br>5.2.4.2 | Optimisation of the consumption of primary raw materials<br>Waste prevention and recovery | Objective 7 |
| Water consumption | OOO | 5.2.5<br>5.2.7.3 | Optimisation of water consumption<br>Management of impacts on water resources | Under development |
| Emissions into water | OOO | 5.2.3.2<br>5.2.7.3 | Aqueous waste<br>Management of impacts on water resources | Objective 12 |
| Climate change – energy consumption and GHG emissions | OOO | 5.2.6 | Fight against climate change | Objective 13 |
| Production and storage of waste rock and tailings | OO | 5.2.7.2<br>5.2.7.4 | Responsible resource management<br>Tailings and mine waste management | Objective 7 |
| Increase of erosion and impacts associated with rainwater run-off | OOO | 5.2.7.3<br>5.2.7.5 | Management of impacts on water resources<br>Rehabilitation of mining sites | Objective 12 |
| Biodiversity | OOO | 5.2.8 | Preservation of biodiversity | Objective 12 |
| SOCIAL RISKS AND HUMAN RIGHTS | | SECTION 5.3 | | |
| Security, health and safety of employees | OOO | 5.3.2.1<br>5.3.2.2<br>5.3.2.3 | Employee safety<br>Employee health<br>Employee security | Objective 1 |
| Attracting/retaining talent | OO | 5.3.2.4 | Promotion and development of employees | Objectives 2, 3 |
| Discrimination/harassment | OO | 5.3.2.4.4 | Equal opportunities, measures to foster non-discrimination and diversity | Objective 4 |
| Impacts on human rights of communities | OO | 5.3.3 | Commitments to communities | Objective 5 |
| ETHICAL RISKS (IN BUSINESS RELATIONS) | | SECTION 5.4 | | |
| Risk of corruption in relations with customers and suppliers | O | 5.4.1 | Ethics, Compliance and Anti-Corruption | Objective 9 |
| Risk of potential conflicts of interest | O | 5.4.1 | Ethics, Compliance and Anti-Corruption | Objective 9 |
| Non-compliance with ILO conventions in the supply chain | OO | 5.4.2 | Responsible value chain | Objective 10 |

*Legend: OOO = regarded as a major issue by stakeholders; OO = regarded as a major issue for internal or external stakeholders and O = regarded as a moderately important issue.*

*(1) As matters relating to societal commitments to combat food waste, food insecurity, respect for animal welfare and responsible, sustainable and fairly traded food are not significant for the Group, they are not included in a specific report.*

The measurement of stakeholder expectations shown above has been assessed on the basis of the materiality analysis carried out in 2022.

In order to facilitate the reading of Eramet's Non-Financial Performance Statement, a themed approach has been adopted: environmental protection (5.2), the Group's social and societal commitments (5.3), in particular respect for human rights and the social consequences of its activities, and business ethics (5.4), focusing in particular on the fight against corruption and tax avoidance.

## 5.1.4 Group CSR approach

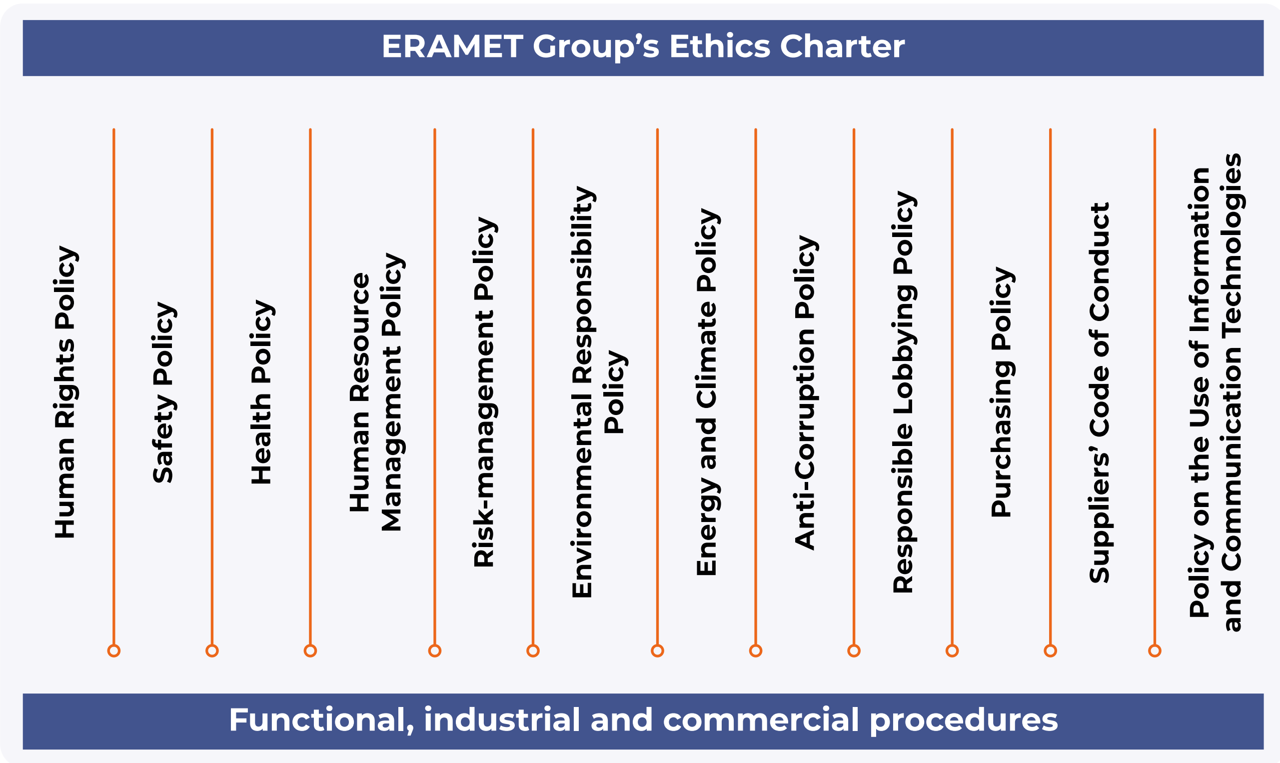
Eramet's corporate social responsibility approach is based on the Group's stated purpose, a platform of reference legislation, a progress plan characterised by the CSR Roadmap 2018-2023, and integrated organisation of governance.

### 5.1.4.1 Group charter and policies

Due to the nature of its mining and industrial activities, and aware of its strong interaction with the local areas in which it operates, Eramet is focused on all matters related to sustainable development (SD) and corporate social responsibility (CSR). The Group is committed to a responsible approach and continuous improvement.

The Group framework of commitments, made up of its charters and policies, presents the fundamentals of the Sustainable Development approach of Eramet, a committed corporate citizen.

**The Eramet Management System CSR commitment framework**




The foundation of the Group's reference frameworks is formalised in a management system: Eramet Management System (EMS). These are baseline commitments and common standards, applicable by all Group companies and their employees. **It consists of an ethics charter, policies and procedures**.

Thus, the policies form a set of principles, standards, and behaviours that translate the long term intentions of the Group concerning the nature of its activity and the company's relations with the main internal (staff and their representatives) and external stakeholders (suppliers, customers, shareholders, competitors, etc.). They were adopted on subjects considered to be essential in terms of performance and commitment for the Group. These main principles are then translated into functional, industrial or commercial procedures. Thus, the latter determine the Group's requirements guidelines, with a concern for ensuring compliance with the Group's commitments and minimising related risks.

Implemented in 2015 and reviewed in 2020, the Group's Ethics Charter sets out the rules and principles of action and behaviour that are applicable to and binding on all Group employees. It encompasses the Group's and its employees' commitments in a number of areas, notably development, stakeholder relations, employee safety, protection of the environment, security, customer engagement, social dialogue, combating harassment and discrimination, transparency, anti-corruption, compliance with competition rules and others. As a standard charter, it has been translated into all 12 languages of the countries in which the Group operates, and is supported by an employee e-learning programme covering all topics relating to business ethics.

The Group uses dedicated policies to clarify its commitments on specific themes, and are detailed in the sections on these topics. All of these policies can be found on www.eramet.com. To raise employee awareness of the principles of these policies, theme-specific e-learning courses are rolled out each year, for example, on human rights, safety, business ethics and the environment.

### 5.1.4.2 Group commitments

Faced with global challenges, the Group works in line with shared, recognised international approaches to achieve sustainable development.

The Group has also undertaken to contribute to the UN Sustainable Development Goals (SDGs), in order to build a more sustainable, inclusive world. These SDGs continue to be incorporated into the global and national political scene and the economic and financial spheres. They thus appear to be a pertinent framework for action, constituting an agenda by 2030 through which all players (public, private, civil) can commit to sustainable development.

Four SDGs stand out, to which Eramet makes a particular contribution through its economic and production activities:

- **SDG 8 "Decent Work and Economic Growth"**, for the creation and provision of decent work and economic growth, created directly by the Group's entities and with local communities (local content);
- **SDG 12 "Responsible production and consumption",** particularly through sustainable development targets for natural resources, reducing waste and corporate social responsibility;
- **SDG 9 "Industry, innovation and infrastructure",** by working to establish a sustainable and modern industry in different countries, and through its products to assist the development of the required infrastructure, particularly in terms of construction and mobility;
- **SDG 13 "Climate action"**, with its actions regarding its energy and climate footprint and its positioning on the metals of the energy transition.

This contribution meets the expectations expressed by Eramet's stakeholders. An analysis based on the Group's materiality matrix shows that the SDGs to which Eramet's strategy specifically contributes are in line with the SDGs regarded as a priority by the stakeholders surveyed by the Group.

This is notably the case of the United Nations Global Compact, a reference international initiative for voluntary commitment to societal responsibility. Open to all kinds of organisations, it promotes four areas of action: human rights, labour law, the environment and anti-corruption.

Eramet supports the fundamental values upheld by the Global Compact through its adhesion to the Compact, which is in keeping with its CSR approach and its day-to-day actions. With the aim of continuously improving its level of societal responsibility, Eramet has pledged to continue incorporating these principles of the *Global Compact* into its strategy, organisational culture and operations.

Each year, the Group publishes its Advanced level Progress Report, integrated in its Non-Financial Performance Statement and its Vigilance Plan. Eramet uses these two annual publications to report on implemented policies, actions and results. A reconciliation table is provided at the end of the Universal Registration Document.

These major global goals are an external reference framework used by businesses to structure their CSR strategies. They are what Eramet referred to when it was designing its CSR Roadmap. Other SDGs are positively impacted by the Group's activity, such as SDG 3 Good health and well-being, and SDG 4 Quality education. Details of this contribution are presented in the integrated report – which covers Eramet's CSR strategy – and are provided in each section of the Non-Financial Performance Statement.

Eramet is also committed to other industry-specific or themed initiatives, such as the Extractive Industries Transparency Initiative (EITI) and the Responsible Minerals Initiative (RMI), presented throughout the Non-Financial Performance Statement. In relation to biodiversity, in 2021, Eramet was approved as a member of the Act4Nature International initiative, and recognised as SMART by the scheme's Steering Committee. This commitment is presented in detail in section 5.2.8, "Preservation of biodiversity". In addition, Eramet actively monitors and participates in the development of guidelines for the mining industry, promoting responsible mining and enabling reporting to stakeholders.

Eramet recognises the Initiative for Responsible Mining Assurance (IRMA) as the reference framework which the Group wishes to use in developing its mining-related activities and projects. IRMA is approved by numerous actors in the battery value chain, NGOs, and institutions connected with mining activities.

## 5.1.5 Management of the CSR strategy

### 5.1.5.1 CSR Roadmap 2018-2023

The Eramet Group has developed a Roadmap to guide its CSR performance. The Roadmap is a comprehensive tool that addresses its challenges and risks and integrates its contribution into the United Nations SDGs. This Roadmap, which links CSR priorities and the pillars of the Group's five-year strategic vision, covers the 2018-2023 period.

The CSR Roadmap comprises 13 goals, divided into three areas:

- commitment to people;
- commitment to economic responsibility;
- commitment to the planet.

The CSR Roadmap, which was shared with and approved by the Strategy and CSR Committee and the Board of Directors in 2019, has since been reviewed periodically, at least once a year. The Committee, made up of directors with recognised expertise, is tasked with assisting the Board and, in particular, evaluating the consistency between the Group's strategy and the CSR principles to which the Group adheres, ensuring that management performs an analysis of internal or external factors related to CSR issues (risks and opportunities) impacting the Group, ensuring that the Vigilance Plan is implemented in accordance with legislative requirements, taking note of the main findings and observations of the work of the independent third-party body in the context of CSR regulations, assessing them and examining the management action plans, including the Roadmap.

The Executive Committee also closely monitors the progress of the commitments made, during interim reviews carried out based on careful internal management and organised on a quarterly *ad hoc* basis, the CSR Steering Committee. This Committee comprises representatives of the Departments in charge of the CSR Roadmap objectives and business-line experts (HR, Finance, Environment, Strategy, Societal and Human Rights Impact, Ethics, Purchasing, Commerce, Digital Transformation, and operational Divisions). It also generates proposals and initiatives for the Group, with the aim of continuously improving its CSR approach. Actions pertaining to the Group's Vigilance Plan, incorporated into the Roadmap when it was designed, are also monitored in this context.

A genuine commitment framework for Eramet, the CSR framework and its progress are regularly reported throughout the year to the Group's different stakeholders. These discussions provide an opportunity for dialogue on topics relating to the company and sustainable mining practices, with diversified audiences, both internal (employees, managers, employee representatives) and external (investors, public authorities, customers, suppliers, etc.).

For each of the 13 goals, a specific action plan and monitored annual objectives have been developed. The table below shows the 13 Roadmap goals, the 2023 indicator, the results achieved in 2022, performance for the year and the progress made towards each objective since 2018.

| Focus area | Objective | SDG contribution | KPI 2023 | 2022 results | Annual performance |
|---|---|---|---|---|---|
| COMMITMENT TO PEOPLE | 1 – Ensure the Health and Safety of employees and subcontractors | 8 DECENT WORK AND ECONOMIC GROWTH; 3 GOOD HEALTH AND WELL-BEING | Zero fatalities<br>Workplace accident frequency rate with and without work stoppage FR2 < 4 | FR2 = 1.6<br>0 serious accidents | |
| | 2 – Build skills and promote talent and career development | 8 DECENT WORK AND ECONOMIC GROWTH | 100% of Worldwide employees participate in at least one training course per year | 85% of employees | |
| | 3 – Strengthen employee engagement | 8 DECENT WORK AND ECONOMIC GROWTH | Group employee engagement rate > 75% (barometer) | 70% (last survey conducted in 2021) | |
| | 4 – Integrate and foster the richness of diversity | 8 DECENT WORK AND ECONOMIC GROWTH; 5 GENDER EQUALITY | 30% of managers are women | 25.7% of managers are women | |
| | 5 – Be a valued and contributing partner to our host communities | 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH | 100% of sites have established a mechanism for dialogue with local stakeholders<br>100% of sites have implemented an investment programme to contribute to local development, with a focus on actions in favour of young people | 100% of industrial sites: dialogue and IFC-compliant community investment (CI)<br>100% of mining sites since 2021 | |
| COMMITMENT TO ECONOMIC RESPONSIBILITY | 6 – Be an energy transition leader in the metals sector | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION | Committed diversification of Eramet's business portfolio in relation to the supply chain for electric mobility batteries | Launch of the building phase in the Centenario project<br>Launch of a more detailed feasibility study phase prior to FID on the Sonic Bay project<br>Recycling project progressing well: €80 million in subsidies from the EU and the French State | |
| | 7 – Actively contribute to the development of the circular economy | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Quantities (t) of additional materials recovered through the circular economy action plan 2 Mt of low-grade incidental ores and tailings recovered over the 2019-2023 period<br>10 kt of waste recovered in the period 2019-2023 | 2311 kt recovered<br>185,000t recovered | |
| | 8 – Be a reference company in terms of respect for human rights in our field of activity | 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | Recognition for our application of the United Nations Guiding Principles, measured by reaching a mature level according to the UNGP Reporting Framework (Shift-Mazars) | 1) IRMA self-assessment (Senegal and Argentina)<br>2) SHIFT assessment of the Group's Human Rights policy<br>3) External audit of complaint-handling systems on mining sites | |
| | 9 – Be an ethical partner of choice | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 100% of sales and purchasing teams trained on anti-corruption every year | 100% of purchasers and salespeople trained | |
| | 10 – Be a responsible company of reference in the mining and metallurgy sector | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 100% of the Group's suppliers and customers identified as high-risk are in line with Eramet's CSR/Ethics commitments[1] | 90% of suppliers and 99% of assessed at-risk customers are compliant | |
| COMMITMENT TO THE PLANET | 11 –Reduce our atmospheric emissions | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Tonnes of ducted dust emitted by industrial facilities: -80% in 2023 compared to 2018 | -69% | |
| | 12 – Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity | 15 LIFE ON LAND; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 6 CLEAN WATER AND SANITATION | Ratio of rehabilitated areas to cleared areas ≥ 1 over the period 2019-2023[2] | 1.21 | |
| | 13 – Reduce our energy and climate footprint | 13 CLIMATE ACTION | KPIs: Reduction of $tCO_2$/t outgoing product (ref. 2018)<br>-26% in 2023 compared to 2018[3] | -40% | |

Performance legend:

- Performance without progress and less than the annual milestone set.
- Performance with progress compared with the previous year but less than the annual milestone set.
- Performance in line with the annual milestone set.
- Performance exceeding the annual milestone set.

*(1) Identified as "high-risk" refers to parties evaluated as critical and/or sensitive (in terms of importance to Eramet or CSR risk – depending on the business activity or country concerned), which must be compliant, verified on the basis of a CSR/Ethics evaluation. If they do not comply following the evaluation, the Group encourages dialogue and support, but reserves the right to terminate the business relationship.*

*(2) Excluding long-term infrastructure.*

*(3) Of which 16.5% is due to the business mix effect related to the Group's strategic choice to develop its mining activity, which is lower in emissions than its processing activities.*

To assess the overall progress of its Roadmap, Eramet measures its CSR performance indicator based on the year's achievements[1]. For 2022, the indicator reached 114.6% (100 indicating validation of all targets). Most of the objectives set for the year were achieved. Some of them even exceeded their annual milestone. For example, the Group surpassed its objectives in terms of safety, community relations, waste and residue recovery, anti-corruption training, monitoring of at-risk suppliers and reducing its energy and climate footprint.

For certain indicators, such as employee training and increasing the number of women in managerial positions, performance fell short of the set objective, but continued to exhibit a constant upward trend. Work began in 2022 to develop the next Roadmap, and the new trajectory will be promulgated during the course of 2023.

### 5.1.5.2 CSR organisation

Eramet's commitment is reflected in the Company's involvement at the highest levels and the fact that the Group's highest priority CSR issues are addressed at each level of management.

**Group organisation**


*(1) The method used to calculate this indicator is described in the methodological note provided in section 5.5.*

**The objectives and action plans of the CSR Roadmap are implemented across all the Group's Divisions and operational entities.** The proper implementation of these schemes is supported by the establishment of **working groups and cross-cutting focus groups: CSR, Biodiversity, Mining Environment, Sustainable Purchasing, Sustainable Sales, Human Rights, Ethics.**

Furthermore, Eramet pays particular attention to the integration of social, environmental, health and safety, cultural and societal criteria in the **design and development of its projects**. By aligning its standards with the most demanding international standards (Equator Principles, World Bank Group standards – IFC), the Group has undertaken to build long-term relationships with its stakeholders wherever it operates, in accordance with specific rules, cultural norms and current science based facts. The Sustainability and Corporate Engagement Department is systematically represented on the Project Steering Committees. Section 5.4.5 of this chapter details the application of these general principles to all the Group's projects.

Eramet has put in place monitoring and control measures and tools to ensure the concrete implementation of its objectives throughout its scope of activity. These tools include **dedicated information systems** that collect and consolidate data and indicators for all Group companies. Details of the guidelines and tools used to produce this information are available in the methodological note in sections 5.5 and 5.6.

The Group also relies on an **internal audit system** for the performance of its entities, especially in the areas of environment, health, safety, energy, human rights and ethics. The data from these audit and control systems is used to feed the Group's continuous improvement approach.

The Eramet Group's **Vigilance Plan** and its update report, referring to the Non-Financial Performance Statement, are attached to this Universal Registration Document.

# 5.2 ENVIRONMENTAL PROTECTION

## 5.2.1 Challenges, policy, objectives, organisation and resources for the prevention of environmental and industrial risks

### 5.2.1.1 Environmental issues and risks for Eramet industrial sites

The Group's industrial and mining sites carry out activities that are sometimes very different from each other in geographical areas that are themselves diverse. The 36 mining and industrial sites (including 16 industrial sites where activities are being discontinued) are closely monitored.

The environmental issues and risks specific to the Group's mining operations are described in detail in the section dedicated to the mining environment (5.2.7).

The following table aims to give an overview of the major environmental issues and risks for the major categories of the Group's industrial sites. The purpose of this summary is to help the reader in their understanding: it is necessarily macroscopic and schematic and cannot completely reflect the diversity of the issues and risks for each site taken individually. Some sites also include activities in several of the categories presented here. Moreover, the majority of the industrial sites located in France fall under the ICPE (classified facilities for environmental protection) regime and some are under SEVESO status.

TABLE SUMMARISING THE ENVIRONMENTAL ISSUES AND RISKS AT ERAMET'S INDUSTRIAL SITES

| Challenges/Risks | Pyrometallurgical sites[(1)] (furnaces) – Sites within Eramet's new scope | Development and processing metallurgical sites[(2)] (rolling mills, forging, die-forging, heat treatment etc.) – Sites in the process of disposal | Comments |
|---|---|---|---|
| **Water consumption** | *** | ** | Water consumption on the vast majority of the Group's industrial sites is linked to industrial equipment cooling loops. The water consumed in these processes does not undergo any transformation. In addition, the vast majority of sites work in closed loops, which greatly reduces the demand. In other cases, water is returned to the natural environment. |
| **Emissions into water** | ** | * | All industrial waters are managed in accordance with applicable regulations, with tailored monitoring of the elements emitted. |
| **Atmospheric emissions** | **** | ** | Sites that have metallurgical furnaces or electricity generation plants are the sites that amass most of the Group's atmospheric emissions (dust, nitrogen oxides or sulphur). The main sources of emissions from installations are equipped with capture and treatment equipment, in accordance with applicable regulations. |
| **Energy consumption/ greenhouse gas emissions** | **** | ** | Sites that have metallurgical furnaces and/or electricity generation facilities are the sites that represent the bulk of energy consumption and greenhouse gas emissions. |
| **Production of hazardous waste** | *** | ** | Pyrometallurgical activity produces dust, sludge and slag, which, depending on their intrinsic characteristics and locations of operation, can be considered hazardous waste. |
| **Impact on biodiversity** | * | * | The Group's industrial sites are mainly located in urban and industrial areas. |
| **Risks of historical soil pollution** | *** | *** | The production sites are generally designed on soil protection slabs and the storage of hazardous products is equipped with retention systems, which reduces the risk of soil contamination. However, as industrial practices have evolved, the oldest sites may present risks of historical soil pollution. |

Legend:

* *Low.*

** *Moderate.*

*** *Significant.*

**** *Major.*

(1) *Comilog Dunkerque (France), CIM and C2M (Gabon), Eramet Marietta (United States), Eramet Norway (Kvinesdal, Sauda and Porsgrunn in Norway), SLN Centrale B and Doniambo (New Caledonia), ETI (Norway), Aubert & Duval Les Ancizes (France), Erasteel Commentry (France).*

(2) *EcoTitanium, Interforge, UKAD (France), the Aubert & Duval sites in Firminy, Imphy, Issoire, Les Ancizes, Pamiers, Aubert & Duval's sites in Irun (Spain), Erasteel Champagnole, Erasteel Commentry (France), Erasteel Kloster (Langshyttan, Söderfors, Vikmanshyttan in Sweden), EIML (China), SQUAD (India).*

Note that the noise or light pollution does not represent a significant environmental impact. The various sites concerned respect the noise levels stipulated in their operating licences, and the subject does not appear as significant in the assessment of litigation made by the Group.

### 5.2.1.2 Environmental policy and objectives

Eramet has four key environmental objectives:

- **strict compliance with the laws and regulations applicable to its activities;**
- **the implementation of environmental management systems certified in accordance with ISO 14001 for all industrial and mining sites with significant environmental issues.** The indicators and results relating to these first two objectives are detailed in section 5.2.2;
- **incorporating environmental issues as comprehensively as possible into the design of industrial and mining projects,** as set out in the Group "Incorporation of HSE/CSR factors in projects" process updated in 2021. How this commitment is applied in the Group's major projects is detailed in section 5.4.5 "Governance of the sustainable development of industrial and mining projects"; and
- **and the voluntary and continuous reduction of the Group's environmental footprint.** Four key objectives for reducing the environmental footprint corresponding to the Group's major challenges have been defined for the 2018-2023 period as part of the CSR Roadmap, and are set out below.

## CSR Roadmap

| Theme | Objective | KPI 2023 | 2020 results | 2021 results | 2022 results | Progression 2018-2023 |
|---|---|---|---|---|---|---|
| CIRCULAR ECONOMY | 7 – Actively contribute to the development of the circular economy | **Indicator:** Quantities (t) of additional materials recovered through the circular economy action plan | | | | |
| | | **Objectives:**<br>• **2 Mt of tailings and low-grade incidental ore recovered** over the period 2019-2023 | 990 kt recovered | 1,227 kt recovered | 2,311 kt recovered |  |
| | | • **10 kt of waste recovered** in the period 2019-2013 | 50,000t recovered | 127,000t recovered | 185,000 t recovered |  |
| AIR | 11 –Reduce our atmospheric emissions | **Indicator:** Tonnes of ducted dust emitted by pyrometallurgical industrial facilities<br>**Objective:** -80% in 2023 compared to 2018 | -56% compared to 2018 | -64% compared to 2018 | -69% compared to 2018 |  |
| BIODIVERSITY / MINE REHABILITATION | 12 – Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity | **Indicator:** Ratio of rehabilitated areas to cleared areas<br>**Objective:** Ratio **≥ 1** for the period 2019-2023 (1) | Ratio: 1.03 | Ratio: 1.32 | Ratio: 1.21 |  |
| GREENHOUSE GASES | 13 – Reduce our energy and climate footprint | **Indicator:** $tCO_2$/t outgoing product<br>**Objective: - 26 %** in 2023 vs. 2018 | -25.4% compared to 2018 | -39% compared to 2018 | -40% compared to 2018 |  |

*(1) Excluding long-term infrastructure.*

The results at year-end 2022, detailed below in this document, reflect progress in the achievement of Roadmap environmental goals, in a context marked by a significant growth of volumes produced by the Group. It should be noted, however, that the target of an 80% reduction in channelled dust will not be met by year-end 2023, due to the delayed delivery of a new treatment unit in Gabon. In 2020, Eramet had formalised its new Environmental Responsibility policy (available on www.eramet.com). This policy is the follow-up to a series of various documentation. In addition to the Energy and Climate Policy, it centralises and clarifies Eramet's commitments to biodiversity protection, protection of water resources and aquatic environments, conservation of air quality, safe handling of tailings and mine waste, mine rehabilitation, the circular economy and the optimum beneficiation of deposits, and product responsibility.

The reduction of the environmental footprint targeted by the Group is in line with the development of responsible industrial practices supported by SDG 9 on "Industry, innovation and infrastructure." With its circular economy, waste recovery and emission reduction objectives, Eramet is responding to SDG 12 on "Responsible consumption and production" and is particularly committed to targets 12.2 on "Sustainable use of natural resources", 12.4 on "Chemicals and waste management" and 12.5 on "Prevention, reduction, recycling and reuse of waste." The steps taken by Eramet to limit its impact on biodiversity, the work done by nature itself and the water resources around its sites contribute directly to SDG 6 "Clean Water and Sanitation" and 15 "Land Life".

The Group is also contributing to SDG 14 "Aquatic Life" and is committed to preventing marine pollution by prohibiting the dumping of tailings at sea and by promoting a regulatory ban.

Finally, aware of the urgency of climate issues, Eramet contributes to the climate-related SDG 13 and its target 13.1 "Build resilience and adaptive capacity in all countries to climate-related hazards and natural disasters", and does so on the one hand by reducing its Energy and Climate impact, and on the other, by developing projects in favour of energy transition, such as the Lithium project, a critical metal for electric mobility.

### 5.2.1.3 Organisation and instruments for the prevention of environmental risks

To implement its objectives, the Group relies on a network of internal experts and on a structured organisation:

- the Environment Department defines the Group's benchmarks, coordinates the general dynamics of continuous improvement, implements the control mechanisms of internal standards and provides expert technical support to the sites and projects; and
- the Technical Department, through internal groups of experts known as an International Competence Group (ICG), develops the good practices and/or standards that are built into the Group's operating system. These sector-specific ICGs conduct periodic audits to assess the implementation of these good practices and their maturity level.

In total, across the Group, there is a network of departments dealing with Environment, Energy and Climate, comprising almost 150 people. Monitoring and control systems constitute one of the key strengths of the Group's environmental management.

A dedicated environmental IT system has been fully deployed in all industrial and mining sites, allowing for the collection and consolidation of environmental and energy performance indicators.

Since 2020, the control environment has been strengthened, with the implementation of the Eramet Management System, which now includes five mandatory application procedures for Group sites:

- environmental, energy and industrial risk requirements for sites;
- HSE/CSR requirements for projects;
- requirements for chemical risk prevention (new procedure that compiles and explains the requirements already stated in various documents);
- Technological risk management procedure;
- Waste storage structures management procedure (new procedure).

The Group's internal control system is used to verify application of these procedures, as well as a system requiring internal audit of the environmental performance of its entities. The audit guidelines are structured around three pillars: human involvement, operational control and prevention. It takes full account of ISO 14001 requirements and automatically includes an ESG (Environmental, Social and Governance) section. Joint teams comprising Internal Auditors (Corporate, Divisions and Sites) conduct these audits over several days to provide a detailed overview of the environmental performance of sites. The sites may also receive targeted audits on certain issues. These audits may be carried out by external service providers if necessary. In addition, in 2022, a self-assessment was conducted, using the requirements of the Initiative for Responsible Mining Assurance (IRMA), on an operational mine and a project under construction.

Corrective action plans are defined at the end of each audit and, for all risks considered significant, a quarterly report on the implementation of corrective actions is consolidated at Corporate level.

In 2022, Eramet rolled out the Eramet Production System (EPS), the professional foundations of which are based, notably, on ICG best practices and on the Group's professional expertise. The establishment of the EPS is a new means of ensuring the promulgation of a uniform culture of prevention, by integrating environmental 'Golden Rules' in the company's day-to-day practices.

### 5.2.1.4 Organisation and instruments for the prevention of industrial risks

The main industrial risks to which the Group's sites may be exposed are fire, explosion (including, for certain sites, related to the risk of contact between water and molten metal), machine breakdown on critical, geotechnical (tailings stockpiles, tailing dams, landslides) equipment, and natural events (floods, storms/cyclones, etc.).

Eramet focuses specifically on preventing these risks as early as possible in its industrial and mining projects, by identifying major accident scenarios and their causes and impacts, and by setting up prevention and/or protection safeguards (important components of safety) that reduce the probability or severity of an event.

For sites in operation, the industrial risk control system is based primarily on the programme of insurance engineering visits to industrial sites with a two-year cycle, in close collaboration with insurers, the broker and the Group Insurance Department.

Any significant risk detected during these audits results in a corrective action plan implemented by the site concerned. Summary reporting on the monitoring of corrective actions takes place twice a year, to ensure compliance with Eramet's industrial risk standards and progress on the recommendations made by the insurer during its prevention inspections.

In addition, Eramet carries out regular third-party audits of its waste rock stockpiles and tailing dams to ensure the control of associated geotechnical risks.

Finally, the Group has implemented crisis prevention and management procedures. These procedures focus on three action areas:

- crisis prevention: identification of weak signals and operational response thereto, crisis simulation exercises so that each person knows their role and in order to continually improve emergency planning (in conjunction with the Group industrial risk standards);
- serious incident management: definition of a serious incident, Group reporting, feedback;
- crisis management: the sites define their own emergency plans (contingency plan, ERP or other), the corporate crisis management system includes procedures for escalation of alerts, assessment of their severity, organisation into crisis units if required and feedback.

These procedures were rolled out across all Group sites.

### 5.2.1.5 Financial resources devoted to environmental preservation

Environmental expenses are estimated at nearly €32 million in 2022, and approximately €72.6 million for the last three years. For example, they include the installation of new decontamination equipment or work performed in order to mitigate the impacts of activities. They also cover the strictly environmental portion of new capital expenditure projects.

**2020-2022 EXPENSES FOR THE ENVIRONMENT**

| | |
|---|---|
| Others, including biodiversity protection | 14% |
| Prevention of water pollution | 56% |
| Prevention of air pollution | 23% |
| Waste management | 7% |

Just over half of 2022 environmental expenses were dedicated to preventing water pollution and around a quarter to preventing air pollution.

In addition, the Group has invested over €40 million in decarbonisation since 2019.

At mining sites, most investments focus on preventing water pollution, such as the development of new ponds, and carrying out rehabilitation work, such as re-vegetation – though manual and semi-mechanised planting in Senegal and New Caledonia, and by drone in Gabon, and restoration work on the Moulili River in Gabon. This work is supplemented by actions to protect biodiversity, such as the wildlife monitoring system in Gabon (camera traps), R&D for the preservation of endemic plant species in New Caledonia and the relocation of vulnerable species encountered on the mine road in Senegal.

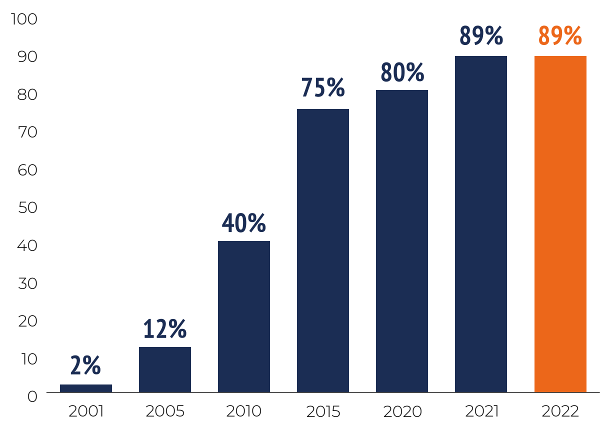
On industrial sites, the greatest investments made in 2022 pertain to activities to reduce dust emissions. For example, on the semi-closed furnaces of manganese alloy production sites in Marietta (United States), Dunkirk (France) and Moanda (Gabon), upgrades have been carried out to the filters, and on the closed furnaces used by Eramet Norway, work has continued to optimise the capture mechanisms in Sauda, Porsgrunn and Kvinesdal (Norway). In Gabon, on the CIM site, the sintering chain has continued with its plan to reduce dust emissions, and is working towards getting a new filtration system up and running in 2024. As for preventing water pollution, Eramet Norway's sites have continued with the upgrading work, and a new treatment unit entered service in late 2022 at the Kvinesdal site (Norway).

## 5.2.2 ISO 14001 certifications and environmental compliance indicators

It should be noted that since 2013, the Group measures the progress of its ISO 14001 certification target for sites likely to have a significant impact on the environment. All industrial and mining sites in operation are concerned.

As at the end of 2022, sites that had obtained ISO 14001 certification represented 89% of the target objective. **All mining sites hold ISO 14001 certification, with the exception of the new mining site in Okouma (Comilog), which should be certified by 2025**, once the project development phase is finished. **In late 2022, Eramet Ideas began the process of seeking certification of its battery recycling process**. The aim is to obtain ISO 14001 certification in the first quarter of 2024.

**Evolution of ISO 14001 certified sites**




### Environmental compliance indicators

The Eramet Group promotes a policy of strict legislative compliance, transparency and dialogue with the administrative authorities in all circumstances, particularly in the event of temporary difficulties or special operating conditions. The objective is to ensure that each Group entity strives towards optimal compliance in the applicable environmental legislation.

To measure the achievement of this objective, the Group monitors four indicators:

- **Type 1 – weak signals**: Written warning by the authorities as a reminder of a deadline which, if not observed, could lead to formal notice: (known in the US as a "notice of violation"), a third-party claim against a Group entity or in the media;
- **Type 2 – Declaration of regulatory gap and notice by the authorities to make the site compliant by a specific deadline in order to avoid a fine:** in mainland France, New Caledonia, Gabon: formal notice; in the US: a notice of enforcement or consent agreement between the authorities and the operator, or an administrative order;
- **Type 3 – Legal action before an administrative or judicial court:** third-party claim seeking the remedy of a damage on the grounds of environmental law, third-party claim against an environmental administrative permit issued to a Group entity, claim by a Group entity against an administrative decision, legal proceedings following a notice of violation or a third-party claim against a Group entity;
- **Type 4 – Actual sanction:** administrative sanction (fine, consignment, ex officio work, suspension, etc.), civil or criminal conviction pronounced against a Group entity.

The indicator trend in recent years is shown below:

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Type 2 – Declaration of non-compliance and notice by the authorities | 2 | 0 | 1 |
| Type 3 – Legal action taken | 0 | 0 | 1 |
| Type 4 – Actual sanction | 2 | 0 | 1 |

In 2022, the company Interforge (France), which the Group is in the process of selling, was hit with an administrative fine following an inspection on the pressurised equipment.

The Tyssedal site (in Norway) was informed, in April 2022, of the commencement of a judicial investigation in connection with non-compliant airborne emissions in 2020. All corrective and preventative measures have been put in place and approved by the administration.

## 5.2.3 Reduction of emissions

### 5.2.3.1 Airborne emissions

| Airborne emissions *(in tonnes)* | | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Sulphur oxides (SOx) | Continuing operations | 13,476.3 | 9,702.6 | 10,216.5 |
| | Discontinued operations | 11.5 | 13.35 | 9.5 |
| Nitrogen oxide (NOx) | Continuing operations | 6,333.9 | 6,552.9 | 6,740 |
| | Discontinued operations | 108.6 | 102.2 | 101.7 |
| Total dust channelled | Continuing operations | 1,117.4 | 914.4 | 790.1 |
| | Discontinued operations | 2.5 | 5.3 | 11.2 |
| Non-methane organic compounds (nmVOCs) | Continuing operations | 205.2 | 132.8 | 126.1 |
| | Discontinued operations | 27.5 | 14.9 | 7.2 |
| Nickel | Continuing operations | 7.7 | 6.1 | 7.1 |
| | Discontinued operations | 0.03 | 0.03 | 0.03 |
| Manganese | Continuing operations | 455.9 | 90.8 | 73.6 |
| | Discontinued operations | 0.02 | 0.02 | 0.03 |

**The main contributors to airborne emissions are pyrometallurgical activities with their fusion plants, heat treatment furnaces and energy production plants.** $CO_2$ emissions are discussed in section 5.2.6.

Airborne emissions may vary as a function of the nature of raw materials and ores used, the transfer and loading technologies in place, the installed capacity of the equipment and especially the sites' activity level.

In pyrometallurgy, channelled dust emissions are generated in the handling of materials, furnaces, grinding and milling operations, as well as operations involving molten liquid metal and slag. In hydrometallurgy, channelled dust emissions are rarer but may occur during the handling, grinding, drying or transfer of materials.

The effluent purification systems generally implemented in the Group's factories are adapted for process discharges. They include electrostatic precipitators, baghouse dust collectors, scrubbers and washing towers. Specific treatment systems for certain pollutants and processes can also be used, such as activated carbon filters or demisters. The different items of equipment are installed according to the characteristics of the effluent and the industrial processes, the target purification performances and regulatory requirements.

Emissions of sulphur oxides (SOx) are generated, in the main, by the thermal power plants (Plant B and the temporary docked power plant in New Caledonia; and to a lesser extent, the Energy plant in Senegal) and the Doniambo plant itself. In 2022, with equivalent production levels, the change in emissions is attributable to the variation of sulphur content in the fuel and raw materials.

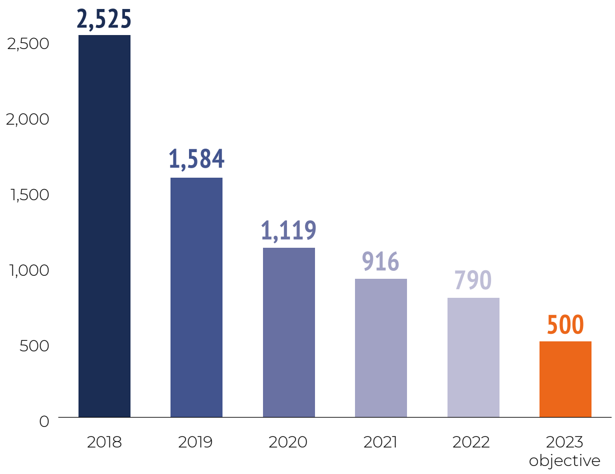
Nitrogen oxide (NOx) emissions are due largely to energy production (thermal power plants operated by SLN and GCO), the Doniambo plant and the sintering chain operated by Comilog in Gabon. The variations observed are in direct proportion to the variations in production, which were equivalent between 2021 and 2022.

Since 2020, the Group has consolidated the NMVOC (non methane volatile organic compounds) of leading emitters in an effort to ensure transparency, although on an absolute basis, the Group's activities contribute little to this parameter. Because of the process used, the sintering chain of the Comilog CIM plant (Gabon) has the highest emissions. The variations are in line with the variations in activity and in raw materials.

In the context of the CSR roadmap, Eramet is committed to a performance indicator that monitors channelled dust discharge from pyrometallurgical sites. The target reduction for 2022 was -47% and the result exceeds the target with a -69% reduction. The aim was to achieve an 80% reduction by year-end 2023. This new reduction target is supported by investment in a new filtration system, the coming on stream of which, in 2024, will see the achievement of the target delayed by a year.

This significant improvement is the result of several works carried out by the sites. The continuation of the plan of action for the Moanda Industrial Complex (CIM) in Gabon, launched in 2019, with significant impacts on emissions (-20% in 2022 as compared to 2021) is an illustration of this. Meanwhile, efforts to ensure that know-how is retained and Group best practices are shared include a special environmental task force which has worked to identify internal benchmarks on the topic of airborne emissions.

**Channelled dust emissions** *(in tonnes/year)*




## 5.2.3.2 Aqueous waste

| Waterborne emissions *(in tonnes)* | | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Chemical oxygen demand (COD) | Continuing operations | 207.3 | 33.4 | 31.9 |
| | Discontinued operations | 32.8 | 25.8 | 27.9 |
| Manganese | Continuing operations | 24.4 | 19.2 | 7.5 |
| | Discontinued operations | 0.1 | 0.1 | 0.3 |
| Nickel | Continuing operations | 2.7 | 4 | 1.7 |
| | Discontinued operations | 0 | 0 | 0 |
| Suspended solids (SS) | Continuing operations | 6,989 | 5,227 | 5,585 |
| | Discontinued operations | 22.9 | 15.3 | 28 |

As with its atmospheric emissions, Eramet is committed to reducing its aqueous waste. Industrial sites are working to improve treatment processes to ensure a better quality of discharged water.

In 2022, notable progress was made on waste processing from the Marietta site (United States) and the Moanda Metallurgy Complex (Gabon), impacting the manganese emissions and the chemical oxygen consumption, respectively.

### 5.2.3.3 Rehabilitation of closed industrial sites

The Group exercises the utmost vigilance against potential impacts on soils and subsoils resulting from its past, current or future activities, both in the area of its industrial and mining activities.

For several years now, Eramet has developed a "soil" expertise cluster to manage the environmental aspect of discontinued activities. This expertise concerns the investigation, monitoring and management of potentially impacted soils. It operates through various projects, such as the rehabilitation of industrial land, the end of life of landfills, or former mines. This expertise is also consulted to improve the prevention of soil pollution on active sites, as well as upstream of acquisitions and disposals. Lastly, this cluster is taking action to strengthen knowledge of the state of the soils and subsoils of the various sites at which the Group operates.

Rehabilitating mining sites is a major focus of the environmental policy; it is described in the "Environmental preservation on mining sites" section (5.2.7) and in section 5.2.8 on "Biodiversity".

## 5.2.4 Circular economy

The circular economy can be defined as a system of trade and production which, at all stages of the product life cycle, aims to increase the efficiency of the use of natural resources and virgin raw materials and reduce the impact of economic activities on the environment.

Eramet has long been committed to this model, which applies to all the resources used: mineral resources, water, energy, raw materials. **Given its business activities, Eramet is particularly active in optimising the use of primary metal resources.** Metals are particularly ideal for growing the circular economy because they are infinitely recyclable.

Eramet's contribution to the circular economy is expressed in four main ways.

| | |
|---|---|
| 1. DEVELOPING NEW ACTIVITIES DEDICATED TO RECYCLING | Since 2019, Eramet has been engaged in the lithium-ion battery recycling project, with the ReLieVe project, in collaboration with BASF and SUEZ, and with the support of the European Union. After several years of research and development, they have demonstrated their ability to recycle electric vehicle Li-ion batteries in a closed loop with a high level of performance.<br>In addition, two recycling programmes developed within the Group since 2017 are part of the operations of which the Group is now divesting itself:<br>• transforming the Erasteel Commentry steel mill (France), now equipped with a recycling line which uses pyrometallurgy to reclaim industrial waste (oil catalysts, scalings and other metalliferous waste) by recovering several strategic metals such as cobalt, molybdenum and nickel;<br>• the EcoTitanium plant (France). EcoTitanium is Europe's leading recycling business for aviation-grade titanium alloys. It produces alloys from massive titanium scrap and chips collected from major aircraft manufacturers and their subcontractors. |
| 2. PARTICIPATING IN INDUSTRIAL AND TERRITORIAL ECOLOGICAL INITIATIVES | Wherever possible, Eramet industrial sites take part in territorial industrial ecological initiatives that provide local residents with the heat, energy or fluids produced by their activities, or conversely, use the fluids produced by nearby plants.<br>For example: the excess steam produced by the Eramet site in Kvinesdal (Norway) is used to heat numerous local infrastructures, and the hot wastewater is reused by several external customers including a fish farm. |
| 3. FOR THE GROUP'S MINING ACTIVITIES: OPTIMAL MANAGEMENT OF MINING RESOURCES | The mining industry plays a crucial role in increasing the efficient use of natural resources. First, by mining ore at the lower grades, in this way the mines produce proportionally less tailings. The environmental impacts associated with the storage of the latter (on the landscape, and on erosion) are therefore reduced. Secondly, by recovering as much mining tailings from ore concentration processes as possible. This makes it possible to recover more resources with an almost constant environmental footprint. Eramet's mining subsidiaries have historically been committed to such approaches: the actions undertaken in this area are described in section 5.2.7.2 "Responsible mining resource management". |
| 4. FOR THE GROUP'S INDUSTRIAL SITES: MAXIMISING RECYCLED FLOWS | Eramet seeks to incorporate as many secondary raw materials as possible into inputs, to avoid using primary raw materials and to maximise the (internal or external) recovery of the waste generated by activities. |

CSR 2023

Through its CSR roadmap, the Group has decided to further strengthen its action to foster a circular economy. Hence the two objectives that have been set, corresponding to the last two priorities of the previous table. The general idea of this approach is to encourage actions that enable the beneficiation of material flows that were previously excluded from this process.

For the 2019-2023 period, the targets are:

- **Recover 2 million tonnes** of tailings and low-grade incidental ore

*These materials were previously considered as waste or tailings, and were stored while waiting to find technical and inexpensive solutions for their beneficiation. The objective is to determine solutions that will contribute to the beneficiation of these materials without significantly enlarging the environmental footprint during the extraction phase, which has already taken place.*

- **Recover 10,000 tonnes** of waste

*Eligible actions are actions that help to enhance waste flows in the waste management hierarchy: re-use > internal or external material recovery (recycling) > energy recovery. The ideal recovery is primarily material recovery, through re-use, internal recycling or external material recovery.*

At year-end 2022, the recovery initiatives were continuing on the main deposits, as reflected by the graphs below.

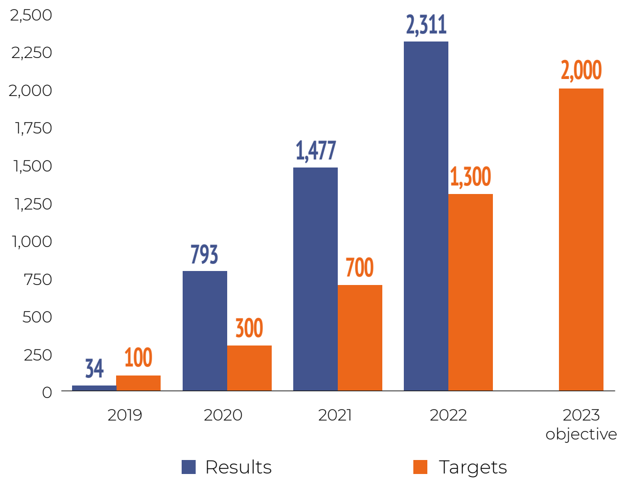
Particular attention is drawn to the following:

- in New Caledonia, the slag left by SLN's smelting operations, made into a commercial product known as SLAND, has been redirected into applications involving sand in the United States. SLAND has also been traded with the Pacific Isles, for use in ballast and the construction industry;
- continuing to look at SLN, the recovery of mining waste and low-grade ores was ramped up, totalling 800,000 tonnes in 2022;
- in Senegal, waste recovery from GCO's production, which began in 2019, also reached record levels in 2022, with 36,000 tonnes;
- in France, the recovery of ground granulated blast-furnace slag from Comilog Dunkerque's operations, for applications in the construction industry, continued and actually exceeded the set target; and
- in Norway, work continues to recover value from the silicomanganese slag, made into a commercial product called SiGs (Silica Green Stone). A pilot facility to granulate the slag has come on stream on the Kvinesdal site.

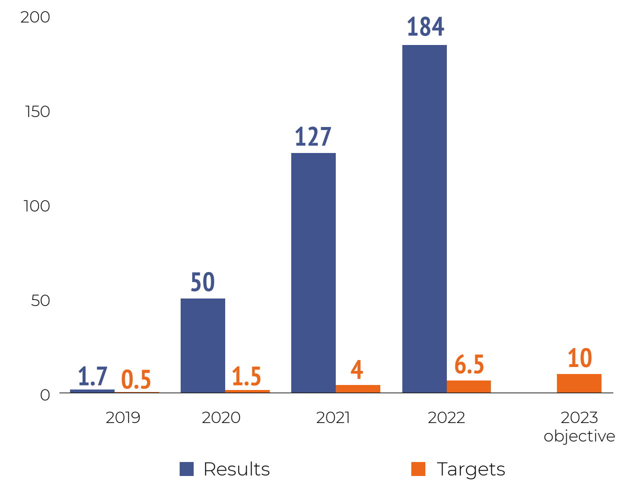
The cumulative results between 2019 and year-end 2022 are as follows:

- at least 2,311 kt of tailings and so-called incidental low-grade ores recovered, which is already ahead of the target of 2 million tonnes set for the 2018-2023 period; and
- a cumulative total of 184,590 tonnes of waste recovered, far exceeding the initial target of 10,000 tonnes.

**Kt of recovered additional ore/mine waste** *(total)*




**Kt of recovered additional waste** *(total)*



### 5.2.4.1 Optimisation of the consumption of primary raw materials

**Approximately 9 million tonnes of raw materials are consumed by the Group's plants each year, of which approximately 75% is ore (produced overwhelmingly by the Group's mines) and 7% is reducers (coal and coke).** The rest of the consumption consists mainly of metals used in alloy factories, and various additives.

Eramet is prepared to optimise its different input consumptions as much as possible. Furthermore, wherever possible, the Group prioritises the use of secondary raw materials over primary raw materials.

In this respect, the steel mills of the operations of which the Group is divesting itself (Les Ancizes, Commentry and Soderfors) have very high secondary raw material use rate, between 85 and 95%, by adding the internal recycling flows and the processing of secondary raw materials purchased externally (scraps etc.).

### 5.2.4.2 Waste prevention and recovery

Eramet strives to adhere to the waste management hierarchy: first, prevent waste production/reuse waste/ maximise recycling and recovery or, failing this and as a last resort, safely dispose of the waste under environmentally friendly conditions.

Thus, historically, special efforts have been made at all sites to reuse the waste as permitted by their physical-chemical properties; for example, slag from SLN (New Caledonia) and the depleted slag from Comilog Dunkerque are homologated and integrated for applications in sandblasting or in road technology.

Eramet has made commitments in relation to the recovery of such waste products, as explained in section 5.2.4.

| *(thousands of tonnes)* | | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Quantity of hazardous waste** *(expressed in dry volume)* | Continuing operations | 38.4 | 27.8 | 28.3 |
| | Discontinued operations | 7.9 | 14.2 | 12.6 |
| **Quantity of non-hazardous waste** *(expressed in dry volume)* | Continuing operations | 4,452.9 | 4,169 | 4,925 |
| | Discontinued operations | 30 | 28.1 | 38.5 |

The concepts of hazardous and non-hazardous waste are defined in accordance with the regulations of the host countries. Indeed, to date the measures regarding waste are very disparate from one country to another.

#### Non-hazardous waste

The mining activities and their related industrial operations are the main source of non-hazardous waste. A significant tonnage of such waste is stored in industrial basins in Gabon. These are the fine fractions of manganese ore collected after the washing step which serves to isolate the grained fraction intended for the market. In terms of nickel activity, the SNL plant generates another important tonnage of non-hazardous waste through pyrometallurgical activity corresponding to the smelting of slag. The three major contributors – the New Caledonia plant, the Moanda mines and the Moanda Industrial Complex (CIM) (Gabon) – account for 99% of the total quantity of non-hazardous waste.

At much lower tonnages, industrial activities of the steelworks and of the smelting-reduction or of the ferro-alloy production sectors also generate non-hazardous by-products or waste. They are in the form of slags or inert slag stored in an internal landfill or are put through some external beneficiation process.

Finally, although quantities are still much lower, local initiatives are also being implemented at many sites to reduce food waste: accurate forecasts of the people present on site each day (absences, holidays, visitors etc.) to inform the catering service, the composting of plant-based food waste or redistribution to neighbouring farms as animal feed.

In 2022, the notable increase in volumes of non-hazardous waste is directly linked to changes in the raw materials used to feed the Moanda enrichment plant (CIM), whose composition, which is richer in clay, leads to a higher volume of by-products.

#### Hazardous waste

The hazardous waste produced by the Group mostly comes from the pyrometallurgical plants of the Group Mining and Metals Division.

These activities produce dust recovered by dry filtration systems, sludge from wet gas processing and sodium-calcium slag which, depending on their intrinsic properties and the location of the operation, can be considered hazardous waste.

The hazardous waste is treated through specific, authorised channels. Controls are put in place to ensure the proper management of this waste throughout the process (transport of waste, delivery to approved centre and final treatment).

The amount of hazardous waste remained stable in 2022.

## 5.2.5 Optimisation of water consumption

| **Total water consumption** *(thousands of m³)* | 2020 | 2021 | 2022 |
|---|---|---|---|
| Continuing operations | 40,734.1 | 42,030.0 | 46,476.9 |
| Discontinued operations | 2,476.1 | 2,044.4 | 2,018.5 |
| **TOTAL** | **43,210.2** | **44,074.4** | **48,495.4** |

Consumption was 48 million $m^3$ in 2022, which is a 10% increase on 2021. This difference is partly attributable to better monitoring on the sites. However, the main reason for this increase is the poorer operation of the gas cooling system on the Tyssedal site (Norway) from February 2022. Corrective action is currently being taken.

The mining and metallurgy business lines use water resources at multiple stages of the process of transforming ore into metal:

1. washing of ores, raw materials and by-products;
2. furnace cooling processes, gas scrubbing and slag granulation.

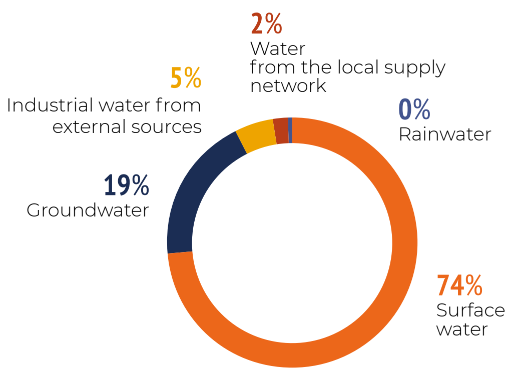
Water resources are essential for some of the processes. In the cooling of electric furnaces, for example, the water supply must be perfectly managed and optimised, to prevent situations which present a safety risk.

Whenever technically possible, the sites encourage internal recycling of the water consumed. That is the case, for example, with ore washing in Gabon (with a recycling rate of over 60%), and mining facilities in Senegal (recycling rate above 50%). The water consumption is then essentially supplemented in order to compensate for evaporation or losses in the system. Details on the management of impacts on the water resources of mining sites are provided in section 5.2.7.3.

Rainwater recovery systems are also in place on certain sites, which reduces the volumes of fresh water consumed.

The sites mainly obtain their water from rivers and lakes, then from groundwater. They also source unprocessed water from private or public agencies, and to a lesser extent, from the local supply network.

**Breakdown of the source of the water used in 2022**




According to the Aqueduct Water Risk Atlas (developed by the World Resources Institute – WRI), **there are currently no production sites in a catchment area with high water stress risk** – i.e. with a >40% ratio of total water intake to renewable and available water supply, as defined by the WRI.

Without being concerned by a physical risk of water shortage in the short term, Eramet considers **the GCO site (Senegal) as a sensitive site with regard to water**, considering the crucial use of aquifers for the mine area residents, who mainly earn their living from market gardening activities.

To this survey must be added **the Argentine Centenario lithium project site, located in a salt flat where water is critical** (more detail in paragraph 5.4.5.2 "The Lithium project in Argentina").

The study has also helped to project the effects of global warming. By 2040, there will be four sites located in catchment areas with high water stress levels (the GCO site in Senegal and the Dunkirk site in France). The Commentry site, where operations are being discontinued, is also a cause for concern. These two sites account for approximately 15% of the Group's current consumption.

In addition, projections for 2040 indicate that by that time, two sites are likely to be in catchment areas with high water stress risk (the GCO site in Senegal and the Dunkirk site in France). These two sites account for approximately 15% of the Group's current consumption. The Commentry site, where operations are being discontinued, is also a cause for concern.

In anticipation of the future scarcity of water resources, Eramet is proactive and investing in water recycling systems and rainwater recovery systems on its operational sites. Eramet also takes account of the need to reduce water intensity in all its developing mining projects. The water needed for the capacity increase on the site in Senegal will be drawn exclusively from recycled sources.

The recognition of water was also a key factor in developing the Argentine Lithium project adsorption process, as this made it possible to reduce the water intensity of processes by 30% with R&D progress, resulting in a final recycling rate of 60%. The rates were confirmed by tests conducted on a pilot unit. The work done in 2022 also identified complementary means of process optimisation which could reduce freshwater consumption by a further half.

For its mining developments, Eramet prioritises the dry stacking of its mining waste. This method notably allows a substantial reduction in water requirements enabling the maximum recycling of water used in washing processes. That is notably the case for the extension of the Comilog mine in Gabon, where this method will be used for 50% of flows, thus leading to the saving of around one million $m^3$ of water. The development of this type of process makes Eramet a global leader in this disruptive innovation.

In 2022, an Eramet internal working group, made up of specialists and experts in water, was set up, and met every month. Two good-practice guides were developed and disseminated. One sets out the technical requirements to study the water balance: the scope to be covered, the measuring and estimation methods, and the degrees of reliability. The other enables management of run-off water, which has a direct impact on soil erosion. For the first time, the Group responded to the CDP-Water Security questionnaire with the aim of improving its transparency. The Group obtain a B- rating, which attests to its performance on both industrial and mining sites.

## 5.2.6 Fight against climate change

In light of rapid climate change and recognising the anthropogenic cause of this change, Eramet is conscious of its duty to prevent, adapt and communicate transparently with its employees, its partners and all of its co-citizens in general.

Eramet is convinced of the driving and structural role that can be played by industrial operators who provide the global industry with raw materials, in particular for critical energy transition metals.

Eramet is therefore engaged in a process compatible with the goals of the Paris Agreement aimed at integrating climate challenges into both its strategic decisions and reporting to an increasing degree. To do so, Eramet follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which is one of the best international practices in the field.

Moreover, the Group's emissions reduction trajectory to 2035, defined in 2020, has been given official "target set" status by the SBTi (Science-Based Target Initiative). The result of a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), SBTi ensures that the commitments made by participating companies are valuable and consistent with the Paris Agreement.

### 5.2.6.1 Eramet recognises climate issues

The transition to a low-carbon economy is a systemic issue and Eramet has chosen to broaden the perspectives of climate change impacts beyond the matter of its direct carbon footprint by assessing the impacts on the entire value chain in which it operates. Global momentum to reduce emissions among Eramet's customers (due to regulations or as a consequence of carbon recovery, for example) is a source of risks, and at the same time provides opportunities for the Group's activity.

In addition to the Group's essential contribution to the energy transition and combating climate change, Eramet is increasingly including in its strategy, the physical and non-physical impacts of climate change on the Group's assets, productivity and the markets on which its products are sold.

Thus, Eramet actively participates in dialogue and decisions on these climate challenges within national and international professional organisations, such as chairing the Strategic Committee of the Mining and Metallurgy sector, its role as Vice-Chair of the Ore and Metals Alliance, its membership of the Cobalt Institute, and serving as Board Director of the Nickel Institute, and a Director of Euro Alliages. Eramet takes an active part in the working groups on the decarbonisation of industry and on assessing the transition to low carbon in iron & steel.

#### 5.2.6.1.1 Analysis of climate risks

Eramet's growing efforts to optimise its global performance is particularly reflected in the deployment of continuous improvement tools. The methodology used to implement these tools incorporates analysis of the Group's risk and opportunities.

The Group's comprehensive risk map formally includes a section about climate-related risks that is updated yearly. It reviews all transition risks for each business and each product category.

After initially assessing the major issues linked to the physical risks of climate change, which took place in 2021, this approach was extended in 2022, looking at the top 3 priority sites. Two approaches were tested: an internal assessment based on the Carbone 4 OCARA method, and a Climate Change Risk Assessment, applying the requirements of the Equator principles.

Eramet's risks and opportunities in the light of climate developments are classified based on their time horizon, which, considering the Group's activities (ore beneficiation and metallurgical transformation), are as follows:

- short term (ST): less than two years;
- medium term (MT): between two and eight years;
- long term (LT): more than eight years.

| Risks | Title | ST | MT | LT |
|---|---|---|---|---|
| PHYSICAL | Risks related to the physical impacts of climate change include extreme weather events and long-term changes in climate patterns (rising sea levels, water stress, fires, etc.). | | X | |
| *Mitigation* | Eramet is conscious of the particularly close horizon of these phenomena, some of which are already visible. The Group has consequently adapted its risk analysis to explicitly include the direct impacts of climate modifications on its activity. This action is also extended by active collaboration with insurance companies and third-party engineering firms.<br>Specific questions are addressed to the sites through the SAFEE environmental reporting tool on their risk assessment and the planned adaptation measures. In 2020, slightly in excess of one in two sites reported that they could be affected by the consequences of climate change in the very long term. Most of them have already begun considering how to limit the impact on their business. In 2021, a bit more than one site in ten reported being affected by an extreme weather event that could have arisen from climate change.<br>The sites characterised as having the most at stake, in view of the Group's activities, are in Indonesia and the United States. Workshops with the operations managers of the sites in question have allowed for a detailed assessment of the risks associated with the operating processes and infrastructures of these installations, in relation to climate hazards identified as likely to worsen significantly by 2050. This review identified the numerous existing measures to mitigate the harm, and potential additional measures. | X | | |
| ECONOMICS | As a result of the processes implemented, energy bills represent a significant portion of the Group's production costs in the operation of its mines and industrial sites. The Group's competitiveness is therefore sensitive to energy prices and the control of its energy use. | | | X |
| | Market trends towards metal requirements different from those produced by Eramet, in quality or quantity, which are also sources of opportunity for the Group. | | | X |
| | Growing customer demand for low-carbon labelled products | | X | |
| *Mitigation* | With regard to intelligence gathering and actions, Eramet actively contributes to numerous professional organisations for mining businesses such as metallurgy. In addition, Eramet's strategic reflections include an analysis based on a 2°C scenario (detailed in section 5.2.6.1.3 "A 2°C scenario analysis"). Eramet continues its research and innovation efforts such as the development of strategic projects to address these requirements.<br>In 2022, Eramet began construction on its lithium production project in Argentina as part of a partnership.<br>In 2020, Eramet and BASF entered into a partnership to develop a sector to provide critical energy transition metals (nickel and cobalt) with a high CSR standard, in particular for the electric vehicle battery industry. This agreement is mainly consistent with the structuring projects selected by the Strategic Committee of the Mining and Metallurgy Sector, of which Eramet is a sponsor.<br>Eramet has developed a "science-based target" scenario, approved by the Group's Board of Directors and the SBTi, for reducing its $CO_2$ emissions "well below 2°C", in accordance with the Paris agreements.<br>The Group incorporates life cycle analyses in its projects review process. This approach seeks to specifically factor carbon impact into the choice of investment orientations. | | | |
| REGULATORY | At the Group level, climate change will lead to higher energy taxes, and greater difficulty of access to funding for certain investments. Around a third of the Group's scopes 1 and 2 emissions for 2022 are subject to the European Union Emissions Trading System (EU ETS). There are uncertainties about the trend of the long-term quotas market, or the legal mechanisms of carbon taxation in the Europe zone.<br>Furthermore, for the remaining two thirds of the Group's emissions, there is currently no applicable global carbon market, but only fragmented and uncoordinated regional systems (source I4CE). | X | | |
| *Mitigation* | The Group is anticipating the potential emergence of such a market by applying an internal carbon price when assessing its investment projects and strategic options, assuming €100 per tonne of $CO_2$ for long-term investments. The goal of this choice is to prioritise lower-carbon emitting technological solutions and contribute to improving the awareness of climate change with all Eramet employees. This value is significantly higher than the one applied in 2020 (then €30 per tonne), reflecting a stronger consideration of this regulatory risk. | | | |
| TECHNOLOGICAL | Growing need to invest in low-emission technologies | | X | |
| *Mitigation* | The Group continues to deploy energy efficiency improvement programmes and Eramet uses Group know-how and R&I to leverage the development of new carbon-free technologies and/or low-carbon products. The Group also develops partnerships with universities or peer manufacturers as part of its research and innovation efforts. | | | |
| REPUTATION | Association of Eramet's energy-intensive activities with high carbon emissions: metallurgical processes are in fact high consumers of carbon-containing reducing materials. | X | | |
| *Mitigation* | Eramet is conducting numerous research projects aimed at very significantly reducing $CO_2$ production through pyrometallurgy processing: using hydrogen to reduce titanium ores, replacing coke with pretreated bioreducers for manganese alloy production, and using hydrogen for manganese metal production. | | | |
| UPSTREAM DOWNSTREAM FLOW | Lack of control of $CO_2$ emissions associated with these flows | | X | |
| *Mitigation* | Every year, Eramet conducts a full scope-3 assessment of its $CO_2$ emissions following the GHG Protocol guidelines. In line with the SBTi's new recommendations to move towards Net Zero, Eramet has undertaken to ask two thirds of its suppliers and customers to commit to a decarbonisation compatible with the Paris agreements. The Group signed the French Business Climate Pledge in 2019 and has pledged to encourage a panel of its suppliers to join this initiative. | | | |

Actions carried out in 2022 which contributed to improving the Group's energy and climate performances are reported in detail in the Performance chapter or in the dedicated chapters below.

### 5.2.6.1.2 Study of climate change-related opportunities

| Opportunities | Title | ST | MT | LT |
|---|---|---|---|---|
| UPSTREAM AND DOWNSTREAM FLOW | Availability of energy transition critical raw materials<br>General industry demand to reduce its direct emissions but also their supply chain emissions | | X | |
| *Action* | In addition to its historic position on manganese and nickel ore, Eramet's strategy is clearly positioned on metals critical to the energy and digital transition: lithium, nickel salts and cobalt. These markets are changing rapidly due to the demand for metals for batteries, particularly for electric vehicles, solar panels and electronics.<br>Eramet is the only European player to have secured significant resources of critical metals in this fast-growing market. The Group's current mining assets offer key advantages: very rich geological resources allowing long-term mining.<br>Furthermore, in addition to its commercial production, Eramet generates products which replace, or could replace, the materials required for third-party industry processes, thereby reducing their carbon footprint. The Group has placed the development of the circular economy at the heart of its CSR strategy, as described in section 5.2.4. | | | |
| COMMERCIAL | Strong growth on energy transition and digital transformation markets necessitating metal products by Eramet | | X | |
| *Action* | Eramet is positioning itself as the supplier of energy transition critical metals produced to the highest social and environmental responsibility standards. Battery development will lead to a sharp increase in demand for certain critical metals: demand for lithium is expected to increase eightfold by 2030, for nickel more than threefold, and for cobalt threefold. It is clear that securing access to critical metal resources is a structural competitive advantage in the supply chain.<br>Strategic developments are conducted in accordance with the highest Western health, safety and environmental standards, as well as in compliance with the highest corporate social responsibility and ethical standards: high metal recovery yields, the smallest environmental footprint, harmonious and respectful relationships with stakeholders and local communities. It is essential to ensure full product traceability to ensure strict compliance with Western corporate social responsibility standards and customer requirements.<br>This should enable the Group to diversify its asset base both financially and geographically:<br>• lithium, particularly via the Eramet deposit in Argentina;<br>• increased market shares for the Group for nickel salts and cobalt;<br>• the development of short loop battery recycling, aimed at a circular economy optimised for metals critical to the energy transition. | | | |
| PHYSICAL | No opportunity identified to date, continued watch | X | | |
| REGULATORY | Tax breaks and subsidies to European electro-intensive players | X | | |
| *Action* | In 2022, numerous aid applications were filed, under the "Financial and Social Resilience Plan" (*Plan de résilience économique et social*) put in place by the French Government, to cover a portion of the excess energy costs at the Group's sites in France.<br>More broadly, the Group is attentive to the opportunities provided by the various decarbonisation aid schemes put in place by the countries in which it operates. The Group's Energy and Climate department has added staff and been organised to enable more systematic requests for this aid. | | | |
| TECHNOLOGICAL | Productivity gains associated with the roll-out of lower-emission (more efficient) technologies<br>Assigning professionals to the measuring and management of energy consumption.<br>Eramet's activities in its Mining as well as its Transformation businesses will be boosted by strong technical and technological developments which are ongoing and to which the Group contributes:<br>• electrification of industrial processes (electrical process replacements for fuel energy-based techniques);<br>• energy storage technology;<br>• new mobility solutions and alternative means of locomotion (electric/autonomous vehicles, drones, hydrogen vehicles, etc.);<br>• renewable energy sources and bio-based carbon materials;<br>• carbon capture technologies:<br>• reduction of hydrogen ore for transformation into metal. | X | | |
| *Action* | The Group actively monitors new developments in the technologies concerned and encourages its suppliers to offer such technologies. | | | |
| REPUTATION | Positive image associated with assisting the energy transition, such as the marketing of critical metals for the low-carbon world | X | | |
| *Action* | Regular communications on Eramet product applications in the energy transition sectors.<br>Communication on the key contribution of the metals concerned.<br>Eramet's manganese activity through Norwegian, French and Gabonese plants has one of the lowest emission factors in the entire manganese industry, approximately four times lower than the sector average (according to a study by Alloyconsult for Norsk Industri). This performance is achieved in particular thanks to the energy mix of the metallurgy installations concerned (nuclear in France and hydroelectricity in Norway and in Gabon). | | | |

#### 5.2.6.1.3 Scenario analysis

As an emissive industry on one hand but also a contributor to the development of low-carbon technologies on the other, Eramet's alignment with the transition to a decarbonated economy carries as many risks as opportunities for its business.

Scenario-based analysis is a powerful tool for managing this chapter of the strategic reflection. It entails a forward-looking review, projecting Eramet's current activity onto various possible worlds, in order to assess the consequences on business. This approach is efficient for building a comprehensive model of the complex changes and the interactions between them, which is helpful for defining the transformations caused by climate change.

The Group conducted this analysis in collaboration with a domain-specific expert consultant. The adopted approach ("by physical flows") is founded, for each scenario, on the physical reality of the activity, which the Group ensures is compatible with the maximum limit of a 2°C[1] increase in temperature.

In four steps, this approach identifies the risks and opportunities for the Company's business more precisely than a purely economic and financial approach, which would simply "distort" the economic figures (price, production cost, etc.), by for instance introducing a carbon price, to quantify the impact on demand without either evaluating or accurately translating the Company-wide micro-economic consequences of the adopted transition scenario.

Transition to a low-carbon economy clearly identifies its ultimate arrival point, i.e., achieving worldwide carbon neutrality between 2050 and 2100. The scenario adopted to perform this analysis is the International Energy Agency's (IEA) 2 Degrees Scenario (2DS) with carbon capture and storage (CCS). This is based on the forward-looking Energy Technology Perspectives documents accessible to the general public. It is known here as "2°C with CCS".

The main outcome for this scenario is that Eramet metals, in particular nickel, lithium, manganese and alloys, are metals that are critical to the development of energy transition technologies and essential for climate change management. This translates into a favourable outlook for changes in demand between now and 2030.

Demand for nickel is expected to grow steadily by 2030 in the IEA's 2°C scenario.

This growth is driven in particular by lithium-ion batteries (which use nickel) to store electricity. Indeed, the quantity of nickel required in 2030 should increase by a factor of more than 3 compared to 2020, illustrating the significant role played by batteries as a demand growth driver.

Lithium is an essential metal in the production of lithium-ion batteries being used in electric mobility, among other things, and demand is expected to multiply approximately eightfold by 2030 (from what it was in 2020).

These results underscore the resilience of demand for these metals in the IEA's "2°C with CCS" transition scenario and the relevance of the Group's current and future metals to address the requirements of the energy and low carbon transition.

**Outlook**

In conclusion, Eramet's activity is necessary for the development of low carbon technologies and essential for developing and creating responsible metal sectors involving all critical energy transition stakeholders.

The outlook till 2030 for the demand for metals produced by Eramet is extremely favourable.

### 5.2.6.2 Energy and climate governance

#### 5.2.6.2.1 Governance to address climate challenges

Eramet's Energy and Climate Policy, published in 2020 and available on www.eramet.com defines its guidelines both in the conduct of its operations and in developing its strategy.

The Eramet Group takes the climate issue to the highest level of its management bodies. Governance is organised at three levels:

- the Board of Directors, which relies on the recommendations of its Strategy Committee and CSR. The latter specifically analyses the Group's progress in carbon emission reduction, e.g., the resilience and development of the sustainable business model. These climate change efforts are carried out in accordance with the recommendations issued by the Institut français des administrateurs;
- The Executive Committee, which is supported by the Energy and Climate Department, which was created in 2018 and which reports to the Director of Strategy, Innovation and Business Development, who is a member of the Group's Executive Committee. The Committee meets every month. Moreover, the topics of Energy & Climate are periodically reviewed during the Executive Committee's and Divisions' Business Reviews;
- The Energy & Climate department which relies on a network of energy and climate specialists and on the Divisions and Business Units departments and oversees the Group's decarbonisation effort included in the Group's CSR governance roadmap.

More generally, the Energy & Climate Department contributes to the Group's performance and ensures consistency between the three fields:

- economic by controlling energy purchases;
- energy by controlling and reducing energy use;
- climate by controlling and reducing $CO_2$ emissions.

The Central Technical Office, which is attached to the Operations Division, is in charge of implementing decarbonisation projects in the Group's various entities. A dedicated job position for this goal was set up during 2022.

*(1) In other words, a world where the future combined greenhouse gas emissions do not exceed the maximum carbon budget required to maintain a global average temperature increase below 2°C compared to the preindustrial era, namely ~800 $GtCO_2$ eq. (vs ~ 2000 $GtCO_2$ eq. emitted by humanity since the industrial revolution).*

#### 5.2.6.2.2 A network of supporting site energy contacts

In order to reinforce and improve the reliability of the operational deployment of the Energy & Climate strategy, the Group has decided to establish an efficient method of operation between the sites and the Corporate functions.

Three types of interlocutors have been defined:

- the Energy & Climate Department guarantees the coordination of the approach, ensuring the methodological contribution (the Group Energy & Climate specialist is an AFNOR-certified ISO 50001 auditor and a member of the ISO 50001 expert committee), expertise on several of the Group's businesses, and regulatory and technological monitoring;
- site management, whose main role is to manage an energy management system based on the principles of the ISO 50001 standard and to allocate resources that are suited to the challenges of each site. Division management is also involved in providing support;
- the sites' energy correspondents network, locally in charge of coordinating the continuous improvement of energy and climate performances.

### 5.2.6.3 Strategy to address climate challenges

Decarbonisation is at the heart of the momentum of mines, metals and alloys; it is an essential part of the "licence to operate". As this is a short, medium and long-term problem, reducing $CO_2$ emissions is backed by governance that takes into account an optimisation of existing assets, the development of new technologies in partnership with peers, academics and suppliers, as well as supporting customers' paths to decarbonisation.

As such, Eramet's answer to climate change is based on the following focus points:

- the reduction of $CO_2$ emissions on scopes 1 & 2;
- helping customers (scope 3 emissions) to reduce their GHG emissions, by offering products and solutions that mainly contribute to reducing the carbon footprint. This is reflected in the Group's strategy;
- the formal request to Eramet's suppliers and customers to commit to a decarbonisation process compatible with the Paris agreements;
- promoting the circular economy.

#### 5.2.6.3.1 Scope 1 and 2 emissions: Reducing $CO_2$ emissions

**2023: a medium-term goal of reducing specific emissions**

In 2018, the Group conducted a review to define a target for reducing scopes 1 & 2 $CO_2$ emissions, based in particular on technical and organisational levers. This objective is integrated into its CSR 2018-2023 roadmap with a significant carbon reduction target for the generated quantity of $CO_2$ per tonne, i.e. based on the carbon-intensity of the Group's production activities:

| | | |
|---|---|---|
| Group Goal for 2023 vs. 2018 | - 26% | $tCO_2$/t outgoing product[2] |
| Including the impact of energy efficiency levers and decarbonisation of the energy consumed | - 9.5% [1] | |
| Includes the impact of the business mix effect related to the Group's strategic choice to develop its mining activity, which is lower in emissions than the Group's processing [3] activities | - 16.5% | |

*(1) With the level of mining and processing activity in the year of reference (2018).*

*(2) Tonne of product leaving the sites: ingots, powder, ores, etc.*

*(3) Mining activity is about 80 times lower in emissions per tonne of outgoing product than the Group's other activities.*

To structure all these progress approaches, Eramet has deployed a management system for its energy and climate performances within its entities up to and including the ISO 50001 certification for the main $CO_2$ emitter sites. **Thus, at year-end 2022, all of the Group's mining and metallurgy sites held ISO 5001 certification.**

**2035: a long-term objective compatible with the Paris Agreement (Science Based Target – "well below 2°C"): reduction of 40% of absolute₂carbon emissions as compared to 2019**

Considering the lead taken by the development of the mining activity, with low emission levels compared to the pyrometallurgy activity, the Eramet Group will reach well before 2023 its objective of reducing its specific carbon emissions. Backed by this momentum, the Group decided in 2020 to ramp up the process again by pledging to a Science Based Target.

On a like-for-like basis with 2019, Eramet seeks to achieve a -40% reduction in the Group's (scopes 1 and 2) carbon emissions by 2035 compared to 2019. This target requires activating all available levers, including those still at the stage of research and development or first pilot schemes: carbon capture & storage (CCS), bio-reducers, electrical mining machinery and others.

**This objective was validated as "target set" by the SBTi (Science-Based Target initiative) in September 2021. Eramet factored in the very latest SBTi requirements, which were formalised at the same time.**

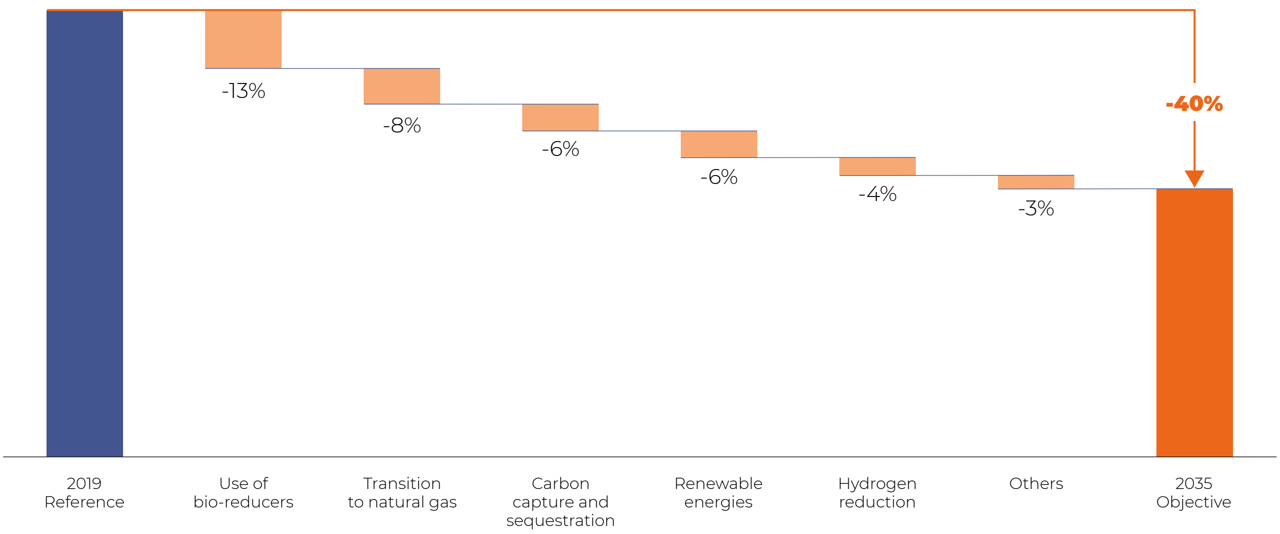
Eramet's decarbonisation trajectory also depends on the Group's capacity to develop cross-cutting, multi-year structuring projects on the following leading priorities:

- decarbonisation of consumed electricity (purchases, investments);
- decarbonisation of processes (bio-reducers and hydrogen); and
- Carbon capture and storage (CCS in partnership).

To this end, the Group's decarbonisation roadmap was refined in 2021. The priority actions, whose technical and financial viability have yet to be demonstrated, are:

- **Using bio-reducers** in ore reduction instead of coke: the issue of this action is the ability to access sustainably managed bio-reducers compatible with the constraints of our processes (mechanical strength, polluting elements);
- **Substituting natural gas for heavy fuel oil in electricity production** in order to reduce the carbon content of the electricity consumed by SLN's Doniambo plant and the GCO site. This effort, however, requires developing a natural gas supply chain under technical and economic conditions that meet Eramet's requirements;
- **The development of carbon capture and sequestration, in partnership with other actors**, but the costs of such solutions represent a barrier to their implementation. Therefore, the ambition is to develop a pilot and identify the least capital-intensive technologies;
- **the establishment of renewable electricity purchases and production** coupled with the electrification of mines: at the same time as developing technical solutions, the successful implementation of this lever is based on a radical change of culture (electric mining trucks for example) which requires long-term support;
- **developing the reduction of hydrogen ore** alongside bio-reducers.

**Levers to reduce $CO_2$ emissions (2019-2035)**




Eramet has set a 40% reduction target for its Scope 1 & 2 emissions by 2035, when compared to 2019.

The initial assessment is that achievement of this target will require investing in emission reduction projects translating into a direct CAPEX of around € 500 million between 2023 and 2035. This figure assumes that there would also be substantial additional indirect investment by Eramet service partners in infrastructure to facilitate this outcome.

The final costs and split of direct Eramet and indirect third-party investments remain subject to ongoing technical and economic study to further optimize the implementation of Eramet emission reduction projects.

Emissions targets are also systematically factored-in at the core of the engineering of the process, and the power sourcing, for each new production project to achieve best in class emission outcome from the outset.

Based on the Group's general Roadmap, discussions were held with each site to enhance the local Roadmaps. Each site thus has a Roadmap adapted to its particular context and in line with the overall objectives, and which is the result of a hybrid top-down/bottom-up approach.

### 2050: Contribution to carbon neutrality on scopes 1 and 2

The Eramet Group has also set itself the goal of contributing to carbon neutrality for its scope 1 and 2 emissions by 2050. An ambition that requires massive use of CCS and large-scale development of renewable energies such as bio-reducers.

Most of Eramet's significant carbon footprint reduction actions are taken with a medium- to long-term perspective, with the next few years being essentially dedicated to the confirmation via pilot programmes of the adequacy of the technologies and of the potential gains.

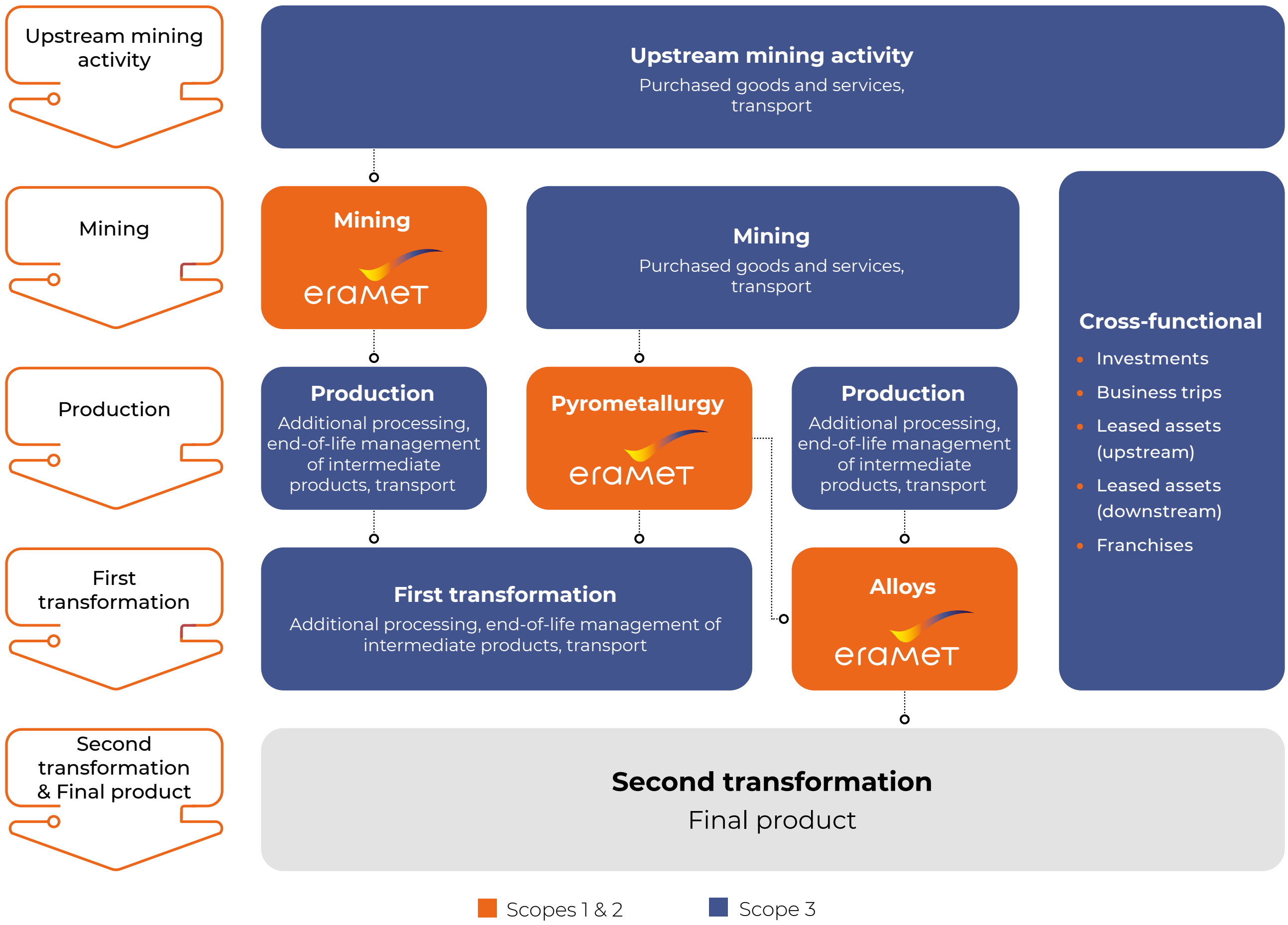
The identified actions cannot be implemented unless the market supports the investment costs, particularly in commodities prices. In this case, it would entail a substantial increase in the carbon price and consequently, the price of metals.

### 5.2.6.3.2 Scope 3 emissions: Engaging the value chain and quantifying emissions all along the chain

#### Scope

The Group has conducted an exhaustive estimate of its scope 3 emissions, according to the 15 categories of the breakdown proposed by the Greenhouse Gas Protocol (GHG Protocol).

The scope retained for estimating Eramet's carbon footprint is as follows:




The second "Final product" transformation is out of scope for Eramet's scope 3 emissions given that the corresponding emissions account for less than 1% of the total (machining or forging operations mainly in Europe where electricity is mostly decarbonised).

#### Methodology

The methodology implemented for emissions calculation is based on the use of data on raw materials and energy consumption, production and sales, derived from the Group's detailed quantitative monitoring. These data are associated with emission factors to assess scope-3 emissions.

In 2022, Eramet developed a tool to calculate scope-3 emissions, based on data generated in the course of the various movements in the Group's operational databases. The calculation methods, emission factors and results were audited and validated by a third party.

The emission factors are taken from official databases (AIE, Ademe, ECOINVENT) or from seminal studies (*Life Cycle Inventories of Metals*) or, where possible, disclosed by the suppliers and customers.

Where volumes cannot be expressed in physical units, the GHG Protocol validates the principle of using the "Scope 3 Calculator", a tool developed by Quantis to assess carbon emissions using financial flows (orders and sales). 91% of Eramet's total scope-3 emissions are established on the basis of physical data, which is the method that offers the most accurate results. The "Scope 3 Calculator" is used to calculate the remaining 9%.

The emissions linked to transformation of the products by customers (categories 10 and 12 of the GHG Protocol) are treated on the basis of the physical flows which the Group commercialises.

Transport (categories 4 and 9) is processed by grouping quantities transported by type of journey (land, sea, air) and by distance, with application of the corresponding emission factors.

Direct emissions of joint ventures (scopes 1 and 2 from physical flows) in which Eramet does not hold the controlling interest, are recorded in scope 3 (category 15) in proportion to the Group's percentage of shareholding.

#### 5.2.6.3.3 Promote emissions reduction through the circular economy

The Group's actions to promote the circular economy, detailed in section 5.2.4 Circular Economy, enable Eramet to improve its carbon footprint as well as that of its customers.

The beneficiation of certain slag (or scoria) for example, enables metal production at a lower carbon cost than from the initial ore because some of the physical and chemical transformations have already taken place. These sectors are economically viable when the slag also contains chemical elements in demand for use in different admixtures. Such trials were successfully completed in 2022 at Eramet Norway and at Comilog Dunkerque, to reduce the consumption of calcareous materials with recorded drops in $CO_2$ emissions by approximately 5%.

The beneficiation of the by-products generated through these Group plant activities such as material for backfilling or concrete aggregate allows the Group to help its customers avoid the associated extraction emissions. As such, SLN and Comilog Dunkerque recover a significant portion of their slag production. Furthermore, SLN and Eramet Norway develop a specific quality for these by-products for specific beneficiations: SLAND for SLN and Silica Green Stone for Eramet Norway.

For years, Eramet has been developing a process to separate the metals contained in used EV batteries so they can be reused. The development of such innovative technologies will have a significant impact on the emissions of Eramet's customers.

### 5.2.6.4 Performance

#### 5.2.6.4.1 Improving climate performance according to the CDP

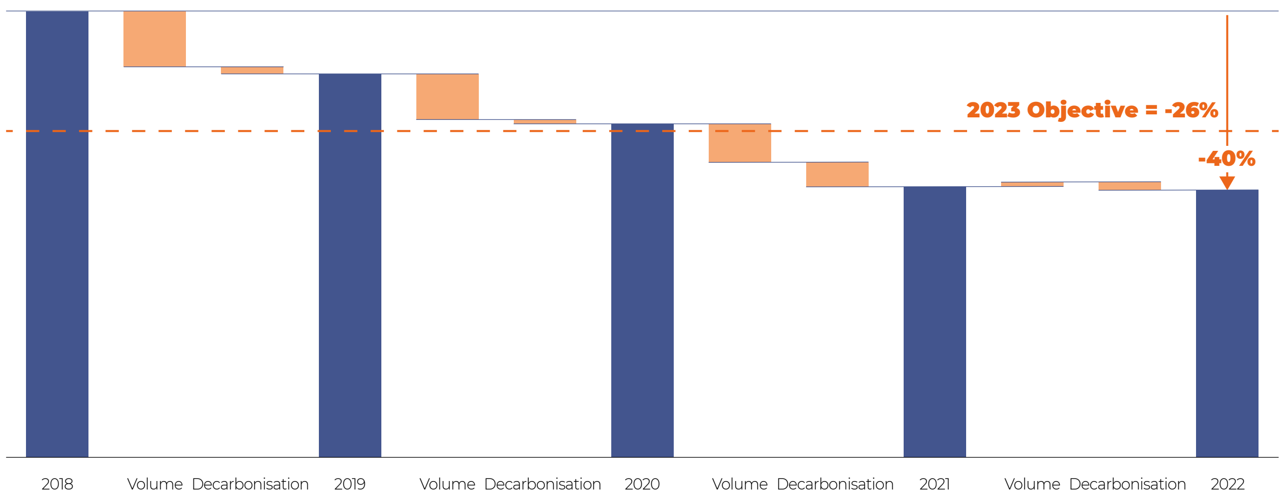
Each year, Eramet fills in the Climate Change questionnaire distributed by the Carbon Disclosure Project (CDP) which assesses the progress made by businesses in terms of transparency and environmental leadership. In 2022, Eramet became one of the leading businesses in its field of activity – "smelting, refining and metal forming" – receiving a score of A-, as compared to B in 2021 and D in 2019. Thus, this year, the Group's level largely exceeds the average for businesses in the sector, in the ranking from A to D-, assessing the performance of over 5,800 companies, using an integral, independent and transparent methodology.

The 2022 "Climate Change" questionnaire as filled out by Eramet is available on the Group's website.

#### 5.2.6.4.2 Scopes 1 and 2 carbon intensity: Medium-term goal in terms of reductions already surpassed

The Group's carbon intensity has dropped by 40% with respect to 2018. After steadily shrinking for three years, this indicator stabilised in 2022. Thus, the goal of reducing the Group's carbon intensity (-26% by 2023 compared with the 2018 level) has been far exceeded. This improvement was achieved primarily through the development of mining activities (accounting for 3/4 of the reduction) – which inherently emit less $CO_2$ than pyrometallurgy activities – but also through the implementation of actions to keep emissions under control (accounting for 1/4 of the reduction).

**Variance analysis – Trend of specific emissions**

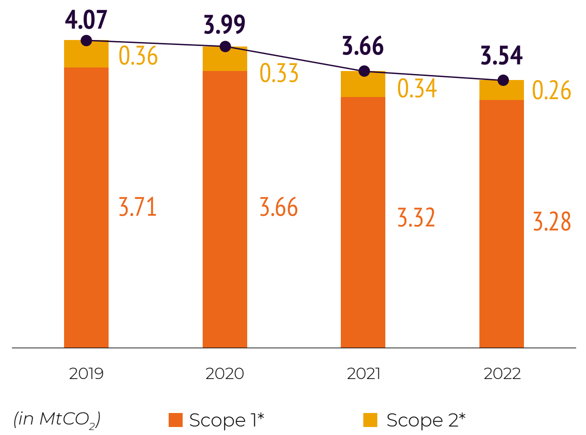





Environmental protection

### 5.2.6.4.3 Scope 1 and 2 emissions: A very slight reduction in absolute $CO_2$ emissions

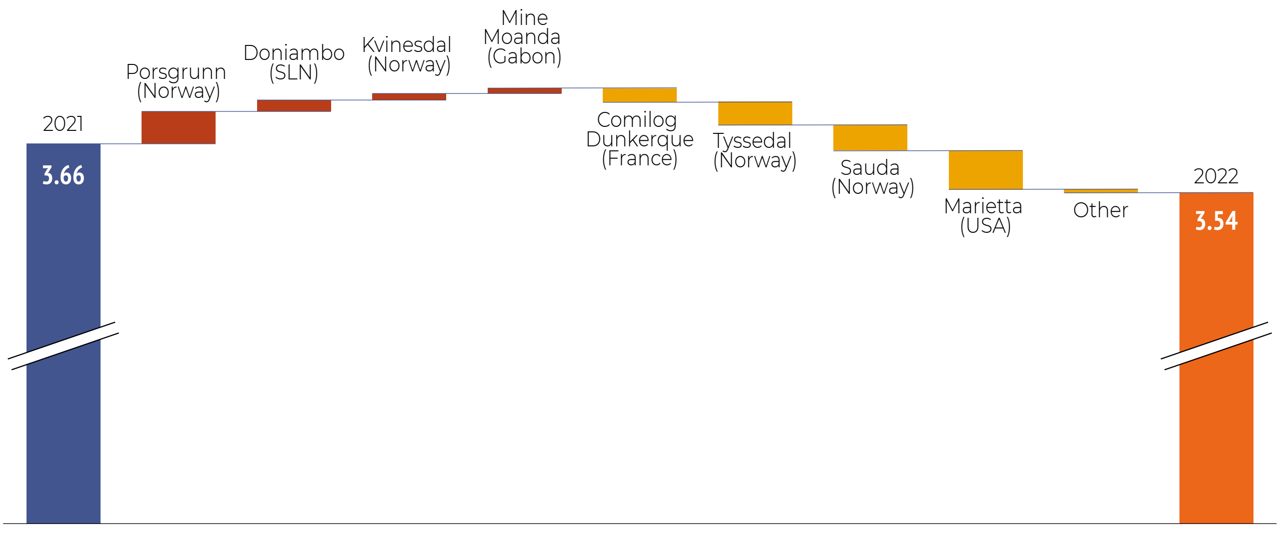
**The Group's $CO_2$ emissions amounted to 3.54 $MtCO_2$ in 2022.** The activity of extraction metallurgy accounts for almost 90% of greenhouse gas emissions. Each year, Eramet declares its emissions in the context of the CDP, calculated in accordance with the GHG Protocol.




**The Group's CO2 emissions in 2022 were down by 3%** on 2021 (and by 13% on 2019), against the backdrop of a slight reduction in production (-2% in mining production and -4% in pyrometallurgic production) compared to the previous year.

This overall variation in emissions with respect to the previous year can be explained by two opposing phenomena:

- A **reduction in emissions** due to:
  - the reduced level of activity of certain pyrometallurgy plants in Europe in the context of a slowdown in demand and rising energy costs,
  - greater use of hydroelectricity by the SLN Doniambo plant over the first three quarters, to compensate for the unavailability of the site's main electricity plant,
  - the partial replacement of the SLN electricity plant with a temporary floating plant (CAT), which performs more efficiently, from October 2022 to cover the electricity needs of the Doniambo plant,
  - a variation in the emission factor of the grid electricity consumed by the Marietta plant (United States) and a slight reduction in the site's activity,
  - the use of an external source of silicon requiring less reducing carbon than did quartz for the reduction of manganese ore at the Comilog Dunkerque site;
- an **increase in emissions** from certain sites, attributable to:
  - an increase in thermal needs for ore drying to supply the SLN Doniambo plant, in the wake of the bad weather in 2022, and a slight increase in activity over 2021, and
  - an increase, in 2022, of activity on the Porsgrunn site (Norway) in comparison to the previous year, as the site had been shut down for part of 2021.



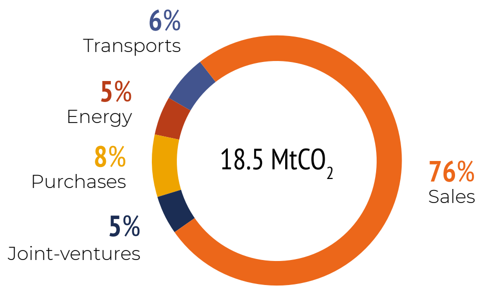

The $CO_2$ emissions for 2021 and 2022 by scope of activity, either continuing or being discontinued, are as follows:

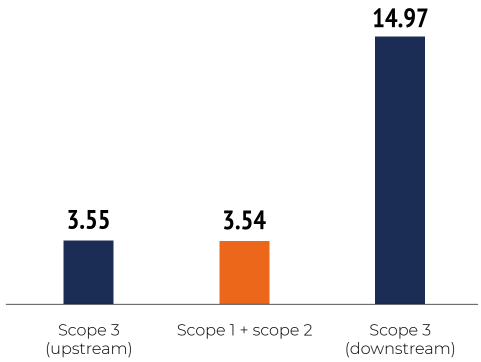
| Year | $CO_2$ emissions of discontinued operations *(in $MtCO_2$)* (High-Performance Alloys Division) | $CO_2$ emissions of continuing operations *(in $MtCO_2$)* (Mining and Metals Division, Eramet Holding) | Total *(in $MtCO_2$)* |
|---|---|---|---|
| 2021 | 0.11 | 3.55 | 3.66 |
| 2022 | 0.09 | 3.45 | 3.54 |

* *Version updated on 25 April 2023 – correction of the graph caption for Scopes 1 and 2 of $CO_2$ emissions.*

#### 5.2.6.4.4 Scope 3 emissions: a value chain incited to engage

**Breakdown of scope 3 emissions and comparison with scopes 1 and 2 emissions**




Eramet Group activities are situated high upstream of its value chain. **The proportion of scope 3 downstream of the Group's activities (15.0 $MtCO_2$ – 81%) is therefore logically higher than the upstream proportion (3.5 $MtCO_2$ – 19%).** This gap is particularly wide for manganese or nickel ore transformation operations at the Group's customers' sites, which create large amounts of emissions (and account for 76% of scope 3 emissions).

Scope 3 emissions from transport amount to **1.1 $MtCO_2$** and account for 6% of the Group's total scope 3 carbon emissions.

**Encouraging the Group's customers and suppliers to set their own targets**

The Roadmap on the Group's scopes 1 and 2 carbon emissions is accompanied by a qualitative objective to reduce scope 3 emissions: Eramet has committed to encouraging 67% of its rank-1 value chain, by 2025, to set a target compatible with the Paris agreements and to reduce their own emissions.

**At year-end 2022, 33% of the Group's suppliers and customers had made such a commitment.**

This commitment took the form of a communication sent to the Group's 600 leading suppliers, asking them to make a commitment on the SBTi (Science-Based Targets Initiative). In order to systematically ensure that greater account is taken of suppliers' performance in the selection processes, any call for tender in respect of an amount over €500,000 now includes a carbon-related criterion, which bears weight of at least 5%.

Also, in 2022, Eramet launched an initiative which aims, firstly, to roll out a programme to acculturate all employees to the issues surrounding climate change, and secondly, to speed up exchanges with its key partners with a view to committing to a shared dynamic of reducing greenhouse gas emissions all along the value chain of carbon steel.

Eramet continually seeks to identify raw materials that can be replaced by recycled materials to limit its scope 3 carbon footprint. These actions are detailed in section 5.2.4.

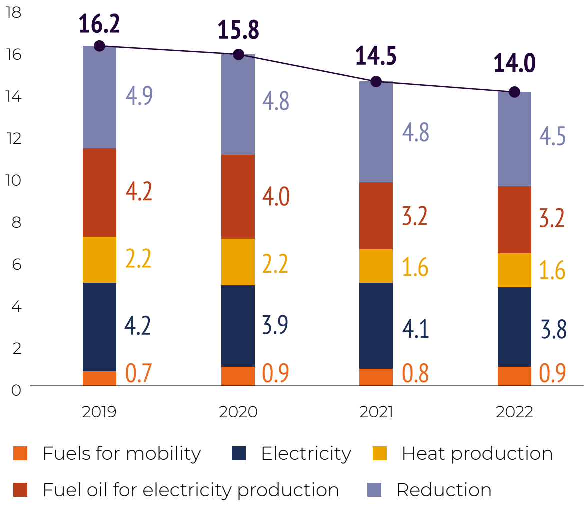
Through its Norwegian operations, the Group has been offering since 2021 an electrical connection service to ships parked at the loading docks of the Kvinesdal and Sauda sites in Norway, thus enabling them to consume low-carbon energy, since it is derived from hydroelectricity rather than heavy fuel oil, to meet their electrical needs. The service was extended to the Porsgrunn site in 2022.

#### 5.2.6.4.5 Slight decrease in energy consumption

The different kinds of energy used by Eramet include:

| | |
|---|---|
| REDUCER | All the chemical and thermal energy provided by reducers in smelting-reduction operations (coal, coke, etc.) |
| FUEL FOR ELECTRICITY PRODUCTION | Energy used for electricity production by "proprietary" thermal power plants (SLN and GCO). |
| FUELS FOR MOBILITY | Used for combustion engine powered machinery, mainly for mining operations. |
| LOW CARBON ELECTRICITY | Electricity purchased from the grid generated by renewable energy (sun, wind, hydroelectric etc.) or nuclear power plants. As much as possible, the Group sources its electricity from decarbonised sources, which in 2022 accounted for 92% of Eramet's electricity purchases. |
| HIGH CARBON ELECTRICITY | Part of the electricity purchased from the grid produced by oil-, natural gas- or coal-fired thermal power plants. |
| HEATING ENERGY | Energy used for drying, heating and heat treatment operations, necessary to ensure the quality of products delivered by alloy metallurgy and for pyrometallurgy inputs. |

### Breakdown of energy consumption in TWh – by energy type



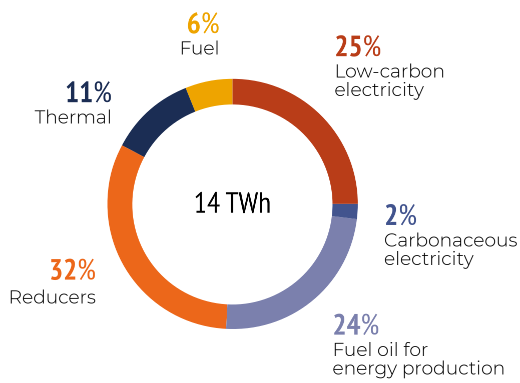

**The Group's total energy consumption in 2022 was 14.0 TWh**, which is slightly lower than in 2021 (14.5 TWh). The forms of energy whose consumption have dropped are electricity (-6%) and reducers (-7%), following a drop in activity of pyrometallurgy sites in Europe in 2022.

Conversely, fuel consumption increased (+12%), which is due to the development of mining activity in Gabon. Fuel oil consumption to produce electricity increased slightly (+4%).

The energy consumption for 2021 and 2022 by scope of activity, either continuing or being discontinued, is as follows:

| Year | Energy consumption of discontinued operations *(in $TW_h$)* (High Performance Alloys Division) | Energy consumption of continuing operations *(in TWh)* (Mining and Metals Division, Eramet Holding) | Total *(in TWh)* |
|---|---|---|---|
| 2021 | 0.9 | 13.6 | 14.5 |
| 2022 | 0.7 | 13.3 | 14.0 |

### Breakdown of energy consumption in 2022 – by use

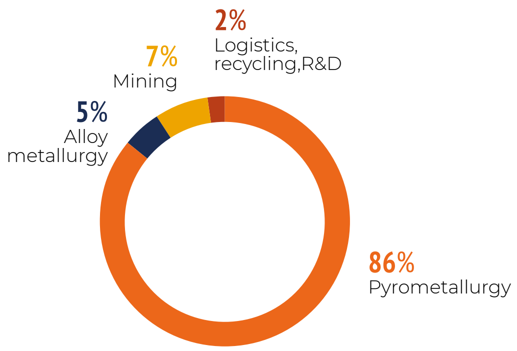



The main use of energy consumed during 2022 was for reduction of ores, which accounts for over 30% of consumption.

Energy consumptions such as $CO_2$ emissions linked to the Group's activities are broken down by activity category.

| | |
|---|---|
| MINING | The energy used by the mining sector is mainly fuel for mining machinery and electricity for fixed installations. Consumption trends are particularly dependent on the structure of the deposit, its topology, the activity (volumes of ore produced) and especially stripping and preparatory work volume ratios (total volume of ore handled). |
| PYROMETALLURGY | Industrial installations are part of "extractive metallurgy" which consists of converting, through reduction reactions, the metallic oxides contained in the ores into metal alloys. These processes require an energy supply to reach the temperatures of the reduction or smelting reactions (around 1,500°C), in the form of electrical energy and reducers that also contain carbonaceous energy. This consumption is directly dependent on the activity. Good process control also requires upstream monitoring of the water content of ores. The energy consumption for these uses is therefore also highly dependent on climatic conditions and varies depending on the season. |
| INTERNAL LOGISTICS | It corresponds mainly to the Group internal rail transport between mines and ports. For Eramet, it therefore comes under scope 1 and is completely distinct from the logistics activities traditionally included in scope 3. Energy consumption is mainly linked to the diesel locomotives operated in our mining territories. |
| ALLOY METALLURGY | The purpose of this industry is the production of alloys with high mechanical properties, their hot or cold processing and the associated heat treatments. These processes consume electricity and gas. Consumption is clearly dependent on the types of products delivered to customers and the complexity of the processes. |
| RECYCLING | This activity entails recycling metal waste by smelting it into alloys that can be used internally (concept of secondary mining) or directly by customers. The types of energy consumed are the same as for processing metallurgy. |
| RESEARCH AND INNOVATION | Teams work upstream for all the Group's business lines. |

**Breakdown of energy consumption in 2022 – by activity type**

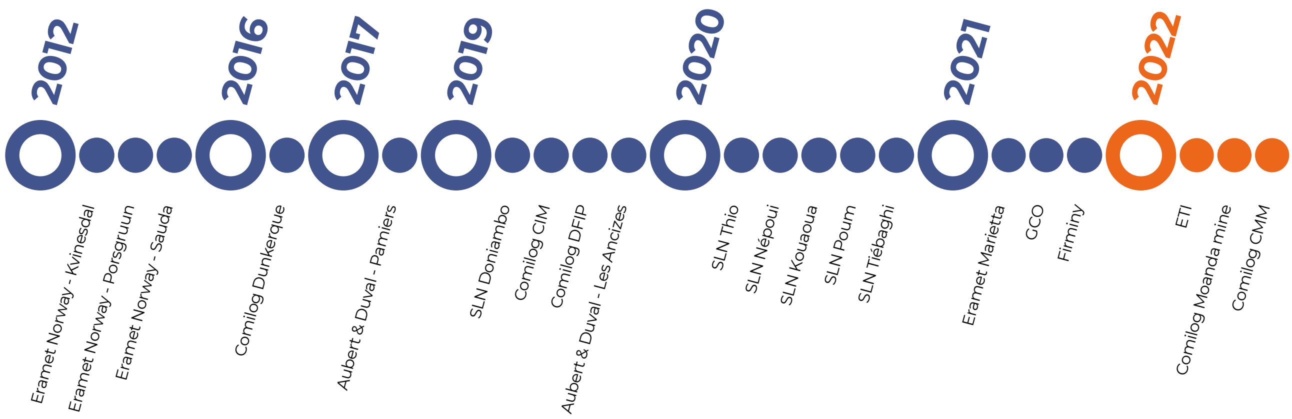



Pyrometallurgy is the Group's activity with highest energy consumption, accounting for almost 90% of total energy consumption in 2022.

### 5.2.6.4.6 Deployment of the ISO 50001 approach and energy efficiency

Following the creation of the international standard ISO 50001 in 2011, Eramet Norway's three sites were the first to receive certification in 2012, followed by Comilog Dunkerque in 2016. In 2019, three other Group sites received certification: the Doniambo plant operated by SLN in New Caledonia, and two Comilog sites in Gabon: the Moanda Industrial Complex (CIM) and the *Direction Ferroviaire et des Installations Portuaires* (DFIP – Directorate for Railway and Port Facilities). In 2020, SLN's five mining sites obtained certification, followed in 2021 by Eramet Marietta in the United States and GCO in Senegal; and then ETI in Norway in 2021. Finally, in 2022, the Moanda mine and the Moanda Metallurgy Complex (CMM) received their certification.

**Thus, at year-end 2022, all the Group's mining and metallurgy sites were ISO 50001 certified.**



Furthermore, Eramet participated in the ISO 50001 standard upgrade efforts with AFNOR experts and the Group is a member of the ENERGEST standardisation committee tasked with promoting and defining standards for energy efficiency practices.

### 5.2.6.4.7 Decarbonising Eramet energy

The Energy & Climate Department and all Eramet players involved in the choice of energy sources necessary for the Group's activity ensure that its decisions are always optimised based on economic and climate interests.

In 2022, the Eramet Group continued its efforts to reduce consumption and decarbonise its energy mix by conducting the main projects set out below:

- **the project to replace the SLN oil-fired power plant:** a "temporary docked power plant" solution, aimed at ensuring the continuity of electricity supply to the Donimabo site in the short term, was deployed in late 2022. This is an offshore oil-fired power plant with a higher efficiency than the pre-existing plant, which ceased operating completely in February 2023. The gain in efficiency significantly reduces $CO_2$ emissions in New Caledonia.
- **the installation of a photovoltaic solar power plant on the Grande Côte Opérations (Senegal) site:** Eramet chose to use an operator who will be in charge of building a 21 MWc solar power plant (coupled with an 11-MW electrochemical storage facility), which will reduce fuel oil consumption to serve the energy needs of the Grande Côte Opérations site. This installation is scheduled to come on stream in 2024;
- **the project to build a photovoltaic solar power plant on the Marietta site (United States):** a call for expressions of interest was launched in the last quarter of 2022 to identify the possibility of installing a photovoltaic solar power plant to serve the electricity needs of the Marietta site (United States);
- **the use of a conveyor belt with energy recovery for ore transport at Comilog Gabon.** As the Okouma mine site in Gabon is located 200 metres above the shipping point, Comilog chose to transport the ore by an electric conveyor and to recover the electricity generated by its descent rather than using mining machinery, which consumes diesel. The equipment was ordered in spring 2021 and is expected to come on stream in early 2023;
- **the recovery of process gases for energy production:** The NewEra ERU (Energy Recovery Unit) project added a carbon monoxide combustion unit to enable the generation of both heat and electricity from the gases produced by furnace activity. The heat generated is used to improve the efficiency of the process and therefore reduce the electrical power requirements in furnaces. The energy saving is therefore twofold: less energy required for furnaces and more electrical power available. A pilot unit installed in 2021 on the Sauda site in Norway served to validate the capacity of the generator to operate at the required levels of reliability and power. This type of facility will be extended in 2023 to recover all gases produced by Sauda site (Norway);
- **recovery and storage of heating energy:** Aubert & Duval is currently conducting a study on how to recover the extreme heat escaping from its furnaces to deal with the intermittence and variability of its heating needs.

**In 2022, Eramet also intensified its Research and Innovation efforts** in the area of identifying alternative, less carbonated sources for its pyrometallurgical processes, reducing its greenhouse gas emissions, and capturing its emissions.

This year, advances were made on the topics below:

- **the use of bio-reducers for processing manganese ore:** Laboratory and pilot tests have been carried out to replace a significant portion of the carbonaceous materials used in pyro-metallurgical furnaces with pre-treated bioreducers produced from biomass such as wood waste. During 2022, Eramet continued to work closed with multiple suppliers to develop a product which serves the company's needs. The next step will be an industrial trial at a Norwegian site, in the second half of 2023, to confirm the technical feasibility of this innovation;
- **the use of hydrogen in the processing of titanium ores** at the Tyssedal plant in Norway: The Group is seeking to substitute coal with hydrogen and thus reduce the $CO_2$ emissions of the production process.
- **Carbon Capture and Storage (CCS):** in 2022, Eramet carried out a feasibility study to build a pilot plant on the Sauda site in Norway to evaluate a process for capturing the carbon dioxide generated at the site. The Group received a Norwegian government grant to finance this study.
- **Carbon Capture and Utilisation (CCU):** For years, Eramet has been making use of a portion of the gases emitted by the pyrometallurgy furnaces at the Porsgrunn site (Norway) in the production of fertilisers. The company has conducted new exchanges with companies offering *Carbon Capture and Utilisation* solutions, to develop projects, in partnership, to use the carbon contained in the gases for the production of a range of chemical compounds.

## 5.2.7 Environmental preservation on mining sites

This section looks at environmental protection actions deployed at the mining sites in operation (with the exception of measures concerning biodiversity, which are detailed in section 5.2.8). Provisions for developing mining projects are included in section 5.4.5 “Governance of the sustainable development of industrial and mining projects”.

**The Group’s mining operations do not include underground mines, and involve wet separation of materials without altering the natural properties of the soils** (the management of the chemical risk associated with industrial activities is detailed in section 5.2.9 “Chemical risk liability”).

In Gabon, the mine operated by Comilog on the Bangombé plateau is one of the richest manganese deposits in the world. The properties of the deposit and the ore result in the production of relatively little mine waste[1]. The main environmental issues of this mine are the protection of the very rich biodiversity of the zone, and the safe operation of storage structures for mining waste.

**SLN operates 14 nickel mines in New Caledonia;** the seven largest are operated directly by SLN and the others are subcontracted to local operators. The mines are located in rugged terrain at altitudes between 250 and 1,000 metres. In this type of deposit, it is necessary to move about 7-9 tonnes of tailings to produce 1 tonne of ore that can be processed by the Doniambo plant. Storing these tailings under conditions that guarantee safety and protection of the environment is, therefore, a key issue. These ratios have been positively impacted with the development of low-grade ore exports, accompanied by better mining efficiency. The two other main challenges entail protecting the very rich local biodiversity and controlling the impacts associated with erosion and rainwater run-off.

**In Senegal, the Grande Côte Operations (GCO) mineral sands mine in Senegal produces zircon, ilmenite, rutile and leucoxene.** The deposit is located in the sand dunes near the coast to the north-east of Dakar. The extraction operations take place in an artificial mobile basin of 12 hectares and about 6 metres deep and follow a route which is optimised to exploit the deposit. The mining process involves a dredge with a capacity of 7,000 tonnes per hour, connected to a floating concentration plant, where minerals are separated from the sand by a grading and gravimetric process. After extracting the recoverable fractions (around 1.5% of the treated sand), the sand is directly put back at the rear of the facilities to reform the dune. The resulting heavy mineral concentrate is transferred to separation plants located on land, where the commercial products are obtained by separation. The low volumes of products extracted and not processed in this stage are reincorporated into the reconstituted dunes. The water needed to run operations is pumped from the deep aquifer (Maastrichtian) and recycled as much as possible. The potential impact of the mine on water resources represents the main environmental challenge of this operation.

The following table summarises the main environmental issues and risks for the Group’s mining sites.

(1) *Tailings are the material extracted from a mining operation with no or very little desired metal content. Mining waste is non-recoverable fractions obtained from ore concentration phases through physical and chemical means.*

TABLE SUMMARISING THE ENVIRONMENTAL ISSUES AND RISKS AT ERAMET'S MINING SITES

| | SLN Mines (New Caledonia) | Comilog Mine (Gabon) | GCO Mine (Senegal) | Comments |
|---|---|---|---|---|
| Pressure on water resources (quantity) | ** | * | **** | The high levels of rainfall at the sites in New Caledonia and Gabon make the issue of water consumption relatively low in sensitivity. Conversely, in Senegal, the two aquifers used by the mine are important reserves for local residents and for the country. Measures are being taken to limit the quantities taken from these aquifers. |
| Soil erosion and impacts on the quality of surface water | **** | ** | ** | The nature of the soils and rocks, the topography of the deposits and the presence of fragile receiver environments make erosion a very sensitive subject in New Caledonia. In Senegal, protecting the dunes reconstituted after dredging against wind and water erosion is an issue, but outside the freshly reconstituted areas this subject is of minor importance. In Gabon, only parts of deposits located in steeply sloping areas are somewhat sensitive to erosion. |
| Acid drainage | o | * | * | Generally, Eramet mining sites are little concerned by the risk of acid mine drainage. In Gabon, only a horizon of tailings located in the sloping part of the deposit is likely to present this risk in a localised way. In Senegal, a sandy horizon containing intercalated peat lenses may be encountered during mining operations and may potentially generate low acidification. |
| Production and storage of tailings | *** | * | * | The tailings from the Moanda mine are mostly returned immediately to the mining area. In Senegal, the sand is returned directly to the environment after extracting the recoverable fraction, which represents only 2%. By contrast, in New Caledonia, the production of waste rock is much larger. The operating methods of SLN (New Caledonia) prioritises, whenever possible, the filling of mining pits rather than storage on natural sites. |
| Production and storage of tailings | * | *** | * | Only the Comilog mine (Gabon) and the Tiébaghi and Népoui mining sites (New Caledonia) produce significant quantities of mine tailings in the form of pulp, resulting from concentration steps by mechanical processes. These residues are chemically stable and are not hazardous to the environment. In New Caledonia, some residues from processing plants are, moreover, commercially processed as mining by-products. The characteristics of the small quantities of residues produced in Senegal allow their return to the natural environment during the reconstitution of the dune. Therefore, the safety of mine waste management structures is not an issue for the Comilog mine in Gabon, where the storage sites are built with confining embankments. |
| Impacts on biodiversity | **** | **** | ** | The biodiversity of the New Caledonian sites is recognised as remarkable due, in particular, to its very high endemicity. The most recent studies conducted with regard to international standards in Gabon have shown that the Comilog mine is also located in an environment characterised by high biodiversity. The GCO mine (Senegal) does not have the same level of sensitivity. However, it should be noted that the Senegal mine is adjacent to major vegetable production areas. |

Legend:

* *Low.*

** *Moderate.*

*** *Significant.*

**** *Major.*

o *No acid drainage.*

### 5.2.7.1 Mining environment management structures

Teams dedicated to the consideration of the environment in mining are present throughout the Group and at the sites of subsidiaries and joint ventures concerned in Gabon, Senegal, New Caledonia, Indonesia and Argentina.

In the past few years, Eramet has strengthened the structuring, formalisation and international coordination of tools for environmental management at mines. As part of this, the following actions have been carried out:

A community of mining environment experts has been set up and meets regularly. Its role is to formalise good practices guidelines applicable throughout the Group and to encourage the exchange of expertise between sites. Since 2021, this community has been organised into two skill sets dealing with issues of water management and geotechnics.

Environmental Management Systems compliant with the requirements of ISO 14001 have been deployed by the mining subsidiaries, and now all mining sites are certified.

- In 2016, SLN became the first mining and metallurgical company to obtain ISO 14001 certification in New Caledonia. The certificate covers the mining activities of the seven main mines, which are operated directly by SLN;
- For its part, Comilog (Gabon) has been ISO 14001 certified since 2012. In 2019, the certification scope evolved by incorporating the activities of the Moanda metallurgical complex (C2M). Now, the application field covers manganese ore extraction, preparation, storage and loading operations (Rocky, Fine and Sinter), production of silicomanganese, metal manganese and other derivatives of manganese ore, sold in the metallurgical and chemical industries;
- In Senegal, in 2021, GCO became Senegal's first ISO 14001-certified mining company.

In 2022, the Group affirmed its ambition to comply with the CSR requirements of the Initiative for Responsible Mining Assurance (IRMA) standard (), committing to have an audit carried out on all its operational mining sites by 2027. The environmental requirements of this standard, based on the most ambitious international benchmarks (IFC, ICMM, OCDE, ILO, EITI etc.), cover aspects relating to water management, biodiversity and management of mine waste. As part of this roadmap, the lithium production project in Argentina and the GCO in Senegal carried out a self-assessment this year, which is the first step before engaging the services of an independent auditor. It should be noted that the IRMA standard also deals with social aspects, which are addressed in section 5.3 of this document.

All SLN mining sites (New Caledonia) have updated their environmental impact assessments in recent years as part of the reform of the Mining Code of New Caledonia. This considerable work allows each site to have comprehensive studies on the environment and the ecosystems in which they are located, and effective environmental management plans adapted to their specific characteristics. To reflect the changes to the mining plan, these management plans are updated periodically (every five years), and the authorities are duly informed.

At the same time in Gabon, for the Comilog mine, the numerous environmental studies performed have contributed to the considerable improvement in the awareness level of the site's environmental characteristics. The most recent include:

- The complete environmental and social impact study for the extension of the Bangombé plateau mining operation to the edges of the deposit (part of the sloping deposit located within the Comilog concession). This study was validated by the authorities in 2018;
- The environmental and social study aligned with best international standards implemented for the Okouma deposit mining project. This study, approved by the authorities in 2019, was given an addendum during the investigations that took into account the update of the project (relinquishing the washing plant in favour of two modular washing plants on the Plateau and installation of a press filter and a dry ore processing route). This addendum was validated by the authorities in late 2021.

In Senegal, the Grande Côte Opérations mining site, following the audit and updating of its Environmental Management and Social Plan (EMSP), received its environmental compliance certificate in 2016 from the supervisory authorities, and then, in 2017, the joint ministerial decision granting definitive authorisation for all its classified establishments. Finally, in 2022, it received the environmental compliance certificate for its expansion project.

### 5.2.7.2 Responsible mining resource management

The recovery of mining resources is one of the Group's core businesses and a key component of the Group's contribution to the development of the circular economy. Indeed, maximum beneficiation of the mineral profile, i.e. the mining of ores at the lowest possible grade, or the recovery of materials previously considered to be tailings or waste, makes it possible to improve the environmental efficiency of mining operations by increasing the quantity of metal resources produced for the same environmental footprint.

The beneficiation of mining waste or low-grade ore can be obtained thanks to technical innovations, or by seeking new commercial outlets compatible with the characteristics of these products.

As such, in New Caledonia, SLN has built washing plants (ore processing plants or OPPs) which allow the ore to be concentrated without adding any chemicals. These enable the beneficiation of ore initially considered as marginal, thus significantly extending the life of deposits while reducing the final environmental impact. The concentrated ore produced by these washing plants is recovered either at the Doniambo plant (New Caledonia) or exported to other customer plants, depending on the grade.

Beneficiation is impossible for some low-grade ore on the territory. That is the reason why, in collaboration with the authorities, SLN has developed strong partnerships in recent years that allow beneficiation of this ore for export. By mining ore at the lower grades, the mines produce less tailings. This helps to reduce the environmental impacts associated with the storage of ore (on the landscape, and on erosion).

Other examples in Senegal: since 2016, more than 117,000 tonnes of sand containing zircon (medium-grade zircon sand), initially considered as a waste, has been recovered by the GCO teams (Senegal).

In 2018, the Group decided to strengthen this momentum to improve the recovery of mining resources by formalising a new circular economy action plan. The objective is, over the 2019-2023 period, through a series of innovative actions, to recover more than 2 million tonnes of materials previously considered as waste or tailings. Four projects have been launched to contribute to this goal. Three of them have already produced results in terms of recovered tonnes.

- a flow of ilmenites initially considered at GCO (Senegal) as waste can be recovered by creating a new commercial product known as Ilmenite 56. 115,000 tonnes of this product were recovered in 2019;
- a facility with a new tri-optic technology was established on SLN's Népoui (New Caledonia) mining site. This allows the finer sorting of the wash waste previously considered as tailings. Installed in 2020, this innovation has helped to recover 73,000 tonnes of waste;
- lastly, in the context of the development of low-grade ore exports, SLN (New Caledonia) has been able to recover since 2019 over 2,075,000 tonnes of ore that had been sorted and stockpiled while waiting to find a beneficiation solution. Thus, these tonnes of ore can be beneficiated with no additional environmental impact linked to their extraction.

For the fourth project, located in Comilog (Gabon), a pilot mineral processing system needs to be put in place from 2023 to validate the process of recovery of a portion of the mining waste generated.

### 5.2.7.3 Management of impacts on water resources

At mining sites in New Caledonia, and to a lesser extent in Gabon, the major issue of water management is to prevent the entry of suspended solids into the receiving environment through run-off caused by erosion due to surface stripping.

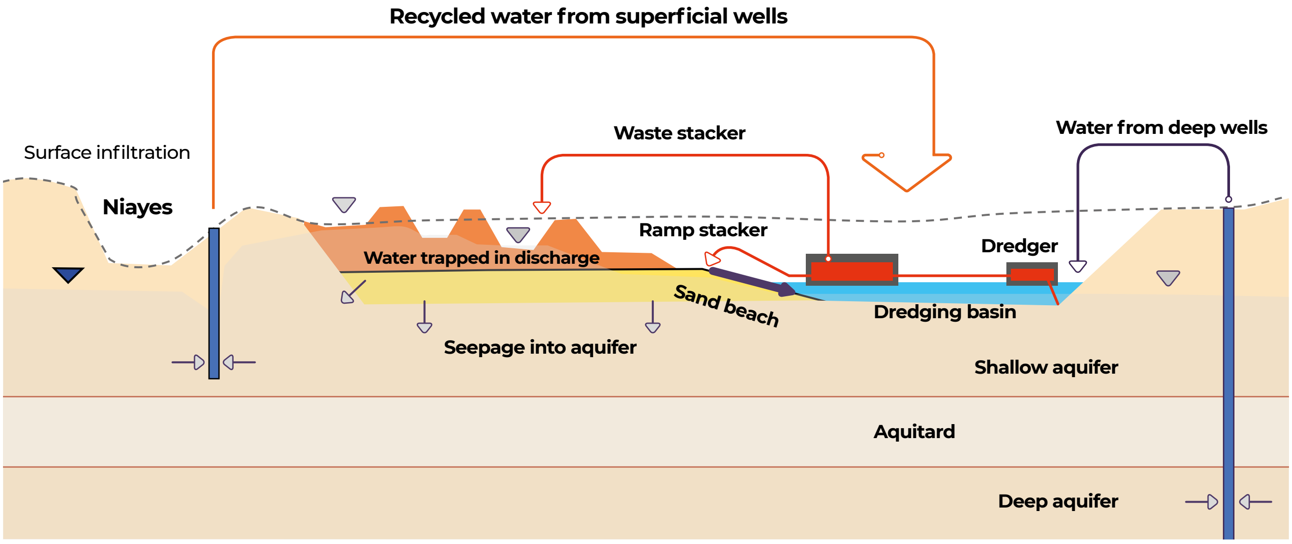
To avoid this, SLN (New Caledonia) has long since equipped its sites with sedimentation ponds that trap suspended solids in order to prevent their transport into the natural environment. Upstream from these works, many precautions are taken to minimise erosion, including roofing of sites to prevent water entry, minimisation of unsheltered areas, conservation of natural embankments at the edges of stripping sites, the organisation of run-offs to reduce speed, implementation of hydraulic locks etc. These measures are documented for each mining site in a water management plan conforming to the requirements of New Caledonian law. The implementation of these plans as mining progressively evolves represents an ongoing commitment and considerable investment. Ever looking for ways to improve, SLN now uses drones to monitor the proper functioning of water management equipment, particularly after heavy rainfall.

The special expertise of SLN on the topic of erosion prevention is compiled in a revised technical guide (the «Blue Guide»), which serves as an industry reference in New Caledonia and beyond for the Group.

In Gabon, the subject of erosion is less significant given the topography of the plateau deposit and the draining characteristics of the upper geological layers of the plateau. Whilst this holds true on the Okouma plateau, where the mine has only recently been opened, the situation has evolved on the Bangombé plateau, where 90% of ore has now been extracted from the hillside, leaving a significant incline. To address these new constraints, the water management plan has been adapted to integrate specific constructive measures (channelling of water along the embankments, guiding of water into sedimentation tanks, adjustment of the slope of the embankments to suit the geology of the terrain), which are implemented in parallel to ore extraction activities. Now available to view using a GIS interface, the results of the specific environmental monitoring of surface water confirm the effectiveness of the measures taken and makes it possible to verify that the very limited and localised phenomenon of acid mine drainage does not have a significant impact on the natural environment.

In Senegal, water consumption is a sensitive issue as the operation of the mine uses two aquifers, one of which is shallow and very important to local inhabitants (domestic consumption and irrigation) and the other (deep) is the largest underground water reserve for drinking water supply in the region. Given this situation, every precaution is taken by the teams to ensure that the impact of the mine is controlled and minimised. The site has a dedicated team of expert hydrogeologists. In this respect, a doctoral thesis entitled "Update of the knowledge of the Northern Coast aquifer and evaluation of the potential impacts of the mineral sand mining by Grande Côte Operations: Hydrochemical, isotopic and hydrodynamic approach by modelling – Senegal" (Actualisation des connaissances sur la nappe du Littoral Nord et évaluation des impacts potentiels de l'exploitation des sables minéralisés par Grande Côte Operations: approche hydrochimique, isotopique et hydrodynamique par modèle – Senegal) was successfully defended at the Dakar Cheikh Anta Diop University (Senegal). In the context of the State/GCO partnership, the water ministry departments, in addition to their sovereign missions of monthly controls, contribute to the continuous improvement of underground water resources management process. As such GCO also pays the drainage tax levied on pumping water from the deep water table. GCO also took part in the ninth World Water Forum in Dakar in March 2022.

The water management system was designed by Eramet's subsidiary and authorised by the competent department of the Senegalese Government to avoid additional pressure on the superficial water table used to supply water to local residents' agricultural crops. All mining installations are controlled to ensure minimal variations in the level of this water table. This aquifer is subject to twice-daily monitoring. More than 80% of the mine's net water consumption is used to ensure a constant water level in the basin in which the dredge and the facilities float. For this, the mine uses a deeper aquifer, for which limits on pumping rates have been set by the authorities and respected by the site since the start of production. The water from this water table is recycled as much as possible (recycle rate of around 45%) through a recycling well system. In addition, this aquifer is also subject to continuous monitoring. To this end, three 500 m deep piezometers are used to control the deep (Maastrichtian) aquifer.




The mine's operating system and the estimation of reserves are based on good management of water level forecasts in the dredging basin. Hydro-geological modelling thus plays an important role in planning, calling for a robust and reliable hydraulic database. In 2021 the Mining Technical Services Department, through its hydraulic service and with the support of the Group's Digital Transformation Department, started designing a hydraulic database management system to meet the important and complex data needs of hydro-geological, hydraulic and mine planning modelling tools.

Shallow and deep aquifers are monitored internally and continuously by the Environment Department and the Water Management Department of GCO (Senegal), respectively. In addition to this, "water police" monitoring missions are carried out by the DGPRE (Ministry of Water and Sanitation). Monthly reports on this matter are sent to the relevant authorities. Since the start of the operations, monitoring continues to demonstrate the effectiveness of the measures taken and the absence of damaging consequences on water resources.

### 5.2.7.4 Tailings and mine waste management

#### Mining waste

Through its Environmental Responsibility Policy, Eramet has banned the practice of deep-sea tailing placement. The Group does not use this method.

Only one of Eramet's three mining subsidiaries uses tailing dams: Comilog (in Gabon). SLN's mining operations in New Caledonia and GCO's in Senegal do not involve these types of structures.

In Gabon, mine wastes are clay ore fractions, obtained by a physical separation process by water scrubbing, without the addition of chemical products. Leaching tests showed that these are inert waste.

This waste is stockpiled in 13 ponds (10 of which are inactive), consisting of closed dams with an average height of 16 metres, and a volume between 1 and 1.5 million $m^3$. These structures are not raised: a new structure is built every 18 to 24 months (two dams are currently under construction).

In Gabon, the CIM enrichment plant also has a dam used to stock two types of non-hazardous waste associated with the plant: sand (particle size matter between 1 and 20 mm) and finer ore fractions (< 1 mm) in the form of sludge. The coarse fractions are used to continuously consolidate its external walls (downstream method). The dam and the consolidation, measuring a combined total of 100 metres in width and 30 metres in height, contains 3.6 million $m^3$ of sludge.

The structures are continuously monitored and operated in accordance with specific procedures. In 2020, the Group instituted a new formal procedure dedicated to the "Management of tailings storage facilities". This procedure is based on the fundamentals of the requirements of the "Global Industry Standard on Tailings Management" published in collaboration by the United Nations Environment Programme (UNEP) and by the International Council on Mining and Metals (ICMM) in 2020. Beyond the governance requirements of this standard, the procedure also defines a certain number of design criteria derived from the ICOLD/ANCOLD guidelines. The purpose of the procedure is to create, for all operations, uniform risks analysis and associated baseline design criteria. More restrictive regional regulatory specifications are of course prioritised over this procedure.

Tailings are inert, the size of these facilities is limited compared to facilities in other parts of the world, and lastly Eramet does not use the controversial upstream method to raise the structures. None of these facilities falls under the "extreme" or "very high" risk categories defined by the Global Industry Standard on Tailings Management. In spite of these favourable intrinsic characteristics, Eramet is committed to operating these facilities in accordance with best practices to guarantee the safety of its employees and neighbouring communities.

Based on the site review conducted in 2020, upscaling programmes addressing the gaps identified and making upgrades to bring certain aspects up to best practice, have been initiated in 2021.

Eramet actions are fully in line with global initiatives aimed at strengthening the mining industry's management of the safety of tailings facilities. Eramet supports the Global Industry Standard on Tailings Management (GISTM) and participates in the initiative launched by The Church of England Pension Board aimed at improving reporting transparency on this sensitive subject. Eramet's statement on the issue is available on its website: http://www.eramet.com/fr/rse/environnement/gestion-responsable-des-residus-miniers-et-steriles.

Lastly, Eramet has undertaken to develop the dry-stacking method for its tailings. This breakthrough innovation for the environment presents multiple benefits: dry-stacking presents much less risk of instability, and in addition, it enables better water recycling in the process. This method will be used for 50% of flows for washing facilities associated with the extension of the Comilog mine in Gabon. This is also the preferred option in studies relating to development projects for battery-grade nickel in Indonesia.

#### Tailings

Given the considerable volume of waste rock being handled at SLN operations (New Caledonia), the storage of tailings in appropriate structures and their revegetation is a vital environmental task in order to minimise erosion and the impacts on the ecosystem and landscape.

Thanks to its experience, SLN (in New Caledonia) has developed effective techniques that have been validated by the authorities, one of which is to create tailings stockpiles. The works are carried out according to professional standards and their stability is guaranteed in the long term, even during exceptionally heavy rains. These tailings stockpiles are subject to continuous internal monitoring and regular audits by an external third party. As with water management techniques, SLN has published a technical guide, which explains the construction methods and design rules applying to tailings stockpiles. This guide applies to all SLN mining sites operated directly or by outsourcing. Moreover, in order to minimise land clearing and promote site rehabilitation, SLN prioritises the creation of flat-top piles in old mining pits, when the environmental conditions are favourable.

Although the "Management of tailings storage facilities" procedure primarily concerns Comilog's ponds in Gabon, SLN has undertaken to implement it in 2021 in order to further secure its emplacement sites and to match international best practices.

In Gabon, the problem is less sensitive since, on the one hand, the volumes of tailings being handled are much less, and on the other hand because the technique of exploiting by the successive opening/closing of "compartments" allows the majority of tailings to be placed directly into the "compartments" after extraction.

The Senegal mine is not at all affected by this problem, since the sand dune is reconstituted continuously as operations proceed, after passing the dredge and extracting the recoverable portion.

### 5.2.7.5 Rehabilitation of mining sites

All mining sites are now continuously rehabilitated. In the Group's CSR roadmap, Eramet is committed to protecting water resources and speeding up the rehabilitation of its mining sites by promoting biodiversity, with the aim of achieving a ratio of rehabilitated areas to cleared areas greater than or equal to 1 over the period 2019-2023.

#### In New Caledonia

The work includes land reshaping and revegetation operations, the methods and results of which are described in section 5.2.8 "Preservation of biodiversity".

Active mines have a rehabilitation master plan which defines the work to be implemented as and when mining operations are carried out. The master plan is based on numerous technical investigations specific to each site and feedback acquired by SLN in the past 30 years, now compiled in two practical guides, one dedicated to optimal topsoil management (2015) and the other on the principles and techniques of mining redevelopment (2016).

Over the past year, the societal and climatic situation in New Caledonia disrupted the implementation of the original action plan. However, several redevelopment projects allowing for definitive rehabilitation, have been carried out, continued or completed. In addition to the revegetation work carried out on a recurring basis (hydraulic sowing and planting, excluding topsoil spreading), other major redevelopment projects are also being undertaken by SLN. Some examples are:

- in the commune of Houailou:
  - the undertaking of corrective work to the water management system on the "ORG-Lulung" site, in connection with the associated emergency measures order. The work involved nine former operating quarries, for 27 settling basins to be dredged, whose spillways and downpipes were rehabilitated;
  - on the River Kua, the dredging operations along the water continued throughout 2022, immediately upstream of the estuary.
- in the commune of Poya: the completion of rehabilitation work on the "SIREIS" mining site, which was active up until the early 1980s. These large-scale works, carried out by local businesses, took place between 2006 and 2022, costing in excess of €5 million. The environmental protection measures entailed the remodelling of the former discharges of tailings, the implementation of a water management system capable of directing water toward sedimentation tanks before releasing it, and the creation of a seed field of endemic species, which will gradually support the revegetation efforts;
- in the commune of Thio:
  - on the Plateau de Thio mine, commencement of the rehabilitation work on the "Sillon Nord" site. This project, which has been entrusted to a local company which includes all the traditional authorities in the region, is expected to take around three years;
  - downstream of the former mining sites in the region, the continuation of the scheme to intervene on over-silted waterways. In 2022, maintenance work was undertaken on three waterways (the Nemburu, the Nakalé and the Sapins Creek).

#### In Gabon

Revegetation is much easier than in the New Caledonian environment because vegetation recolonisation occurs naturally. Nevertheless, actions have been undertaken to speed up the process of revegetation and include aspects relating to biodiversity. The challenge of redeveloping the sites is also landscaping with the need to remodel the tailings stockpiles of a few metres in size created by exploitation.

Since 2010, the mining procedure has been revised to incorporate land remodelling as it evolves. An effort to remodel the areas disturbed before this date was undertaken in parallel and is subject to an annual target in the mine's environmental management system. The results are detailed in section 5.2.8 "Preservation of biodiversity". To supplement the remodelling operations on the parts in the declivity, two actions were carried out in 2022:

- the development of a nursery on Bangombé Plateau, comprising the establishment of 4 experimental plots, covering a total surface area of 1 ha. The results of this work, carried out in collaboration with the University of Franceville, are expected in 2023;
- a planting campaign covering a total surface area of 17 ha, undertaken by the company MORFO using drones. This start-up was identified through the Open Innovation Challenge – an event organised by Eramet with the support of EIT Raw Materials to support the owners of innovative solutions. MORFO offers an integrated solution, whereby drones are used to collect data on the zone to be planted, to collect grains, and to disperse seeds in capsules containing all necessary biological material and nutrition, and finally, to monitor the progress of the planted areas.

In addition, operations to rehabilitate the River Moulili by extracting the ultra-fine deposits downstream from the mine's ore washing plant have continued since 2010. At year-end 2021, approximately 17 million tonnes of manganiferous sediments were excavated from the segment upstream of the river. These operations are carried out in compliance with the Environmental Management and Social Plan prepared after the impact assessment of this work. In a spirit of transparency and dialogue, Comilog organised, in June 2014, a seminar dedicated to the rehabilitation of the downstream segment of the river. This collaborative effort with all relevant stakeholders (government, civil society, NGOs, scientists, etc.) enabled the definition of a consensus and recommendations for the downstream segment, which were then proposed to the supervisory authorities. Following this operation, a first in Gabon, the riverbed was recreated as agreed at the seminar over 1,500 linear metres with the help of specialised equipment (amphibious hydraulic excavator). On the same principle, restoration work on a second river section (MT4) 2,460 metres long was started in 2021. At year-end 2022, almost half the section had been restored.

### In Senegal

The particular exploitation mode of this mine, with an enrichment plant moving progressively along the deposit, involves the clearing of vegetation consisting of grassy and forested strips thinly distributed over the area. The revegetation of the reconstituted dunes at the rear of the mobile mining facilities is a strong expectation of the resident populations, and also a challenge in the context of rainfall limited to a short rainy season.

After consulting the relevant authorities, local populations and their representatives, a participatory rehabilitation strategy with strong involvement of communities and local authorities was formalised in late 2013. The implementation of rehabilitation is accompanied by the creation of income-generating activities for the host populations participating in the emergence of a local entrepreneurial culture. Rehabilitation work is regularly monitored as part of a dedicated formal consultation framework set up in 2015 by the sous-préfet of Méouane, and consultations with local residents on their expectations regarding rehabilitation were renewed in 2016.

The success of the rehabilitation operations and the rigorous application of the rehabilitation strategy have been confirmed by regular audits by the Water and Forest Inspectorate as well as in the inspection by the Department of Water, Forests, Hunting and Soil Conservation. Rehabilitation techniques are constantly being improved. With the implementation of a supplementary irrigation system in 2017, rehabilitation is now carried out continuously throughout the year, thus making it possible to cover increasingly large areas. Maintenance of the new plantations with the supplementary irrigation system has resulted in very high survival rates (over 90%) and faster plant growth. The dynamics of natural resources (soil, flora, fauna, etc.) in the sites being rehabilitated are good. On 8 September 2022, eight years after mining began there, 85 hectares of mining land remodelled and revegetated, were officially handed back to the Senegalese Water and Forestry Department – a first in the country. By 2025, 950 hectares will be returned progressively to the State. Rehabilitation results are detailed below in section 5.2.8 "Preservation of biodiversity".

## 5.2.8 Preservation of biodiversity

The locations of Eramet's various mining and metallurgical activities have enabled it to acquire solid experience in relation to biodiversity and to build a network of internal specialists. Based on this experience, Eramet decided to formalise its commitments in 2015. They are the subject of a specific section in the Group's Environmental Responsibility Policy (available from www.eramet.com).

The principle is simple: act by avoiding and reducing pressure. The Group has made the "mitigation sequence" the foundation of its biodiversity preservation strategy:

- Avoid: Eramet's first priority is to avoid negative impacts on biodiversity;
- Reduce: Eramet seeks to reduce impacts that cannot be avoided in order to reduce their duration, intensity and/or extent;
- Rehabilitate: Eramet undertakes to rehabilitate the areas affected by its activities as soon as possible, with a focus on the reintroduction of endemic species;
- Offsetting: Eramet undertakes to offset any significant residual impacts that cannot be avoided, reduced and, where applicable, rehabilitated.

CSR 2023

Furthermore, under its CSR Roadmap, Eramet has undertaken to strengthen its mining sites rehabilitation effort, the third area of focus. Rehabilitating faster helps to limit erosion, thereby preserving the quality of aquatic environments while recreating conditions conducive to biodiversity.

The Group seeks to achieve a ratio of rehabilitated areas to cleared areas ≥ 1 over the period 2019-2023 (long-term infrastructures excluded). This goal corresponds to continued progress on this indicator which was:

- 0.5 from 2011 to 2013;
- 0.85 from 2014 to 2018.

The objective was reached over the 2019-2022 period, with a ratio of 1.21. For 2022, the ratio is 1.43. The contributions of each subsidiary to this overall result are detailed in the following paragraphs.

act4nature international

In 2021, Eramet completed its voluntary undertakings to preserve biodiversity and joined the "Act4Nature International" initiative. The initiative was launched by the French Association of Business for the Environment to highlight accomplishments promoting biodiversity at international meetings. It is led by the association and fourteen partners including environmental NGOs and scientific bodies. The undertakings have three objectives: avoidance and reduction of impacts and promotion of biodiversity. They therefore fulfil the 10 Act4Nature International shared commitments. The implementation results are given in the last column of the table below.

| Individual commitments made in 2021 | | | | | | | | | | | | | | Balance sheet | | | Reporting/Communication | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Title of individual commitment | Scope | Indicator/Associated objective | Deadline or period of implementation | Link with shared commitments 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Status of the action | Partial/final results of the action | Comments | Communication | Documentation | Monitoring methods |
| **Do not conduct exploration and mining activities in natural sites listed on UNESCO's World Heritage List** | Exploration and mining operations | 100% of mining sites and projects | Permanent | ✓ | | | | ✓ | | | | | | Menée à terme | **Completed: Results achieved** As at 31 December 2022, none of our sites for exploration or mining operations is in a UNESCO World Heritage site. | The boundaries of the UNESCO sites are shown in the geographic information system used by the exploration team. The sites operating in New Caledonia, Gabon, Senegal and soon to be Argentina, are not in UNESCO sites. | Published | 2021 and 2022 Universal Registration Documents | Audited by third-party organisation |
| **Prohibit the use of tailings disposal at sea. Promote a regulatory ban on this method, particularly in the regulations for electric vehicle batteries.** | Exploration and mining operations | 100% of mining sites and projects – raise awareness among stakeholders. | Permanent | ✓ | | | | ✓ | | ✓ | | | | Menée à terme | **Completed: Results achieved** As at 31 December 2022, none of our sites or projects discharge or are planning to discharge tailings at sea. | Tailings are stored in dump sites or in basins.<br>A regulatory ban on tailings disposal at sea is currently being promoted with the European Commission. | Published | 2021 and 2022 Universal Registration Documents | Audited by third-party organisation |
| **Integrate a biodiversity component into project feasibility studies and then into action plans:**<br>• **Characterisation of the initial state;**<br>• **environmental and social impact assessment, with formalisation of the sequence, Avoid – Reduce – Rehabilitate – Compensate** | Mining and industrial projects | 100% of greenfield mining projects. 100% of extensions of existing mining locations. | Permanent | ✓ | ✓ | ✓ | | ✓ | | | | | | Menée à terme | **Completed: Results achieved** Characterisation studies are routinely conducted in the earliest stages of project feasibility studies.<br>Biodiversity issues and the ARRO sequence are also integrated into and followed by the projects, with a particular focus on the Avoid and Reduce aspects. | • The project to extend Comilog's mining activities in Gabon to a new plateau has been the subject of a study of the surrounding biodiversity, a detailed examination of the initial state, an impact assessment and a commitment to net-zero losses. The resulting biodiversity strategy and actions have been brought together to form a Biodiversity Action Plan (PAB). The site is now operational, the plan is being followed, and offset activities are being coordinated at meetings held monthly since 2021.<br>• In 2022, the earliest examinations of the initial state were carried out for a project in Cameroon. | Published | 2021 and 2022 Universal Registration Documents | Audited by third-party organisation |
| **Preserve water resources.** | Mining operations Group | Water management plan on 100% of the mining sites.<br>Implementation of the Eramet Water strategy including a measurable objective in the 2023-2028 CSR Roadmap. | Year-end 2023 | ✓ | ✓ | | | ✓ | | | | | ✓ | En cours | **Ongoing: Partial results** A working group dedicated to on-site water management was set up at the end of 2021.<br>The strategy is currently being drawn up. The new CSR Roadmap will be published in late 2023. | In 2022, for the first time, Eramet responded to the CDP Water Security questionnaire, and earned a B- rating, which attests to its commitments both for its industrial sites and its mining sites. | Published | 2022 Universal Registration Document<br>Press release<br>CDP Water Security Questionnaire | Audited by third-party organisation<br>CDP score |
| **Accélérer la réhabilitation de manière progressive et sans attendre la fin des opérations sur toutes nos implantations minières** | Mining operations | Ratio of rehabilitated areas to cleared areas ≥ 1 over 2018-2023, as compared to 0.5 in 2011-2013 and 0.85 in 2014-2018 (excluding long-term infrastructure). | Year-end 2023 | ✓ | | | | ✓ | | | | ✓ | | En cours | **Ongoing: Results achieved in the period from 2018 to 2022** In the period from 2018 to 2022, the ratio is 1.21. | Cleared and rehabilitated surface areas are integrated into the performance indicators for mining activity; they are monitored by personnel on site. They are reviewed internally every three months. | Published | 2022 and 2023 Universal Registration Documents | Audited by third-party organisation |
| **Accelerate rehabilitation gradually and without waiting for the end of operations on all our mining sites.** | Mining operations | Biodiversity action plan for the three mining sites. | Year-end 2023 | ✓ | ✓ | | | ✓ | | | | | | En cours | **Ongoing: Partial results** Biodiversity action plans have been defined for the three sites.<br>In Gabon, the plan complies with IFC performance standard no. 6 and the IRMA standard.<br>Rollout has been completed on two sites and the plan is in the process of being rolled out in Gabon. | In addition to the revegetation that is carried out systematically after rehabilitation works in Senegal and New Caledonia, additional and voluntary actions are being performed: safeguarding species, mangrove rehabilitation etc.<br>In Gabon, the action plan is being rolled out: exclusion zone, monitoring of fauna (camera traps), savannah restoration, and offset actions. At the end of 2021, a nursery was set up to supplement the rehabilitation of the mined sites. This nursery has already enabled us to reproduce the nine most abundant shrub species in the savannah. | Published | 2022 and 2023 Universal Registration Documents | Audited by third-party organisation |

| Individual commitments made in 2021 | | | | Link with shared commitments | | | | | | | | | | Balance sheet | | | Reporting/Communication | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Title of individual commitment | Scope | Indicator/ Associated objective | Deadline or period of implementation | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Status of the action | Partial/final results of the action | Comments | Communication | Documentation | Monitoring methods |
| **Combating invasive alien species (IAS):**<br>• **Develop and implement a management plan focusing on priority IAS.**<br>• **Use local species as a priority for revegetation projects.** | Mining operations | IAS management plan at the three mining sites.<br>>50% local species on replanted areas.<br>Active support for the development of local tree nurseries. | 2023<br>Since 2021<br>2022 | ✓ | | | | ✓ | | | | ✓ | | En cours | **Ongoing: Results partially achieved**<br>Programmes to combat IAS have been implemented at all three mining sites.<br>In the revegetation work, we have unfailingly used local plant species in New Caledonia and Senegal.<br>For a drone rehabilitation test on the Gabon site, seeds from a site in Equatorial Africa were used, due to the lack of availability of seeds in Gabon itself.<br>Nurseries have been developed in all three countries. | There are proprietary and shared nurseries, respectively, in Senegal and New Caledonia<br>A proprietary nursery was set up in Gabon in late 2021. It is entirely dedicated to growing local savannah plant species (a pilot initiative): shrubs, grasses and legumes. | Published | 2022 and 2023 Universal Registration Documents | Audited by third-party organisation |
| **Prioritise metal recycling in steel mills. Innovating to recover low-grade ores and tailings.** | Group | > 90%.<br>2 Mt of tailings and low-grade ores over the 2019-2023 period | Permanent<br>Year-end 2023 | ✓ | | | | ✓ | | | | | | Menée à terme | **Completed: Results achieved**<br>Objective achieved >90% of inputs to steel mills from recycled materials in 2021 and 2022.<br>2.311 Mt of tailings and low-grade ores were recovered between 2019 and 2022. | In 2023, the Group will divest itself of its steel mills. | Published | 2022 and 2023 Universal Registration Documents | Audited by third-party organisation |
| **Reduce air emissions from our industrial sites.** | Industrial sites | -80% of channelled dust emissions – typical of our sites – in 2023 vs 2018 (2018: 2537t). | Year-end 2023 | ✓ | | | | ✓ | | | | | | En cours | **Ongoing: Partial results**<br>69% reduction in dust emitted in 2022 compared to 2018. | The target of an 80% reduction will not be met by the end of 2023, but in 2024, due to a delay of several months in the commissioning of new fume treatment plants in Gabon. | Published | 2022 and 2023 Universal Registration Documents | Audited by third-party organisation |
| **Raise awareness of biodiversity on Eramet sites among all employees** | Group | Regular and recurrent communication (photo competitions, internal communications, mine site activities, etc.). | Permanent | ✓ | | | | | | | ✓ | | | Menée à terme | **Completed: Results achieved**<br>• Five communications published on the corporate intranet, in January, May, June, September and October<br>• Communication on "Biodiversity Day" on the corporate messaging network, Yammer, and a Biodiversity Quiz open to the entire Group.<br>• Three communications on LinkedIn.<br>• Lékédi Biodiversity Foundation Site | The communications covered subjects relating to biodiversity in general, and ones specific to Eramet, notably including articles on progressive rehabilitation, the Lékédi-Biodiversity Foundation, the restitution of rehabilitated land, and the REPRiSE project (led by *Solutions Fondées sur la Nature* – Nature-based Solutions), developed in New Caledonia. | Published | https://www.linkedin.com/feed/update/urn:li:activity:6932989753696894977/<br>https://www.linkedin.com/feed/update/urn:li:activity:6939129462651297792/<br>https://www.linkedin.com/feed/update/urn:li:activity:7009610967672045568/<br>https://lekedi-biodiversite.org/ | Some information is in the public domain |
| **Strengthen and perpetuate Eramet's actions in favour of biodiversity via the Lékédi Biodiversity Foundation:**<br>• **creation in 2021 (done – June 2021)**<br>• **study, raise awareness and protect Gabon's biodiversity, and support research projects, currently:**<br>  • **Great Ape Rehabilitation with the Aspinall Foundation and the Pan-African Alliance;**<br>  • ***Mandrillus* project with CNRS covering evolutionary ecology, anthropology, food ecology, animal communication and epidemics (SIH);**<br>• **foster new partnerships in Gabon and internationally.**<br>• **Financial support of the REPRiSE project run in New Caledonia (2019-2021).** | Lékédi Biodiversity Foundation | Annual publication of the actions carried out by the Lékédi Biodiversity Foundation, particularly in the Lékédi Park in Gabon. | Permanent | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Menée à terme | **Completed: Results achieved**<br>• Foundation created in 2021. Three Board of Directors meetings in 2022.<br>• Monthly meeting in the context of the Pan-African Alliance for veterinary monitoring of the Great Apes.<br>• Publication of the Mandrillus Project in eLife, on the topic of behavioural discrimination of kin in mandrills.<br>• Contribution to the iNaturalist database: identification of species based on photographs and sound recordings on file-sharing website<br>• Awareness-raising event for around 100 children at the Lékédi Park in 2022<br>• Hosting of the Eramet Biodiversity Conference – a one-day event on preserving biodiversity and awareness of climate-related issues – on 15 December 2022, in Gabon.<br>• Finalisation of the REPRiSE project | The REPRiSE project has helped restore ecosystems for the Prevention of Risks and Ecosystemic Services at Houaïlou in New Caledonia. It was supported by the *Agence de l'Environnement et de la Maîtrise de l'Energie* (ADEME – Environmental and Energy Management Agency), the Eramet Group and its subsidiary, the SLN. The project lasted three years and eight months and was completed in late 2021. | Published | https://elifesciences.org/articles/79417<br>https://www.natural-ist.org/projects/lekedi-park-biodiversity<br>https://www.eramet.com/en/eramet-and-comilog-launch-biodiversity-meetings-gabon<br>https://radiococotier.nc/2021/04/24/les-12-travaux-de-wa-wi-luu/ | Some information is in the public domain |

In 2021, Eramet, alongside its subsidiary Comilog, set up the Fondation Lékédi Biodiversité, whose purpose is to:

- raise public awareness of biodiversity issues;
- provide shelter and support to poaching victims – usually primates;
- reintroduce threatened species; and
- support and develop biodiversity research.

### 5.2.8.1 The challenges of biodiversity

Eramet, through its mining and metallurgical activities, may impact ecosystem species, habitats and services, which may be ordinary or remarkable biodiversity, depending on the location. As illustrated in the table below, the Group's most important biodiversity issues currently relate to New Caledonia and Gabon. Despite a moderate sensitivity to biodiversity at the operations site, Senegal is also the subject of specific focus given the high expectations of neighbouring populations regarding the rehabilitation and revegetation of land cleared by the mine.

| On the sites | New Caledonia | Gabon | Other |
|---|---|---|---|
| Number of species (flora and fauna) classified as CR[1] on the IUCN Red List[2] | 25* | 2 | 0 |
| Number of species (flora and fauna) classified as EN[3] on the IUCN Red List | 21* | 8** | 0 |

* *These numbers reflect ongoing assessments of the Caledonian flora Red List.*

* *These species may potentially be present, but they have not all been observed on Comilog and Setrag sites.*

(1) *CR: IUCN classification for Critically Endangered Species.*

(2) *IUCN: International Union for the Conservation of Nature.*

(3) *EN: IUCN classification for Endangered Species.*

The Group does not have any mining or metallurgical site in operation in a protected area. It should be mentioned, however, that the Setrag railway track crosses the Ramsar[1] site of Bas-Ogooué (for 56 km), the Ramsar site of the Ivindo Falls and Rapids (for 40 km), the Ramsar site of the Mboungou Badouma and Doume rapids (for 30 km) as well as the Lopé National Park (62 km), a UNESCO World Heritage Site[2]. The Ramsar sites and the National Park were created between 2007 and 2009, that is to say, 30 years after the construction of the Trans-Gabon railway. Setrag has also teamed up with the Directorate General for Wildlife and Protected Areas and the National Agency of National Parks to fight against poaching by raising awareness among its staff and through its policy prohibiting the transportation of bush meat. The protocol agreement was renewed in 2020.

| | |
|---|---|
| Number of sites within 10 km of a protected area | 22 |
| Average distance of these sites from the protected areas | 2 km |
| Types of protected area | Nature Reserve, National Parks, ZNIEFF[1], ZICO[2], Natura 2000[3] area, Ramsar area, UNESCO World Heritage |

(1) *ZNIEFF: Natural area of ecological, faunistic and floristic interest.*

(2) *ZICO: Important area for the conservation of birds.*

(3) *The Natura 2000 network is a European ecological network made up of Special Protection Areas and Special Conservation Areas designated by the Member States.*

### 5.2.8.2 SLN in New Caledonia

Société Le Nickel (SLN) operates nickel deposits on various sites in the heart of a region renowned for its rich biodiversity and a high rate of endemism among its flora and fauna species.

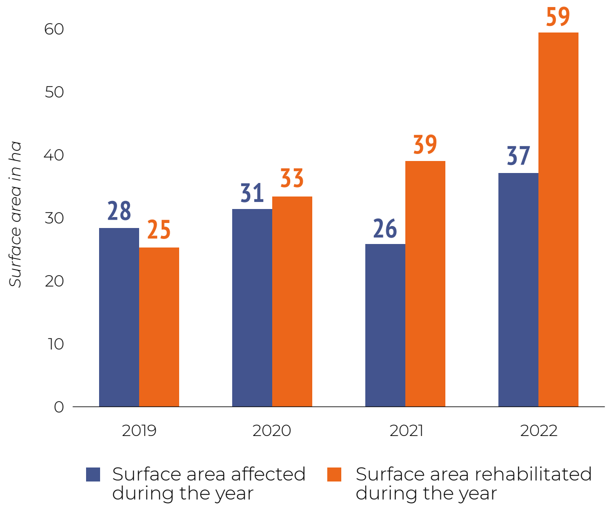
Since the 1980s, SLN has developed reliable and environmentally friendly rehabilitation methods. The naturally low fertility of the soils, rich in metals and poor in organic elements, as well as the extreme rainfall conditions, make it difficult to see the results of this work in the short term because of the very slow growth.

In 2022, over 59 hectares of land was rehabilitated; this includes the mining sites revegetation effort directly managed by SLN and sub-contracted sites. The ratio of rehabilitated to cleared surfaces is 1.60.

In the field, revegetation can take different forms. It is carried out by spreading topsoil alone, manual planting or hydraulic sowing, having most of the time enriched the soil beforehand. It is important to note that, during 2022, very significant efforts were invested in recovering the topsoil. Thus, 57% of topsoil has been used for revegetation; in previous years, that figure was only around 25%.

The species used for revegetation are all local species, including some endemic species.

**New Caledonia**




In 2021, SLN approved a new biodiversity strategy that refocuses on applying the A-R-O sequence[1] in keeping with Group policy. In 2022, this strategy led to the definition of biodiversity protection zones – in particular:

- in Poum, avoidance of the "Paevala Forest";
- in Tiébaghi, with the expansion of four conservatories (Cascade, Verse Principale, Fridoline and Vieux Village).

Furthermore, SLN monitors fauna (birds, reptiles, bats) and flora on all sites of its operations in addition to monitoring freshwater and marine environments.

The impact reduction and compensation measures focus on the management of rare and endangered plant species (RES). Indeed, SLN is working on reintroducing RES through developing technical production itineraries (phenological monitoring, seed harvesting, and production in nurseries). In 2022, this desire resulted in massive efforts, with over 100,000 seeds and seedlings of RES collected and sown in nurseries. Efforts have focused mainly on the Thio site, with collections of seeds of *Araucaria rulei* and plantlets of *Agathis ovata* (Mountain Kaori).

In relation to the fauna, study programmes related to the conservation of a micro-endemic gecko species (*Dierogekko inexpectatus*) were supplemented this year, with an exhaustive inventory of the Poum site, to gain a clear picture of the geckos' distribution, and with the enactment of a research contract with the IRD[(2)(2)] to model the habitats of reptiles on the isolated massifs of the northern province.

In 2022 SLN also contributed to greater knowledge, in particular through:

- its continuation of the partnership with the Endemia association, which carries out assessments of the Red List of New Caledonian flora on behalf of the International Union for Conservation of Nature (IUCN), through its contribution to the NATIVE and ERMINE research project of the National Centre for Technological Research (CNRT) on nickel and its environment;
- ramping up its participation (budget more than doubled) in the action programme of the New Caledonian Environment Observatory (ŒIL), particularly on the improvement of regulatory monitoring programmes, the acquisition of environmental data and the monitoring of environmental impacts associated with fires.

### 5.2.8.3 Comilog in Gabon

The Ogooué Mining Company (Comilog) has been exploiting manganese ore on the Bangombé Plateau in Moanda, Gabon for almost 60 years. The manganese reserves of this plateau are still significant and allow for nearly 10 years of exploitation.

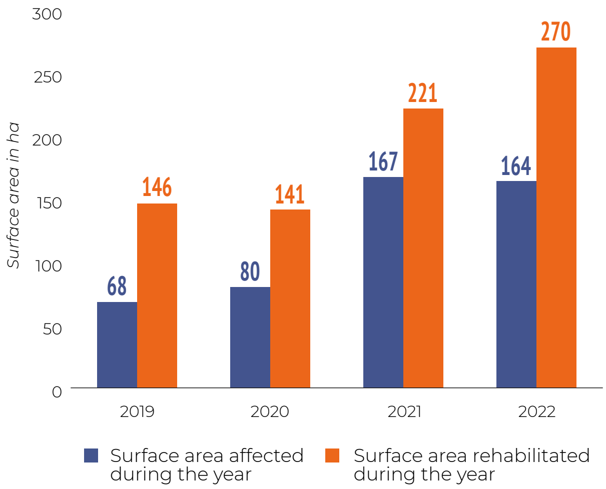
Since 2021, Comilog has extended its mining activity on the plateau to the north, the Okouma-Bafoula plateau. The operation will gradually succeed Bangombé's activities. Operation is planned to last at least until 2045.

The mining procedure includes a remodelling step and the progressive upgrading of the topsoil. Since 2010, the gradual reshaping of historically disturbed surfaces has also been completed.

In 2022, 270 ha were rehabilitated (a ratio of 1.65%).

*(1) A-R-O: Avoid-Reduce-Offset.*
*(2) IRD:* Institut de Recherche pour le Développement *(Research for Development Institute)*

**Gabon**




At the same time, Comilog continues to improve its rehabilitation strategy, taking account of the results of the latest environmental studies developed on both plateaux, as well as the recommendations and good practices of other Eramet mining sites. In late 2021, a nursery was established on the Bangombé plateau. In 2022, nine shrub species were selected for their dominance in savannah zones and were added to the nursery. Unlike with forest and ornamental species, there were no available data about the reproduction of these savannah species: fruit picking season, reproduction methods (seeds, cutting), seed dormancy, growth dynamics etc. Comilog partnered with the University of Franceville (USTM) to define phenological details for these nine species. They were all successfully reproduced in the nursery, and yielded excellent results from test planting in open ground. In 2023, the biodiversity team and its partners intend to double the size of the nursery, optimise plant production and establish seed fields for grasses and legumes.

The establishment of the biodiversity team in 2021 is a manifestation of Comilog's commitment to preserving biodiversity, and has helped greatly speed up progress on this important aspect of our mining model. The entity is in charge of reinforcing the rehabilitation activities and, more broadly, of implementing and monitoring the site's biodiversity programmes:

- the biodiversity action plan (PAB), developed in accordance with the International Finance Corporation's Guidance Note 6, and in line with the commitments to achieve net-zero biodiversity loss from the extension of mining activity to the Okouma-Bafoula plateau; and
- the wildlife protection plan is being developed, which puts together actions to raise awareness of biodiversity and to preserve animal species and their habitats.

The PAB includes offset actions which have been implemented in the Lékédi Park:

- restoration of savannahs with inventories of savannah fauna and an initial comparative analysis of the different qualities of savannahs present (natural, modified, etc.) from 2021 forward;
- securing the sanitary arrangements for better responsiveness to the arrival of new animals. In 2021 the Park will be equipped with a quarantine building, which will complement the capacities of CIRMF in Franceville. A new biochemical analysis laboratory has also been commissioned for the Park's research teams and veterinary service. The use of effective analysis equipment continued in 2022 to improve the capacity and speed of analysis, particularly for the most serious pathologies;
- improvement of measures to combat poaching in the Park, with redevelopment of the boundary paths and stepping up of patrol forces.

### 5.2.8.4 GCO in Senegal

In Senegal, Grande Côte Operations began operating in 2014. The exploitation of mineral sands involves the clearing of vegetation as a floating dredge moves along the deposit.

Biodiversity is of medium sensitivity in the areas currently being exploited. However, the mine is in an area where there is still significant plant and animal diversity despite the strong human impact. The three herbaceous species endemic in Senegal and identified in the mining pass of the four coming years have been studied thoroughly by researchers from the plant Biology department of UCAD on behalf of GCO.

As such, the issues are mainly related to the rehabilitation and revegetation of large areas, as and when the exploited sites are made available, as well as to the participative and inclusive management of biodiversity through an approach based on Avoiding-Reducing-Compensating sequence. Note that the Senegal mine is also adjacent to very large vegetable production areas – specifically, the Niayes, which produce between 60 and 80% of the country's vegetable crops.

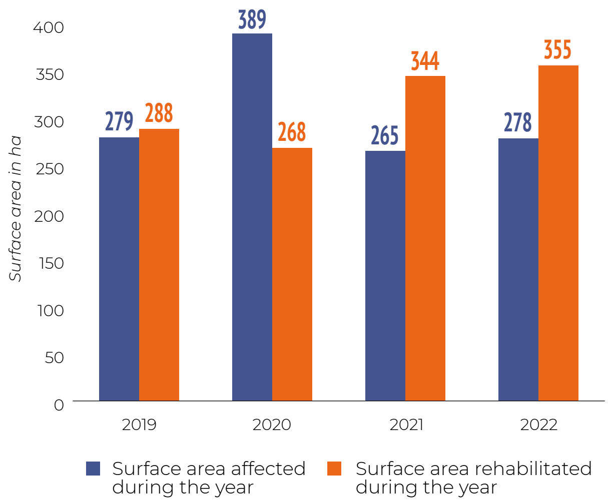
To best reflect the original landscape (dunes), rehabilitation will begin with the reshaping of the slag heaps. Then, nets will be installed to fight against wind erosion, and the soil will be improved with manure and revegetation.

The revegetation and soil improvement methods implemented in the field since 2014 are convincing. They include:

- soil protection and stabilisation by erecting a windbreak;
- soil improvement through the use of sheep and goat manure and indirect seed supply. Initially the soil was improved with additional topsoil, but this practice proved to be less effective than spreading manure during field tests;
- the planting of woody species produced in the GCO nursery;
- planting herbaceous and ligneous seedlings from seeds harvested on site;
- maintaining rehabilitation blocks.

Since 2016, GCO has put in place an additional irrigation system to allow the continuity of revegetation operations during the nine months of the dry season. In 2022, the surface areas revegetated are roughly the same as those in 2021. In total, 355 hectares were reforested for 481 hectares cleared, for which long-term infrastructure occupies 203 hectares. The most salient fact for 2022, however, is the handover of 85 hectares of rehabilitated land to the State of Senegal, in accordance with GCO's rehabilitation and closure plan, which has always had the intention of finally transferring the rehabilitated land back to the State. The choice of species and the quality of the revegetation process were regularly monitored by the Waters and Forestry Department.

**Senegal**




GCO is still considering the services and products that the site will be able to offer after closure. A compendium of local biodiversity management practices is being developed in collaboration with the University of Dakar.

## 5.2.8.5 Lékédi Biodiversity Foundation

The Fondation Lékédi Biodiversité works to preserve and find out more about biodiversity. It was set up by Eramet and Comilog, which are the founding members. It is firmly rooted in the Lékédi Park – a 14,000-ha park in the south-east of Gabon, to protect primate life – and hopes to expand its area of action beyond the park.

The Board of Directors is made up of managers and specialists in biodiversity and CSR. The Board met three times in 2022.

The Executive Director of the Foundation is the former Director of Lékédi Park. He reports to the Board of Directors.

The Foundation relies upon a committed team of some 40 people, including a vet, eight keepers, two guides, three ecologists, an anti-poaching team and a park maintenance team.

It works in partnership with government bodies (the Water and Forestry Ministry and the National Parks Agency of Gabon), research institutes, NGOs, other foundations, sanctuaries and zoos.

It works towards the following four goals:

### First priority of the Foundation: To raise public awareness surrounding biodiversity

In 2022, for the first time, the Foundation organised the Eramet Biodiversity Conference – a splendid event of sharing and exchanges around biodiversity. This first conference took part in the Lékédi Park on 15 December 2022. Authorities (national and local elected figures), scientists (CIRMF[1], CENAREST[2], USTM[3], CNRS[4]) and NGOs (Panthera, WWF[5] Gabon, Save Primate Gabon) came together with Eramet, Comilog and Setrag to discuss ways in which to preserve biodiversity and forge close links with the climate. Gabon. The event was reported on by the television channels (Gabon Première and Gabon 24) and national press.

Throughout the year, other awareness-raising actions were also carried out, aimed at:

- children: around 100 schoolchildren from Moanda visited the Lékédi Park, which is 5 km from Bakoumba, in the southeast of the Gabonese Republic. They were given talks on biodiversity preservation, Gabon's animal-related laws, protection of pangolins and also the role of a vet in an animal sanctuary;
- Comilog employees, who were informed about the richness of gallery forests and protection from fire;
- and the general public, by means of three articles published in the press, both in Gabon and in France.

### Second priority of the Foundation: To provide shelter and support to poaching victims – usually primates

The foundation works through its park, which is the largest enclosed park in Gabon; it covers 14,000 hectares of savannah, gallery forests and bodies of water. First and foremost, its actions focus on sheltering young animals who have been orphaned by poaching (primarily primates).

Its expertise in the rehabilitation of primates is internationally recognised. The Park is accredited by the Pan-African Sanctuary Alliance (PASA – https://www.pasaprimates.org), and the foundation carries on regular exchanges with the alliance (check). Gabon's orphaned chimpanzees and gorillas are collected and raised in their natural environment. In 2022 the park welcomed four additional chimpanzees after their quarantine at the Centre International de Recherche Médicale de Franceville (CIRMF). In total, there are 28 orphans (25 chimpanzees and 3 gorillas) now living within the Foundation's facilities.

The final stage of rehabilitation is the reintroduction of the animals into a natural environment and in total autonomy. In 2021, reintroductions took place for three *Cercopithecus cephus* and six white-bellied pangolins. A programme to reintroduce chimpanzees, gorillas and mandrills into the Plateaux Batékés National Park is still under way. In 2018, the release of three gorillas took place in partnership with the Aspinall Foundation. Additional studies are under way to validate the usefulness of reintroducing chimpanzees into the National Park. A group of seven chimpanzees has been trained and will be transferred to an island in the Lékédi Park for an initial re-acclimatisation phase.

### Third priority of the Foundation: Reintroduce threatened species

The Park is also working on the rehabilitation and reintroduction of other threatened species as part of a project to restore the megafauna of the Batékés Plateaus. Since 2019, the Park has been home to a group of wild dogs. The operation was carried out in partnership with the Aspinall Foundation and Port Lympne Safari Park in England, and the European Association of Zoos and Aquaria (EAZA). This species, which is particularly threatened, had died out in Gabon over 50 years ago. The first studies carried out on their ability to readapt to life in the wild show positive results.

### Fourth priority of the Foundation: support and develop biodiversity research.

The Foundation supports research on biodiversity in partnership with Gabonese and international scientists and organisations.

Since 2012, La Lekedi Park has hosted the Mandrillus project, the aim of which is to answer fundamental questions about evolutionary ecology, anthropology, food ecology, animal communication (etc.), as well as more applied conservation and epidemiological questions. This project is made possible by circumstances unique in the world. Among the various groups of mandrills (300) that roam freely in the Park, some are used to humans and therefore allow researchers to approach them and observe them in their daily lives. In 2022, the project published an article in eLife on behavioural discrimination of kin in mandrills.

In the context of the inventories of the flora and fauna in the Park, the Foundation also enriches the iNaturalist database, whose purpose is to identify species based on photos and sounds.

The Lékédi Biodiversity Foundation is considering new partnerships. It expects to be able to host researchers and students. A new building (with ten rooms) was opened in 2022.

*(1) CIRMF: Centre International de Recherches Médicales de Franceville*
*(2) CENAREST: Gabon Centre national de la recherche scientifique et technologique.*
*(3) USTM: Université des Sciences et Techniques de Masuku in Franceville.*
*(4) CNRS: Centre national de la recherche scientifique in France.*
*(5) WWF: World Wildlife Fund.*

## 5.2.9 Responsibility for chemicals

### 5.2.9.1 Challenges and risks

Eramet is one of the world's leading ore and metal producers, and most notably for alloys and the chemical industry. These metallic products fall under the regulations on chemicals for health and environmental protection, modelled on the REACH regulation in Europe.

Eramet uses chemicals as "commodities" (acids, bases, salts etc.) in the various processes employed in its mining and metals activities. It is also necessary to manage the numerous products used at the laboratory level, as well as in maintenance of installations and for other specific purposes such as water treatment or the capture of vapours and aerial particles.

The Group thus pays particular attention to the management of the chemical substances and mixtures it uses or produces in order to substitute as far as possible the most dangerous substances and to ensure a high level of risk control, protection of human health and the environment.

The principles that guide the Group's action in this regard are as follows:

- characterise and be familiar with the products used;
- translate regulatory or normative constraints on the monitoring of occupational exposures and chemical risk assessment into a global approach for continuous improvement.
- know the impacts of the transformation of our products during the course of their lifecycle.

### 5.2.9.2 Vertical integration of product stewardship expertise

In 2022, the coordinator of product responsibility joined the Corporate Affairs and Partnerships Directorate, to improve the vertical integration of our expertise in product stewardship. In advance of the regulation, this expertise gives a head start to the Group's work in relation to regulations currently being drawn up, such as the Taxonomy applicable to mining and metal refinement. Once regulations are enacted, the coordination of product responsibility means we are able to answer the questions of our customers and other stakeholders, who may ask us about hazardousness, risk management linked to the use of our products, or life cycle assessment of our products – in particular, their carbon emissions or water consumption linked to their production.

In 2022, with the acceleration of the development of the Group's projects, notably in energy transition metals, product risk and LCA have been integrated from the very design phase. Energy transition metals, such as lithium, nickel or cobalt salts, are the subject of discussions and regulatory processes on the classification of hazardous substances or Taxonomy. Our staff follow and participate in debates via professional organisations such as Eurométaux, the Nickel Institute or the Cobalt Institute. This proactivity in the European regulatory process allows us to anticipate future regulations and to adapt our future processes to future requirements.

Product liability also means performing life cycle analysis (LCA) and knowing the impacts of our products on greenhouse gas emissions, water, acidification and waste production. In this rapidly evolving field of LCA expertise, Eramet has chosen to collaborate with partners recognised for their expertise, whether in the industrial sector (Nickel Institute, International Manganese Institute), in the academic sector (University of Bordeaux) or in the field of consultancy firms (Carbone 4, SPHERA).

2022 saw significant advances in this area of product support. The LCA of lithium salts, conducted with the University of Bordeaux, has been completed, and the results will be published in academic articles in 2023.

In parallel, the compilation of all data drawn from our manganese production compound sites (from mining to ferro- and silicomanganese) has been provided to the consultancy firm SPHERA. SPHERA was commissioned by the International Manganese Institute to establish, in 2023, an LCA for the main manganese compounds, including data from the world's leading manganese producers.

The activity of recycling energy transition metals has also been looked at, through the lens of its carbon emissions. Eramet participated in a study conducted by Carbone 4, to first identify the major steps in the process which need to be quantified and monitored in order to bring carbon emissions, linked to battery recycling in Europe and China, under control.

Digital transformation projects are also under way to accurately provide the data needed to input into these life cycle analyses. This continual support for the operational sites also applies to the traceability of the products used, from the receipt of raw materials to the delivery of the finished product to the customer. Being able to trace upstream products makes it possible to guarantee the source of supply of raw materials and anticipate possible regulatory changes, which could potentially impact the REACH registrations of our suppliers and supply deadlines.

#### 5.2.9.3 Maintaining a uniform chemical risk management approach

Eramet Group production sites are found on five continents, and therefore they must follow and respect various regulations concerning hygiene and controls of chemical exposures in the workplace. In this area of regulation, there may be significant differences from country to country for the same substance. The centralisation of chemical risk expertise functions makes it possible to communicate uniform information to the sites. Since end-2019, this harmonisation and synthesis action has been based in particular on a Group document repository, which includes:

- a Group procedure for chemical risk prevention;
- a methodological guide for measuring exposure;
- 12 standard toxicological data sheets for the main substances or chemicals used in the Group;
- a common chemical risk assessment method that allows each site to develop an improvement action plan, which can then be consolidated at Group level, to define common priorities.

This Group chemical risk prevention standard includes an audit repository for measuring the application of best practices according to seven pillars: Identification of risks, performance monitoring, organisation and training, operating control, replacement and management of modifications, special control of the most hazardous substances, leadership and looping.

Since 2021, the key points of this Group procedure have been monitored by the internal control team.

#### 5.2.9.4 Transfer and maintain good chemical risk management practices in discontinued or discontinuing operations.

2022 was a year of transition and passing of the baton, so the product expertise available at Group level could be transferred to the High-Performance Alloys Division and the teams of sites where operations are in the process of being discontinued, or have been discontinued. The aim of this skills transfer phase was to maintain an equivalent level of employee health protection by a consolidated organisation in the High-Performance Alloys Division. Several days of information exchange were conducted with the teams operating on the Aubert & Duval sites and the new Product Manager of the Division. These days saw the transfer of skills in monitoring exposure levels, and updating of REACH files. A similar process of providing guidance was conducted in the first quarter of 2022 with Sibanye-Stillwater and the teams on the Sandouville site, where six REACH files and the management of the MSDS were transferred.

# 5.3 SOCIAL AND SOCIETAL COMMITMENTS OF THE GROUP

## 5.3.1 Commitment to Human Rights

### 5.3.1.1 Human Rights risk assessment

In 2017, Eramet formalised its first mapping of the risks of infringements of Human Rights and Fundamental Freedoms, with the support of external expertise. A key milestone in 2020 of the Human Rights objective of the CSR Roadmap, the exercise was renewed in 2021, with the support of a specialised external firm with extensive experience in the extractive sector. The Human Rights risk mapping exercise is based on a range of preparatory tasks. These include documentary analyses, interviews with Group managers and its Business Units within key functions and broader consultation with employees through questionnaires (HRD, HSE, Health, Security, Community relations, Site directors, Ethics Compliance officers etc.) of all Eramet Group activity sectors, entities and geographic areas where Eramet operates.

In each risk category, scenarios linked to the company's activities, local context and commercial relations have been identified. Assessment guidelines, drawn from international standards such as the UN Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organization (ILO), and the Performance Standards of the International Finance Corporation (IFC), and adapted to the mining and metallurgy sector are used. The impact of the health, economic and social crisis caused by the global pandemic was also factored into the 2020-2021 analysis.

The criticality level of the scenarios and risk categories were defined as a function of the probability of occurrence and seriousness of the risk for potentially affected third parties (and not for Eramet directly). Seriousness is measured on the basis of three criteria, in accordance with the UN Guiding Principles on Business and Human Rights: scale, scope and irremediable character. Seriousness has more weight than probability, to ensure that serious risks for individuals are prioritised in accordance with the aforementioned Guiding Principles and the Group's methodologies. Current risk control mechanisms, such as existing policies and risk mitigation procedures, are taken into account to determine the criticality level. The current risk level is then defined using a criticality matrix and the degree of risk control.

The risk universe of Human Rights infringements defined during this exercise for the Eramet Group can be broken down into the following three broad categories, and the main risks were assessed for each of them as follows:

**Risks for employees**

- Occupational health and safety
- Harassment or discrimination issues, especially gender equality

**Risks for local communities**

Potential impacts of sites' operations, in particular:

- Land purchases and population displacements
- the environmental protection of communities
- Security measures

**Risks for the value chain**

Supplier and subcontractor violations of:

- their employees' fundamental rights in the workplace
- local communities' rights

Integrated into Eramet's risk management thus respecting the methodology and updates of the Group's risk map every three years, this risk assessment leads to the formal expression of additional risk control actions to address identified major risks. These measures are used as material for the action plans of departments in charge of these issues, and their progress will be monitored by the Human Rights Steering Committee. In addition, situational assessments of the sites and entities with regard to these risks enable monitoring between each update of the risk map. These assessments are updated with the results of the Human Rights audits conducted on sites. Carried out by the Risk Management, Internal Control and Audit Department, audits are performed according to a dedicated internal framework, based on the Quick Check published by the Danish Institute for Human Rights. The latter was reviewed in 2020 to take into account the Group's requirements on the fundamentals of community relationship, formally expressed in an *ad hoc* procedure (detailed in section 5.3.3 Commitments to communities). Due to the public health situation, fewer on-site audits were conducted in 2020 and 2021, in order to respect the precautionary measures taken to fight the COVID-19 pandemic. However, an audit integrating human rights criteria was conducted at the GCO site (Senegal).

### 5.3.1.2 Organisation of the Human Rights approach

Eramet has decided to strengthen its commitment in human rights by including this concern in its CSR roadmap, through its eighth goal. Eramet aims to become, by 2023, a benchmark in Human Rights compliance in its sphere of activity and measures this development through its application of the United Nations guiding principles. The Group measures its maturity on the subject by using the Reporting Framework in line with the United Nations Guiding Principles which was developed by Human Rights Reporting and Assurance Frameworks Initiative – RAFI (Shift Project – Mazars), and it aims for a mature level of reporting by 2023. The deployment of the Human Rights approach is monitored on a regular basis within the CSR Committee and the Strategy and CSR Committee of Eramet's Board of Directors.

**The Eramet Human Rights approach**

**A set of procedures, tools and measures to:**

| Assess | Implement | Communicate | Alert |
|---|---|---|---|
| **A** dedicates **risks map**<br><br>**Internal audits** | **Operational measures** for prevention, remediation and/or correction<br><br>**Reasonable due diligence processes*** | **Awareness actions**<br><br>**Training**<br><br>**KPIs and reporting** | **An international alert mechanism** available to all, both internal and external to Eramet |

* *"Reasonable diligence process": screening of commercial partners, Responsible Purchasing Committee, Responsible Sales Committee etc.*

Adopted in 2019, the Human Rights Policy (available on www.eramet.com) was developed in consultation with stakeholders. It allows Eramet to reaffirm the essential place of this core topic in its managerial and operational approach, as well as in its relations with both internal and external stakeholders.

It covers internationally recognised human rights and breaks down more accurately the commitments made by the Group on its salient issues, identified through the risk assessment exercises carried out by Eramet and classified into three areas:

- respecting the Human Rights of employees, in order to guarantee a safe, healthy and respectful work environment;
- respecting the Human Rights of commercial partners (customers, suppliers, subcontractors and partners), in order to develop a responsible value chain;
- respecting the Human Rights of communities, by reducing impacts and striving to make a positive contribution.

In 2021, the Social Impact and Human Rights Department was created within the company's Sustainable Development and Corporate Engagement Department. This department's purpose, notably, is to accelerate the rollout of human rights policy within the Group. It is also in charge of objective 8 in the Group's CSR Roadmap, which specifically addresses human rights.

Thus, in 2022, as part of its CSR Roadmap, Eramet set itself the target of having its human rights reporting assessed by the association Shift-Mazars, which is in charge of implementing the reporting system set out by the UN's Guidelines. The Group obtained a score of "established", which is one level below the expected level, "mature", and a plan of action was put in place to rectify the shortcomings.

Eramet also organised two major audits in 2022:

- An audit of complaint-handling systems for its five mining entities: As a reference framework, the external auditors used the eight effectiveness criteria set out by the UN Guidelines, based on legitimacy, accessibility, predictability, fairness, transparency, compatibility of rights and an emphasis on dialogue and engagement; The results of this audit showed high levels of compliance across all sites, with improvements expected at a procedural and practical level from the standpoint of perspectives, needs and substantial rights of potential users; and
- an audit of the Group's compliance with the Voluntary Principles on Security and Human Rights (VPSHR) and IFC guideline 4. The results showed that the Group's level of maturity in terms of safety and human rights is still improving, and a plan of action was established in conjunction with the Safety Department and the Social Impact and Human Rights Department.

In addition, following its assessment of sites' compliance with the Human Rights Policy, Eramet also established a network of human rights experts across all sites (offices, plants and mines), with the aim of advancing the action plans in the field and raising this issue at a local level.

Employee awareness is critical for anchoring the Human Rights approach, and is one of the 2021 objectives of the CSR Roadmap.

Accordingly, Eramet has developed an e-learning training "Understanding and integrating human rights into business", to ensure that Group employees have a better grasp of the notion of Human Rights, understand its challenges for businesses and identify risks as well as vigilance best practices.

This training was assigned to a target group of priority employees selected for their positions and responsibilities: at year-end 2022, nearly 400 employees from Top Management, Human Resources, HSE, CSR and Communities, Purchasing, Security, and Ethics had taken this course.

Other types of teaching resources have been gradually developed. In addition to the synthetic guide clarifying the Group's commitments, Eramet has continued its awareness-raising measures through its "Ethics kits" (awareness-raising kits for managers to be used at team meetings), on topics relating to employee and community human rights.

The Group's whistleblowing system changed considerably in 2020 and since then, with a number of events enabling regular communication around this key tool for managing human rights risk (details available in 5.4.1 "Ethics, Compliance and Anti-Corruption").

Furthermore, Eramet is an active member of EDH (Entreprises pour les droits de l'homme – Businesses for Human Rights), an association of businesses specialised in human rights. Specialising in human rights, the association made up of some 20 or more international businesses from different sectors, represents nearly 2.5 million salaried workers. Eramet's entry into this voluntary and multisectoral initiative helps to support the Group in developing its human rights vigilance, mainly through the sharing of best practices and tools, such as the aforementioned e-learning, the roll-out of human rights policies in the various countries and the drafting of the Vigilance Plan.

### 5.3.1.3 Risk management and implementation measures

The Eramet Group's risks of Human Rights infringements may be broken down into three main categories of salient issues, specified in section 5.3.1.1. The risk management measures and opportunities developed for each of these categories are extensively explained and presented separately in the Non-Financial Performance Statement:

- the approach to managing risks related to employees' Human Rights (including in particular safety, health, security and non-discrimination) is explained in detail in the section entitled "Commitments to employees", which also contains the Group's main social data;
- the "Commitments to communities" section details the measures implemented to manage the impact of the Group's activities on local communities, as well as the development of opportunities for them, in accordance with Eramet Group's approach to positively contribute to local areas;

- the paragraph "Responsible value chain" presents in particular the risk management approach relating to the supply chain, and the due diligence measures developed by the Group.

In 2021, under the supervision of the Social Impact and Human Rights Department, the Group launched an assessment of the compliance of the Group's entities with the Human Rights Policy. This assessment is in addition to the human rights risk mapping exercise carried out in 2020. The assessment involved 18 entities, including mining sites, industrial sites and tertiary sites. The assessment focused on the four areas of the Human Rights Policy, namely: employee relations, business partner relations, local community relations and governance of the policy.

Since 2021, the central team has been overseeing the sites' compliance with the Human Rights Policy, implementing corrective action plans drawn up with the sites themselves at the end of the assessment. In 2022, compliance was measured at 93%.

COMPLAINT-HANDLING MECHANISMS; AND

| Subsidiary | Number of complaints received | Resolution rate at 31/12/2022 | Main subjects |
|---|---|---|---|
| Comilog (Gabon) | 25 | 60% | Travel and environmental impacts |
| SLN (New Caledonia) | 14 | 44% | Health of populations and environmental impacts |
| Setrag (Gabon) | 73 | 53%[1] | Indemnities and land acquisitions |
| Eramine (Argentina) | 3 | 100% | Local purchasing and the environment |
| GCO (Senegal) | 20 | 80% | Travel and indemnities |
| Eramet Cameroun | 5 | 0% | Indemnities and land acquisitions |
| ETI (Norway) | 8 | 12.8%[2] | Environmental impacts |
| Eramet Norway | 47 | 100% | Environmental impacts |
| Eramet Marietta (United States) | 0 | N/A | N/A |
| Comilog Dunkerque (France) | 1 | 100% | Environmental impacts |

*(1) For Setrag, a series of complaints was received in December 2022, concerning the taking of inventory in preparation for the reinstallations in 2023. These complaints are currently being addressed in 2023.*

*(2) Six noise complaints were received on 28 December 2022, and are currently being addressed.*

RELOCATION AND REINSTALLATION

The GCO site is the only one where physical relocation took place in 2022. These relocations take place in the context of work overseen by multiple teams, as presented in section 5.3.3.2.2, "Land acquisitions and relocation of populations".

| Number of hamlets displaced | Number of households | Population |
|---|---|---|
| 31 | 222 | 1056 |

## 5.3.2 Social commitments to employees

The first four objectives of the CSR Roadmap relate to employees, and focus on health and safety, professional development, employee engagement, and diversity within the Group. The Group's progress on these priority themes is the subject of this section, which will focus on Social Commitments to Employees.

### CSR Roadmap

| Focus area | Objective | KPI 2023 | 2020 results | 2021 results | 2022 results | Progression 2018-2023 |
|---|---|---|---|---|---|---|
| COMMITMENT TO PEOPLE | 1 – Ensure the health and safety of employees and subcontractors | Zero fatalities Workplace accident frequency rate with and without work stoppage FR2 < 4 | FR2=4.1 | FR2=2.2 1 severe accident | FR2=1.6 0 severe accident |  |
| | 2 – Build skills and promote talent and career development | 100% of employees participate in at least one training course per year | 67% | 76% | 85% |  |
| | 3 – Strengthen employee engagement | Group employee engagement rate > 75% (barometer) | Survey postponed | 70% | Survey done in 2021 |  |
| | 4 – Integrate and foster the richness of diversity | 30% of managers are women | 24.7% | 26% | 25.7% |  |

The interim results for these targets at the end of 2021 are detailed in the rest of the document.

As a creator of employment in some twenty countries, ERAMET and its 13,000 employees contribute directly to the achievement of **SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)**. This goal also covers all of the actions undertaken by ERAMET to ensure the safety of its employees, which qualified in target 8.8 and is one of the Group's key priorities.

The actions undertaken by ERAMET in support of **SDG 3 (Good health and well-being)** include preventive measures to safeguard the health of its employees and users of the Group's products, occupational health programmes implemented by the Group in the countries where it operates, and health-related community investments.

Lastly, the Group's actions to promote gender diversity and equality, as well as the inclusion of seniors, youth and people with disabilities, contribute to the achievement of **SDG 5 (Gender equality)** SDG **10 (Reduce inequality).**

## 5.3.2.1 Employee safety

### 5.3.2.1.1 Main safety issues and risks

#### Methodology

Workplace accident prevention concerns both Eramet employees and subcontractors who work on the sites. Prevention efforts are built largely on a task risk assessment (TRA), which is conducted in the workshops themselves. This highly operational analysis makes it possible to secure a specific operation by identifying all the risks to which the operators are exposed and the means of control implemented to manage them.

These local analyses are compiled in the risk register of each site (known as the "single risk assessment document" or "Professional Risk Assessment"). These risks are assessed according to a scale based on the Frequency x Severity pair (FxS), taking into account the protection measures in place. This methodology makes it possible to identify the most critical risks and thus feed the site's Safety Improvement Plan. Risk registers make it possible to group the risks by standard activities specific to each site. For example, they include mechanical handling, machine driving, walking etc.

At Group level, the risk assessment is based on segmentation by "risk category".

#### Risk segmentation

The Group's risk analysis of workplace accidents allowed the risks identified to be grouped into three distinct categories:

- **Technological risks** associated with processes and facilities present the greatest potential severity: an explosion, a toxic gas leak, or equipment failure can impact several people in a single incident. The frequency of occurrence of this type of event is the lowest in our history.
- **Critical activities** are dangerous tasks that are carried out on a daily basis as part of the operation of our facilities. They include working on machines, working at height, vehicle traffic, working in confined spaces, working with molten metal etc. Failure to control these risks can lead to serious accidents. In 60% of cases, the consequence of lack of control of these critical activities is work stoppage and, in a little over 10% of cases, serious injury.
- Finally, the Group's operations involve many routine activities, such as walking, lifting and moving objects and using hand tools. About two-thirds of the Group's accidents involve these activities, but the severity of the accidents associated with them is statistically less serious than for critical activities. For these mundane activities, the serious accident rate is less than 3% (versus more than 10% for critical activities). Eramet groups these activities which are difficult to categorise under the heading "**non-standardised activities**".

### 5.3.2.1.2 Safety governance

The issues around Group employee safety are elevated to the highest level by the Group's Executive Committee. The Safety policy, updated in 2020 (available at www.eramet.com), reasserts that safety is the primary responsibility of every manager in the Company and that each one is responsible for their own safety, for the safety of their employees and for those around them.

Since October 2019, the Safety and Prevention Director reports to the Group's Chairperson and Chief Executive Officer. The Director establishes and proposes the Group's Safety policy and guidelines to the Executive Committee (COMEX). Once validated, these guidelines are broken down in the Divisions by the Deputy CEOs, assisted by Safety Directors, and then by the Site Managers, who are themselves assisted by a site Safety Coordinator.

The effectiveness of accident prevention is monitored on a monthly basis by measuring accident frequency rates (FR) according to the number of hours worked. The Group has established a reporting system that is used to monitor frequency rates on a monthly basis (FR1: frequency rate of fatal accidents and with work stoppage, FR2: frequency rate of fatal accidents, accidents with and without work stoppage, FR3: frequency rate of accidents with first aid), and to react in the event of deviation or non-achievement of objectives. Results and serious accidents are reviewed monthly by the Executive Committee.

In the event of serious accident, the Director of the site where the accident occurred presents to the Executive Committee, within weeks following the accident, the circumstances and the corrective and preventive actions. The Executive Committee validates them and requests that actions be deployed throughout the Group through Feedback.

### 5.3.2.1.3 Risk prevention strategy

The Eramet Group recognises that accident prevention tools must be adjusted to the types of risks: tripping is not prevented with the same tools used to prevent the rupture of a furnace in an industrial unit.

- **The prevention of technological risks** is based on the implementation of barriers (technical, organisational and human) as a result of industrial risk analysis and hazard studies. The effectiveness of prevention depends greatly on the technical expertise of the teams that has been acquired over years of operations and their ability to identify and respond to weak signals.
- The risks associated with **critical activities** are too important to leave the choice of method of operation to the stakeholders; these activities are also strongly governed by rules. Eramet has compiled a set of minimum essential rules – "Essential Safety Requirements" – that are required to be implemented by all sites.
- Finally, **non-standardised activities** cannot reasonably be governed by simple rules. It is not practical to write rules on how to use a hammer or adjust one's pace depending on the condition of the ground. For these work situations, Eramet develops the situational intelligence of its teams so that the stakeholders learn to make safety-related decisions.

These prevention tools must be part of a broader **safety management system**, based on an internal reference system that was revised in 2018 and in 2020. Largely based on international standards (OHSAS 18001 and ISO 45001), it includes requirements that cover the following elements:

- regulatory compliance;
- risk analysis;
- action plans and progress loops;
- reception at the workstation and training of staff;
- monitoring, audits and inspections of field activities;
- the handling of safety events; and
- finally, leadership, objectives and safety management.

### Roadmap – Safety objective

CSR 2023

In 2022, the Group continued the Roadmap established in 2018 to improve safety risk management with the objective of reducing the frequency rate of fatal accidents with and without work stoppage (FR2) to less than 4 in 2023. The following areas have been defined:

- make the barriers robust following the review of technological risks at all sites. The Group is implementing a programme to support the sites in reviewing the "hazard studies", which will allow them to formalise the barriers and identify their criticality. Each site will then be able to set up barrier monitoring actions;
- comply with the Essential Requirements for critical activities: the Group requires each site to implement a plan to comply with the Essential Requirements for the critical activities it has selected, with the objective of achieving 100% compliance by the end of the plan. The Group aims to achieve at least 85% overall compliance with the applicable Essential Requirements by 2023;
- work towards safe behaviour through coherent and repeated feedback, especially by using "safety interactions": this activity consists of observing a worker in a work situation, giving the worker feedback on their conscious or unconscious choices that impact their safety (positively or negatively) and finally, after listening to understand the reason for a dangerous choice, engaging in discussion with the worker to find another way to make it less dangerous. A "safety fundamentals" training course teaches this activity in a practical way to Group managers;
- address risks at their sources by updating risk analyses so that they match real-life situations on the production shops and by training employees to "Take 5" (think before action), a simple technique simple to implement before any intervention;
- implement "consequence management" in relation to safety. In addition to feedback from the field during interactions, the control and the willingness to apply the Group's prevention strategies must be an assessment and development factor both for operators and managers. The Group affirms that involvement in safety matters will have an impact on career development at Eramet.
- strengthen the management of sub-contractors upstream (definition of Safety clauses specified in contracts) but also in the field with supervision/inspection of worksite safety by the contractor in addition to the supervision carried out by the sub-contractor.

### Review of 2022 actions

#### *Deployment of Essential Requirements*

Each Group site self-assessed its compliance with all the Essential Requirements using Group-wide grids. This global overview makes it possible to improve the understanding and deployment of the requirements with cross-functional actions that are common to all these requirements.

This year, 40 audits were carried out at 14 of the Group's sites to support the sites as they familiarised themselves with the requirements. Conducted by one or two Senior Auditors, internal and external, these audits allow interaction between sites and best practices are shared. The average audited compliance rate is 72%.

Among the Essential Requirements, those linked to train rollovers and liquid metal work present the best assessments, with an average compliance rate equal to or more than 90%. However, requirements linked to the consignment and protection of equipment, vehicle traffic and work at heights require more attention, with compliance scores of less than 70%. Following the audits, specific action plans for each site and each Essential Requirement are set up, with a commitment to results and monthly progress monitoring.

#### *Implementation of interactions*

Training on safety interactions continued to be rolled out. In total, since 2016, more than 2,500 supervisors have attended the one-day training at an industrial site with theoretical presentations and the practical application of safety interactions.

Once trained, managers must carry out these interactions between a manager and an operator within their site, according to an annual objective, reviewed monthly.

#### *Formalisation and deployment of consequence management*

The Group has formalised the classification of risk behaviours and clarified the violations that need to be penalised and the errors that need to be treated in a non-punitive manner. The behaviour of stakeholders cannot be analysed without simultaneously observing the behaviour of management. This systematic approach is implemented across the entire Group through the training of site management committees. In this respect, the Group distributes the level-based "Safety Awards" (Bronze, Silver, Gold) to reward sites that reach two years, 0.5 or 1 million hours worked without any accident. In 2022, the Group Chair and Chief Executive Officer also presented a Safety "Champion of Champions" award.

***World Safety Day at Work***

Since 2018, Eramet takes part in the World Safety Day at Work. This year, the Day was held on 28 April 2022 (the usual ILO date) and entailed specific safety workshops at each site.

The theme chosen by the Group in 2022 was based on the identification and management of high-risk activities such as vehicle traffic, mechanical and manual handling, a search for machine protection risks and raising of awareness of the immediate actions to be taken when there is an incident. All Group sites took part and a global announcement was made.

### 5.3.2.1.4 Safety performance

Safety performance is measured through frequency rate and the number of serious accidents defined as follows:

- FR2: workplace accident frequency rate of Eramet employees, temporary staff and sub-contractors. The accidents taken into account correspond to accidents where at least the victim receives treatment from a health professional (doctor) that is more than first aid (e.g. closing a wound with stitches, prescribing regulated drugs, applying splints, etc.). FR2 is expressed as the number of accidents per million hours worked;
- number of serious accidents: a serious accident (SA) at Eramet is generally defined as an event that led to death, permanent disability, or temporary inability to work with major complications (e.g.: any form of amputation, serious fractures, second- or third-degree burns requiring a skin graft, etc.).

In 2022, the Group once again recorded a significant improvement in its safety results.

The following tables show the trends of these indicators:

| TF2[1] | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **ERAMET GROUP** | **5.5** | **4.1** | **2.2** | **1.6** |
| Mining and Metals Division | 4.7 | 3.6 | 1.4 | 1.1 |
| High Performance Alloys Division | 7.6 | 6.1 | 6.4 | 5.4 |
| Aubert & Duval | 8.4 | 6.2 | 7.5 | 5.3 |
| Erasteel | 4.6 | 6.8 | 4.1 | 5.8 |
| Eramet Holding | 1.2 | 0.0 | 0.0 | 1.3 |

*(1) Data on the Eramet scope + Temp staff + External contractors.*

| Serious accidents[1] | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **ERAMET GROUP** | **12** | **4** | **1** | **0** |
| Mining and Metals Division | 10 | 3 | 1 | 0 |
| High Performance Alloys Division | 2 | 1 | 0 | 0 |
| Aubert & Duval | 1 | 1 | 0 | 0 |
| Erasteel | 1 | 0 | 0 | 0 |
| Eramet Holding | 0 | 0 | 0 | 0 |

*(1) Data on the Eramet scope + Temp staff + External contractors.*

There were no serious accidents during the year. The last serious (fatal) accident was in April 2021. This is a remarkable result given that just three years ago the Group was reporting 12 serious accidents per year.

**The frequency rate of accidents with and without lost time (FR2) for the new Eramet scope dropped by 28% to 1.1 in 2022, after falling by 33% in 2021.**

This significant drop in serious accidents and FR2 is the result of the progress made in the various Divisions, and more particularly in the Mining and Metals Division, which is now one of the best mining players in terms of safety results.

## 5.3.2.2 Employee health

### 5.3.2.2.1 Main health issues and risks

#### Methodology

The prevention of health risks is based on the analysis of workplace-related risks as well as the work environment. This analysis is generally conducted by the health and safety teams and requires close collaboration between medical teams and HSE.

A set of documents (workstation data sheets, audit reports, toxicological analysis, biometrological data etc.) is used to identify and analyse the risk to allow health professionals to develop an action plan aimed at assessing the risk level, its potential impact on employee health through individual medical monitoring and working condition improvements to be implemented to eliminate the risk or reduce its consequences.

The Group's Medical Advisor, who reports to the Human Resources Department, coordinates these actions and organises the network of health professionals in both mainland France and abroad.

#### Risk segmentation

Based on the analysis of workstations and safety risks, occupational health professionals identify risks that may have a impact, immediate or deferred, on employee health.

These risks are:

- physical (noise, vibrations, awkward postures, repetitive movements, electromagnetic fields, extreme temperatures, exposure to chemical agents);
- psychological (workload, organisation of work, social support in the workplace, autonomy, night or shift work);
- biological (malaria) or environmental (environmental asbestos in New Caledonia, high altitude work in Argentina, under extreme weather conditions).

Deferred risks potentially expose employees to risks of occupational diseases, which are reported separately based on reports sent to the employer or which result in investigations by internal or regulatory prevention services.

In France, a Table of Occupational Diseases is regularly updated (Social Security Code). In the other countries where Eramet operates, the Group relies on the local occupational medicine rules specific to each state.

The assessment of risks for neighbouring populations may give rise to specific health risk surveys published to the various stakeholders: for example, the Moanda health survey sent to the Gabonese Ministry of Public Health and the local cooperation group. Generally, the health impact of activities is always assessed in detail during project phases.

### 5.3.2.2.2 Health Governance

Eramet Group considers the health security of employees, regardless of their status, the personnel of external companies, visitors and people living near the industrial sites as a top priority.

While acknowledging that it would be impossible to totally eliminate all health risks, the Group's Health Policy seeks to contain these risks, in order to minimise the frequency and seriousness of their consequences. The Group's commitments and the procedures for implementing this policy are detailed in the Health Policy (available on www.eramet.com). The Eramet Group is determined to obtain a detailed, in-depth view of all the risks linked to its activities. It aims to contribute to acquisition of further knowledge about these topics, disseminate them and promote dialogue.

The Group Medical Advisor reports directly to the Human Resources Director. The Advisor establishes and proposes the Group's health policy and guidelines to the Executive Committee. Once validated, these guidelines are broken down in the Divisions by the Deputy General Managers, for implementation on sites by site Directors under the responsibility of Occupational Health professionals and with the support of Health and Safety coordinators.

Employee health is monitored by Occupational Health professionals.

The main French sites of Comilog Dunkerque, all the employees based Paris and in Trappes as well as sites of discontinued operations: Les Ancizes, Pamiers, Commentry, Interforge, Issoire, La Pardieu, Clermont-Ferrand (for Aubert & Duval) are now grouped together under the autonomous Occupational Health service, whose certification by DRIEETS IDF was renewed for five years on 3 July 2019. This service consists of three centres:

- North Centre: one part-time Occupational Doctor and one Occupational Health Nurse;
- Auvergne Centre: three Occupational Doctors and six Occupational Health Nurses;
- South Centre: one Occupational Doctor and two Occupational Health Nurses.

The Joint Monitoring Committee for the Occupational Health Service for sites based in France met twice in 2022 to review the actions of the Occupational Health Service in terms of administrative organisation and budget.

The Doniambo sites for SLN (New Caledonia), GCO (Senegal), Moanda (Gabon) for Comilog and Owendo (Gabon) for Setrag have an Occupational Health Service with one or more occupational doctors and nurses.

Eramet's Gabonese subsidiary (Comilog) manages a level 2 hospital facility (according to the classification of the Gabonese Ministry of Public Health): Marcel-Abéké Hospital (HMA).

This 65-bed facility provides first-level care (general medicine, emergencies/intensive care, general surgery, paediatrics, maternity) for all employees and their dependants and performs a public service mission by treating external persons by agreement with Gabon's national health insurance office, the "Caisse nationale d'assurance maladie et de garantie sociale" (CNAMGS). Comilog employees and their dependants have free healthcare; while the Hospital charges rates approved by the CNAMGS for the local populations

Various specialists provide care at the HMA: ophthalmology, cardiology, gynaecology. Concerned about improving the healthcare pathway within its establishment, Comilog has drafted an action plan with the following components:

- refurbishing of the medical analyses laboratory – level P2 lab;
- improvement of the medical imaging service with computed tomography equipment (scanner);
- installation of a remote booth for specialised consultations which relies on a network of doctors based in Libreville (Centre Diagnostic) or for the remote Occupational Health consultations between Libreville and Moanda (Setrag employees);
- implementation of the computerised management of the hospital and healthcare pathway for outpatients or hospitalised patients;
- improvement of technical services in waste management, sterilisation and supply of medication for hospital use;
- creation of a medical oxygen production unit.

In addition, Comilog continues to actively support the action of the Gabonese Samu social organisation, a partnership between the Gabonese State and Samu Social International, by financing free healthcare centres in the cities of Moanda, Bakoumba and Mounana.

#### 5.3.2.2.3 Risk prevention strategy

The health prevention strategy is based on the Group's Health Policy, described above. It encompasses the following actions.

- controlling the impact of the Group's activities on the health of employees and local communities by setting up standards based on metrological and biometrological data and backed by international standards, if any;
  - the creation of 11 standard sheets for at-risk products handled by Group employees (manganese, nickel, oil mist, polycyclic aromatic hydrocarbons, chromium VI, carbon monoxide, crystalline silica, cobalt, refractory ceramic fibres, diesel particulates, lithium salts). The application of these standards, audited since 2018 on the sites concerned, is part of the EMS requirements;
  - continued employment for all employees during their professional career, including when affected by poor health. Occupational doctors are in charge of the periodic monitoring of these employees within a regulatory framework, but also through the scheduling of additional check-ups that may be carried out at the request of the employee, employer or doctor and in consultation with the sites' HR Departments and services;
- specific measures aimed at combating addictive habits (smoking, drinking, etc.):
  - the possibility for the occupational doctor to conduct additional tests aimed at preventing alcohol and drug addictions (pre-hiring medical check-up, periodic check-up and back-to-work check-up),
  - urine toxicity tests for hiring and periodic check-ups, noted in the RI and information and awareness raising of employees at these check-ups,
  - support for distressed employees,
  - payment by the employer of the cost of nicotine substitutes;
- special measures regarding the prevention of stress and psycho-social risks (PSR):
  - PSR watch units,
  - establishment of individual consultations by an occupational psychologist (counselling and support areas),
  - recruitment, training and supervision of Prevention officers within the teams,
  - free telephone helpline for counselling and psychological support,
  - health and workplace quality of life (PSR) committee meeting systematically before each Social and Economic Council and workplace health and safety committee meeting,
  - intervention of the mediation firm in certain teams on site,
  - awareness raising of the managerial line; (training in the detection of psycho-social risks and how to best manage an employee in a situation of psychological distress);
- prevention measures against biological and environmental risks/diseases:
  - malaria:
    - information programme on malaria in endemic regions based on e-learning training for Group project workers and frequent travellers, as well as expatriate employees and their families,
    - providing sites (Cameroon, Gabon, Senegal) with the appropriate diagnostic and therapeutic resources,
    - implementation in 2022 of a malaria kit (diagnostic and therapeutic resources) given to each employee travelling to an endemic zone,
  - HIV – AIDS: continuation of the Gamma programme in Gabon, backed by information (educational messages on STD prevention and promotion of screening), HIV AIDS prevention and screening actions at Comilog and Setrag – Gabon,
  - environmental asbestos In New Caledonia: specific operating procedures exist to control veins of asbestos-containing minerals in the event that the mining activity uncovers them. The operators are trained in the precautions to be taken, and special medical monitoring has been set up, in consultation with the authorities, social partners, and other mining operators.

The monitoring indicators for the actions are conveyed and analysed at the level of the Department responsible for Health. These indicators specifically include declared and recognised occupational diseases (OD). In France, ODs are classified in the form of tables. There are currently 99 of them. Each table has three criteria, namely:

- designation of pathology;
- care time limit (maximum time between the cessation of risk exposure and the first medical diagnosis of the disease);
- indicative or restrictive list (according to the table) of work likely to cause the disease.

Excluding exceptions, occupational disease is recognised by the CPAM (local public health insurance office) when the three criteria are met.

## 5.3.2.3 Employee security

### 5.3.2.3.1 Main issues and risks

The Eramet Group's mining, industrial and commercial activities take place in many countries on all five continents. Some of these countries may at times experience unstable political, security or climatic situations, even if only temporary in nature. The Group's Security approach is centred around the protection of people, installations, information and business intelligence to support the Group's development and economic efficiency.

### 5.3.2.3.2 Security governance

As a follow-up to the commitments expressed by the Group in its Ethics Charter, the roll-out of the Security approach is set out in an ad hoc procedure. The Group's security procedure seeks to achieve three main objectives:

- a strategic objective that assesses the nature of the threats and measures the risks to the Group's people and assets;
- an operational objective that puts in place the resources and means necessary to prevent and protect;
- an educational objective that informs and raises awareness among Eramet Group employees about the reality of the risks, the means implemented to address them, and the behaviours to adopt.

This procedure is supported by the Group's Security function which assists the Executive Committee and operational managers in the execution of their mission to protect physical property, intellectual property and sensitive information, as well as relating to business intelligence; facilities held under the responsibility of the Group and the Group's employees, whether on business travel, foreign residents or local residents.

The Group Security Director, who reports to the Group Human Resources Director, is responsible for:

- proposing the Group's security policies to the Executive Committee;
- leading and coordinating the network responsible for their implementation, in conjunction with the Group's Divisions;
- reporting to the Executive Committee on the application and effectiveness of this implementation;
- ensuring the application of the Group's regulatory and contractual security obligations;
- sharing feedback and best practices within the Group;
- acting as an interface with the competent authorities to define the policies in this area in France, in the countries where the Group operates and with international institutions.

The Security function is an integral part of the development of the risk management approach presented in Chapter 5 in the countries where the Group operates mining activities, as well as in the countries in which it develops, processes and/or markets its products and services.

### 5.3.2.3.3 Risk prevention strategy

The protection measures put in place by the Security Department are the result of analysis and monitoring of the security situation and assessment of the threat. They also depend on the nature of the activities carried out by the Group's units in the region and the effectiveness of the public institutions in the countries concerned.

A security manager has been appointed in all the countries or regions where the security situation and Eramet's activities require such a position (Gabon, New Caledonia, Senegal, Argentina and South Africa). Acting as a local correspondent, the security manager oversees the implementation of Eramet's security procedure in coordination with the Group Security Department.

Various media are used to communicate and help memorise the safety instructions set up by Eramet, as detailed below:

- Project workers/Expatriates Handbooks and/or country sheets: written in English and/or French and regularly updated provide general information, advice on behaviour, and even instructions and directives. They are available on request from the Security Department and are communicated to the employees directly concerned once they are recorded on the travel management platform;
- security alerts: sent by email to managers, and then forwarded to all staff, these alerts provide rapid information in case of emergency as well as instructions and recommendations (attempted fraud or scams by telephone etc.), or when a situation suddenly deteriorates in a country (demonstrations, attacks, specific threats etc.);
- awareness sessions: individual or group sessions, organised in particular before departure abroad, they are supplemented by the protection coordinator (where available) in the country of destination;
- an interactive e-learning divided into several chapters, each one dealing with specific topics to prevent and manage risks, and to handle emergency situations regardless of the geographical context.

Before each trip abroad, employees must register online on the travel management platform. They then receive, based on the security analysis of the country concerned, information and advice for their upcoming trip.

A smartphone application was also rolled out in the Group to all employees on assignment to geolocate their position in case of an emergency.

## 5.3.2.4 Promotion and development of employees

### 5.3.2.4.1 Main social risks and general governance

#### 5.3.2.4.1.1 Main risks

The main social risks identified during Group and Human Rights risk mapping are respectively, risks of attracting and retaining talent, and risks regarding discrimination/harassment, specifically gender equality.

#### 5.3.2.4.1.2 The Group's human resources policy

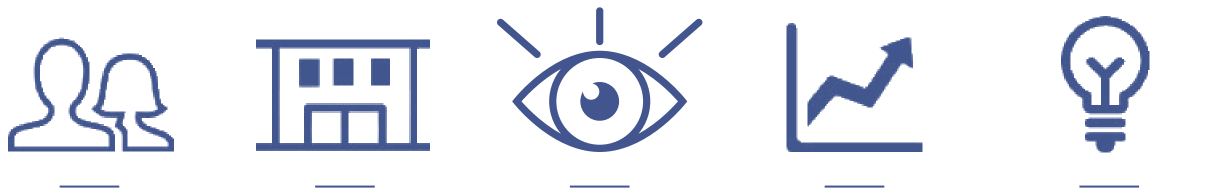
The Eramet Group invests in the talents of all employees and capitalises on their diversity to get them on board the Eramet adventure. In this way, Eramet would like them to become players in a performance-orientated managerial culture that is demanding and caring, proud and happy to be in the right place at the right time in a growing Group that continues to evolve.

Eramet strives to make its international positioning a genuine opportunity for mutual development by combining experiences and cultures. In 2022, 82% of the Group's workforce in continuing operations worked outside mainland France.

Eramet strives to uphold social dialogue as a critical lever for the Group's successful transformation and one which will make a lasting contribution to its performance.

Close to the ground, attentive, bold and determined, the members of the HR network aspire to become a Human Resources (HR) community, flagbearers of the Group's cultural and organisational changes.

In order to promote this vision, the Eramet HR Department has built its Human Resources Management Roadmap 2020-2025 (available on www.eramet.com) on several key issues:



We attract employees from various backgrounds, who are the wealth of our organisation, and help them grow so they can take part in the ERAMET adventure while making the most of their talent

We develop our employees' skills to enhance their employability and secure ERAMET's success for today and tomorrow

Ensuring the health and safety of our employees is not simply a priority, it is indispensable

Together with the HR community, we support upstream (and downstream) business operations to create agile, effective and value-creating organisation structures, and develop processes and tools that are essential for the effective management of our employees

We work closely together to create stimulating environment that fosters a culture of performance and cultivates attentiveness and dialogue

### 5.3.2.4.2 Attracting and retaining talent

#### 5.3.2.4.2.1 Employees involved in the Group's transformation

In line with the extensive transformation programme launched in 2017, the Group launched a new engagement survey in September 2021 among all its employees worldwide to enable them to express themselves in relation to 12 key areas: work and decision-making processes, organisational transformation, relationship with their direct supervisor, agility and innovation etc. More than 6,300 employees took advantage of this opportunity and responded to the survey. The engagement rate measured by this survey for the entire Group was 70%, an increase of 3 points since the last survey in 2018, and 74% on the scope of continuing operations.

In 2022, the Group developed and implemented action plans, both at Group and local level, to improve the areas identified as critical in the engagement survey. Consequently, more than 429 action plans were drawn up by the managers with their teams.

### 5.3.2.4.2.2 Digital transformation at the service of our HR processes

As part of the transformation and digitisation of Eramet, the Group HRIS ("Success Factors" solution) was extended to all employees in December 2021. The purpose of the first phase of this project (Atlas), started in September 2020, was to facilitate the creation of a common HR database and develop a comprehensive administrative management with the associated local and Group reporting. The HRIS was thus extended to all employees, with a complete organisation chart of positions and KPIs.

The second phase of the Atlas project was launched in 2022. It consisted of adding new functionalities as part of a review of processes for talent management (annual appraisal interviews, recruitment, succession), compensation and the management of FTEs and the wage bill. This phase is scheduled to go live in the first half of 2023.

### 5.3.2.4.2.3 A fair and competitive remuneration policy

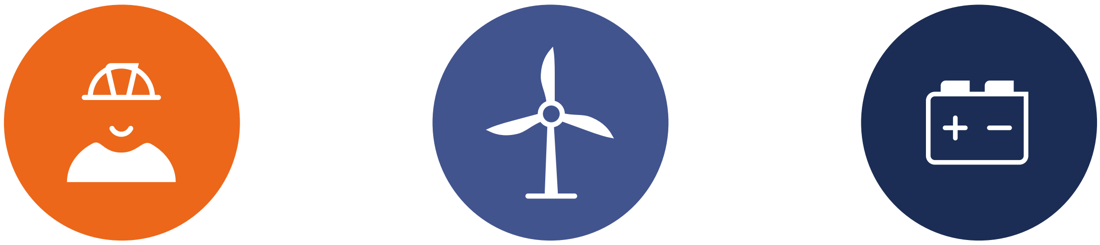
Individual and/or collective variable remuneration

Fixed remuneration

Social protection

Employee stock ownership plan

## The 3 strategic areas of the compensation policy



**Attract and hire talent** by offering competitive compensation packages in all countries where we operate

Encourage and **recognise** individual and collective **performance**

Propose a remuneration structure that is **global, clear, transparent, and tailored to local contexts**

The remuneration package proposed by the Eramet Group seeks to offer competitive compensation in each country where Eramet operates in order to attract and retain the best international talents.

To do so, the company seeks to position itself at the level of the best practices observed in comparable sectors. This policy takes account of local legislation, local business practices, applicable taxation and the economic realities of the different Group companies. In each country in which the Group operates, the remuneration policy implemented aims to reward individual and collective performance, while adapting to the local context.

Group companies participate on a very regular basis in remuneration surveys conducted with the help of renowned consulting firms. The surveys are used to compare Eramet remuneration practices with those of businesses from comparable sectors and size on all items of the remuneration package. In 2022, more than ten surveys were conducted in France, Gabon, Senegal, Indonesia and Argentina to assess the competitiveness of the Eramet Group's remuneration policy and adjust it if necessary.

This comprehensive remuneration scheme includes monetary and non-monetary items organised around themes common to all Eramet Group employees.

The skills and level of responsibility of the employees are remunerated by a fixed salary in line with the experience gained and the practices observed for each trade on the market.

All managerial staff or equivalent benefit from individual variable remuneration schemes based on quantitative and qualitative annual objectives. Since 1 January 2018, the Group deployed a new variable compensation system common to all eligible managers worldwide: it is based on collective objectives (safety, CSR and financial indicators) for 40% to 75% of variable compensation according to the level of responsibility and on individual objectives for 25% to 60%. The Group makes available a common framework for setting and assessing annual objectives. The new Corporate Social Responsibility (CSR) indicator measures the progress of the CSR Roadmap that the Group has defined. The integration of this CSR objective enables managers to be more closely involved in achieving the Group's non-financial performance.

Collective performance remuneration schemes may exist in certain countries, be they mandatory legal schemes (profit-sharing in France, etc.) or schemes voluntarily implemented in accordance with local practices (profit-sharing calculated in the light of the Company's results, collective savings plans). The profit-sharing plans are often based on negotiated criteria related to safety, environment and the activity of the Company. Depending on the arrangements in force, these bonuses may be invested in savings schemes on advantageous terms.

At GCO in Senegal, for example, a quarterly performance bonus was introduced in 2022 for workers, employees, technicians and supervisors. It is based on quantitative indicators linked to safety, financial and production performance and on the success of cross-functional projects in the areas of the environment and energy management.

Since 2019, the Group has also rolled out an e-BSI (individualised social assessment) which allows all employees of Group companies to access a dedicated website that presents and explains each of the components of the remuneration package. This system is gradually being extended to employees of the Group's French-speaking companies, for example in Gabon and Senegal. Thus, in 2022, roughly 70% of Group employees received "Zoom Rémunérations et avantages sociaux" (Details of Remuneration and Social Benefits). This document includes in particular a summary of the items of the remuneration package, a summary of employee savings and pension schemes, items relating to employee shareholding, information on social coverage schemes (health, disability and death, retirement), training data and a summary of all the benefits proposed by the establishment or the company. It also contains videos, quizzes and useful links to all the schemes.

Concerning remuneration and social benefits, the Eramet Group applies a non-discriminatory policy by basing its policy on objective criteria: responsibility level of the position held, evaluated with the Hay methodology, and country of business. Gender equality is verified in each of the processes: salary adjustments, assessment of individual performance, allocation of bonus shares etc.

In addition, at the end of 2022, Eramet initiated a process to verify and guarantee that it pays its employees enough to have access to decent living conditions, the elements of a decent standard of living including food, water, housing, education, healthcare, transport and clothing. An initial analysis of 50% of the Group's employees outside mainland France (Gabon, India, Argentina and China), using data from the Global Living Wage Coalition, showed that 100% of employees in these countries have a salary higher than the "Living Wage" benchmark. The process will continue in 2023.

#### *Personnel costs – social security contributions*

Salaries represent the largest component of staff remuneration.

In 2022, personnel costs for the Eramet Group amounted to €589 million (excluding temporary employment and discontinued operations) compared with €520 million in 2021.

#### *Social benefits*

As part of its human resources policy, the Human Resources Department seeks the most appropriate solutions for the Group's international activities on the personal insurance market, and subscribes to insurance schemes able to guarantee the best social protection against the major risks (health, welfare, professional assignments) to which employees are exposed when carrying out their duties.

In 2021 Eramet thus carried out an audit of the social benefits offered in each of its international subsidiaries. This audit was supplemented in 2022 by a benchmark of best practices in the area of comparable groups, the objective being, to enter into negotiations with the social partners in order to offer a social protection floor to all Group employees, centred around health, welfare and parenthood. Construction of this floor should begin in 2023.

This audit has already made it possible to identify that, within the scope of continuing operations, all our employees benefit from medical coverage in addition to the legal coverage, with the exception of Japan (12 employees), where the situation should be managed in 2023. In each of the countries where the Group operates, it provides medical coverage that is in line with market practices. In the same scope, 65% of the Group's companies have also set up pension schemes to supplement the mandatory legal schemes, with contributions and benefits in line with local market practices.

In 2022, several Group companies improved and developed their social benefits policy.

In Senegal, as part of negotiations with the social partners, a housing policy has been put in place for employees to enable them to buy or improve their homes without facing financial difficulties that could affect their daily living conditions. This policy is for the purchase of a main residence, an urban plot of land to build the main residence, or the modification or extension of an existing home. It provides for an interest-free loan for employees, repayable over a period of between two and ten years. The GCO company covers the interest, administration costs, insurance and taxes related to this loan.

Still in Senegal, several social benefits for women were negotiated with the social partners: an additional month of maternity leave paid by the company, accommodation in the compound during the first three months of pregnancy and five additional days of leave without justification for young mothers.

In Argentina, Eramine made several significant improvements to its social policy. Maternity leave, which is legally set at three months with full pay, was increased to seven months, including four months with full pay and three months with half pay. The company now also pays the commuting costs of employees living outside Salta and doing shift work.

Employees in the metropolitan France scope benefit since 1 July 2019 from a complementary retirement scheme (PERO), fully funded by the employer, which allows them to save towards supplementary retirement throughout their career.

***Employee stock ownership plan***

In order to build Group membership in all areas of the world where it operates, and share the created value, the Eramet Group has opted, since 2009, for the deployment of global bonus share plans. This programme, called Erashare, originally consisted of allocating five bonus shares to each of the Group's employees, regardless of the country of activity, Division, occupation or level of responsibility. As from July 2011 in France and Italy, and since 2013 in other countries, employees benefit from all the rights attached to the Eramet shares: voting and dividend rights. An information leaflet on Erashare was also prepared in the nine languages used within the Group to support the worldwide implementation of the plan. Ten new bonus share plans were implemented from 2010 to 2019 with the same scope and allowed the allocation of two additional shares each year to more than 12,000 employees. The scheme was suspended in 2020 in order to study the possible changes to shareholding policy, to make it more attractive.

Furthermore, each year the Group implements a long-term incentive plan designed to retain the employees with the best performance and potential. This plan is mainly based on free shares subject to performance conditions. It concerns some 300 Group employees, 50% of whom are outside mainland France, selected through a process involving HR and the hierarchy and based, in particular, on annual staff reviews.

***Employee incentive plans***

In metropolitan France and New Caledonia, profit-sharing agreements are regularly negotiated and signed with the social partners. They complement, where they exist, the regulations governing participation. The incentive is paid to members of staff with more than three months of service as at 31 December in an amount that is partly uniform and partly dependent on gross annual remuneration.

In 2022, the Group's Human Resources Department specified, in a framework memorandum, the components that the Eramet Group wishes to find in the new agreements renewed:

- financial result of the entity, the goal is to measure employee performance as close as possible to their scope of action;
- operational progress criteria specific to the entity, as well as to security.

In 2022, Group companies in mainland France paid profit-sharing and incentive bonuses for 2021. More than €6.5 million was thus paid to the beneficiaries concerned (gross value).

***Employee savings plans***

In Metropolitan France and New Caledonia, Eramet Group employees can sign up to a Company Savings Plan to build up their savings. The Savings Plan may receive the incentive bonus, profit sharing, as well as voluntary payments made monthly or on a one-off basis by the employees. Group companies participate in the savings plan through a system of matching the sums paid by employees (the methods for paying the matching contribution vary from company to company).

A range of diversified corporate mutual funds (fonds communs de placement d'entreprise or FCPE) is offered to Group employees. A collective retirement scheme also exists in the form of a PERCO (Collective Retirement Savings Plan), into which the payments are paid.

As at 31 December 2022, 6,937 employees and former employees of Eramet in mainland France were signed up for an Employee Savings Plan, with total assets representing roughly €113 million, or €16,312 per saver. Total assets are divided between the FCPE of the PEE/PEG (83% of the assets) and the PERCO (17%). In 2022, the Group's French companies paid approximately €2.8 million in contributions (gross value) to the Group Savings Plan (PEG) and the PERCO, or €906 per employee on average.

### 5.3.2.4.3 Employee development and career management

#### 5.3.2.4.3.1 Career management process

One of the Group's major ambitions and a structural theme of its HR Strategy is to ensure the personal growth of its employees. In this respect, at the end of 2020, Eramet established a managerial repository accessible to the entire Group known as *Manager@Eramet*.

With the launch of this new repository, the Eramet Group wishes to confirm the Group's desire to develop and ensure the personal growth of employees through the "Commit and Develop Teams" expertise. The Group's ambition is to encourage a culture where its employees benefit from regular feedback, have the possibility to grow throughout their career and take control of their own professional development.

The annual interviews were reviewed in 2021 to ensure the optimum implementation of employee development. Annual Appraisal Interviews now focus on assessing performance and Manager@Eramet skills and setting goals. The primary objective of the mid-year interview is to focus on professional development through the mobility wishes, development plans and employee development. The information resulting from the mid-year interview is used by managers and HR to stimulate mobility and to better guide employees' professional development.

The People Reviews campaign is deployed every year with the organisation of manager-HR meetings at site, entity, business unit, and Group level. These reviews allow us to work on our organisations, to identify the employees to develop and their potential, to identify our experts and to work on our succession plans.

The information obtained from these Annual Reviews and People Reviews are consolidated at the level of each division during talent reviews, thus enabling work skills management and internal mobility.

A review of senior executives and holders of key Group positions is performed regularly with the Executive Committee. A review of succession plans for key positions in the organisation is carried out during Executive Committee People Reviews or Board Appointment Committee meetings at Eramet or its subsidiaries.


In addition, a major project was launched in late 2020, enabling the identification of a Jobs and Skills Repository unique to the Group. This repository now enables us to map our entire workforce by job family and job type, an essential step in improving our ability to implement our Strategic Workforce Planning (SWP) process in order to manage current and future skills. The communication of this repository to managers and employees is planned for January 2023, which will allow employees to better visualise the various jobs that exist in the Group and thus help them work on their career plans and to project their development.

#### 5.3.2.4.3.2 Assessment of performance

Successful mobility or career development involves the combination of four elements:

- performance;
- technological skills and managerial/cross-functional skills;
- existence of an opportunity;
- willingness to demonstrate functional and/or geographical mobility.

As the cornerstone of operational improvement plans, performance is assessed individually in the context of Annual Appraisal Interviews based on objective evidence, with each assessment based on factual evidence.

In 2022, all managerial employees within the scope of continuing operations benefited from an Annual Appraisal Interview. 75% of the sites also extended the scheme to non-managerial staff.

The performance assessment form is now based on the skills listed in the Manager@Eramet repository.

The Talent@Work HRIS of the Objectives module in which the Annual Appraisal Interview is recorded allows the manager to create goals throughout the year for new entrants recruited from outside or inside the company and to adjust the goals during the year if necessary. Goals may be adjusted to reflect a change in employee priorities. The now widespread use of the Annual Appraisal Interview form in Talent@Work means a significant improvement in access to information on expressed mobility wishes, better consideration of them in the career management and People Review, and an optimised follow-up.

#### 5.3.2.4.3.3 Employer Brand

In recent years, there has been a real war for talent in the field of talent recruitment, and even more so in our sector. This has pushed us to review our Employer Brand in 2023. Our Employer Brand must reflect not only our corporate purpose, but also our social and environmental commitments, which have increasingly become the criteria by which candidates choose to work. In 2022, we have focused our Employer Brand actions around videos of our employees' testimonials with the "Amazing Jobs" campaign shared on social media and our website. We also strengthened our presence on social networks in 2022 to increase Eramet's visibility as a reference employer (LinkedIn company page, LinkedIn posts, etc.).

#### 5.3.2.4.3.4 Recruitment and onboarding

The Recruitment module, developed in the HRIS, enables HR and managers responsible for recruitment, through internal or external mobility, to be able to track the progress of the process, from the job description to finalising the position.

To support managers in their role as career managers, a training module on recruitment and mobility is available as part of the training courses offered by the Group.

This module enables managers and HR staff to be trained in the same selection interview tools, to make choices in an objective and transparent manner, to ensure high-quality feedback to internal and external candidates, and to educate their participants on the subject of non-discrimination.

In order to facilitate the integration of employees into the Group, the Eramet Group has developed an Onboarding module integrated into the Group HRIS. The Onboarding module is a platform which is accessible to external employees as soon as they are recruited, making it possible to create a privileged link between the future employee and his or her future working environment (information on the Group and its business lines, welcome message from the manager, introduction to future colleagues, schedule of integration programme, etc.).

In 2020, the Group launched a digital onboarding programme for new Group executives and managers (Connect). This programme enabled new arrivals based in all the different areas in which we operate to discover the Group, get to know their new colleagues and talk to members of the Group Executive Committee.

#### 5.3.2.4.3.5 Professional development

Employee development is a priority for the Group and professional training is an important part of our development approach. The Group designs training courses for Group employees:

- to facilitate their integration by giving them the keys to understanding the organisation and management processes of the Group;
- to develop their management skills;
- to promote exchanges of best practices among participants;
- to build development paths.

Integrate, improve know-how, raise awareness of specific risks, share experience and best practices, develop cross-functionality at Group level, foster the deployment of managerial methods, further strengthen the Group's expertise; these are the points of the training programmes and of the training effort initiated by the Group, each year.

In relation to vocational training for its employees, the Eramet Group also prioritises safety training and business skills development, which are aimed in particular at ensuring better control of processes and their environment (such as project management, communication and change management).

In 2020, the Group launched WeLearn, an e-learning portal for Group managers. This innovative portal is now open to all Group supervisors and executives (3,000 employees), giving them access to various content at any time to improve their knowledge and skills. The offer available on this portal is constantly enriched and employees have access to six Development catalogues, including one dedicated to Manager@Eramet, the aim being to develop the Group's management culture and therefore employee engagement. This tool enables employees to progress continuously, even in the context of a health crisis and wherever they are based in the world.

The leadership and management training courses offered by the Group notably include the following:

- the "Executive Committee Mentoring" programme for senior executives with key roles within the Group. Selected by the Executive Committee, the participants are supported by a member of the committee while improving their knowledge of the Group. The Mentorship programme allows each party, Mentor and Mentee, to learn through the other and the programme will continue at its annual frequency;
- the Executive Development Programme (EDP) leadership programme, which is rolled out over nine months, is intended to strengthen the leadership of senior executives in line with the Manager@Eramet repository, prepare them for their development within the Group and to strengthen their network within the group;
- **Imagine**, a programme for the Group's young talents. This programme is run via distance learning over 18 months. It allows young talents to develop through a 100% digital programme combining a range of learning methods (diagnostic tool, coaching, workshops, co-development and mentoring);
- the "Propulse" scheme, which aims to support the taking up of positions in the Eramet Leadership Team (ELT). This system gives programme recipients access to coaching sessions and enables them to benefit from support within the framework of the team building actions they carry out with their teams.
- the new "Raise & Engage" programme for the Group's middle and senior managers, for which pilot sessions were held in Africa and mainland France in the fourth quarter of 2022. The aim of this programme is to roll out a single on-site programme in our various countries to support the development of our managers (team, project or cross-functional) and to accelerate the implementation of the new management culture. The programme will be offered in four languages in 2023.

- "Management Fundamentals" for our local managers.

In 2022, Eramet Group employees received more than 238,000 training hours, approximately **30 hours per employee** for the year.

Accordingly, nearly 8,000 employees, i.e., **88% of the total workforce**, took part in a training initiative in 2022. And in 2022, close to 275,000 work-study hours took place in France within the Eramet Group. The table below summarises our main training indicators. The figures have been recalculated for previous years on the basis of continuing operations.

VOCATIONAL TRAINING

| Registered workforce<br>Continuing operations scope | 2020 | 2021 | 2022 |
|---|---|---|---|
| Number of employees who received at least one training programme during the year | 4,872 | 6,101 | 7,987 |
| Hours of training provided (excluding work-study) | N/A | 181,528 hours | 238,767 hours |
| Average hours of training per employee | N/A | 21.3 hours | 30 hours |
| % of workforce that received at least on training programme | 60% | 72% | 88% |
| Training effort *(% MS)* | 0.9% | 2% | 2% |

If discontinued operations are included, Eramet provided 301,415 training hours, with 85% of employees having received at least one training course during the year.

Distance learning and digital training capsules are an integral part of any training offering today. For example, our leadership and management development programmes are now supplemented with digital content to complement and support in-class or distance learning classes.

Since 2021, the e-learning offer has been regularly extended and now covers four areas: Health, Safety and Environment, Ethics & Compliance, Diversity & Inclusion, Business and Digital Technology. In addition, since 2022, we have been offering newly designed e-learning courses in four languages (compared with two before) in order to increase the accessibility and impact of the systems offered. In addition to the Group's digital offer, there are also e-learning courses specific to certain Group entities.

The boost given to digital learning also took place through the aforementioned WeLearn portal. This innovative tool allows users, throughout all our countries, to enjoy access to a wide range of digital resources (articles, videos, MOOCs, online courses) to improve their knowledge and their expertise in accordance with their needs. The portal was enriched to respond more closely to the needs of its users. In addition, the portal, initially accessible only to team managers, is open to Group executives.

The development of new digital and distance training courses will continue in 2023 with major projects.

### 5.3.2.4.4 The development of social dialogue that better reflects the geographical and cultural diversity of the new Eramet

For Eramet, social dialogue and bargaining are essential pillars of social cohesion, crucial for implementing the conditions for its transformation and its long-term performance. The Eramet Group's social policy, while continuing to be based on complementarity between central and local bodies, is evolving to take better account of the Group's new challenges and its geographical and cultural diversity.

To strengthen social dialogue at the transnational level, the Group has begun work on the construction of a space for exchange at international level integrating its main subsidiaries, located in the countries where it is established. The aim is to enable constructive and effective dialogue with all the representatives around the Group's cross-functional challenges, such as corporate social responsibility (CSR), digitisation, diversity and inclusion etc.

#### 5.3.2.4.4.1 Social implications of Eramet's global strategy

The majority of Eramet Group companies have employee representatives who are mostly elected, covering 97% of the Group's workforce on the scope of continuing operations. Eramet takes account of the diversity of the legislations in force with respect to social dialogue everywhere it is located.

The Group has decided to be even more ambitious with the creation of a global social dialogue body, which is a real opportunity to develop an economic, social and societal culture with all its social partners and enable them to discuss the issues and challenges facing the Group. This will place Eramet at the forefront of social innovation in its business sector. Although a few groups have set up global social dialogue forums In the mining sector, none of them has set up a structure aimed not only at discussion but also potentially at collective bargaining with its own employee representatives, as Eramet intends to do in 2023.

#### 5.3.2.4.4.2 The results of social dialogue at our main African subsidiaries

Within its subsidiary GCO and as an extension of the new social relations process initiated in 2021, a multi-year company agreement aimed at stabilising relations and setting out clear rules in social matters was signed at the beginning of 2022 between management and the trade union organisations. This agreement covers all aspects of social dialogue, from union practice to compensation rules, including talent management and recruitment policies. Negotiations continued throughout the year with the modification to health coverage and the signing of an agreement on housing policy.

In Gabon, following the landslide that occurred in the Offoué-Booué area on the night between 23 and 24 December 2022, the General Management had to implement an emergency temporary work organisation with more than 50% of the staff being put on leave.

Thanks to the contribution of Comilog's social partners, who were able to guide, reassure and support the employees within the framework of this organisation, employees managed to maintain the calm necessary during a crisis of this type.

Lastly, at Setrag, thanks to constructive and effective dialogue between management and the social partners, many positive steps were taken with regard to remuneration and working conditions: all managers can now benefit from a variable part of their salary and two new allowances have been increased (housing assistance and water/electricity)

#### 5.3.2.4.4.3 Dynamic social dialogue in a post-COVID-19 climate of inflation and shortages

Management at the sites have worked hard to maintain dialogue and many initiatives have been taken locally to stabilise the social climate. Employee representatives have always been involved in finding appropriate solutions to issues that affect the life of the company and its employees.

More than one hundred agreements were signed in 2022, mainly on pay, profit-sharing and working conditions.

In a tense economic context, the number of hours of strike declared in 2022 rose compared with 2021, reaching 69,026 hours, mainly due to demands related to purchasing power. This number of hours of strike amounted to 49,338 hours in the scope of continuing operations.

### 5.3.2.4.5 Diversity & inclusion: performance and transformation levers for the company

For Eramet, diversity and inclusion are performance and transformation drivers and a source of personal growth for all of its employees. In this way, the Group wishes to offer a work environment based on respect for and promotion of difference and better community living.

The promotion of inclusion is based on a deep conviction: the deconstruction of stereotypes and the fight against the resulting discrimination enable the establishment of a caring and inclusive work environment, in which each and every person feels listened to and taken into account. The Group believes in fighting this discrimination to enable everyone, regardless of their gender, age, disability, sexual orientation or religious belief, social or ethnic background, to thrive in the Group's different businesses.

Driven by this conviction, Eramet signed the AFMD's **Diversity Charter**, using it as the framework for the Group's proactive approach in the context of a tangible commitment. Eramet also offers a number of awareness-raising training courses and workshops for its employees, such as **"All Together"**, an awareness-raising programme specially designed for the Group's senior managers, an **e-learning** for all employees that provides an understanding of the challenges of diversity and inclusion and describes how each person can become an agent of change, and a **Development Programme for the Group's Diversity & Inclusion advocates**.

Conscious of the fact that Diversity & Inclusion are long-term ambitions, the Group has built its **2022-2025 Roadmap** around the main themes: a better gender balance among employees, hosting young people in training and including people with disabilities. The resulting communication and development actions were launched in 2022 and will be supported locally by the network of Diversity & Inclusion advocates over the coming years. The actions already undertaken include raising awareness of diversity and inclusion during the integration of new employees and in all managerial training, raising awareness of the issue of disability through communications and conferences, continuing our commitment to recruiting young people from the host communities for internships or work-study programmes etc.

There were local actions on the theme of Diversity & Inclusion throughout 2022 in the Group's various entities, aimed at raising awareness of these issues among employees. Thus, Eramine, our Argentinian subsidiary, obtained the Great Place to Work® label for the year 2021/2022, a fine reward for its efforts in welcoming and integrating its employees. This certificate commits and challenges Eramine's teams to continue working and strengthening this inclusive culture.

On another continent, in Gabon, the Group joined forces with ***Women in Africa*** to launch the "***Femmes d'Avenir"*** programme, a support and mentoring programme dedicated to female entrepreneurship in Gabon. This programme will support 130 Gabonese women entrepreneurs for three years through training, mentoring, networking and access to finance. In Senegal, GCO has put in place a number of measures to improve the quality of life of women during and after pregnancy (additional leave, extension of maternity leave by one month, job adjustments if necessary, on-site accommodation etc.).

SLN was very active in 2022, with interventions in schools to promote our businesses to young people, participation in the International Day for the Elimination of Violence against Women, an awareness-raising campaign against ordinary sexism and a "We can do it" awareness-raising campaign on SLN's commitment to ensuring and promoting equal pay and equal opportunities.

The various Group entities also actively participated in many events throughout the year aimed at promoting Diversity and Inclusion and reinforcing the Group's commitment to creating an inclusive corporate culture: **World Diversity Day** (workshops and conferences), **Disability Week** (conferences, "Duo Days"), **International Women's Day** (workshops, conferences).

#### 5.3.2.4.5.1 Encouraging more women in management and respecting gender equity

Women represent 18.5% of the Group's total workforce in continuing operations, and more specifically: 12.3% of operators, 23.3% of supervisors, technicians and employees, and 25.7% of management.

In terms of women in management, Eramet focuses its strategy on two key career stages: the recruitment and promotion of women, including:

- a dedicated training programme, which allows women participating to benefit from views and experiences from other women from various industries.
- regular People Reviews of women, by always looking for female profiles for each new position or replacement.
- adapting the Group international mobility policy by aiming to propose international career opportunities for both long and short durations.

Thus, efforts are made locally to promote the diversity of teams, more specifically among female middle and high school students and students in technical professions.

Internally, Eramet promotes the provisions set out in the collective agreements on gender equality signed at many sites in mainland France and adapts its premises on sites to better accommodate female staff.

The goal to increase the proportion of women in supervisory positions integrated in the Group's CSR roadmap is applied worldwide. The goal is to move from 22% of female managers in 2018 to 30% by 2023. We have made progress, with women making up 25.7% of management at the end of 2022, but this is not enough and we have to step up our efforts in order to achieve our goal. If we include discontinued operations, the percentage of women in management is 25.8%.

Female representation on the Executive Committee is 38%.

| Indicators on employment of women<br>Continuing operations scope | 2020 | 2021 | 2022 |
|---|---|---|---|
| **% OF WOMEN IN THE TOTAL WORKFORCE** | **16.9%** | **17.3%** | **18.5%** |
| % of female managers | 24.4% | 25.4% | 25.7% |
| % of women on the Executive Committee | 38% | 38% | 38% |
| % of women on industrial Management Committees | 22.8% | 21.2% | 20.5% |
| % of women in the Eramet Leadership Team (ELT) | 16% | 21.8% | 21.8% |

In 2022, pursuant to the Law of 5 September 2018 on the elimination of pay differences between men and women, Eramet published the **Group's workplace gender equality indexes** for the relevant companies within the Metropolitan France scope of consolidation. These indexes measure differences in pay between men and women, broken down by age group and socio-professional category, the chances of getting a pay rise and/or a promotion depending on whether one is male or female, and the proportion of women and men in the top 10 salary earners. All of subsidiaries' indexes **fall between 82 and 93**. The indexes of Aubert & Duval et Erasteel, subsidiaries of the Eramet Group with more than 250 employees, could not be calculated this year because there were no individual pay rises in 2021. Work began in 2022 to measure pay gaps in order to extend the equality index methodology to our subsidiaries outside mainland France.

#### *WoMen@Eramet*

Since October 2018, the **WoMen@Eramet** network has been working to promote gender balance in the Company, and in particular to recruit more women in teams. It currently has 356 members, nearly half of whom are abroad, and is organised around an Office and four commissions: deployment of local networks, cultural change, benchmark and personal development.

In 2022, the **mentoring** scheme for WoMen@Eramet members continued with 16 pairings (compared with nine in 2021) and new actions were deployed such as the organisation of International Women's Day on 8 March dedicated to Audacity with, in particular, a social network campaign highlighting audacious women from Eramet subsidiaries, two Brain & Body workshops, two Share & Learn workshops and benchmarking actions, in particular around intrapreneurship

### 5.3.2.4.5.2 Work/life balance

The Group promotes a number of local initiatives of a different nature but intended to promote this necessary balance: teleworking systems and agreements have been deployed in several entities, measures favouring parenthood: organisation of working time, allocation of CESU cheques (Cheques for Universal Employment Services) for the employment of domestic help (child care, tutoring, housework etc.), inter-company crèche, a listening facility provided by an occupational psychologist, sabbatical leave granted to employees wishing to invest in a personal project.

Attention is paid during the Annual Appraisal Interview to the prevention of psychosocial risks. Indeed, at this special annual interview, particular attention is paid to the organisation of work, workload and work-life balance. In addition, as part of a trade union agreements related to the prevention of psychosocial risks, monitoring units have been set up at the various sites in mainland France to anticipate risk situations and give warning if an employee with psychological difficulty is identified. These topics can also be discussed by occupational health services on sites.

### 5.3.2.4.5.3 Employment and integration of people with disabilities

The Eramet Group pays specific attention to the employment and integration of people with disabilities.

The Group has 325 employees with disabilities, 181 of which are from the scope of continuing operations (data from the CSR survey). This count is probably underestimated, as the regulations of certain countries do not permit the accounting of employees with disabilities. Furthermore, the definition of disability and the cultural approach to this subject is specific to each country and therefore difficult to standardise.

However, at most Group sites, various actions are undertaken to promote the employment of people with disabilities: adapting premises, access ways and workstations, awareness campaigns, financing of hearing aid, contributions to organisations or associations dedicated to helping people with disabilities, participation in forums etc.

Subcontracting activities are also carried out by work centres or associations employing persons with disabilities. The accessibility of the premises is also a topic discussed at many of the Group's sites.

#### 5.3.2.4.5.4 Youth, seniors and intergenerational

Once again, Eramet was distinguished with the **Happy Trainees** Label for Gabon, France and Worldwide as well as for Senegal. The Group came **8th in this international ranking**. This label is a reward for the Group's commitment and that of its managers to giving young people motivating assignments to enable them to contribute to the Group's challenges as they develop. Eramet wants to give young people every opportunity to build their professional careers under the best possible conditions.

In addition, one of Eramet's priorities, highlighted in our Human Resources Policy, is to participate in preparing young people for working life through all the school/company programmes: internships, apprenticeship contracts, work-study agreements, International Volunteers in Business programme (VIE), PhD theses etc. In this context, the Group welcomed 926 young people in 2022, i.e. 10.2% of its workforce.

Eramet takes part in many school fairs in mainland France and in the countries where it operates. This is an opportunity to introduce the Group and its businesses, to exchange ideas with young people and to advise them on their career directions. Many of the Group's employees also volunteer, for the most part in teaching courses, to present the Company or to deliver specialised technical courses. Some of these experts are also present on the career guidance boards or on their board of governors of these schools. It also carries out scientific exchanges on certain projects with the laboratories of France's top engineering and business schools (*grandes écoles*) or universities, and lecturers.

The Group is also very involved in partnering with major schools through the payment of grants (graduation trips etc.), the apprenticeship tax, in particular, to the National Chemical Engineering Institute in Paris (Chimie ParisTech), the National School of Geology (ENSG), the National School of Mines in Ales.

In Africa, Senegal has established partnerships with educational institutions such as the Ecole Polytechnique de Thies, the Centre National de Qualification Professionnelle and the Ecole Supérieur Polytechnique de Dakar. Comilog is very committed to training young people in Gabon and is one of the key partners of the Moanda School of Mines and Metallurgy. Like Setrag, it takes in many apprentices every year, enabling young Gabonese to gain two years of professional experience, thus creating a major pool for local recruitment. In New Caledonia, SLN has a partnership, for example, with the post-secondary preparatory classes for entry to the *grandes écoles* at the Jules Garnier secondary school in Nouméa. The SLN competitive exam proves valuable for the young New Caledonians who end up continuing their scientific studies in metropolitan France.

#### 5.3.2.4.5.5 Compliance with ILO fundamental conventions

Eramet complies with the applicable regulations in the countries where the Group operates.

As the Group points out in its Ethics Charter and its Human Rights policy, Eramet respects the international standards of the International Labour Organization and, more generally, complies with the principles of international law relating to human rights. In particular, the Group refrains from using any form of forced labour or child labour, either directly or through its suppliers or partners, and respects the right of association.

The Group also ensures fair treatment of all its employees in terms of professional equality by fighting against discrimination at work, ensures the integrity of those present at each site, and respects the moral integrity of each employee. The Group ensures the quality of human relations within work teams. In particular, it engages in the fight against all forms of violence and helps promote respect for others and fellowship in working relations.

During the annual collection of feedback from the Group's sites on non-financial matters, the Group's various sites are asked whether they comply with the provisions relating to the ILO's Fundamental Conventions (freedom of association and the effective recognition of the right to collective bargaining, the effective abolition of child labour, the elimination of all forms of forced and compulsory labour, the elimination of discrimination in respect of employment and occupation) and it is important to note the excellent feedback (100% positive replies out of 44 sites surveyed) demonstrating the attention paid to this subject.

The Group wants to make an even greater commitment to respect for Human Rights, setting the objective of becoming a benchmark company in terms of respect for Human Rights in our field of activity by 2023. The elements concerning this Group approach are presented in section 5.3.1 "Commitment to Human Rights".

## 5.3.2.5 Social indicators

### 5.3.2.5.1 Breakdown of total workforce by Division and BU

As at 31 December 2022, the Group had 9,090 employees in 15 countries in the continuing operations scope, compared with 8,523 employees at 31 December of the previous year (+6.7%) like for like. The Group's HR reporting in force concerns the consolidated workforce and the managed workforce.

It should be noted that the workforce of the Weda Bay project (1,314 employees as at 31 December), in which Eramet is a minority shareholder, is not included in the workforce figures below.

| | 2020 | 2021 | 2022 | 2022 breakdown |
|---|---|---|---|---|
| **Holding [1]** | **537** | **537** | **615** | **4.5%** |
| **Mining and Metals** | **7,528** | **7,986** | **8,475** | **61.6%** |
| EMAS | n.c. | 156 | 167 | 1.2% |
| Nickel | 2,161 | 2,253 | 2,340 | 17% |
| Manganese | 4,319 | 4,513 | 4,625 | 33.6% |
| Mineral sands | 965 | 983 | 1,076 | 7.8% |
| Lithium | 83 | 81 | 267 | 1.9% |
| **Total continuing operations** | **8,065** | **8,523** | **9,090** | **66%** |
| **Eramet Sandouville[2]** | **190** | **191** | **-** | **-** |
| **High Performance Alloys** | **4,874** | **4,659** | **4,674** | **34%** |
| Aubert & Duval | 3,916 | 3,796 | 3787 | 27.5% |
| Erasteel | 837 | 830 | 866 | 6.3% |
| **Other** | 121 | 33 | 21 | 0.3% |
| **Total discontinued operations** | **5,064** | **4,850** | **4,674** | **34%** |
| **TOTAL GROUP** | **13,129** | **13,373** | **13,764** | **100%** |

*Holding companies: Eramet S.A., Eramet Services, Eramet Ideas, Eramet International.*

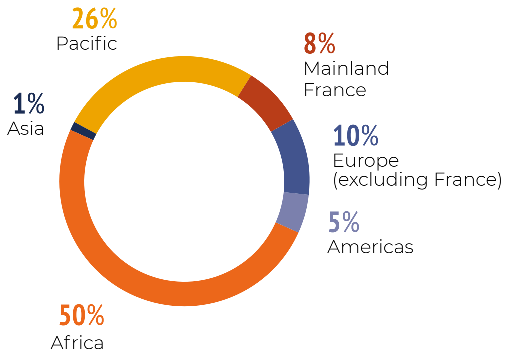
*Eramet Sandouville: disposal in February 2022*

### 5.3.2.5.2 Total workforce and breakdown by geographical area

The registered workforce of continuing operations represented 9,090 employees as at 31 December 2022 and breaks down as follows by geographical area:

| Registered workforce<br>Continuing operations scope | 2020 | 2021 | 2022 | 2022 breakdown |
|---|---|---|---|---|
| Metropolitan France | 669 | 689 | 755 | 8% |
| Europe (excluding France) | 787 | 857 | 874 | 10% |
| Americas | 252 | 254 | 460 | 5% |
| Africa | 4,179 | 4,410 | 4,576 | 50% |
| Asia | 58 | 60 | 85 | 1% |
| Pacific | 2,120 | 2,253 | 2,340 | 26% |
| **TOTAL** | **8,065** | **8,523** | **9,090** | **100%** |

**Workforce registered in 2022 by geographical area**




### 5.3.2.5.3 Breakdown of total workforce by contract type

As at 31 December 2022, 93% of Group employees had permanent employment contracts.

The technical nature of the mining and metallurgy professions requires a long professional training period, and the use of short-term employment contracts remains very minor.

Employees on fixed-term contracts within the Group have the same rights and benefits (pension systems, healthcare costs, profit share, etc.) as employees on permanent contracts.

WORKFORCE BY CONTRACT TYPE

| Registered workforce<br>Continuing operations scope | 2020 | 2021 | 2022 | 2022 breakdown |
|---|---|---|---|---|
| Permanent | 7,506 | 7,733 | 8,480 | 93% |
| Fixed-term | 559 | 790 | 610 | 7% |
| **TOTAL** | **8,065** | **8,523** | **9,090** | **100%** |

### 5.3.2.5.4 Breakdown of total workforce by socio-professional category

BREAKDOWN OF WORKFORCE BY SOCIO-PROFESSIONAL CATEGORY

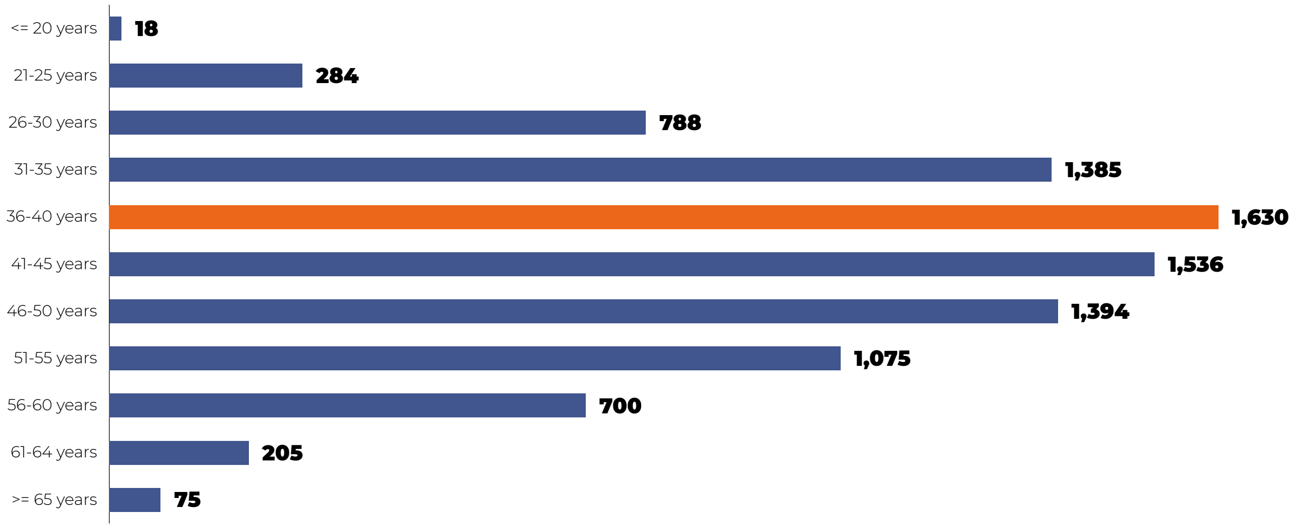
| Registered workforce<br>Continuing operations scope | 2020 | 2021 | 2022 | 2022 breakdown |
|---|---|---|---|---|
| Workers | 4,006 | 4,261 | 4,470 | 49.2% |
| Administrative, Technical and Supervisory staff | 2,670 | 2,753 | 2,825 | 31.1% |
| Management | 1,389 | 1,509 | 1,795 | 19.7% |
| **TOTAL** | **8,065** | **8,523** | **9,090** | **100%** |

### 5.3.2.5.5 Average age and age distribution

As at 31 December 2022, the average age of the Group's employees was 41.6 years (continuing operations scope). Employees aged 50 and over represent 23% of the total workforce; those aged 30 and under represent 12% of the total workforce.

Eramet carefully monitors the evolution of the age distribution of its managerial staff, particularly in order to anticipate the retirement of its key employees. Since the implementation of the People Review process at the local, Division and Group level, Eramet has succession plans updated every year for all its key positions.

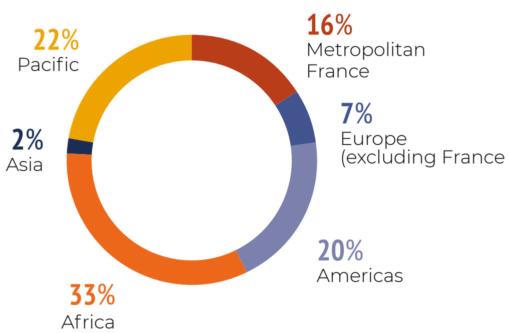
**Age pyramid at 31 December 2022**



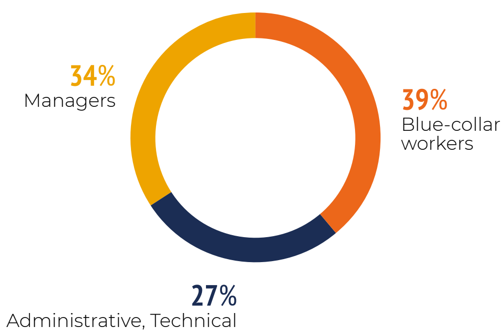

### 5.3.2.5.6 Recruitment

Group companies recruited, excluding inter-group transfers, 1,227 employees on the continuing operations scope:

**New recruits 2022 excluding transfers**




**Permanent contract recruitments 2022 excluding transfers**




The external recruitment of permanent employees on the continuing operations scope continues. There were 771 new hires, broken down into the following types of contracts:

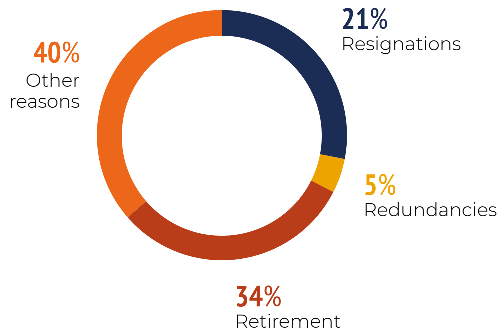
For several years now, Eramet has prioritised the recruitment of permanent employees under the age of 30 and over 55.

| | Permanent contract recruitments 2022 | |
|---|---|---|
| | < 30 years | > 55 years |
| **TOTAL** | **192** | **37** |
| *% of total permanent contract recruitments* | *25%* | *5%* |

### 5.3.2.5.7 Departures (excluding internal transfers)

The total number of departures from continuing operations (which includes resignations, redundancies, retirements and contractual terminations but excludes Group transfers) in 2022 was 652, including 135 resignations (21% of departures), 34 redundancies (5% of departures) and 221 retirements (34% of departures). The other reasons for leaving (40% of departures) mainly consisted of end of fixed-term contracts.

**Changes in departures (excluding transfers) broken down by reason in 2022**




### 5.3.2.5.8 Employee turnover

In 2022, The turnover rate of permanent employees was 6.8%. The increase is mainly due to the rise in recruitment for new projects.

| Registered workforce<br>Continuing operations scope | 2020 | 2021 | 2022 |
|---|---|---|---|
| External permanent recruitments | 393 | 417 | 771 |
| Permanent employee departures excluding internal transfers | 323 | 367 | 390 |
| Resignations | 75 | 129 | 135 |
| Dismissals | 99 | 84 | 34 |
| Retirements and pre-retirements | 150 | 154 | 221 |
| Workforce in previous year (Y-1) | 7,744 | 8,065 | 8,523 |
| Permanent employee turnover rate (1) | 4.6% | 4.9% | 6.8% |
| Permanent employee voluntary departure rate(2) | 1.0% | 1.6% | 1.6% |

*(1) Permanent employee turnover rate = 100* [(Permanent employee departures N + Permanent employee arrivals N)/2] / Registered workforce at 31/12/Y-1*

*(2) Permanent employee voluntary departure rate: (departures and resignations in Year N)/Permanent workforce at 31/12/Y-1 x 100*

### 5.3.2.5.9 Organisation of work

#### Working time

The organisation of working time depends on the companies, the nature of their activities and their location and is defined in order to best meet the requirements of the activity and the wishes of the employees. Wherever it operates, the Eramet Group complies with legislation on working time regulations. As an indication, the working hours are:

- in metropolitan France: 35 hours per week;
- in Norway: 37.5 hours per week;
- in New Caledonia: 38 hours per week;
- in China, Gabon and the United States: 40 hours per week over five days;
- in Senegal: 40 hours per week.

#### Part-time workers

As at 31 December 2022, 62 people worked part-time on the continuing operations scope, a little under two thirds (61%) of which were women.

42% of part-time employees, or 26 people, work in France and they account for 3.5% of the total workforce in metropolitan France.

#### Organisation of work

In 2022, 64% of employees worked fixed days, while 36% worked shifts.

### Absenteeism

The reasons for absence taken into account here are random and unplanned absences, such as sickness, maternity, accidents at work, commuting and unjustified absences.

The average absenteeism rate for the Group on the continuing operations scope was 3.3% in 2022. The average absenteeism rate in metropolitan France is 2.1%. For the rest of Europe, the average rate is 7%. The Americas has a rate close to 1%. Africa has an average rate of 1.1%, Asia 0.2%. Lastly, the average rate in the Pacific area was 7.8%,

| Absenteeism<br>Continuing operations scope | 2020 | 2021 | 2022[1] |
|---|---|---|---|
| Group absenteeism rate | not reported | 2.9% | 3.3% |
| Absenteeism rate in metropolitan France | 4.7% | 5.3% | 2.1% |

*(1) The methodology used in calculating the absenteeism rate was changed in 2022. Until 2021 we published an average rate weighted to the number of employees in the subsidiaries. Since 2022, the absenteeism rate is calculated with the days of absence and the days worked.*

## 5.3.3 Commitments to host communities

### 5.3.3.1 Objectives, organisation and instruments

Eramet strives to become a company that contributes to public interest issues and creates value in the territories where it operates. Especially in its relations with communities near its plants, the Group seeks to move from an approach based on limiting and offsetting the impacts of its activities to an approach that provides clear benefits for local populations, related to their priorities and aspirations.

This challenge is addressed by objective 5 of the Group's CSR Roadmap, "Be a valued and contributing partner of our host communities". The achievement of the objective will be measured against two targets by 2023:

- 100% of sites have established a mechanism for engage with local stakeholders;
- 100% of sites have implemented an investment programme to contribute to local development, with a focus on actions in favour of young people.

#### Instruments

To this end, the Group formalised in 2019 the three pillars and six fundamentals of Eramet's community relations, modelled on the standards and good practices of the IFC (International Finance Corporation, World Bank Group) and the IRMA (Initiative for Responsible Mining Insurance) benchmark. These requirements are translated operationally into a "Community Relations" internal procedure applicable to all of the Group's production sites and partly to its exploration activities.

For Eramet, a contributive relationship and partnership with communities has to be built on three pillars:

- **management of risks and impacts on communities:** Risk prevention and management of the impacts inherent in mining and metallurgy activities is a fundamental aspect of the relations maintained with local populations. These risks and impacts are identified and covered by containment measures in accordance with the "mitigation hierarchy" which entails avoiding, reducing and compensating these impacts. Complaints handling mechanisms available to local populations ensure that any incident or concern can immediately be brought to the attention of the entity. These incidents are then handled through corrective actions and used as feedback for the continuous improvement of the management system;
- **dialogue with local stakeholders:** Whether it concerns the roll-out of operations, risk management measures or again local development support programmes, Eramet and its subsidiaries make sure they continuously inform and consult nearby populations. This is accomplished in several ways, including through public information meetings and open days, joint committees, public consultations, written publications etc. For sites developing new activities, it is essential to present the characteristics of the projects through dialogue and to involve the communities in defining containment measures for the impacts affecting them. In all cases, the subsidiaries focus on ensuring that the dialogue is culturally appropriate and also inclusive; they also make sure that the vulnerable people are identified and included in the discussions;
- **contribution to local development priorities:** Eramet aims to make the Group's activities a source of clear benefits for local populations. By placing a particular focus on employment, local sourcing and subcontracting, the Group's subsidiaries constantly strive to increase their contribution to the economy of the territories where they are based. Above all, the Group's sites develop community investment or sponsorship programmes aimed at supporting local development priorities. In a partnership approach, these priorities are identified and monitored collectively: support to economic activities, actions to promote education, health, sport, culture and the environment or construction of infrastructures.

**Relations with host communities: Eramet fundamentals**

**3 pillars and 6 fundamentals of ERAMET Group's community relations policy**

**1 MANAGE societal risks and impacts**

Initial state / evaluations / management of societal impacts
Grievance resolution mechanism

**2 DIALOGUE with communities**

Map of local stakeholders
Dialogue bodies

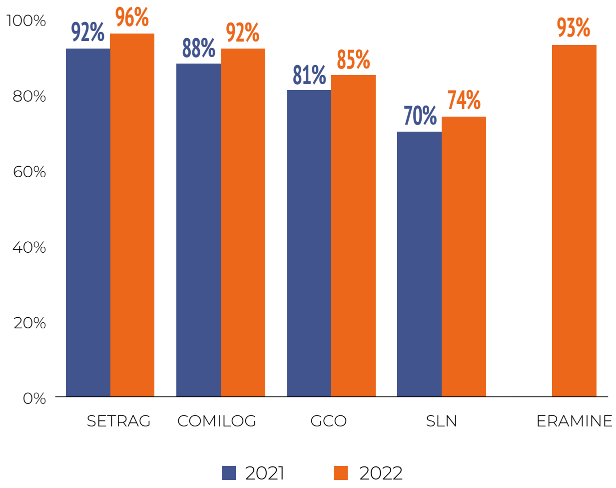
**3 CONTRIBUTE to local development priorities**

Local employment, local purchasing and subcontracting
Community investment

In 2022, the rollout of the Group's Community Relations initiative resulted in:

- the monitoring of the compliance of Group subsidiaries with strong societal challenges with the "Relations with host communities" procedure (incorporated into the Eramet Management System); the number of sites monitored increased from four to five with the introduction of the Eramine site, while the average compliance rate rose from 82% to 87%. The procedure was revised in the second half of 2022 to incorporate all the requirements of the IRMA benchmark applicable to community relations. The 2022 compliance rates do not yet reflect this development;
- the continuation of the training cycle on the fundamentals of the Group's community relations for the subsidiaries' Management Committees, enabling 100% of the Management Committees of subsidiaries with a high social impact to be trained by the end of the year;
- the monitoring of a series of mining industry key performance indicators (KPIs) common to all the mining sites. These help to strengthen the management of societal performance of establishments, and cover five areas: social operating permit, management of risks and of negative impacts, the positive impact of community investment programmes and economic windfalls from operations. In 2022, the Group released a publication about its country contribution for all its sites (available on our website https://www.eramet.com/fr/eramet-renforce-sa-contribution-leconomie-de-ses-principaux-territoires-dimplantation-au-benefice);
- the maintenance of Eramet Local Partner committees in Gabon, Senegal, New Caledonia, Cameroon and Indonesia. This governance, established since 2020, gives the Group the means to define a contributive long-term vision on local, regional and national scales and to monitor their progress. These committees, which mainly include two members of the Group's Executive Committee, the CEOs and CSR Directors of the subsidiaries concerned, ensure that decisions taken are in line with multi-year strategies, their annual adaptations and the resources required to implement them. Each committee met at least twice in 2022;
- completion of the roll-out of modules dedicated to community relations in SAFEE, the Group's Safety, Environment, Energy and CSR information and management system. These modules are now fully operational in all subsidiaries with a strong societal stake, and their deployment to industrial subsidiaries (Eramet Marietta International, Eramet Norway, ETI, Comilog Dunkerque) has been initiated;
- monitoring of the flagship contribution projects of each subsidiary with a strong societal stake, and development of an internal methodology for community impact investment.

**Compliance rate of sites with the Group's "Host Community Relations" procedure**




## Organisation

On industrial sites, this topic is most often addressed by Health, Safety and Environment managers, as the impacts on local residents are mainly related to environmental issues. On mining sites, the management of community relations covers much broader themes, and requires the mobilisation of teams dedicated to social responsibility topics. These professionals are part of a network managed by the Group's Sustainability and Corporate Engagement Department. In 2022, the training cycle for the Community Relations field teams in the fundamentals and the Group procedure was continued, enabling all teams to be trained by the end of 2022

## 5.3.3.2 Impact management and risk prevention for local communities

### 5.3.3.2.1 Risks for the safety and security of local populations

#### Safety

The presence of industrial or mining facilities may constitute a source of risks for nearby populations. To prevent these risks as early as possible in industrial or mining projects, the Group continuously rolls out an industrial risk prevention approach, detailed in 5.2.1.4. The entities concerned control access to sites, set up safety barriers and information signs, speed limits for transport in built-up areas, while some sites also use security guards. Information on risks for the safety of nearby residents is also presented through dialogue with populations.

In 2022, Setrag continued its series of awareness campaigns on the dangers associated with the tracks, with five campaigns conducted during the year for the general public throughout Gabon, and for people living close to the tracks in three provinces. In all, in 2022, more than 35,000 local residents and pedestrians using the footbridges and level crossings were made aware of the dangers, as well as nearly 3,500 pupils in 18 schools in the local communities.

To secure the areas close to the track, Setrag also continued to install pedestrian bridges. It installed three additional bridges, bringing the total number to seven at the end of 2022.

#### Security

Security measures taken to protect the physical integrity of employees and infrastructure, such as security guards, are governed by the Security Procedure adopted by Eramet. This is in accordance with international law, French law and the law of the countries in which Eramet operates. Under this policy, the prevention of security risks first requires dialogue and mutual respect with local residents. Training and rules governing the use of force and the equipment of the security personnel are decided, designed and controlled by a Site Security Officer, who acts within the framework defined by the Group Security Director. The use of force is strictly limited to cases of extreme necessity and must be proportional to the threat. Actions taken in 2022 as part of the continuous improvement of security and human rights practices are presented in section 5.3.1 "Human Rights Commitments".

### 5.3.3.2.2 Land purchases and population displacements

The activities of certain Group mining sites require the acquisition of land from communities that reside or carry out economic activities (agricultural or commercial) in the area. In accordance with the "mitigation hierarchy" of impacts, populations are only displaced as a last resort, when all avoidance measures have been taken. When such displacements take place, the operations may present risks of human rights violations (property rights or the right to an adequate standard of living for these communities). The sites concerned have therefore set up dedicated teams to assess, talk to the locals and keep potential impacts under control. Displacement activities are carried out in accordance with the principles set out in the Performance Standard of the IFC (International Finance Corporation, World Bank Group), with in particular the arrangement of resettlement action plans and attention paid to restoring the livelihoods of the displaced populations.

#### GCO

Grande Côte Opérations, in Senegal, performs mobile mining activities with a dredger on the mining concession granted by the State. The Environment and Communities department of this site has a specialised team, in charge of defining, in collaboration with communities, methods of displacement where necessary (compensation, replacement land, relocation sites, configuration of welcome infrastructures etc.).

In 2022, GCO continued to support the restoration of the livelihoods of the 920 people displaced in 2016 and 2019 from the hamlets of the villages of Foth and Diogo. This support covers the 11 economic interest groups (EIGs) created between 2015 and 2019, bringing together over 1,000 people. A women's EIG made up of 62 women from two hamlets displaced at the end of 2021 was also created and supported in 2022.

In 2022, GCO also relocated 1,000 people from the village of Diourmel and its hamlets. As with previous displacements, these new homes provide access to water and solar power and thus help to improve the living conditions of these people. The resettlement site in the village of Diourmel has a mosque, a health centre, a primary school and a Koranic school, as well as a market. It is served by an access road that links it to the secondary road leading to Lompoul.

Lastly, the consultations and census have begun for the displacements scheduled for 2023 and 2024 in the hamlets of the villages of Thiakhmat and Lompoul-sur-Mer.

Economic displacements were also carried out in 2022, leading to the compensation of more than 660 farmers for their crops. This compensation is overseen by the departmental commission for surveying and evaluating maintenance expenses (Commission départementale de recensement et d'évaluation des impenses), involving representatives from Senegalese government technical services.

### Setrag

In Gabon, as part of Setrag's project to restore the Trans-Gabon railway line, work is planned on the different points of the railway tracks from Libreville to guarantee the safety of the track and local residents. Some of this work resulted in the displacement of shops, homes or farms occupying the area surrounding the railway line, which is non-transferable State property. A team at the CSR Department is in charge of supervising the implementation of resettlement action plans and livelihood restoration plans in accordance with international standards. These activities are carried out in close collaboration with the funders of the track renovation project (AFD, IFC).

In 2022, Setrag did not carry out any new displacements. It continued to follow up those displaced in previous years (in Owendo, Ntoum and Andem, i.e. around 375 people, almost all of whom were involved the displacement of farms and businesses), particularly with around 30 vulnerable people. Of the traders displaced in 2019, 26 of them who could not be resettled in the municipal market received training and individualised support for their income-generating activities in 2022. Employees also started consultations and inventories in Owendo, Libreville, Ntoum and Andem in preparation for relocations in 2023.

### Comilog

In Moanda, Comilog (Gabon) undertook three displacements:

- In connection with the exploitation of the edges of the historic Bangombé plateau, households currently living in this area will have to be resettled. The displacement concerns around 2,000 people currently divided between two districts of Moanda: Lekolo 2 and Leyima. Inventories and socio-economic surveys were carried out and the relocation plan finalised with stakeholders and validated during a public hearing held in July 2022, which was attended by nearly 400 people. The construction of the relocation site, which will eventually house more than 400 homes and commercial areas, is almost completed, and 90% of the homes will be finished by the end of the year. The people affected, who have been involved throughout the project since 2020, were regularly informed of the progress of the site through the two Local Monitoring Committees;
- For the mine extension project, which affects crops on the edges of the new neighbouring Okouma plateau, in 2022 Comilog completed the compensation for crops on the plots of land of nearly 230 people, begun in 2020. These communities are now being monitored to restore their livelihoods after this economic displacement;
- Preparations for the relocation of the dwellings of the people living near the Moanda station also progressed in 2022. These are the villages of Mondzeye and Mikouagna, located close to the Moanda Industrial Complex operated by Comilog. The resettlement site was completed in 2022, and work started to ensure that the site is serviced so that the 40 households concerned can move in by 2023. These displaced communities and the local authorities visited the site in October.

## 5.3.3.2.3 Risks and impacts on the environment of communities

Some sites also present environmental impact risks that may affect local residents. The Group is deploying all necessary means to reduce its environmental footprint, both at its operating sites and in the context of its development projects. The measures implemented to mitigate environmental and industrial risks (section 5.2. "Environmental protection") also aim to limit disturbances to local communities and avoid pollution risks and those related to a reduction in their access to natural resources.

## 5.3.3.2.4 Local complaint management mechanisms

Pursuant to the Group procedure, all mining sites have a procedure for handling complaints from local communities in accordance with the standards of the IFC and the IRMA initiative. These procedures allow the populations to draw the company's attention to any incident, concern or query concerning the social and environmental performance of the site, with the guarantee that these complaints will be handled through a transparent process.

On industrial sites, local managers in charge of health, safety and the environment receive and handle complaints in accordance with ISO 14001.

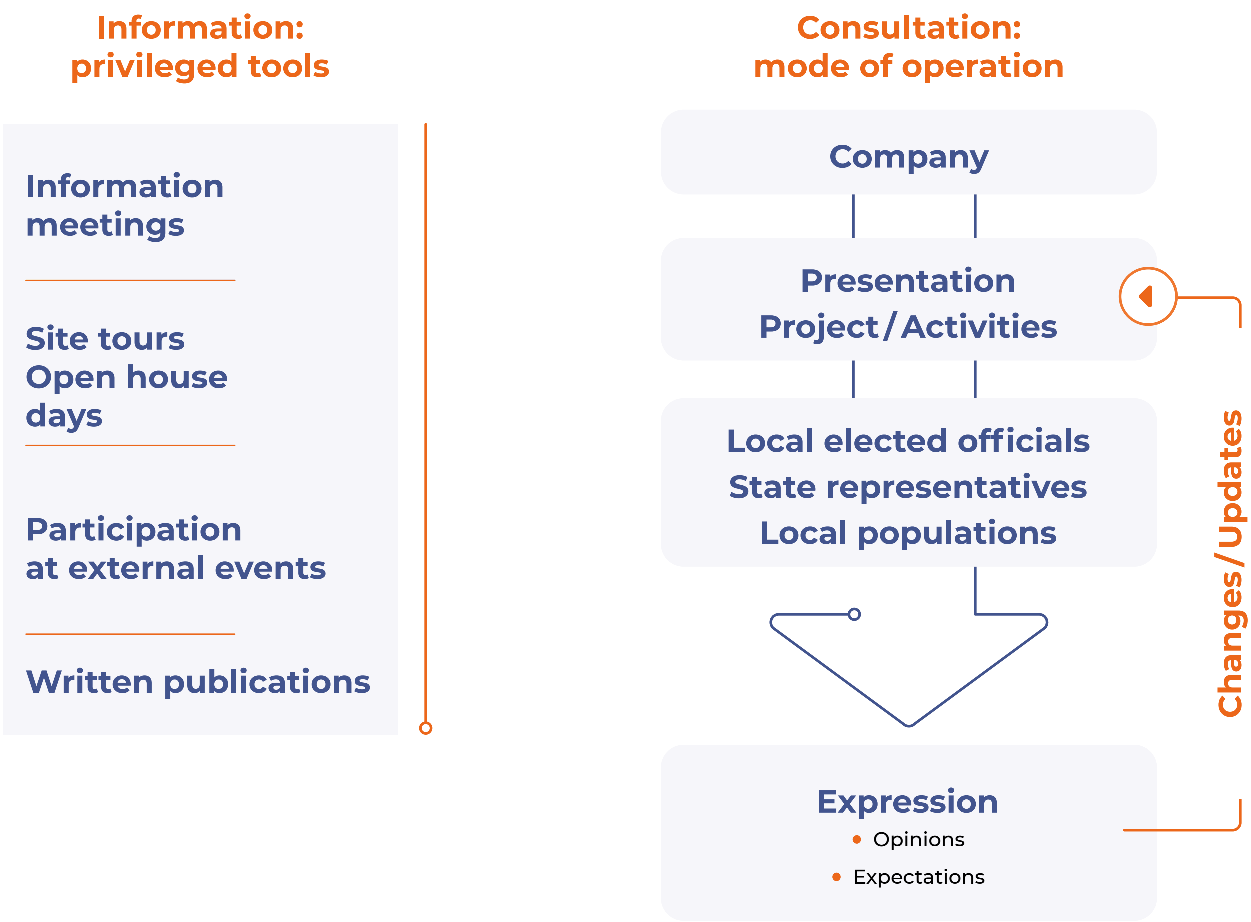
Since 2020, the Group's Integrity Line (see 5.4.1) whistleblowing system supplements these local mechanisms. The Integrity Line is open to all external stakeholders affected by the Group's activities and offers the possibility of making an anonymous report.

The results for 2022 in terms of managing community complaints are presented in section 5.3.1 on Human Rights.

### 5.3.3.3 Dialogue with local communities

Sites that may have an impact on the environment and local residents carry out information and consultation actions with them, whether due to regulatory obligations or voluntary initiatives. Establishing dialogue with neighbourhood populations is a way of anticipating and preventing the potential impact of activities. This universal approach is adapted by each entity according to its specific challenges.

**Dialogue modes**




#### Informing neighbourhood residents about industrial and mining activities

Information meetings are the preferred way for sites to communicate with local populations. The information shared covers the site's activities as well as the environmental and societal risks or impacts that they might generate.

At SLN, since September 2022, there has been a campaign aimed at the communal, customary, provincial and New Caledonian authorities, to communicate both on SLN's risky cash flow situation and on the emergency plan put in place to tackle it. The contact plan, which is still being rolled out, includes around 15 meetings per group and individually (e.g. all municipal authorities collectively, members of the government individually etc.) for 2022. The five community relations offices in Houailou, Kouaoua, Thio and Koné continued in 2022 to provide information about SLN, its activities, recruitment and outreach programmes, with the possibility of talking to an officer from the CSR team. These offices seek to increase the quality and frequency of interactions, to get as close as possible to populations throughout the territory. The system of rituals with traditional bodies and municipal teams made it possible to meet more than 1,600 people during the year.

In 2022, two of the three Eramet Norway sites, close to city centres, also organised an "annual neighbours' get-together", as they do every year, which was attended by 21 people. This provides the opportunity to talk about the company's environmental performance, in particular regarding noise and dust, how it handles the complaints it receives and areas for improvement in the future. The Eramet Titanium & Iron (ETI) site also held a meeting with nine members of the neighbourhood to discuss noise and dust, which the plant monitors on an ongoing basis, as well as future operations and projects. In France, Comilog Dunkerque took part in a Local Information Committee and a committee of the Permanent Secretariat for the Prevention of Industrial Pollution (SPPPI) which brought together 30 participants to address the issue of noise and dust.

### Consultation/collaboration with local residents

Consultation is a more engaging form of dialogue with communities that is practical for gathering the opinions, expectations or concerns of local residents in order to factor them into the company's decisions. In certain cases, stakeholders are directly associated with decision-making, this is then referred to as collaboration. In 2022, the main consultation and collaboration activities were the following:

- **In Gabon**, Comilog continued to roll out its dialogue process, which has been strengthened since 2021. The 23 local monitoring committees set up in 2021 in the presence of the prefect and the mayor for the Moanda area and surroundings were active during 2022, providing focal contact points in each district of Moanda and surrounding villages. Each committee has six members, including the village/district chief, at least two women and two young people. As part of the preparation of the State and Comilog CSR Fund actions, the three municipalities also submitted their priorities from their local development plans, drawn up in 2021. In all, more than 60 dialogue meetings were held.

  At Setrag, a team of social representatives in charge of relations with local residents on the four segments of the railway line met with more than 1,300 local stakeholders during dialogue meetings in 2022. Most of these meetings focused on consultations related to inventories and preparation of farm relocations, and on raising awareness of the complaints management mechanism.

- **In Senegal**, as part of its progress towards the Louga region in the north of the current operating area, the subsidiary actively engaged discussions with stakeholders in this area. The mobile mining activities of the facilities, which have existed since 2014 in the Thiès area, are set to enter the Louga region in 2024. Dialogue with stakeholders in this future business area began in 2020. In 2022, seven public consultations were organised throughout the year. Five of these specifically focused on the entry of the dredge into the Louga region. These consultations provided an opportunity to discuss the rights of way and the timetable for sharing the mine, to gather questions and comments from the affected populations, and to adjust the route of the dredge based on this. During these discussions, more than 50 people from the Louga region were able to visit the Thiès region to see the current GCO site, its practices and results in terms of resettling people and environmental rehabilitation after the dredge. Extensive consultation efforts were also carried out to better support *ad hoc* drilling activities carried out prior to mining activities. In all, the site teams met with more than 2,600 stakeholders during the year.

- **In New Caledonia**, SLN's proactive dialogue programme with local stakeholders, which was launched in 2019, continued, in order to explain and support SLN's new model and build together its contributory and consultative action for mining and metallurgical projects. Numerous meeting rituals were organised with municipal teams, traditional leaders, young people and charities in the municipalities of SLN's five mining centres (particularly Poum, Poro, Kouaoua, Koumac). In all, more than 1,600 people exchanged views with SLN's CSR team in 2022.

  In the second quarter, a campaign of public meetings and community interactions with the neighbourhoods around the Doniambo plant was organised to prepare for the arrival of the temporary floating power plant (CAT), which is necessary to securing the plant's power supply in the short-term. On this occasion, SLN's teams were able to highlight the CAT's energy efficiency and environmental benefits. Nearly 90 people took part in the dozen or so meetings, including 40 women and 10 young people.

  In June, an agreement was signed in Houaïlou on the East Coast of New Caledonia, where the development of mining operations is subject to the most constraints. The signing of this agreement marks the end of thirty years of conflict between SLN and Kunéka, an association of landowning clans in the Poro region, the main focus of mining development in this municipality. Some forty meetings were held over a period of nine months, bringing together 60 people, including seven young people.

  Also in the same month, the Ajie Aro customary area (the customary authority to which Houaïlou and Népoui belong) and SLN signed a letter of commitment to co-construct the process of informing and consulting the local populations regarding mining development. This innovative approach is the result of about fifteen meetings with this customary authority, which brings together 60 people, including seven young people

- Lastly, in the context of the resettlement programmes on the sites of GCO **in Senegal**, Comilog and Setrag **in Gabon**, dedicated consultation and cooperation activities continued in order to define the terms and implementation of the displacements (see section 5.3.3.2.2),

- To facilitate the launch of construction, Eramine stepped up its dialogue in **Argentina** in 2022. On this occasion, the populations of the Centenario Ratones salt flat and Santa Rosa de los pastos Grandes were able to renew their support for the restart of the Project during a quarterly assembly organised in May. After reviewing the information shared about the project, the achievements and community investment programmes, and the constant increase in local employment opportunities through the project, the representative of the indigenous community and a large number of its members reiterated the expression of their Free, Prior and Informed Consent to the development of the Eramine project. In addition to the quarterly meetings, which continued in 2022, the Community Relations teams set up an online channel to ensure continuous information on the deployment of activities (particularly regarding road traffic), and to receive and correct any incidents as quickly as possible.

## 5.3.3.4 Contribution to the development priorities of communities

Developing the Group's positive footprint in the territories where it operates takes many forms and draws on several of the United Nations Sustainable Development Goals.

The Group's contribution entails, first and foremost, creating local employment opportunities – both direct and indirect – through subcontracting and local sourcing, thereby supporting SDG No. 8 (Decent work and economic growth). Moreover, the supported training programmes and learning opportunities promoted in the subsidiaries contribute directly to the achievement of target 8.6 (Reduce the proportion of youth not in employment or training).

The community investment programmes implemented by Group entities are tailored to the goals of the beneficiary communities. On the whole, these programmes contribute mainly to:

**SDG 3 (Good health and well-being), SDG 4 (Quality education),** with many programmes supporting local schools and health facilities, often shared by local stakeholders as their development priorities.

**SDG 8 (Decent work and economic growth)** with capacity building, technical support or access to finance programmes for local entrepreneurs, small and micro-businesses. Through these actions the Group's sites want to act as catalysts, with the aim of supporting income-generating and employment-generating activities for the community, which can last beyond the initial support provided.

**SDG 11 (Sustainable cities and communities), SDG 6 (Clean water and sanitation)** and with programmes to support the development of basic infrastructure for communities, including access to water, energy and mobility.

Examples of some of the accomplishments achieved by the Group's entities in 2022 are presented below.

### 5.3.3.4.1 Job creation and local sub-contracting

The major subsidiaries of the Group contribute significantly to job creation in the areas in which they operate, recruiting the vast majority of their teams locally:

- Via its subsidiaries Comilog and Setrag, the Eramet Group employed more than 3700 people in Gabon. More than 98% of these employees are Gabonese. Including the subcontractors working directly for our subsidiaries, the Group's activities in Gabon represent more than 8700 jobs. Moreover, 869 people were able to work on Comilog's various CSR infrastructure sites, for periods ranging from one month to more than a year. The vast majority of these jobs were filled by people from local communities;
- SLN, New Caledonia's biggest private employer, employs more than 2,300 people. 98% of these employees are Caledonians. Including the subcontractors working on the various sites, SLN's activities represent more than 3,400 jobs;
- In Senegal, Grande Côte Opérations (GCO) employed 818 people as at 31 December 2022. 94% of these employees are Senegalese. Including the subcontractors working on its various sites, GCO's activities represent more than 1,900 jobs;
- In Argentina, the Group's subsidiary running the Lithium project employed 268 people, 91% of whom were Argentines. Including the subcontractors working on the construction site, at the end of the year, the project represented more than 330 jobs.

In addition, many sites are working to develop local skills over the long term in order to develop employability in the regions.

With the New Caledonia Mining Industry Union, SLN created and supports the Mining and Quarries Technologies Training Centre (Centre de formation aux techniques de la mine et des carrières – CFTMC) in Poro since 1990. Located in the Northern Province, it addresses the economic rebalancing priority desired by authorities. This training centre for mine quarry drivers and mechanics and mine careers is for young people with no or low qualifications. It offers training on an SLN mining deposit under real mining conditions. The aim of this centre is to create a mining school that would be a global reference, teaching the best operational practices (health/safety, operations, progress management, sustainable development). All the leading mining and metallurgical operators in New Caledonia are members, and SLN exclusively hires drivers trained at this centre. In 2022, nearly 180 young people obtained their training certificate, issued by the Ministry of National Education.

In Gabon, Comilog continued its contribution to the Moanda School of Mines and Metallurgy (E3MG, which opened in 2016), the result of a public-private partnership between the Gabonese State and the Eramet Group. This school, which aims to train young Gabonese people in geoscience, process engineering, mining research and exploitation related jobs, awarded certificates to 48 students in 2022 and welcomed 30 new students in September in the two courses that it offers: a specialised engineer qualification and a professional first degree in mining and metallurgy. From 2016 to 2021, the school welcomed 104 students in four classes of engineers and technicians. Of the 102 students who graduated, 91 were working in 2022 (including nearly 50 at Comilog), bringing the employment rate of graduates to 90%.

Setrag has developed a partnership with a Gabonese public institution, the National Employment Office, with the aim of creating apprenticeship contracts for young people. In 2022, 250 young apprentices were trained in this way. Setrag also contributes to the back-to-work policy for young people through its Franceville railways proficiency and training centre (Centre de formation et de perfectionnement ferroviaire de Franceville – CFPF). In 2021, 316 railway personnel were trained in 15 or more rail transport professions.

The Eramet Group also contributes to the development of economic activities in the countries territories where it operates through its purchasing and subcontracting practices. The Group's mining or mining project subsidiaries make more than half of their purchases in the country where they are located. This is especially the case for Comilog and Setrag (61% of the amount spent on purchases were spent in Gabon in 2022 – excluding maritime transport – i.e. more than €400 million), GCO (70% of the amount spent on purchases were spent Senegal in 2022, i.e. nearly €54.5 million), Eramine (60% of the amount spent on purchases were spent in Argentina), and SLN (47% of the amount spent on purchases were spent in New Caledonia, i.e. more than €390 million).

On a local scale, the activities of the Group's sites may favour the emergence or development of local suppliers or subcontractors. This is particularly the case with SLN in New Caledonia, whose mining sites, plant and support services subcontract some activities and draw from the base of local businesses. In addition to the five SLN mining centres, there are seven "task-based" sites, run by local subcontractors. On the Poum site, the increase in production capacity is accompanied by a partnership with local authorities and the population: part of the mining activity is carried out by an operator owned by local shareholders. Sonarep, made up of nearly 250 inhabitants of Poum and two traditional groups, carries out environmental maintenance, haulage and barging of ore for the Poum mining centre. On the Thio site, the increase in production capacity is also sustained by a partnership with all 13 tribes and the two customary districts of Thio. Somikat, created from this community shareholding, handles entire mining operations chain from the Dothio site to the evacuation of merchant ore by haulage truck.

#### 5.3.3.4.2 Community investment and sponsorship

The Eramet Group is involved at various levels in actions in favour of the communities surrounding the sites, aiming to develop local life through a partnership approach.

**Community investment and sponsorship programmes**

The paragraphs below present the achievements of subsidiaries which consider societal issues as core issues and propose the most developed contributory programmes.

***Eramet in Gabon***

In partnership with Women In Africa and with the support of the Gabonese government, Eramet has created the "Femmes d'Avenir" hub in Libreville in 2022, which is a centre for promoting female entrepreneurship. Under this programme, 130 Gabonese women entrepreneurs will benefit from dedicated support over a three-year period, including training, mentoring, networking and access to finance. The first cohort welcomed around thirty women entrepreneurs in 2022. This hub is the expression of the commitment of the Eramet Group and its partner Women In Africa to create dynamic and innovative ecosystems for women entrepreneurship in Africa, a source of economic vitality and growth.

Through this hub, Eramet wishes to contribute to the development of a community of local women innovators, who bring solutions to the many challenges facing Africa to make their business models viable. The Femmes d'Avenir hub, the first of its kind in Libreville, is also a place designed to host events to highlight and promote Gabonese female entrepreneurship all year round. Women guests will be able to visit regularly to assist the community of local female innovators who are providing solutions to the many challenges facing Africa to make their business models viable. Since September 2022, a board composed of personalities from the business world, committed to supporting Gabonese women entrepreneurship alongside us, has been accompanying the hub's development through steering meetings.

***Comilog and Setrag in Gabon***

2022 is the second year of the CSR Funds and Local Community Development Funds (Fonds de Développement des communautés locales or FDCL) created in October 2020 in partnership with the Gabonese State. In October 2020, Comilog signed an Addendum to the mining agreement with Gabon, concerning corporate social responsibility. The Addendum sets out the creation of two CSR funds intended to finance new development programmes for the benefit of local communities of the region where the company's mining sites are located:

- a "Local communities development fund" financed by the State from part of the taxes paid by Comilog, as provided for in the Mining Code. The amount allocated in 2022 was €5.1 million (i.e., approximately 3.3 billion CFA francs);

- a CSR Fund financed and implemented by Comilog is entirely aimed at structural projects for the benefit of local populations. Comilog's contribution rate to the CSR Fund is set annually at 2% of Comilog's operating income as shown in its audited financial statements approved by its Board of Directors. In 2022, the amount allocated to the fund was €6.1 million (i.e. approximately 4 billion CFA francs).

The document thus gave a contractual framework to Comilog's contributory commitment, which now has enhanced resources and greater visibility to be able to finance concrete projects. In 2021, they enabled several major achievements under the pillars of Comilog's CSR strategy.

These funds are governed by a partnership management committee comprising representatives of Comilog and the Gabonese state. It is supported by an operational management committee chaired by the Governor of Haut-Ogooué Province and comprising local elected officials from Moanda, Bakoumba and Mounana and Comilog representatives.

#### Contribution to basic infrastructure

- **Rehabilitation of roads in the city of Moanda:** in order to open up certain areas of Moanda that are not easily accessible due to poor road conditions, the two funds continued to finance the rehabilitation of the city's roads, which began in 2020. After rehabilitating 4 kilometres of Moanda's main road in 2020 and nearly 7 kilometres of three secondary roads in 2021, the fund financed the rehabilitation of three additional roads in 2022, covering over 6.5 kilometres. These renovated infrastructures help to improve the daily travel conditions of the inhabitants of Moanda. This work also helped to create local employment, and the roads were paved using the production of the Konda paving stone factory, employing 28 local people.
- **Access to water:** for some inhabitants of the cities of Moanda, Bakoumba and Mounana who do not have a water point in their homes or nearby, the development of access to drinking water was a priority identified with local partners. After financing the construction or rehabilitation of 73 standpipes across all districts in the towns of Moanda, Bakoumba and Mounana, the funds were used to finance the construction of five boreholes in four villages in the region in 2022. These facilities now benefit more than 19,000 people with significantly improved access to water.
- **Public lighting:** to meet a pressing demand from local communities, the funds financed a programme to improve the lighting of public roads in the area. In 2022, nearly 1,200 solar-powered streetlights were installed and more than 800 streetlights were rehabilitated in the three towns of Moanda, Mounana and Bakoumba, as well as in three villages in the same areas.

#### Employability and economic diversification

Comilog aims to become a catalyst for local economic development, investing in human capital through training and providing initial support for economic activities. The aims is to create structures and sustainable jobs that do not depend on mining activity. In 2022, this ambition was translated into the following actions:

- opening of the Moanda *Fablab*: open since May 2022, the Moanda *Fablab* aims to provide an opportunity to young people in Haut-Oggoué to participate in the development of the digital economy. In 2022, 22 young people (12 women and 10 men) were trained for three months in each of the three key digital skills, i.e., design/graphics, web/mobile development, and electronics/robotics. The result of a public-private partnership between Comilog and the Moanda town council, and developed with the support of Comilog's Digital Transformation team, the Fablab meets a strong expectation of young people in Moanda;
- launch of the seed fund for entrepreneurs in Haut-Oggoué: in order to address the difficulty in accessing financing for small and micro-businesses in the area, Comilog and the Gabonese State entered into a partnership in 2022 with three Gabonese microfinance institutions (SFE, EDG and Finam), to offer financing at reduced rates (5-6%) in the area. In 2022, these institutions received nearly 300 applications and have already validated 26 of them for the implementation of a loan at the very beginning of 2023.
- Support for the association Jeunes Femmes Digitales (JFD) which promotes the empowerment of Gabonese women and supports digital transformation in the country. In 2022, through the JFD Gabon movement, 320 women were trained and four start-ups were created by women. One of them was the Gabonese winner of the Margaret Entrepreneur Africa Award, which rewards African women for their creativity, boldness and innovation through three award categories: entrepreneur, intrapreneur and junior;
- **A paving stone manufacturing plant** built in 2020 in the village of Konda (near the town of Moanda), which has been operational since March 2021, continued production in 2022. The company "3L des Pavés" employed 28 people at 31 December 2022. Its production notably made it possible to meet the needs of the city of Moanda for the paving of secondary roads.

#### Support for the health offering

- In 2022, the CSR fund continued to finance the local office for the Gabonese Samu Social, covering the cities of Moanda, Bakoumba and Mounana. With eight health officers, eight ambulance drivers, five ambulances and six paramedics, the Samu Social offers free consultations and medication to the most underprivileged populations. In 2022, more than 40,000 patients were treated free of charge.
- For many years now, Comilog has also financed the operation of the Marcel-Abéké hospital (HMA), open to the public at modest prices. Since October 2022, the hospital has been offering teleconsultations in six medical specialities for the benefit of residents of the Haut-Ogooué, Ogooué-Lolo and Ogooué Ivindo provinces. These people can now benefit from consultations and medical expertise from doctors based in Libreville, from Moanda. This innovative project was carried out in partnership with a company specialising in telehealth in Europe and around the world.

### Local life and social cohesion

The CSR Funds and Local Community Development Funds financed the refurbishment of the Bakoumba sports complex, which will be completed in 2022.

In addition, Comilog is the primary contributor to Mangasport associations (football, basketball, volleyball, judo, taekwondo, etc.), made up of more than 800 members, most of whom are young people. At Setrag, the year saw the roll-out of the community investment strategy defined on the basis of a broad consultation of local communities carried out in 2021. The strategy, which is based on three axes: health, education and support for income-generating activities, resulted in the following actions in 2022:

- With regard to health, Setrag conducted two operations in the health sector in 2022. In March, more than 1,000 patients benefited from a free eye consultation campaign during which 500 pairs of prescription glasses and 800 eye medicines were distributed. In partnership with the National Malaria Control Programme, training in the latest WHO recommendations on patient care was provided to health centre and dispensary workers in the locality of Ndjolé in May. On that occasion, 1,000 rapid diagnostic tests and 50 mosquito nets were distributed;
- With regard to education, work was completed and equipment installed at the public school and the Lycée of Ndjolé, benefiting more than 1,500 pupils.
- In addition to income-generating activities, in 2022 Setrag carried out an inventory of associations and organisations in five localities along the route in order to prepare a capacity-building and micro-financing programme for their economic activities.

### Impact indicators

More than **60,000 beneficiaries of positive contributions,** including

- 43,000 consultations at Samu Social and other health posts supported;
- 330 women supported by JFD or Women in Africa organisations;
- 22 young people trained at the Fablab in Moanda, with 256 hours of training;
- 20,000 beneficiaries of 73 rehabilitated standpipes and five boreholes built;
- three microfinance institutions in the Moanda area;
- 6.5 kilometres of roads rehabilitated in Moanda, and 17.5 kilometres since 2020;
- 2,000 street lights rehabilitated or installed in Moanda and its surroundings, including more than 800 solar street lights.

#### *GCO in Senegal*

Under its mining agreement, GCO has established a social mining programme with the Senegalese Government, which commits the Company to making annual investments in local communities. The initiatives to be implemented in this context are defined in collaboration with all local stakeholders within a tripartite commission. This committee, which includes mayors and representatives of GCO, local residents and civil society, is responsible for allocating the funds for the actions to be taken. A system of rotating allocations between different villages of the area has been established, allowing a concentration of funds per municipality each year, and therefore more substantial investments. In the field of education: GCO continues to provide annual funding for student associations in seven municipalities in the area, allowing students to continue their studies while living outside their home towns.

With regard to health, GCO has continued its support actions, in particular donations of drugs, to five health posts in its area of activity. The health post in Lompoul sur mer became operational with the arrival of a dedicated nurse.

With regard to infrastructure, the municipality of Meckhé benefited from the extension of the water network over 8 kilometres, in order to provide access to water for seven neighbourhoods, and from the development of a garden at the railway station. In Diogo, the construction of a bus station at the entrance to the city was completed, with a platform equipped with two sheds. The station was built to organise the parking of vehicles used for inter-communal and inter-regional transport, and for parking in Diogo. With regard to economic development, GCO has supported the creation of four new women's economic interest groups (EIGs) in Diogo and the surrounding area in 2022, bringing the number of EIGs supported in the area to five. These groupings, which involve more than 1,200 women, are active in the marketing of inputs or agricultural and fisheries products, and have received initial funding based on the revolving fund model. Furthermore, since 2015, GCO has created 13 economic interest groups (EIGs), most of which have signed service contracts with GCO (dune rehabilitation, compost production, cleaning and maintenance of the GCO base etc.). These EIGs are in addition to the 11 groups created and supported as part of the restoration of livelihoods for resettled people.

### Impact indicators

- More than 13,000 consultations in health posts supported by GCO
- 1,800 beneficiaries of the Darou Beye borehole which received support from GCO
- 1,200 women active in four EIGs, all four of which were created and financed in 2022;
- seven districts of the city of Meckhé supplied with drinking water.

*SLN in New Caledonia*

In New Caledonia, SLN adopted a CSR strategy in 2021, based on two pillars: responsible and sustainable operations, including in particular the control of impacts on the environment and the populations living near the sites, and the diversified development of territories. Through this second pillar, SLN aims to become a catalyst for local development beyond mining activities. This ambition requires continued support for local authority development projects, and support for economic activities outside the nickel value chain.

In 2022, SLN focused its efforts on wrapping up all the historical commitments that had been made in the past with communities.

- In Kouaoua, it financed the construction of the Méa temple and provided financial support for the slab and further work on the Néoua chapel for two tribes in the area;
- In Thio, SLN also provided the town council with blocks for the construction of a dam at the mouth of the Thio River;
- In Houaïlou, by implementing the memorandum of understanding signed with the Kunéka association, SLN has co-constructed and launched with the association the multi-year environmental maintenance plan for areas close to communities.

For several years now, SLN has provided financial support to local authorities for their development projects and, since 2019, has structured a local development co-construction approach with the town councils of all its mining sites. Some twenty multi-year agreements have been signed (for a period that may extend to 2025 for certain municipalities). Several projects were carried out in this context in 2022:

- In Kouaoua, several infrastructure works were completed in 2022, such as the renovation of the village's sports facilities benefiting around 300 people, the extension of the town hall's reception facilities for the benefit of the public, and drinking water supply works for the Wénin tribe. Furthermore, the financing of waste skips and their removal to an approved centre has significantly improved waste management in this town of 1,500 inhabitants;
- In Thio, SLN contributed to the financing of the Pétroglyphe housing estate, which will be delivered in 2022, and to studies for future housing estates. Ten young people from the tribes were qualified during a programme dedicated to social and professional integration and conducted under a tripartite agreement with the town council and the Southern Province. This school project consisted of building a computer room within a neighbourhood committee. Lastly, SLN financed and provided technical support for the reforestation programme in the Saint Michel tribe, which was badly affected by the forest fires. In partnership with the Marajati association, one hectare was reforested, with the inclusion of the tribal communities, including ten young people;
- in Koumac, the municipality hosting the Tiébaghi mining site, SLN participated in the financing of part of the works at the Pandop port, which were completed in 2022. It can now accommodate seven longliners, which significantly increases the number of fishing vessels in the Grand Nord zone. The multi-purpose platform for the development of land resources began after a feasibility study and the establishment of governance consisting of the Town Council, customary representatives within the Boarat chiefdom and SLN;
- In Poum, work on the municipality's drinking water supply infrastructure and the communal housing estate is well advanced and should be completed by 2023. In addition, the sustainable development unit used to manage non-nickel economic diversification projects has been set up with the appointment of its President and governance (town council, Sonarep, SLN). Funds have been budgeted for this.

In addition, for the 29th edition of the Nickels of the Initiative, SLN chose to support project leaders in the youth field, in order to reward projects "made by young people or for young people". The competition judges selected 13 project leaders, who received a total of €25,000 in financial support.

Impact indicators

- 300 young people have benefited from refurbished sports facilities in the commune of Kouaoua;
- Approximately 100 inhabitants benefited from the drinking water supply in the three municipalities of Thio and Wénin (Kouaoua municipality), operational since 2022;
- 20 young people involved in a school work camp and reforestation work and 13 young people supported in obtaining their driving licence in Thio;
- 72 out-of-work young people trained and graduated from the CFTMC.

*Eramine in Argentina*

In Argentina, where Eramet relaunched its lithium mining project during the year, Eramine's teams ramped up the community investment programme, which had been maintained during the mothballing phase. Eramine's contribution strategy is structured around the four pillars of community infrastructure, education, entrepreneurship and quality of life. The following were the main achievements in 2022:

- **Community infrastructure:** Eramine installed individual solar water heaters for 23 families, or 70 people, living in the Centenario salt flat and in the village of Santa Maria de los Pastos Grandes. Thanks to these solar water heaters, these households now have access to hot water all year round.

- **Education:** In 2022, Eramine carried out various actions to support university students, in partnership with the University of Salta, the Anpuy Foundation, the Campo Quijano Technical School in Salta province, and the Ministry of Education. Under this programme, 275 people, including 215 young people, received vocational training in 2022; while eight of them received scholarships.
- **Entrepreneurship**: in partnership with the Argentine National Institute of Industrial Technology, the Solar Inti Foundation and the NGO Fe y Alegría, in 2022 Eramine developed a support, training and technical assistance programme for 30 micro-entrepreneurs in Santa Rosa de los Pastos Grandes. Eramine also continued its technical support for 12 farmers in the Centenario salt flat.
- **Quality of life:** To improve access to quality water for 12 people living in the Centenario salt flat, Eramine provided them with drinking water during the year, and initiated an analysis of sustainable solutions for making the local water sources they use potable.

#### Impact indicators

- 70 inhabitants of La Puna benefited from the installation of solar water heaters for access to hot water in winter;
- 30 micro-entrepreneurs from the Puna area trained and linked to a network in the Puna region;
- 12 high-altitude livestock farmers were provided with support;
- 215 young people from the Salta region benefited from vocational training.

***Industrial sites (Europe, United States, Asia)***

The Group's other industrial sites develop smaller scale sponsorship initiatives. For instance, Comilog Dunkerque, Eramet Norway and Eramet Titanium & Iron support local sports, cultural and environmental associations in their area.

### Amounts invested

Overall, the Group's subsidiaries devoted €8 million to community investment in 2022, mainly in Gabon, New Caledonia and Senegal.

The reduction in the amount of Community investment is mainly linked to SLN's economic situation. In New Caledonia, given its financial situation in 2022, SLN has reduced its costs, including by scaling back on certain Community expenses, down from €3.6 million in 2021 to almost €2 million in 2022.

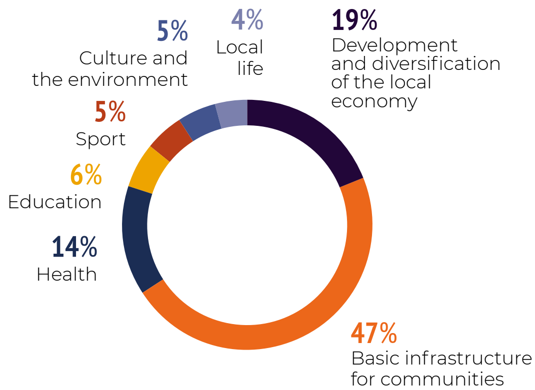
While the company does not intend to replace the work done by the public authorities, support for the construction of basic infrastructure for communities remained significant in 2022. These expenses were reduced in 2022 – accounting for 47%, as opposed to 57% in 2021 – in favour of an increase in support for local economic development, which accounted for 19% of expenditure, as opposed to 12% in 2021. The prioritisation of basic infrastructure (roads, streets, pavements, local standpipes etc.) in Gabon for the first few years of the CSR Fund, and support for municipal infrastructure in New Caledonia, are the main reasons for this.

In line with the Group's aim of serving as a catalyst for local development, actions to support economic diversification represented the second largest item of expenditure in 2022, with almost €1.5 million.

***Sponsorship and emergency humanitarian aid***

Immediately after the first bombings in Ukraine on 1 March 2022, the French Red Cross launched an appeal for donations from companies and individuals. Eramet has chosen to support the French Red Cross and its international branches as part of the Ukraine Emergency scheme with an overall financial contribution of €1 million in 2022. This support contributed to the humanitarian aid received by 2.2 million people, and to the care provided by the Red Cross to 188,280 people who fled Ukraine for France.

**Community investment expenditure in 2022**



### Scope of discontinued operations

***The Aubert & Duval Foundation in France***

In accordance with the Eramet Group's CSR strategy and priority focuses, the Aubert & Duval Foundation seeks to introduce activities in the territories near its sites in the Auvergne-Rhône-Alpes, Bourgogne-Franche-Comté and Occitanie regions in France.

The Aubert & Duval Foundation has been supporting non-profit sponsorship initiatives since 2010 and is a key partner in public outreach projects that bring life and energy to territories and help women and men to thrive in their local environment. The Aubert & Duval Foundation pays attention to the expectations of the stakeholders living near its facilities and accordingly contributes to several neighbourhood development programmes. In 2022, it supported and assisted 23 projects that reflect its corporate history and values, emphasising:

- culture and heritage, with the support of music schools or charities that facilitate access to culture and art in rural areas, and others involved in the renovation of heritage buildings;
- Sport and health, by supporting sports associations;
- education and solidarity, by supporting educational associations. For example, in 2022, the foundation supported the Télémaque Institute near the Pamiers site, which promotes equal opportunities in education, the Team Ecomobile Appaméen association from the Pamiers secondary school, and the ART'TESIA association (Academy of Robotic and Technology – Team of Engineers, Scientists, Innovators, and Artists) near the Issoire site.

# 5.4 BUSINESS ETHICS

This section describes the actions undertaken by the Group to promote and implement best ethical business and corporate responsibility practices. These apply, of course, to the Group's employees, but also to all external stakeholders within its sphere of activity (suppliers, customers, institutional, public and private partners, etc.). Seeking to achieve these objectives contributes most notably to **SDG 9 (Industry, innovation and infrastructure)** and **SDG 16 (Peace, justice and strong institutions)**, and more specifically target 16.5 (Substantially reduce corruption and bribery in all their forms).

## 5.4.1 Ethics, Compliance and Anti-Corruption

The Group undertakes to conduct its activities, in the countries in which it operates, in compliance with the laws and regulations applicable to it. Rigour, transparency and sincerity are the values that form the basis of Eramet's ethical conduct.

In order to safeguard the integrity of its business and carry out its activities according to the highest of ethical standards, the Group has rolled out a base of founding texts dedicated to anti-corruption:

- the **Ethics Charter**, the founding text of the compliance programme;
- the **Anti-Corruption Policy,** which confirms the commitment of the Executive Committee members who have signed this document;
- the **Anti-Corruption Guide**, a reference document of the Sapin II law.

Accessible on the Group's website and Intranet, these documents have been translated into the Group's 12 main languages (French, English, Italian, Spanish, Portuguese, Japanese, Korean, Chinese, German, Swedish, Norwegian and Indonesian), except for the Anti-Corruption Policy, which is translated into French and English.

The Ethics Charter states that the fight against corruption is an absolute priority for the Group, recalling the principle of compliance with the OECD Convention and local laws.

The members of the Executive Committee, together with the Group's employees, commit to and uphold these values through repeated messages. The Chairperson and Chief Executive Officer regularly highlights the importance of ethics, the need to act in full compliance with the laws in force and the values promoted by Eramet and the fight against corruption.

As such, the members of the Executive Committee, through the Anti-Corruption Policy (available at www.eramet.com) reiterate the application of a zero-tolerance policy and full involvement on the part of the Group's top managers.

To constantly reaffirm the Executive Committee's commitment to these issues, the Anti-Corruption Policy was signed again in 2022 by all its members.

This issue is also included in two objectives of the Group's CSR Roadmap: the ninth objective "To be an ethical partner of choice" and the tenth objective of the CSR Roadmap "To be a responsible company of reference in the mining and metallurgy sector". In this regard, the progress of the Roadmap is regularly monitored at the highest level of the Group by various committees, including the CSR Steering Committee.

### 5.4.1.1 Main risks

Since 2017, the Group – in addition to the existing Group risk mapping, and in accordance with the Sapin II Act – has been mapping its Corruption and Influence Peddling risks, relying on a qualified external contractor to ensure transparency and independence of the exercise.

In 2021, in accordance with the requirements for the three-year update of Group mapping, the mapping was completely overhauled based on the latest recommendations from the French Anti-Corruption Agency (January 2021).

The exercise was again entrusted to an external specialist and carried out in accordance with a proven methodology for analysing the criticality of the risk of corruption and influence peddling, depending on its impact and probability of occurrence by business sector and/or geographical area. An "Eramet risk universe" was assessed through interviews, workshops (45 workshops involving 115 people in total) and a self-assessment questionnaire for all of the Group's key functions (165 people).

The 2021 mapping exercise covered 100% of the Group's geographic footprint and these entities represent 99.8% of turnover.

In 2022, the 2021 risk universe was the subject of targeted monitoring, thanks to operational action plans specific to each entity for each of the identified scenarios, and regularly monitored according to local and geopolitical events and the impact on the Group's activities. This work was systematically carried out in close collaboration between the Ethics and Compliance Department, the Risk Department and the Internal Control Department, by the entities themselves, enabling better local ownership of this issue.

These action plans are monitored in accordance with the processes defined by the Risk Department: Risk Department monitoring tables, deliverables, established deadlines. These are submitted as part of the internal audit engagements of the Eramet Risk Management Audit Control Department.

As such, in 2022, six operational action plans were specifically monitored, in addition to two dedicated plans in the second half of 2022.

## 5.4.1.2 Ethical governance

### 5.4.1.2.1 Ethical Governance

All the Group bodies participate in ethical governance: In October 2022, at the second session of the annual Ethics and Compliance Committee, it was decided to strengthen ethical governance as shown below.

**Ethical governance**

**ETHICS AND COMPLIANCE DEPARTMENT**

Headed up by the **Ethics and Compliance Officer**, reporting to the Chair and Chief Executive Officer, **and** comprising **three Compliance Officers** who have had specialised university training.

**FUNCTIONAL COMMITTEES**

**GOVERNANCE COMMITTEES**

**Third-party assessment process**

- **Responsible Purchasing Committee:** meets six times a year and also holds *ad hoc* sessions if needed. Its mission is to ensure that the Group's supply chain is compliant, particularly with the French duty of care law.
- **Responsible Sales Committee:** meets six times a year and also holds *ad hoc* sessions if needed. Its mission is to ensure that third parties and customers are compliant, particularly with the Sapin II law and the Group's ethical standards.
- **International Sanctions *ad hoc* Committee:** holds *ad hoc* sessions to ensure that the Group complies with the rules governing international sanctions.

**Report Monitoring Unit**

Meets once a week (and holds emergency sessions if needed). Is responsible for the operational processing and management of reports.

Comprises the Ethics and Compliance Officer, the Risk Management, Internal Control and Audit Officer and the Group General Counsel.

**Sanctions Coordination Committee**

Meets twice a year to ensure that the Group's disciplinary system is properly implemented, and that whistle-blowers are protected.

**Annual Ethics and Compliance Committee**

Reviews the Ethics and Compliance roadmap and action plans, within the Executive Committee, during a meeting in the first quarter in addition to a supplementary meeting in the third quarter.

**Audit, Risks and Ethics Committee**

Reviews the Ethics and Compliance roadmap and action plans once a year, which is supplemented by quarterly meetings depending on the Committee's agenda.

In 2022, the scope of the Ethics and Compliance Department was also considerably expanded:

**Scope of intervention of the Ethics and Compliance Department**

| Legal compliance | Third-party assessment | International sanctions | Training and education | Compliance (policies, procedures, reporting tools) | Whistle-blowing management system | Risk assessment (mapping of corruption risks, risks related to intermediaries) | Supervision of investigations |
|---|---|---|---|---|---|---|---|

### 5.4.1.2.2 The Ethics Compliance network

The Group's Ethics and Compliance organisation includes an Ethics Compliance network consisting of:

**Ethics Compliance Officers – Ambassadors**

**Ethics Compliance Officers (19)**

The 19 Ethics Compliance Officers (ECOs), appointed by the Executive Committee, are active across the entire Group and are a key part of the system.

They are the Ethics and Compliance Department's local representatives.

The mission of the ECOs is to ensure the local implementation of and compliance with Group procedures, ensure communication with employees, and implement the necessary training programmes.

Their individual duties include an annual goal relating to their active contribution to the compliance programme.

As part of the Group's whistleblowing procedure, the ECOs can be contacted by employees directly.

**Ambassadors (56)**

The 56 Ethics Compliance Ambassadors (ECAs) are appointed by the Area/Division Ethics Compliance Officer.

ECAs are tasked with supporting the Ethics Compliance Officer locally in promoting, communicating, raising awareness of and training employees in ethics compliance issues.

To achieve this end, the Group's Chief Compliance Officer distributes a compliance pack to the ambassadors, who familiarise themselves with the subject and take concrete actions on the ground.

The Ethics and Compliance Officer regularly interacts with the Ethics Compliance Network and promotes close collaboration, strengthened through regular travel to the different areas. The Network is involved in all the initiatives of the Ethics Department throughout the year.

He or she is regularly trained with the support of a dedicated SharePoint containing legal monitoring, training materials and communication materials.

The following actions were implemented in 2022:

- New Ethics Compliance Officers were appointed (in Cameroon, Indonesia, ETI) and the network was considerably strengthened, specifically in Argentina (a new Ethics Compliance Officer who is the Lithium Legal Manager) as well as two new project/operations ambassadors who round off the existing network;
- These new members of the Ethics and Compliance network were specifically trained (notably in May and December).

### 5.4.1.2.3 "Sexual Harassment / Sexist Acts" advisors

In parallel to the compliance network, the Group has set up a special organisation to handle Sexual Harassment and Sexist Acts. As of 2021, the Group decided to widely deploy the network of advisors – initially deployed at all French sites in accordance with the Schiappa law – and particularly in Gabon (Setrag, Comilog) and Senegal (GCO).

In 2022, the Group continued this momentum by deploying the network in Argentina (Eramine) and China (Eramet International, EIML). Thus, in 2022, in accordance with the initial Sexual Harassment and Sexist Acts action plan, eight new advisors were specifically trained with the support of specialised local consultants.

The purpose of this network is to provide local support to victims and witnesses of sexist acts or sexual harassment.

**Sexual harassment and sexist acts advisor**

**1**
**The Sexual Harassment/ Sexist Acts advisor receives a report**

- **If the report was made by the victim:** the advisor supports the victim and employs active listening to understand what happened
- **If the report was made by a witness:** the advisor supports the witness and establishes whether they can speak to the victim or get more information from the witness in order to understand what happened

**2**
**The Sexual Harassment and Sexist Acts advisor reports the incident via *Integrity Line* or requests assistance from the Ethics and Compliance Department**

- The advisor helps the victim to report the incident via *Integrity Line*
- **or** the advisor helps the witness to report the incident via *Integrity Line*
- **or** the advisor reports the incident themselves via *Integrity Line*
- The advisor may also call or write directly to the Ethics and Compliance Department if they do not want to handle the process alone

**3**
**The Sexual Harassment and Sexist Acts advisor awaits the decision of the Report Monitoring Unit**

- Once the report has been submitted via *Integrity Line*, the case will be managed by the Group Ethics and Compliance Department
- The advisor should consider re-accessing the case via *Integrity Line* to ask the Ethics and Compliance Officer if she needs more details or information
- They should continue to support the victim until the case is closed

### 5.4.1.2.4 Routines with allied Departments

Regular sessions have been set up with allied departments (internal audit, internal control, finance, legal and HR) in order to encourage constant interaction on these subjects by the various departments, thus creating a better understanding of these issues:

- Human Resources (HR) Department: interactions with the Human Resources Business Partner (HRBP) who may be called upon to manage certain investigations (in the event of conflict with local teams);
- Social Impact and Human Rights Department: monthly team rituals between this department and the Ethics and Compliance Department are implemented in order to interact on shared topics, define attention and remediation plans related to Human Rights, or launch joint events such as the week of 12 December, whose initiatives (training and awareness-raising sessions) were co-sponsored by the local Ethics & Compliance and Human Rights teams and advisors;
- Group Legal Department – more specifically Labour Law – linked to the disciplinary system or alerts relating to HR issues: regular exchanges with the Labour Law Department as part of the management of disciplinary sanctions;
- Lastly, there is constant interaction with the Eramet Risk Management Audit Control Department: for example, with the Risk Department: joint initiatives to map corruption risks, operational action plans, participation in Risk Management Committees; with the Internal Audit Department upstream, downstream and during audits.

To strengthen interaction, monthly meetings take place between the Chairperson and Chief Executive Officer and the Ethics and Compliance Director, and a monthly report on whistleblower reporting statistics is sent to Executive Committee members with a question-and-answer session on the reports within their respective scopes.

### 5.4.1.3 Risk prevention strategy

An action plan has been adopted by the Executive Committee to ensure that all the risks identified by the risk mapping exercise relating to Corruption and Influence Peddling are covered by procedures and controls. A real risk prevention strategy, both internally and externally, has thus been defined. The main categories of risks identified have been addressed by dedicated action plans and are monitored at the highest level of the Group in close collaboration with the Audit, Risks and Ethics Committee, which every year will assess the need to update the risk map to reflect changes in Eramet's business activities.

#### Reference frameworks and procedures

Several reference frameworks, contained in the Ethics Charter and the Anti-Corruption Policy, support all the Group's employees in the fight against corruption.

- An interactive **Anti-Corruption Guide**, that sends users to "Ethics kits", which are educational presentations exploring problems aligned with the risk universe resulting from the corruption mapping exercise. It is intended to guide employees in a very educational way how to apply the Group's Anti-Corruption reference frameworks: it includes numerous DO's & DON'Ts and concrete situations;
- Specific "**Gifts and invitations**" and "**Managing conflicts of interest**", updated in 2021, accompanied by dedicated online declaration tools. In accordance with the procedures, each year on 15 March, there is a Group campaign to declare gifts and invitations and conflicts of interest. In 2022, an electronic communication campaign was launched to remind employees of the process Declarations of gifts & invitations and conflicts of interest are now made in a simplified way for employees, who complete an automated form that can be accessed via the Group Intranet. The tool enables the centralisation of declarations and their processing by the Ethics and Compliance Department. The Ethics and Compliance Department regularly uses this reporting tool to analyse and implement specific action plans (verification of thresholds, authorisations and double validation in the event of a waiver). These procedures, which apply to all Group employees, include specific rules for the most exposed staff (e.g. rules on gifts and invitations for the Group's buyers and sales staff or the process for declaring specific conflicts of interest for members of the management bodies);
- a procedure dedicated to the **whistleblowing system**, its operation and the process for handling alerts, updated in 2022 in accordance with the law of 21 March 2022 aimed at improving the protection of whistleblowers, known as the Waserman Law, and its implementing decree of 3 October 2022;
- a **system for assessing third parties** (customers, suppliers etc.), including prevention measures and awareness-raising (organisation detailed in section 5.4.2);
- **Accounting checks** built into the Group's internal oversight protocols to prevent and detect corruption and fraud (see section 5 "Risk management");
- An Audit Compliance reference framework drawn up in close collaboration with the Internal Audit Department in order to incorporate Ethics, Compliance and Anti-Corruption check points into audit engagements.

#### Training

##### 5.4.1.3.1 Specific training by the Ethics and Compliance Department

Training and awareness-raising programmes are regularly carried out, both across the Group as a whole and at local level. Eramet is very committed to regular training of all its workers on these important issues, emphasising face-to-face and video conferencing training sessions led by the Ethics and Compliance Department and the Ethics Compliance Network.

In 2022, there were regular awareness-raising and training campaigns on anti-corruption and business ethics:

***International Anti-Corruption Day***

Training of more than 800 Group employees and partners around the world on International Anti-Corruption Day:

- In Argentina (Eramine), more than 250 people, including subcontractors, were trained in anti-corruption by the Ethics and Compliance Department during two trips in May and December, in human rights by the Social Impact and Human Rights Department, and in gender-based violence by a specialised Argentine NGO;
- In Senegal (GCO), 200 people were trained by the Ethics and Compliance Department in the fight against corruption and in human rights in conjunction with the Social Impact and Human Rights Department;
- Anti-corruption and human rights training and awareness-raising sessions were also given by Ethics Compliance Officers in Gabon–in Libreville and Moanda – (Setrag, Comilog), Norway (ETI, ENO), the United States (Eramet Marietta) and China (Eramet Shanghai) as part of the day's events;
- In Gabon (Comilog), participation in the International Anti-Corruption Day organised by the National Commission for the Fight against Corruption and Unlawful Enrichment on the theme of "Corruption risks in the Mining Sector".

***Training dedicated to specific groups***

Training courses dedicated to specific groups were given in 2022. They included:

- Training of Division, BU and site Human Resources Managers and Ethics and Compliance Officers in internal investigations, in English and French, drawing on course materials from the Compliance and Internal Investigation departments of Airbus and Aéroport de Paris as best practice;
- Training of sexual harassment / sexist behaviour advisors on these subjects with the support of external consultants in Argentina (Eramine) and China (Shanghai and EMIL) and updating of the training of French advisors due to the appointment of new advisors;

- Training of buyers and sellers: commitment to train 100% of buyers and sellers in 2023, in accordance with pillars 9 & 10 of the CSR Roadmap, achieved by 2022 through face-to-face and/or videoconference training sessions in French and English;
- training of subcontractors; 157 subcontractors of the High Performance Alloy Division trained in six distance learning sessions and more than 100 subcontractors trained in Gabon at Comilog;
- Training of more than 180 suppliers in Gabon (Setrag, Comilog), as part of Suppliers Days, by the Ethical Compliance Network;
- Training of 31 Sodépal employees, an entity owned by Comilog;
- High Performance Alloys Division: implementation of training by a 12-person project team, which trained more than 1,200 employees with no Internet access in three months of classroom teaching. These training sessions involved the Ethics and Compliance Department, the Division's Legal Manager and the Ethics and Compliance Managers;
- Exploration unit: training for 100% of the members of the unit with the support of an external service provider, and training for their local consultants in one-on-one sessions.

In addition, the Ethics and Compliance Officer regularly attends business seminars, and meetings of the Division Management Committees and support functions in order to constantly raise awareness about these issues among all Group employees. In this connection, in October 2022, the Director of Ethics and Compliance attended a one-hour in-person training session as part of the Audit, Risks and Internal Control Seminar.

#### 5.4.1.3.2 *E-learning*

In 2022, we decided to strengthen our online Ethics and Compliance training. The "Ethics Charter Awareness" e-learning programme, which was rolled out in 2017, was therefore completely overhauled. A new e-learning course entirely dedicated to business ethics was therefore designed by the Ethics and Compliance Department, based on the risk universe of the 2021 anti-corruption risk map, which is included in the catalogue of compulsory training courses on recruitment and is renewable every 18 months. This e-learning course lasts 30 minutes and must be passed with a 100% success rate. It is closely monitored and performance indicators are reported to the Executive Committee. By the end of 2022, 4,610 connected employees had validated the training.

Since 2021, an ethical training course on international sanctions has been developed jointly by the Ethics and Compliance Department and the Customs Department, to increase awareness of international sanctions among the teams concerned. This module has also been integrated into buyer and seller training courses. An e-learning module on third-party CSR and ethics assessment procedures is also part of the training package. It should be noted that the Group's buyers and sales staff are required to complete this module every year in addition to the in-person training provided for in the 2018-2023 CSR Roadmap.

For employees who do not have Internet access, self-service computers are made available at certain mining sites and in the High Performance Alloys division, where the Ethics Compliance Ambassadors, alongside the Ethics and Compliance Department, are responsible for providing local training.

In addition to these training courses, the Ethics and Compliance Department provides employees with regularly updated "Ethics kits" in French and English in the training catalogue, covering the topics in the risk universe of the corruption risk map.

#### 5.4.1.3.3 Monitoring by the Ethics and Compliance Department

The Group continues to actively participate in the meetings of professional associations dedicated to business ethics (Transparency International, European Business Ethics Forum), and maintains its commitment to the Cercle Ethique des Affaires of which the Ethics and Compliance Officer is a member of the executive board.

### Whistleblowing system

The Group's whistleblowing system, established in June 2020, enables employees and stakeholders to report the following unethical behaviour:

- corruption, bribery and facilitation payments;
- money laundering;
- favouritism, influence peddling and the illegal acquisition of interests;
- fraud and/or falsification of all documents;
- theft and embezzlement;
- conflicts of interest;
- anticompetitive practices;
- discrimination, unfair treatment, bullying or sexual harassment at work;
- sexist actions or violence;
- conduct contrary to the Group's policies and standards in relation to health, hygiene, safety at work and protection of the environment;
- violations (or risk of violation) of the Human Rights of the Group's employees or of third parties affected by the Company's activity; and
- generally, any crime or misdemeanour, gross and manifest breach of the law or regulations, and any threat or serious harm to the general interest.

Employees have several whistleblowing channels at their disposal: they can, in particular, notify their managers and the Ethics Compliance Managers.

If no action is taken and/or if there is a conflict of interest, they directly notify the Ethics and Compliance Department of inappropriate conduct by using the outsourced digital whistleblowing platform, in line with the General Data Protection Regulation (GDPR) provisions, rolled out in the Group's 20 countries, most recently in Cameroon. It can be accessed via all the Group's internet and intranet sites, as well as a QR code on posters displayed within the Group and 20 dedicated free telephone numbers.

This system ensures total confidentiality for employees and external stakeholders, and guarantees that no retaliatory measures will be taken against those who use the tool, so long as they actions are not self-serving and made in good faith. The whistleblower can remain anonymous if allowed by local law.

## Management of whistleblower reports and dedicated governance

### Stages in the whistle-blowing system


Dedicated governance has been put in place to manage whistleblower reports completely confidentially and securely. A Sanctions Coordination Committee including the Group Human Resources Director, the Human Resources Departments of the two Divisions, the Social Law Department, and the Ethics and Compliance Department, meet twice yearly to ensure that the sanctions announced are consistent.

### Communication

This whistleblowing system has been the subject of a major communication campaign within the Group since it was rolled out, and has also been communicated to external stakeholders; et the address of the system is mentioned in all Ethics and Compliance reference frameworks and in the procedures of the Group Purchasing Department.

Complete information on how to use the system and on whistleblowing processing can be found on the special Ethics & Compliance page of the Group's website and intranet, as well as on all the Group's various local websites. Posters, leaflets and events are circulated on the premises of all the Group's different entities, worldwide.

***I. Communication campaign to mark the second anniversary of the system***

Once again this year, a communication campaign was rolled out throughout the Group in July 2022, to mark the second anniversary of the whistleblowing system. For this occasion, a communication was sent to all the Group's employees, in French and English, reminding them of the existence of the system and answering the questions frequently asked by employees concerning both the preservation of anonymity and the process for using the alert system without a professional email address. This email also gave an overview of the system, specifying the number of alerts received since its creation, the topics addressed, the proportion of non-anonymous alerts, and the number of sanctions and corrective plans decided upon following investigations.

For the second consecutive year, this communication was accompanied by an "Ethics Barometer", which assesses the level of employee confidence in the whistleblowing system, with particular attention being paid to the responses received.

***II. Communication campaign on International Anti-Corruption Day***

As part of the International Anti-Corruption Day, the Ethics and Compliance Department and the Ethics Compliance Officers ran a communication campaign in each subsidiary:

- display of posters of the whistleblowing system, with the telephone number for alerts specific to each country, and posters on the Group's Human Rights Policy;
- display of information on the whistleblowing system on the site display screens;
- distribution of stickers to each employee showing the dedicated telephone number for each country and the QR code for access to the whistleblowing platform;
- video of the signing of the Anti-Corruption Policy by the Executive Committee.

### Reporting

Whistleblower reports are the subject of specific reporting, confidentially, at the highest level:

- at the monthly meeting between the CEO and the Ethics and Compliance Officer;
- when anonymised monthly statistics are sent to the Executive Committee;
- on an ad hoc basis during meetings of the Audit, Risks and Ethics Committee.

#### Transparency

In parallel with these internal actions, Eramet also works to promote transparency among the extractive industries and is associated with numerous approaches such as the Global Compact and the Extractive Industries Transparency Initiative (EITI), which Eramet joined in 2011. This initiative is based on a set of principles and rules, bringing together governments, companies, civil society groups, investors and international organisations to promote revenue transparency at a local level. By adhering to these principles, Eramet demonstrates its willingness to ensure the responsible development of natural resources and to ensure transparency in financial flows between companies and host countries, and also to ensure regular accountability to its stakeholders.

Concerning the publication of mining contracts supported by the EITI, the Eramet Group is waiting to know the position of the states in which it controls companies involved in extractive activities. The Eramet Group believes that the decision to publish must be initiated and put in place by the States that are party to the contracts. Thus if a State would like to make its contracts publicly available and if the legal, commercial and confidentiality obstacles are removed, the Eramet Group has no objection to the principle of publishing these contracts.

Eramet has operational sites in four member or candidate EITI countries: Senegal, Indonesia, Argentina and Norway.

## 5.4.1.4 Performance

Several key performance indicators have been defined and allow strict monitoring of actions in the area of Ethics and Compliance, which are regularly monitored by the Group.

#### Ninth objective of the CSR Roadmap

The Group focused its 2022 actions on training buyers and sales representatives, with a target of 100% in 2023. By 2022, this target had been achieved: all its buyers and salespeople were trained in anti-corruption and business ethics.

#### Tenth objective of the CSR Roadmap

The Ethics and Compliance Department contributes to the achievement of this objective through its systematic participation in Responsible Committees, by leading the Responsible Sales and Purchasing Committee and by the third-party assessment process, which was strengthened at the end of 2022 (a new tool is being deployed, resources dedicated to due diligence in the Purchasing and Group Sales Departments).

#### Internal control performance indicators

Specific key performance indicators have been taken into consideration and included in the Group's internal control framework with Compliance-specific control points. They have been regularly monitored under the Internal Control self-assessment campaigns since 2019.

### Ethics and compliance performance indicators

In 2021, the Ethics and Compliance performance indicators were strengthened (34) and have since been monitored monthly, half-yearly or annually, in close collaboration with the Executive Committee. 12 of them relate specifically to the whistleblowing system and the assessment of its effectiveness.

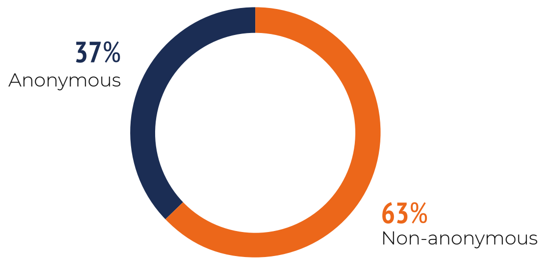
In 2022, it received 85 reports, up 60% on the previous year. 70% were investigated (the others were not proven or were out of scope) which led to disciplinary sanctions (18) and/or remediation plans. Of the reports received, 16 were made by external stakeholders which have access to the whistleblowing system.

The cases are dealt with quickly, with regular interaction with the whistleblowers, when they were not anonymous. In 2022, the median processing time was approximately one month.

Three key performance indicators (KPIs) are specifically monitored at the request of the Executive Committee to ensure the effectiveness of the whistleblowing system.

In the context of the Ethics Barometer, which is carried out every year, 82% of employees indicated that they had confidence in the whistleblowing system, which is reflected in the statistics by the substantial majority of non-anonymous reports.

**Share of anonymous alerts in 2022**




**Alerts in 2022 broken down by type**


## 5.4.2 Responsible value chain

### 5.4.2.1 Governance

As a responsible economic player, Eramet has established a structure to address new challenges in the value chain. Two dedicated committees and a specific unit thus meet every two months to guide the responsible value chain approach, both upstream and downstream.

The responsible value chain approach implemented by Eramet covers all CSR issues and in particular the following themes:

- the assessment of third parties with which the Group has business relationships;
- corruption and influence peddling;
- violation of human rights and fundamental freedoms;
- violation of health and safety of individuals;
- damage to the environment;
- the CSR and ethical situation of suppliers and subcontractors.

| Approach | Governance body | Composition and role | Dedicated procedure |
|---|---|---|---|
| **Value chain (upstream)** | **Responsible Purchasing Committee** | The Responsible Purchasing Committee comprises:<br>• the Purchasing Department, which gave rise to the committee, including a Supplier Performance Coordinator with specific responsibility for CSR matters;<br>• the Ethics and Compliance Department;<br>• the Environment and ESG Performance Department;<br>• the Legal Department.<br>The committee oversees and supports the Purchasing Department in steering the responsible purchasing approach at Group level. This approach is governed – in addition to the Ethics Charter and the Anti-Corruption Guide – by Eramet's "Know Your Supplier" procedure and the suppliers' code of conduct (available on www.eramet.com). This code of conduct formalises the Group's desire to strengthen the integration of sustainable development issues related to procurement and promotes a dynamic of continuous improvement. Eramet's expectations with regard to its suppliers, subcontractors and service providers primarily target three main areas: Human Rights and working conditions, environment and products, and good business practices. | The Know Your Supplier procedure which governs the CSR and ethics assessment of suppliers. |
| **Value chain (downstream)** | **Responsible Sales Committee** | The Responsible Sales Committee comprises:<br>• the Sales Departments of the two divisions;<br>• the Ethics and Compliance Department;<br>• the Legal Department;<br>• the Environment and ESG Performance Department.<br>The committee oversees the CSR and ethics assessment of third parties (customers and intermediaries) and the implementation of preventative and detective controls related to the responsible sales approach. | The Know Your Customer procedure which governs the CSR and ethics assessment of customers and intermediaries. |
| **Value chain (upstream and downstream)** | **Export Control Unit** | The Export Control Unit brings together:<br>• the Sales Departments of the two divisions;<br>• the Purchasing Department (which coordinates the performance of suppliers);<br>• the Legal Department;<br>• the Ethics and Compliance Department.<br>Particular vigilance is exercised in relation to exports potentially involving countries subject to international sanctions. | The Export Control procedure which covers Group imports and exports, particularly in relation to international sanctions. |

In order to further strengthen the assessment process, a "Third-party assessment questionnaire" across all of these committees has been put in place from July 2021. This questionnaire makes it possible to directly question customers and suppliers on the issues of ethics compliance, CSR and Export Control.

The progress of the "Responsible Value Chain" approach is monitored through two of the objectives of the "Commitment to Economic Responsibility" focus area of the Group's CSR Roadmap (see 5.4.1.2).

| Objective | Description |
|---|---|
| **No. 9**<br>**Be an ethical partner of choice** | The Responsible Purchasing and Sales approach aims first and foremost to ensure that the Group's CSR/ethical commitments are prioritised by the Sales and Purchasing teams.<br>Thus, from 2023, 100% of the Group's Sales and Purchasing teams will be trained each year in business ethics during interactive ethical training including concrete scenarios adapted to the issues. These sessions began to be rolled out in 2021 by the ethics network, and have already made it possible to train 100% of buyers and sales representatives. |
| **No. 10**<br>**Be a responsible company in the mining and metallurgy sector** | As regards the assessment of third parties: by 2023, 100% of the Group's suppliers and customers identified as at-risk are expected to be compliant with Eramet's CSR/Ethics commitments.<br>Suppliers and customers identified as at-risk are third parties identified by the Group as such, after a risk analysis based on their activity and countries of operation. Eramet therefore monitors the compliance of this at-risk group, based on the results of CSR/Ethics evaluations, with the Group's commitments on these issues.<br>If the practices of these suppliers and customers show a discrepancy between the Group's expectations and results, the Group prioritises dialogue and the implementation of action plans, but retains the possibility of interrupting the business relationship when required by the situation or when it sees no satisfactory improvement in the partner's practices. |

### 5.4.2.2 Responsible purchasing

Due to the issues associated with the Group's businesses, purchases are the subject of particular attention and also strong expectations from stakeholders in this issue. Eramet is committed to a responsible purchasing approach, which aims to favour suppliers offering products or services that respect environmental and social criteria while maintaining a high level of competitiveness.

#### Supplier and subcontractor performance evaluation

Eramet has launched a global and progressive approach to evaluating the CSR performance of its suppliers and subcontractors.

With reference to the obligations imposed by the Law of 27 March 2017 relating to the duty of care of parent companies and contractors, the Group formalised its responsible purchasing approach by structuring it around a risk-based approach. Thus, the Responsible Purchasing Committee has produced a CSR risk map relating to the activities of its suppliers and subcontractors. This mapping exercise, the methodology of which may evolve as part of a continuous improvement drive, is repeated every year.

In order to develop this risk map, an approach based on CSR risk type was chosen. By cross-referencing two criteria – the CSR risk of the supplier's business sector and the CSR risk of the supplier's country – it is possible to rank purchase categories into four risk zones and to identify the purchasing categories with the highest CSR risks. Eramet focuses on these categories, as a matter of priority, in its due diligence actions. Indeed, the Group has defined a procedure for assessing these suppliers' situations in relation to these risk categories.

Suppliers in purchasing categories considered at risk are required to fill out an initial evaluation questionnaire. The questionnaire focuses on all the CSR criteria covered by the Eramet suppliers' code of conduct, such as respect for the environment, the management of the value chain, respect for Human Rights and labour relations, and business ethics. Depending on the risk level of the third party in question, this questionnaire is administered and analysed by an external specialist (EcoVadis) or by the internal supplier performance coordinator.

The results of these assessments, which may be supplemented by due diligence measures, allow the Responsible Purchasing Committee to define the degree to which the suppliers identified as at risk are in compliance, or in breach. Then, arbitration committees propose the risk management actions that need to be implemented for the suppliers currently judged to be non-compliant. Among the actions to control potential risks, dialogue with suppliers and the implementation of targeted action plans are given priority, although Eramet may also decide not to continue or to terminate the relationship with the supplier when it considers that the situation warrants this.

Additional elements relating to this approach are described in the Eramet Group's Vigilance Plan, which is attached to this Universal Registration Document.

Since the launch of the consolidated programme, more than 340 suppliers and subcontractors identified as at risk, representing 50% of the Group's purchasing expenses in 2021, have been assessed. In late 2022, 90% of the evaluated suppliers were considered compliant with the Group's requirements (82% in 2021). Most of the suppliers ranked non-compliant suppliers are suppliers who failed to answer the questionnaire, the absence of an evaluation automatically places them in the category of high-risk suppliers. For suppliers who declined the assessment, the purchasing department and the committees decided to grant a second chance, take into account an equivalent assessment or end the relationship with the supplier if the latter could not provide a CSR assessment result. Lastly, 56 suppliers are currently the subject of a corrective action plan, tailored to their specific characteristics and areas for improvement. Therefore, actions to improve environmental practices will primarily be proposed to a supplier whose activity has a potentially strong environmental impact, while a supplier with high social issues will be primarily monitored on those issues, before being recommended actions on other topics with a more limited societal impact. The Group maintains regular contact with purchasers to develop supplier support. The Group is also planning on-site CSR audits to find out more about the situation, practices and constraints of suppliers. These audits will be conducted as soon as it becomes possible to do so given the public health situation.

The establishment of a Group Supplier Relationship Management platform has enabled improvement of the launch and monitoring of the CSR/Ethics evaluations of prospects and, thus, the management of at-risk suppliers overall. Indeed, the evaluation tools, based on the risk criteria defined above, have become crucial to supplier qualification. An additional ethics request process, via a specialised KYC (Know Your Customer) platform, is another prerequisite for all suppliers from at-risk regions or presenting a certain amount of expenses.

In addition, to systematically take CSR and carbon criteria into account in the supplier selection processes of the Eramet Group's various entities, any call for tenders with an estimated total value of over €500,000 must now include a CSR criterion (EcoVadis assessment) as well as a carbon criterion, with a minimum weighting of 5% for each of these two criteria, i.e. a total of 10% for both criteria. All bidders who refuse to respond to this request for an EcoVadis CSR assessment, or to submit an equivalent assessment, are excluded from the tender process.

At the end of 2022, more than 2,500 ethical queries regarding suppliers had been made in this context. The breakdown of the arbitration results is described below:

| Type of opinion | Description | 2022 |
|---|---|---|
| Positive opinion | The business relationship is authorised | **2,463** |
| Positive opinion with monitoring | The business relationship is possible with enhanced vigilance measures | **34** |
| Opinion pending | The case requires additional in-depth investigations and/or strict supervision of the business relationship | **3** |
| Negative opinion | The business relationship is not authorised | **3** |

Lastly, purchasers most exposed to CSR risks in the supply chain are regularly urged to train and are made aware of CSR issues through internal training, webinars or external events.

### Special focus: impacts of the war in Ukraine

Like many industrial groups, the Eramet Group had to deal with the sudden consequences of the war in Ukraine. First, it had logistical difficulties supplying its metallurgical sites with raw materials, then it had to reorganise its carbon supply chain in a very uncertain and competitive context, following the EU's strict ban on imports of Russian carbon materials.

Even as it had to deal with its sourcing and supply challenges, the Eramet Group wanted to set an example in terms of ethics:

- by stopping its supplies of Russian carbon-based raw materials right from the start of the conflict;
- by making sure that none of its suppliers belonged to Russian oligarchs or stakeholders subject to international sanctions;
- by making sure that the alternatives chosen to replace the Russian sources of supply used until then complied with Eramet's ethical standards.

After handling the emergency reorganisation of its past raw materials supply chain, the Eramet Group carried out a more general mapping of its supply risks Initially, by carrying out an internal analysis and then with the support of a specialised consultancy firm, an action plan was set up to secure supplies (firstly of raw materials, then of other purchasing categories) for the entire Eramet Group.

### Monitoring of the "conflict ores" question

Some of the Group's activities require the use of tin, tantalum and tungsten in metal form in their manufacturing processes. These metals come from ores that may be called "conflict" ores if their exploitation is used to directly or indirectly finance armed groups and fuel civil wars in some parts of the world. Eramet is therefore very attentive to the conditions of supply of these materials and in particular to compliance with the specific provisions of the European regulation that came into force on 1 January 2021 and to the US Dodd Frank Act.

In accordance with OECD recommendations, Eramet has formalised its conflict ore compliance programme, notably including a due diligence procedure on conflict ore.

Based on this procedure and by continuing to apply the good practices implemented for several years now, Eramet purchasers in charge of these supplies systematically demand that their suppliers provide information about the source of the ores used for the manufacture of conflict ore sold to the Group. They are also asked what due diligence measures they have put in place to verify this source. To this end, buyers use the Conflict Minerals Reporting Template (CMRT), a reference tool for conflict minerals, supplied and updated regularly by the Responsible Minerals Initiative (RMI).

Based on the information collected through its value chain, Eramet undertakes to directly or indirectly source its ore exclusively from foundries or refineries with sourcing practices recognised as compliant by the RMI's Responsible Mineral Assurance Process (RMAP).

To expand its commitment to this theme, Eramet has become a partner member of the Responsible Minerals Initiative (formerly known as the Conflict Free Smelter Initiative). By supporting the RMI, the Group is contributing to the advancement of best practices in the sector. The RMI, created in 2008 by the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI), implements due diligence measures regarding conflict ores, in particular through audits of foundries supplying T3G (tungsten, tin, tantalum and gold). This initiative is currently working to include cobalt from sensitive areas on the list.

### 5.4.2.3 Responsible sales

As part of its commitments in terms of ethics, governance and responsible performance, the Group attaches particular importance to CSR and Ethics issues and risks related to its value chain.

The internal procedure mentioned in 5.4.2.1 formalises the CSR and Ethics risk analysis measures adopted by the Group to evaluate its customers' situation in relation to these issues. Eramet is committed to ensuring that the practices and behaviour of third parties with whom it interacts do not generate risks of the same nature as those assessed by the Group in the context of its own activities. Particular objectives are protection of the environment, the respect of Human Rights and ethics in business relations. An e-learning course based on this Group-wide procedure has been rolled out to the sales teams.

#### Assessment of risks related to customers and intermediaries

In 2018, it was first of all customers identified as risk carriers that were the subject of this first CSR/Ethics assessment. The potential risk carried by the business relationship is assessed using two criteria:

- the amount of turnover achieved;
- the risk of the country in which the third party operates, according to the results of an assessment carried out by an external service provider.

In application of the "Know Your Customer" procedure, since 2018 the Group has been using a specialised database provided by an external service provider. The sales teams are in charge of this initial screening.

As soon as a risk arises from this screening, the Ethics and Compliance Department is contacted by the Sales Department. Depending on the nature of the risk identified, the case is arbitrated within the framework of the Responsible Sales Committee.

#### Responsible Sales Committee

All cases in which an ethical risk is identified are analysed by the Responsible Sales Committee (detailed composition at in 5.4.2.1) which meets every two months. This committee is responsible for monitoring the assessments of third parties involved in the Group's downstream value chain.

Ethical and CSR assessments are carried out according to a four-level typology (see table below). At year-end 2022, 1,288 customers of the Mining and Metals Division had been assessed using this procedure since the launch of the programme. As in 2021, around 99% of the assessment results were in line with the Group's commitments: a green or yellow rating.

For example, here are the arbitrations for the Mining and Metals Division:

| Type of opinion | Description | 2022 |
|---|---|---|
| **Positive opinion** | The business relationship is authorised | **94%** |
| **Positive opinion with monitoring** | The business relationship is possible with enhanced vigilance measures | **4%** |
| **Opinion pending** | The case requires additional in-depth investigations and/or strict supervision of the business relationship | **0.1%** |
| **Negative opinion** | The business relationship is not authorised | **1%** |

During 2022, the Responsible Sales Committee met six times in order to decide on cases in which risks had potentially been identified. In parallel with these committees, the Ethics Department also received cases from the Sales Department for an opinion and the arbitration of negative information reported.

For customers whose evaluations yielded a non-compliant result, risk management actions have been defined in consultation with the sales teams:

- the case is placed under on-going screening: the customer is placed under continuous monitoring via the screening tool;
- strengthened ethical statements or clauses are incorporated into offers and other contractual material;
- the case is subject to prior approval by the committee for each new offer in order to closely monitor any changes in the negative information identified;
- third-party assessment questionnaire sent to customer to obtain additional information.

### 5.4.2.4 *Export Control*

A Group Export Control unit was set up in early 2021 to specifically address the risks in terms of export control and international sanctions.

Eight units were organised during the year, making it possible to implement the following actions:

- formalisation of monitoring of countries under embargo/ under international sanctions;
- development of an audit reference framework for export control and compliance with international sanctions;
- launch of specific risk mapping work to establish a dedicated action plan;
- implementation of specific awareness-raising support for the most exposed employees.

### 5.4.3 Responsible interest representation

As a global leader in the extraction and beneficiation of high value-added metals (manganese, nickel, cobalt, lithium, mineralised sands), Eramet meets with the French and European public authorities and those of several countries outside Europe in order to inform them of its challenges and those of the French mining and metallurgy sector (through the Industry Strategic Committee) and in the countries where its subsidiaries are based.

The Group has made Corporate Social Responsibility the core tenet of its development strategy. In this context, Eramet has pledged to implement a responsible interest representation. A responsible lobbying policy (available at www.eramet.com) was adopted in 2020 and applies to all individuals, be they employees or mandated third parties, who represent the interest of Eramet when dealing with public decision-makers. As a follow-up to this policy, the Ethics and Compliance Department, in collaboration with the Corporate Affairs and Partnerships Department, is working on the deployment of a procedure to manage the risks of corruption and influence peddling in lobbying activities for the entire Group.

In addition, every year, Eramet reports its representation activities on two platforms: the directory of the Haute Autorité pour la transparence et la vie publique (HAVTP) in France (https://www.hatvp.fr/fiche-organization/?organization=632045381##) and the European Union transparency register (https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=645370511725-71).

Up-to-date and verifiable information on actions carried out are published in the register in the same way as allocated budgets, which are primarily linked to contributions in different professional structures.

Interest representation activities are managed by the Corporate Affairs & Partnerships Department, which reports to the Sustainability and Corporate Engagement Department. It serves as the link with the different Group services depending on the topics at hand. The Chairperson and Chief Executive Officer, the Communications Department, the Environment Department, the Energy Department and Site Directors are regularly called upon for various actions: presentation and explanation of the challenges of our activities, participation in government-led projects or working groups for the sectors or geographic regions, visits to plants, or responses to information requests, particularly through public consultations.

The Group has also chosen to be an active member of these professional structures, acting on different levels: national, European and international. The Corporate Affairs & Partnerships Department ensures that this external representation is adapted as closely as possible to reflect the Group's challenges.

Several members of the Executive Committee and/or directors represent the Group on the governance and management bodies of our professional federations. This is the case, for example, in France, with the **Conseil national de l'industrie (CNI – National Industry Council), the Alliance des Minerais, Minéraux et Métaux (A3M – Ores, Minerals and Metals Alliance)**, the **Comité Stratégique de Filière Mines et Métallurgie (CSF – Strategic Committee for the Mining and Metallurgy Industry)**, in Europe for **EuroAlliages** and **Eurométaux** or on the international stage, for the **International Manganese Institute** or the **Nickel Institute**. In addition, many of the Group's experts participate in the work of the various commissions or topic-specific working groups set up by these professional associations – this year relating, for example, to the security of raw materials supply, non-financial performance, the duty of vigilance and the circular economy.

Christel Bories, as Chair of the Comité Stratégique de la Filière Mines et Métallurgie (CSF – Strategic Committee for the Mining and Metallurgy Industry), is regularly called upon to represent the interests of the sector in dealing with the administrative authorities in France. The CSF highlights the priorities and ambitions of the industry to government authorities and oversees a multi-year roadmap in partnership with the State. In 2021, this roadmap included the continued roll-out of "France Relance", the construction and implementation of reference standards for responsible mining and the acceleration of the decarbonisation of the industry.

In parallel to this participation in the activities of professional federations, the Group interacts directly with the governments of the countries in which it operates, with the aim of supporting its growth in these countries. The Group took numerous initiatives in 2022:

- In Gabon, consultations were held between Comilog and government authorities for the establishment of a CSR fund, the launch of the Lekedi Biodiversity Foundation and the Jeroboam transshipment project.
- In New Caledonia, as part of the SLN safeguarding plan, and particularly the *ad hoc* mandate, followed by the conciliation procedure launched in autumn 2022, SLN presented its financial situation and its action plan on several occasions to members of the government and local elected representatives.
- In Indonesia, the development plan for our mining activities on PT Weda Bay Nickel, as well as new projects such as Sonic Bay, required a significant number of interactions with the Indonesian government.
- In Argentina, Eramet has had regular contacts with Argentinian government officials, and French authorities to discuss the rollout of the first industrial phase of the Centenario mining project.
- For Senegal, the progress of our operations in the north of our concession and the growth of our production volumes required the granting of new authorisations by the various ministries concerned.
- In France, under the "France 2030" plan, Eramet and its subsidiaries continued to solicit and obtain support in order to contribute to national sovereignty challenges, as well as the energy resilience plan. Lastly, at European level, the Group continued to be particularly active in discussions relating to the revision of Directive 2006/66/EC on batteries and the inclusion of our mining activities as an eligible activity in the Taxonomy given Eramet's leadership position in responsible mining. Eramet has also been involved in the preparatory debates for the proposal for a "Critical Raw Materials Act" that the European Commission is expected to launch in spring 2023.

## 5.4.4 Combating tax evasion

The Eramet Group is a socially responsible corporate citizen. It has adopted an Ethics Charter and is notably committed to developing sustainable relationships with local populations, local authorities and communities in the regions where it operates.

All Eramet employees demand exemplary behaviour from themselves, ethical conduct that does not violate the laws of the countries in which they operate or the values to which they adhere. Accordingly, an e-learning training campaign was rolled out with the main goals of maintaining and strengthening employee awareness and knowledge on the prevention of corruption (details in 5.4.1).

With regard to tax issues, the Group endeavours to comply with the regulations of the countries in which it operates and with international tax standards, especially those developed by the OECD. Eramet's tax situation is consistent with its operating activities and translates into the payment of taxes commensurate with the duties carried out and the wealth created in the different States or territories.

In accordance with its legal obligations, Eramet has carried out its country by country reporting by declaring to the French tax authorities the distribution of its profits, taxes and activities by tax jurisdiction (Article 223 quinquies of the French General Tax Code), as well as its mining reporting on its extractive activities, which includes payments made to governments (Article L. 225-102-3 of the French Commercial Code). This mining reporting obligation is directly inspired by the Extractive Industries Transparency Initiative (EITI), of which Eramet has voluntarily been a member since 2011. The EITI aims to contribute to the fight against corruption by promoting transparency in money transfers between oil, gas and mining companies and the countries that host their activities. The Group's financial transparency reporting is available on Eramet's website (www.eramet.com).

Some of the Group's activities are subject to taxation that is specific to them, according to their geographical location. The Group's companies and establishments located in mainland France are subject to French taxation under common law, the income tax rate being 25% as of 2022, excluding a social contribution of 3.3%.

La Société Le Nickel-SLN is subject to tax on mining and metallurgical companies in New Caledonia, at a rate of 35%. Since a decision of the Council of State of 5 May 2021, distributions by SLN for the benefit of Eramet are subject to a withholding tax in New Caledonia of 5%, compared with 10% before this decision. An additional contribution to corporation tax of 3% applies for any distribution exceeding 30 million CFP francs (i.e. €251,400). The deductibility of general expenses is capped at 5% of the amount of external services. SLN is eligible for the general consumption tax tax-free purchase regime, which came into force on 1 October 2018 (this tax is a variation of value added tax).

Comilog is subject to corporation tax at 35%, exit duties and a mining royalty representing approximately 6% of the value ex-mine of the extracted products (value close to the FOB value) as well as a tax on dividends of 10% under the tax regime for groups of companies. This taxation has been stabilised until 2032 under a mining agreement signed in October 2004. This agreement was ratified by the Gabonese Parliament in 2005.

Under the agreement signed with the State of Senegal in 2004 and its Amendment No. 1 signed in 2007, Grande Côte Opérations (GCO) benefits from a mining concession regime for a period of 25 years in accordance with Ministerial Decree No. 2007-1326 of 2 November 2007. In accordance with the provisions of the Mining Code, it enjoys a full exemption regime for 15 years (exemption from VAT, customs duties, corporation tax, land taxes and contributions, etc.), not including the period of carrying out the investments (construction). For fiscal 2023, GCO will no longer benefit from the exemption from corporate tax. Regarding mining royalties, in derogation from the Mining Code, which sets these royalties at 3% of the ex-mine value, GCO agreed in 2007 to increase this royalty to 5% and to practice production sharing of 10% based on the net margin of a certain number of costs.

PT Weda Bay (which extracts nickel ore and produces nickel ferroalloys) has benefited since 2020 from a corporation tax exemption on the share of its income from the nickel ferroalloy production activity. This favourable regime, granted for a period of nine years, gives the company an exemption of 100% of its share of the result of this activity over the first seven years, followed by 50% over the last two.

Eramine, which is developing the Centenario lithium mining project in Argentina, has benefited since 2019 from tax stabilisation granted under the Mining Investment Law No. 24,196. It applies to all taxes at the federal, provincial and municipal levels for a period of thirty years.

Dividends paid by subsidiaries in Norway, Sweden, the United States and Singapore to the parent company are not subject to withholding tax.

The tax function and the management of its related risks is handled by the Tax Department and supervised by the Group Chief Financial Officer, who regularly presents the implementation of the Group's tax policy to the Audit Committee. Internal procedures, including key control mechanisms, have also been put in place in collaboration with the Internal Audit department to ensure, among other things, compliance with tax obligations.

Furthermore, Eramet cooperates with integrity and transparency with tax authorities in their audits and ensures that any corrective measures required after tax audits are implemented.

Lastly, the Group also ensures timely tax returns filings in all countries where it is located, and compliance with its reporting obligations.

## 5.4.5 Governance of the sustainable development of industrial and mining projects

All projects carried out by the Group are developed in accordance with the internal procedure "Integration of HSE/CSR factors into projects", which was updated in 2021. This procedure requires compliance with both national and local regulations of the country where the project is located, Eramet policies and standards, and the requirements of the project funders. In addition, international financing standards (Equator Principles, World Bank Group standards), the IRMA responsible mining standard and best practices of the Group's businesses are referenced and applied as far as reasonably possible to the economic performance of the project. The compliance of the Group's projects with this standard is verified at regular intervals.

Environmental, social, societal and health aspects are taken into account from the most upstream phases of projects. Sustainable development experts and specialists are integrated into the industrial, technical, legal and financial teams, and participate in the various steering committees, from scoping phases to feasibility studies and pre-construction. Likewise, they participate in acquisition audits in the case of planned mergers or acquisitions, as well as in due diligence related to the transfer of assets.

The aim is to build a long-term trusting relationship with the communities present in the settlement sites and to prevent any risk of infringement on the fundamental rights of these communities, particularly, where applicable, indigenous communities. This requires the implementation of mechanisms for dialogue with the representatives of relevant stakeholders.

The following sections detail the consideration of sustainable development factors in the main projects undertaken by the Group in 2021.

### 5.4.5.1 Project to improve the safety and reliability of the railway in Gabon

The Trans-Gabonese railway, which crosses Gabon from Libreville to Franceville, has a total of 710 km of tracks, 52 bridges, and 22 stations. In addition to transporting the ore from Comilog to the port of Owendo, it plays a strategic role in the economic development of the country.

Setrag (the Trans-Gabonese operating company) operates the railway under a Concession Agreement established in 2005 and updated in 2015. Setrag is the manager of the railway infrastructure, traffic and operations (passengers, timber, ore and other goods).

Setrag has stepped up the pace of maintenance and rehabilitation work on the Trans-Gabonese railway. However, the overall condition of the track continued to hinder the operation of the network so Setrag decided to intensify the infrastructure overhaul programme. The Company applied to the International Finance Corporation (IFC) and PROPARCO (French Development Agency Group) to finance the programme, and it successfully obtained funding in 2016. A new financing arrangement was requested and obtained in 2020 to help speed the programme along as well as to consolidate the platforms in unstable regions, secure the track (level crossings, pedestrian bridges etc.) and deployment of new traffic optimisation tools.

The concession contract stipulates a contribution from the concession grantor, the State, to certain works, in particular those associated with the reinforcement of infrastructures, the rehabilitation of civil engineering structures, the securing of level crossings and the renovation of employee housing developments. In this context, the State has contracted financing from the French Development Agency (Agence française du développement – AFD), whose terms were finalised in December 2016.

The works, which started in September 2017, are expected to continue over approximately ten years. At year-end 2022, 230 kilometres of tracks had been replaced.

In accordance with Eramet's standards, the project was designed to minimise the potential associated environmental or societal impacts, based on comprehensive and relevant studies. These include: an environmental and social study for the work to upgrade the track, an impact assessment on a unit producing steel-concrete sleepers, and an impact assessment for the operation of the sand quarry to feed the sleeper factory. On this basis, dedicated management and actions plans have been developed and implemented.

Setrag reports its results in terms of Environment, Health, Safety and Stakeholder Dialogue to the three financial institutions once a year. It hosts on-site representatives twice a year for follow-up visits to verify the project's compliance with the environmental and social requirements of IFC, PROPARCO and the AFD, the French development agency. During the pandemic, visits were partly replaced by teleconferences and document reviews. In 2022, visits resumed with one visit in July and another in November.

Since September 2021, the Meridiam investment fund, specialising in the development and management of infrastructure, has had a stake of 40% in Setrag's capital. This partnership has reinforced Setrag's modernisation and security project, from both a technical and a financial point of view, always with the same CSR ambition.

### 5.4.5.2 The Lithium project in Argentina

The Lithium project is a flagship project of Eramet, which is positioning itself as a key player in the energy transition and renewable energies. The project aims to produce lithium carbonate for the market for lithium-ion batteries used in electric vehicles.

The project is intended to be exemplary; it is developed according to Eramet's CSR policies and procedures and the best environmental and societal standards. It is one of Argentina's pioneering entities in the roll-out of the "Towards Sustainable Mining" standard *(Hacia una Mineria Sustentable)*. This stringent standard is an adaptation of the one used by Mining Association Canada.

A special effort has been made to integrate sustainable development criteria into the design of the project and the plant. The project is located in the province of Salta, in northern Argentina, on the Centenario-Ratones salt lake. It is therefore located in the lithium triangle, in the arid region of the Andes between Bolivia, Chile and Argentina. An alternative manufacturing process using brine has been specifically developed to limit the pressure on water; it is fundamentally different from the conventional process of natural evaporation. For example, this ongoing effort has reduced projected water consumption per tonne of lithium carbonate by about 30%, which is crucially important in this arid region of the world. This progress has been accomplished either by modifications that reduce water requirements, or by adding elements that enable water recycling in the process. The recycling rate of water within the process is now over 60%. Finally, thanks to the improved extraction efficiency of the innovative process implemented by Eramet (~90%), the impact of evaporation losses on the water balance of the catchment area is significantly reduced compared to the conventional evaporation process.

At the same time, the project has engaged specialists to study of the baseline of environmental and societal components covering several seasons between 2014 and 2017. After the project's details were clarified, an impact study was developed for the brine extraction and lithium carbonate production project, as well as related activities: gas pipeline, gas power plant, quarries, airport, living camps etc. It was submitted to the Salta Mining Secretariat in 2016, was discussed with the project's stakeholders and was validated in early 2019. To ensure compliance with the performance standards of the Société Financière Internationale (PS1 to 8), the studies were also reviewed by an international firm in 2019.

A pilot plant and training centre have since been installed in early 2020 and their operation has confirmed in real conditions the expected extraction yield (>90%) and the performance of the process in terms of water consumption. Based on these results, Eramet's teams continued their work and identified additional process optimisations that could reduce freshwater consumption by a further 50%.

In November 2021, Eramet launched the construction of its production plant by signing a partnership with Chinese steel group Tsingshan, the world's leading stainless steel producer. Tsingshan and Eramet are already partners in Weda Bay Nickel, a project developed in Indonesia. Construction work is proceeding according to schedule (production start-up in early 2024) and in line with Eramet's CSR standards. It is in this context that the project has embarked on a process of auditing its CSR performance through the IRMA (Initiative for Responsible Mining Assurance) standard, with a self-assessment exercise to be conducted in 2022.

Furthermore, still with Tsingshan, Eramet has begun a pre-feasibility study on the potential for a phase 2 expansion of the project, which is currently in the construction phase. Although it is still at a preliminary stage, this study is looking at the possibility of doubling the annual production capacity of phase 1. This increase in capacity benefits from the technological expertise of both partners, including a further reduction in water consumption in addition to the improvements already identified for phase 1 of the project.

To facilitate the launch of construction, Eramine stepped up its community dialogue and development support activities in 2022. On this occasion, the communities of the Centenario Ratones salt flat and Santa Rosa de los pastos Grandes were able to renew their support for the development of the Project at a quarterly assembly held in May. The community dialogue and investment actions carried out by Eramine during the year are described in section 5.3.3 3 "Commitment to host communities".

### 5.4.5.3 Moanda mine extension project

As part of the development of its activities, Comilog is increasing production capacity at its Moanda site in Gabon.

The project includes the launch of the exploitation of a new Okouma plateau and the construction of associated mining and industrial infrastructure, including two wet ore concentration lines (washing plants). Mining operations started in December 2020, while the implementation of ore washing capacity started this year, for a gradual start of production as from 2023.

The project is being developed in accordance with the performance criteria and guidelines of the International Finance Corporation, one of the most stringent sustainable development standards.

These commitments were applied from the early stages of design, by carrying out studies to characterise the human, physical and biological environments. In 2018, these studies were completed, and consultations were conducted with local communities and public authorities. The environmental and societal impact study, carried out with the participation of internationally recognised specialists in their field, was finalised in 2019. Public consultations and hearings aimed at the general population and the local authorities were held in June 2018 and February 2019. A detailed presentation of the project was made, which included discussion of its potential impacts, the risks it poses and the opportunities it presents. The impact assessment was filed and then submitted to the governmental authorities and financial institutions as part of operating licence and financing applications. Comilog received the environmental operating licence for the new mine in May 2019.

In 2020, the project was significantly changed to take environmental concerns into account. This change concerns the method used to manage the tailings produced by washing plants. 50% of flows from washing plants will be filtered with press filters, thus enabling the waste to be stored using the dry-stacking method. This is a breakthrough innovation for Comilog which has been storing wet waste in ponds since 2010. This dry storage solution prevents the risks associated with pond stability and also enables water recovery. By adopting this technique, Comilog has joined the ranks of companies with the most environmentally advanced waste management policies.

An addendum to the impact study was developed and approved in 2021, to incorporate these latest changes into the project.

Biodiversity issues are important for the project. For the remaining significant impacts, offset actions have been rolled out in Moanda and Lékédi Park (see section 5.2.8.3 "Comilog in Gabon" and section 5.2.8.5 "Lékédi Biodiversity Foundation").

### 5.4.5.4 The Sonic Bay nickel and cobalt refining project in Indonesia

Eramet, in partnership with the German chemical company BASF, is developing a project to produce a nickel and cobalt-based intermediate material for the electric vehicle battery value chain.

The Sonic Bay project plant would be built at the Weda Bay Industrial Park on Halmahera Island, Indonesia. It would use a high pressure acid leaching (HPAL) process to produce a nickel (Ni) and cobalt (Co) concentrate called mixed hydroxide precipitate (MHP). The industrial complex would use low-grade nickel ores from PT WBN's world-class deposit, which would also allow the mine to maximise the value of its production and reduce its mining waste.

The project is driven by strong global demand for Class 1 nickel and cobalt for the battery market. The MHP concentrate is suited to the production of battery grade products (purified solutions and crystallised products). The Sonic Bay project is targeting a capacity of approximately 60 kilotonnes of contained nickel per year (ktpy). Production is scheduled to start in 2026.

Sonic Bay is leveraging PT Weda Bay's competitive advantages (high ore quality and low cost location) and the existing infrastructure of the industrial park to become a competitive and reliable MHP producer. It aims to become the benchmark for responsible nickel and cobalt production in Indonesia.

The project is still in the feasibility study phase and is in the early stages of social and environmental studies. Characterisation studies began in 2022 and will continue in 2023, including the development of a biodiversity strategy and an action plan that meets the best international standards. 2023 will be the year in which the final investment decision must be taken. The project is aligned with international ESG and industrial design performance standards.

### 5.4.5.5 The Akonolinga project in Cameroon

In December 2019, Eramet commenced exploratory work at the Akonolinga rutiliferous block, located 135 kilometres from Yaoundé in Cameroon.

Drilling was complemented in 2022 by technical pre-feasibility studies, test mining and further ore beneficiation pilot campaigns. These studies provide a better understanding of the deposit, allow the selection of an extraction technique and the adaptation of the beneficiation process to the quality of the ore.

The same beneficiation process used at the GCO site in Senegal will be used on the project. No chemicals are used; the sand grains are sorted by gravimetric separation, followed by electrostatic and magnetic separation. Tests on ore from different sites were carried out at the pilot unit in Cameroon, at the GCO site and at a specialised laboratory in South Africa.

In accordance with its project management standard, Eramet carried out an environmental and social scoping study in 2020 and an environmental and social impact study in 2022 with a certified firm, involving national scientists and experts in each field. It covered the community, environment and biodiversity components. Eramet met with the communities and local authorities on several occasions during the development of the study. The team and the certified firm travelled from village to village to present the project and the regulatory framework and to open discussion on concerns and recommendations. The study was then submitted and discussed during public hearings. Reading rooms were opened for six consecutive days in the chief towns of the project's area of influence and two mobile teams travelled to the villages. The study is currently being reviewed by an inter-ministerial committee.

Between 2021 and 2022, a large-scale social survey was also conducted among some of the communities in partnership with the authorities and the HORUS Foundation and involving some twenty students. This survey enabled a better understanding of the living conditions of the local populations and made it possible to identify opportunities for contributing actions.

The output of the social survey and the impact study were used to develop the project's community investment strategy. In particular, the project aims to promote access to water and support an impactful economic project. In 2022, Eramet commissioned an inventory of local agricultural skills and available production structures.

# 5.5 METHODOLOGICAL NOTE

## 5.5.1 Indicator framework

The purpose of Chapter 5 is to inform stakeholders about actions undertaken by Eramet in relation to Sustainable Development and CSR. The indicator framework used for this purpose has been designed to provide the most accurate picture of the significant issues facing the Group given its activities. Specifically, the framework is made up of those indicators which Eramet deems relevant to reflect the breakdown of its policies and its performance in terms of CSR. It includes some of the information given by Article R. 225-101-1 of the French Commercial Code and indicators drawn from those given by the Global Reporting Initiative framework, and its specific section on Mining & Metallurgy.

## 5.5.2 Reporting scope

The non-financial reporting scope has changed little compared to 2021. In 2022, the Sandouville and Forges de Monplaisir sites were sold. Several sites are currently being sold, the details of which are explained in the table below, although their data is still included in Chapter 5.

The Eramet Group's non-financial reporting covers:

- for the Social aspect (information provided in section 5.3): all companies consolidated from an accounting point of view (full consolidation), and also those accounted for by the equity method, as well as the following additional companies: Sodépal, Eramet Alloys UK, Eramet Alloys GmbH and Erasteel India;
- for the Safety aspect: all companies consolidated for accounting purposes (full consolidation) and also those accounted for by the equity method, as well as EcoTitanium and PT Weda Bay Nickel;
- for the Environment, Energy and Societal aspect: all of the Group's sites which meet the following criteria:
  - Eramet holds a controlling interest in the financial sense of at least 50%,
  - the sites are subject to environmental regulations (permit, code, national regulations);

Within this scope, it does not apply to:

1. sites whose activity is solely administrative (e.g. sales offices),
2. in project or closure phase, as long as no commercial production is carried out,
3. since 2016, sites whose activity is limited to distribution, it being understood that their cumulative impact is less than 0.1% of the Group total in relation to the main indicators concerned (six sites whose characteristic of non-significant impact is monitored).

The societal aspect also includes the information relating to Eramine (Argentina). The environmental and societal data of PT Weda Bay Nickel is not included in the Group's consolidated indicators presented in the Non-Financial Performance Statement, as the entity is not included in the scope described above. Driven by a concern for transparency, Eramet has made the key social responsibility indicators for this operation available in a special appendix at the end of the chapter.

The following table summarises the entities included in the published consolidated data.

| Country | Legal entity | Site | Social data scope | Safety scope | Environment & Energy scope | Societal |
|---|---|---|---|---|---|---|
| Germany | Eramet Alloys GmbH | Mönchengladbach | x | | | |
| | Eramet International German Branch | Frankfurt | x | | | |
| Argentina | Eramine Sudamerica | Salta & Centenario & Buenos Aires | x | x | | x |
| Brazil | Eramet Latin America | São Paulo | x | x | | |
| China | Erasteel Innovative Materials Ltd (EIML) | Tianjin* | x | x | x | x |
| | Eramet Shanghai Trading | Shanghai | x | x | | |
| Korea | Eramet Korea | Seoul | x | x | | |
| Spain | Aubert & Duval | Irun* | x | x | x | x |
| United States | Erasteel Inc. | Bolingbrook* | x | x | | |
| | Eramet Marietta | Marietta | x | x | x | x |
| France | EcoTitanium | Saint-Georges-de-Mons* | x | x | x | x |
| | | Les Ancizes* | x | x | x | x |
| | | Clermont-Ferrand La Pardieu* | x | x | | |
| | | Issoire* | x | x | x | x |
| | | Heyrieux* | x | x | | |
| | | Imphy* | x | x | x | x |
| | | Pamiers* | x | x | x | x |
| | Aubert & Duval | Firminy* | x | x | x | x |
| | Aubert & Duval 10G | Paris* | x | x | | |
| | Erasteel | Commentry* | x | x | x | x |
| | Erasteel | Champagnole* | x | x | x | x |
| | Erasteel | Paris and Chalon* | x | | | |
| | Interforge | Issoire* | x | x | x | x |
| | UKAD | Les Ancizes* | x | x | x | x |
| | Eramet S.A. | Paris and Trappes | x | x | | |
| | Eramet Ideas | Trappes | x | x | x | x |
| | Comilog Dunkerque | Dunkirk | x | x | x | x |
| | Eramet Marketing Services | Paris and Trappes | x | x | | |
| | Eramet Services | Clermont-Ferrand | x | | | |
| Gabon | | Moanda Complexe C2M | x | x | x | x |
| | | Moanda Complexe CIM | x | x | x | x |
| | | Owendo Mineral Port | x | x | x | x |
| | Comilog S.A. | Moanda Mine | x | x | x | x |
| | Setrag | Owendo | x | x | x | x |
| | Sodepal | Bakoumba | x | | | x |
| India | Eramet India Private Limited | Mumbai | x | | | |
| | Erasteel India | Mumbai* | x | | | |
| | SQuAD | Belgaum* | x | x | x | x |
| | ADEI | India | x | x | | |

| Country | Legal entity | Site | Social data scope | Safety scope | Environment & Energy scope | Societal |
|---|---|---|---|---|---|---|
| Italy | Eramet Alloys Italia | Ferrara | x | | | |
| Japan | Eramet International | Tokyo | x | x | | |
| Norway | | Kvinesdal | x | x | x | x |
| | | Sauda | x | x | x | x |
| | Eramet Norway | Porsgrunn | x | x | x | x |
| | TiZir Titanium & Iron (ETI) | Tyssedal | x | x | x | x |
| | Eralloys Holding | | x | | | |
| New Caledonia | | Nouméa (Doniambo) | x | x | x | x |
| | | Kouaoua | x | x | x | x |
| | | Népoui | x | x | x | x |
| | | Poum | x | x | x | x |
| | | Tiébaghi | x | x | x | x |
| | SLN | Thio | x | x | x | x |
| United Kingdom | Eramet Alloys UK | Sheffield | x | | | |
| Senegal | Grande Côte Operations – TiZir | Diogo and Dakar | x | x | x | x |
| Sweden | | Söderfors* | x | x | x | x |
| | | Långshyttan* | x | x | x | x |
| | Erasteel Kloster | Vikmanshyttan* | x | x | x | x |
| Taiwan | Eramet International | Taipei | x | x | | |

* *Sites being closed down.*

## 5.5.3 Collection, consolidation and control of data

Social reporting is based on the Altaset dedicated acquisition and consolidation tool and on a qualitative questionnaire, sent in parallel to the entities concerned. Comparing the figures from these two tools for some common indicators allows for data verification.

The process of environmental and energy reporting is subject to a procedure that was updated in 2020, which clearly defines the responsibilities and operating procedures.

Environmental reporting is based on a dedicated information and management system, called WeSustain, rolled out on all relevant sites in 2022. All the quantitative information provided in this report (environmental indicators) is extracted from this tool and comes exclusively from the data entered by each of the Group's sites and validated by each site manager. The 2020 and 2021 environmental data have been updated to correspond to the 2022 scope.

Safety and energy reporting is done using the SAFEE tool deployed on all sites in 2020.

SAFEE and WeSustain contain systems for checking data automatically by comparison with previous years. In addition, the annual site reports issued through these tools are systematically checked for consistency by experts from Division or Group departments.

The "Safety and Information Reporting in case of personal accident" procedure is the reference in terms of Safety reporting. The applicable version was revised in 2021. Data relating to workplace accidents are cross-checked with the monthly declarations made by the sites to the Safety and Prevention Department via SAFEE.

Since 2021, the SAFEE tool also integrates societal data and data relating to relations with stakeholders, particularly local communities.

## 5.5.4 Specific points and methodological limitations

The CSR performance indicator is a calculated value, by means of which the Group can, each year, assess the degree to which their CSR Roadmap has been successfully implemented. For each of the targets[(1)(1)], the year's achievement is compared to the initial benchmark set for the year, defining the corresponding level of attainment. Every attainment level is assigned a score, as a percentage. The average of the percentages for each target is then consolidated to obtain an overall indicator.

From 2019 onwards, fatal accidents are also taken into account in calculating the frequency rates[(2)] of occupational accidents, and include External Contractors in the workforce. The methodology used to calculate the severity rates[(3)] has not changed.

Due to planning constraints, some monthly environmental data may not be available for the last month of the year. In this case, the missing data is estimated as accurately as possible, based on the historical site data, and, where appropriate, is correlated to production, in accordance with the Group's standards.

When an environmental measurement is deemed to be faulty or is unavailable, an estimate based on historical ratios is used, adjusted according to the site's production level. This situation may arise in particular for nitrogen oxides (NOx) and channelled dust parameters, for which the quantities reported are based on a limited number of measurements during the year for certain sites.

**Waste:** waste is reported in the environmental reporting by the sites in accordance with the national regulations applicable to them. The reported quantities correspond to the quantities of waste discharged into the treatment systems during the year. The criteria used to identify hazardous or non-hazardous waste vary depending on the regulations of the different countries, so the reporting cannot be completely uniform in this respect.

The measurement of non-hazardous waste does not include tonnages of deliberately rich slag that is generated as part of the ferromanganese pyrometallurgical process to feed the silicomanganese production furnaces as a secondary raw material, thus contributing to the circular economy.

**Water consumption:** water recovered in the same place and not subjected to any chemical transformation is not counted. This is the case, for example, for seawater used for cooling in the SLN thermal power plant (New Caledonia) and the furnaces of Kvinesdal (Norway), or for the freshwater for the furnaces of Sauda and Porsgrunn (Norway), and Marietta (United States). SLN slag (New Caledonia) is granulated with effluents from the thermal power plant; the volumes are not reported for the same reason.

**Greenhouse gas emissions:** reporting is done in accordance with the rules of the GHG Protocol (WRI). The unit used is the tonne of $CO_2$ equivalent. The Group mainly emits carbon dioxide through its processes. It does not emit methane, nitrous oxide, PFC or SF6. The refrigeration systems for the Group's tertiary premises can be a source of fluorinated gas emissions, but these are considered negligible at Group level. The emission factors used are those most recently published by ADEME (as part of its Carbon Database), and by the International Energy Agency for electricity. Scope 2 is calculated using the market-based approach.

**Biodiversity:** the figures given for cleared and revegetated area indicators have been made more comprehensive in scope by including SLN contracted sites (New Caledonia).

**Registered workforce:** Employees with a contract of employment with the Company (fixed-term contract "CDD"[(4)], permanent contract "CDI") and entered in the personnel records on the last day of the period concerned. This information corresponds to the number of people regardless of their working time (full or part time). Each employee is counted as one.

*(1) It should be noted that, for the 13 objectives, 15 targets are assigned, owing to the distinction between the targets for the following two objectives:*
*– Circular economy (waste and tailing);*
*– Sustainable value chain (suppliers and customers).*

*(2) The frequency rate of workplace accidents is the number of accidents (including fatal ones) that occur at work in a given period, expressed in relation to one million hours worked. FR = (number of workplace accidents × 1,000,000)/number of hours worked.*

*(3) The severity rate of workplace accidents is the number of calendar days not worked after a workplace accident, occurring during a given period, based on one thousand hours worked. SR = (number of days not worked due to occupational accident x 1,000)/number of hours worked.*

*(4) Certain very short-term contracts in Norwegian entities, with terms specific to local regulation and similar to temporary employment contracts, are not included.*

# 5.6 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

*This is a translation into English of the report issued in French and it is provided solely for the convenience of English-speaking users.*

**For the year ended December 31, 2022**

To the shareholders,

In our capacity as Eramet Communications' Statutory Auditors, appointed as an independent third-party body, accredited by COFRAC (Cofrac Inspection accreditation no. 3-1080, scope available on the website www.cofrac. fr), we conducted our work in order to provide a limited assurance on the historical information (observed or extrapolated) of the extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the management report in accordance with the provisions of Articles L. 225-105-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

## Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Guidelines.

## Preparation of the non-financial statement

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement (or available on the website or upon request from the entity).

## Limitations inherent in the preparation of Information

As indicated in the Declaration, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

## The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy)
- preparing the Statement in accordance with the entity's reporting framework referred to above
- implementing the internal control that it deems necessary for the preparation of information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are set out in the Statement.

## Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the Vigilance plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

## Regulatory provisions and applicable professional doctrine

Our work described below was performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of engagement, in particular the technical notice issued by the CNCC, Intervention du Commissaires aux Comptes - Intervention de l'OTI - *Déclaration de performance extra-financière* which serves as an audit program, and with the International Standard on the Evaluation of Financial Information (ISAE) No. 3000 (Revised)

## Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

## Means and resources

Our work was carried out by a team of four people between November 2022 and February 2023, for a duration of approximately one month.

We called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted interviews with the people responsible for the preparation of the Declaration.

## Nature and scope of work

We planned and performed our work considering the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance. In this respect:

- we analyzed the activities of all the companies included in the scope of consolidation and the main social and environmental risks associated with these activities;
- we assessed the appropriateness of the Guidelines in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices in the sector;
- we verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and that the Statement includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators;

- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with the main risks and policies presented;
  - corroborate the qualitative information (actions and results) that we considered most important[1];
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16;
- we analyzed the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the information;
- for the key performance indicators and other quantitative results that we considered most important[2], we performed:
  - Analytical procedures to verify the correct consolidation of the data collected and the consistency of changes in the data;
  - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 16% and 65%[4] of the consolidated data selected for these tests.
- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

We believe that the work we performed in the exercise of our professional judgment enables us to provide a limited level of assurance; a higher level of assurance would have required more extensive audit work.

Neuilly-sur-Seine, 22nd March 2023

One of the Statutory Auditors
*French original signed by*

Grant Thornton

French member of Grant Thornton International

| Alexandre Mikhail | Bertille Crichton | Jean-François Baloteaud |
|---|---|---|
| *Partner* | *Partner* | *Partner* |

(1) ***Qualitative information relating to the chapters:*** *"Ethics, Compliance and Anti-Corruption"; "Commitments to Host Communities"; "ISO 14001 Certifications and Environmental Compliance Indicators"; "Emissions Reduction"; "Preservation of Biodiversity"; "Employee Safety.*

(2) ***Social information: total headcount and breakdown associated; total number of new hires*** *(excluding transfers between Group companies); total number of departures (excluding transfers between Group companies); percentage of women managers; frequency rate of workplace accidents with and without lost time; severity rate of workplace accidents; absenteeism rate; number of employees trained.*

***Environmental information: total energy consumption;*** *scope 1, 2 and 3 CO2 emissions; water consumption and breakdown by type of source; quantity of additional materials recovered thanks to the circular economy action plan; quantity of hazardous and non-hazardous waste; tons of dust emitted by industrial facilities; Chemical Oxygen Demand (COD); Ratio of rehabilitated surface area to cleared surface area over the period 2018-2022.*

(3) ***Environmental information:*** *Porsgrunn (Norway), C2M Comilog (Gabon), Comilog SA (Gabon), Marietta (USA).*

***Social information:*** *Eramet Norway (Norway), Marietta (USA), C2M Comilog (Gabon), Comilog SA (Gabon).*

(4) ***Specific perimeter for GHG emissions scope 1 and 2:*** *Porsgrunn (Norway), C2M Comilog (Gabon), Comilog SA (Gabon), Marietta (USA), Société Le Nickel (New-Caledonia), Centrale électrique (New-Caledonia).*

# APPENDIX: PT WEDA BAY NICKEL MINE AND PLANT IN INDONESIA

## Governance

In Indonesia, Weda Bay Nickel entered production in 2020, as part of a partnership between Eramet (minority shareholder) and the Chinese steel group Tsingshan (the world's leading stainless steel producer).

PT Weda Bay Nickel produces, firstly nickel ore, and secondly, nickel ferroalloy, using a pyrometallurgical process, for a volume of around 30,000 tonnes of nickel content a year.

The implementation for PT Weda Bay Nickel of strong environmental and societal commitments is an integral part of the objectives set out in the agreements signed between Eramet and Tsingshan. In this optic, Eramet provides the partnership with its know-how to help fulfil its commitments, particularly with respect to controlling the mine's environmental impacts.

In addition, Eramet has fully rolled out its vigilance tools under the partnership. Since 2019, four audit and support projects have been carried out contributing to the continuous improvement momentum of the site's environmental and social performance. These audits lead to action plans, drawn up by operational staff and monitored by the company's Board of Directors. The audit conducted in the first quarter of 2022 enabled a self-assessment of WBN's mining activities with regard to the IRMA (Initiative for Responsible Mining Assurance) standard and, on this basis, to define an action plan with the partner.

In September 2022, to support Indonesia's drive to strengthen environmental, social and governance (ESG) principles in domestic mining operations, Eramet actively participated alongside representatives from the mining industry, civil society organisations and the Initiative for Responsible Mining Assurance (IRMA) in a forum focusing on responsible mining in Jakarta. Led by the Indonesian Ministry for the Coordination of Maritime Affairs and Investment, the theme of the forum was "Introducing IRMA to Indonesian Mining Companies".

## Main CSR information

Weda Bay environmental and societal data is not included in the Group's consolidated indicators presented in the Non-Financial Performance Statement, as the activities for which the Group holds less than 50% of control in the financial sense are not included in the reporting scope (information in 5.5 "Methodological note"). Driven by a concern for transparency, Eramet has made the key social responsibility indicators for this operation available in a special appendix.

| | | 2021 Data | Comments |
|---|---|---|---|
| SOCIAL | Number of employees for mining and industrial activities (WBN and direct subcontractors) | 10,103 | |
| SAFETY | TF2 | 0.1 | The number of accidents is very low but their potential severity is very high. |
| SOCIETAL | Budget for communication actions | USD 1,400,000 | |
| ENVIRONMENT | Fuel consumption | 79,000m$^3$ | |
| | Coal consumption (production of electricity) | 346,000 tonnes | |
| | Consumption of reducers | 130,000 tonnes | |
| | $CO_2$ emissions | 956,000 tonnes | Emissions assigned to Eramet's scope 3 and in proportion to the Group's equity participation in the JV (39%) |
| | Hazardous solid waste | 526 tonnes | |
| | Number of sedimentation ponds on mines | 12 | Main ponds, monitored daily |
| | Cleared surface area | 456ha | Total surface area, including fixed installations and mining routes |
| | Operational cleared surface | 444ha | Mining areas and stockpiles |
| | Rehabilitated surface area | 2.6 | Little surface area available for rehabilitation in mining areas and dumps. Normal situation for a mine in start-up. |

Note that the carbon emissions indicated herein are in Group emissions reported in scope 3 emissions.

## Environment

The main environmental actions put in place include:

- **With respect to biodiversity,** the application of the hunting ban on the concession for all employees and subcontractors, the delimitation of land to be cleared, the reproduction of local species in nurseries and the first revegetation works on roadsides. To supplement mining rehabilitation actions, PT WBN has undertaken to offset its impacts on the forest. A deteriorated zone identified next to the concession has been restored under the guidance of local specialists and experts. The offset actions began in 2020 and were completed in 2021. In total, 1,075 ha of forest have been planted. At the end of 2022, a strategic framework and a biodiversity roadmap were developed with the aim of meeting the best international standards.
- **With regard to water,** the installation of mine hydraulic facilities to limit the transportation of solids from cleared areas to the rivers, and water recycling on the most water-intensive plants (furnace cooling and slag granulation).
- **With regard to air,** emissions channelling and electro-filter treatment at the plant, and the watering of mining roads during dry periods.
- **With regard to the management of mine tailings,** several stockpiles will be made: a specialised firm will design them and their implementation has been integrated in the mining schedule. External audits will be made throughout operations as indicated in the operating and monitoring manual. In 2022, the mine operated two main pits, one of which was composed of materials that would be recovered at a later date.
- **With regard to waste,** obtaining official recognition of the non-toxicity of the slag that has been used since 2021 as construction material in a storage area, as well as implementing strict management and monitoring of hazardous and non-hazardous waste that may be disposed of on other Indonesian islands. In 2022, the site commissioned a new facility to consolidate hazardous waste before it is sent to the approved channels.

## Social and societal

- Relations with the villages in the vicinity of the IWIP Industrial Park on behalf of all companies present in the Park. A complaint management mechanism is in place, allowing local residents to quickly submit any complaint related to the operations.
- Job creation is one of the main expectations of local populations and the recruitment process of PT WBN prioritises local employment.

On the contributory side, PT Weda Bay Nickel finances, together with PT IWIP, numerous activities for the benefit of the surrounding communities in the two Regencies of Halmhera Centre (in the southern part of the concession) and Halmahera East (in the northern part of the concession). Among the main community investment achievements, carried out alongside IWIP, in 2022 WBN financed the following:

- The purchase of four waste collection trucks and 10 collection bins for municipal waste management in the three villages closest to the Industrial Park (Lelilef Sawai, Woebulen and Gemaf);
- Support for fishing activities in the two villages of Woejerana (construction of fish ponds and training for 50 fishermen) and Nusa Jaya (donation of equipment for about 25 fishermen), in partnership with the University of Ternate;
- The donation of equipment for the faculties of medicine and engineering at the University of Ternate;
- The funding of scholarships for young people in the region.

# APPENDIX: GREEN TAXONOMY

The Green Taxonomy regulation is still being developed as the European Commission has yet to publish the texts on the four environmental objectives. According to the analysis of the published texts of the Green Taxonomy, only the Gabonese rail transport activity of Setrag for which an assessment criterion has been published is identified as eligible under climate change. The lithium mining and beneficiation activity located in Argentina, which is expected to start in 2024, will also be considered as a taxonomy eligible activity. The mining and primary ore processing activities are not considered as taxonomy-eligible activities.

In point of fact:

- Ferroalloy production activities are classified under NACE code C24.10, which is mentioned explicitly in the two annexes on climate targets. However, the production of manganese and nickel alloys and titanium dioxide is not considered an eligible activity. That said, there is no reason it may not one day join iron, steel and aluminium production activities, which are already eligible and aligned activities. The primary ore processing activity accounted for around 59% of the Group's total turnover in 2022.
- Mining activities, including energy transition metals, are not considered to be taxonomy-eligible for the climate change indicators, as their contribution has been deemed insignificant for these indicators. Things may evolve on this front in the light of current and future work on the other indicators. They accounted for around 40% of total turnover in 2022.

It should be noted that a significant proportion of Eramet's current and planned activities contribute to the energy transition (lithium, nickel, cobalt and manganese), so it could be argued that these contribute to the fight against climate change. They include, in particular, production of nickel, cobalt and lithium for making batteries and mobile devices and for storing energy.

The concept of "eligible CapEx" is not expressly provided for in Article 8, which limits itself to defining the concept of "compliant CapEx". Eramet has, therefore, defined the former according to the general consensus, namely as all CapEx directly linked to assets or processes associated with eligible activities, plus CapEx generated by individual measures taken in connection with the eligible activities listed in annexes I and II of the delegated acts.

OpEx has been defined as follows: sustainable OpEx is OpEx linked to assets or processes associated with sustainable activities, plus OpEx included in plans to make activities sustainable or to expand already sustainable activities. Total OpEx covers the following direct costs that are not capitalised: research and development, building renovation, short-term rental contracts, maintenance and repair, and any other direct expenses linked to the ongoing maintenance of property, plant and equipment.

The financial data reported for the 2022 financial year were extracted from the consolidation system used to draft the Group's consolidated financial statements when the data was directly identifiable.

For CaPex and OpEx, an in-depth analysis was conducted with all Eramet subsidiaries, in order to identify the items generated by individual measures taken in connection with the eligible activities listed in annexes I and II of the delegated acts.

This analysis, which was conducted jointly by Eramet's head office teams and subsidiaries on the CaPex and OpEx identified as eligible, based on data reported in non-accounting terms, made it possible to determine the share of CaPex and OpEx alignment. The share of Opex eligible for Eramet is 7% (the amount of eligible Opex is 13 million euro out of a total Opex for the Group of 189 million euro), so it is less than 10%. For this reason, the Group uses the opportunity to take advantage of the materiality exemption.

All data set out in the Taxonomy is aligned with the Group's financial statements (see Chapter 2 "Consolidated financial statements and company financial statements", section "2.1 Consolidated financial statements for the 2022 financial year").

## Portion of turnover eligible for and aligned with the Taxonomy

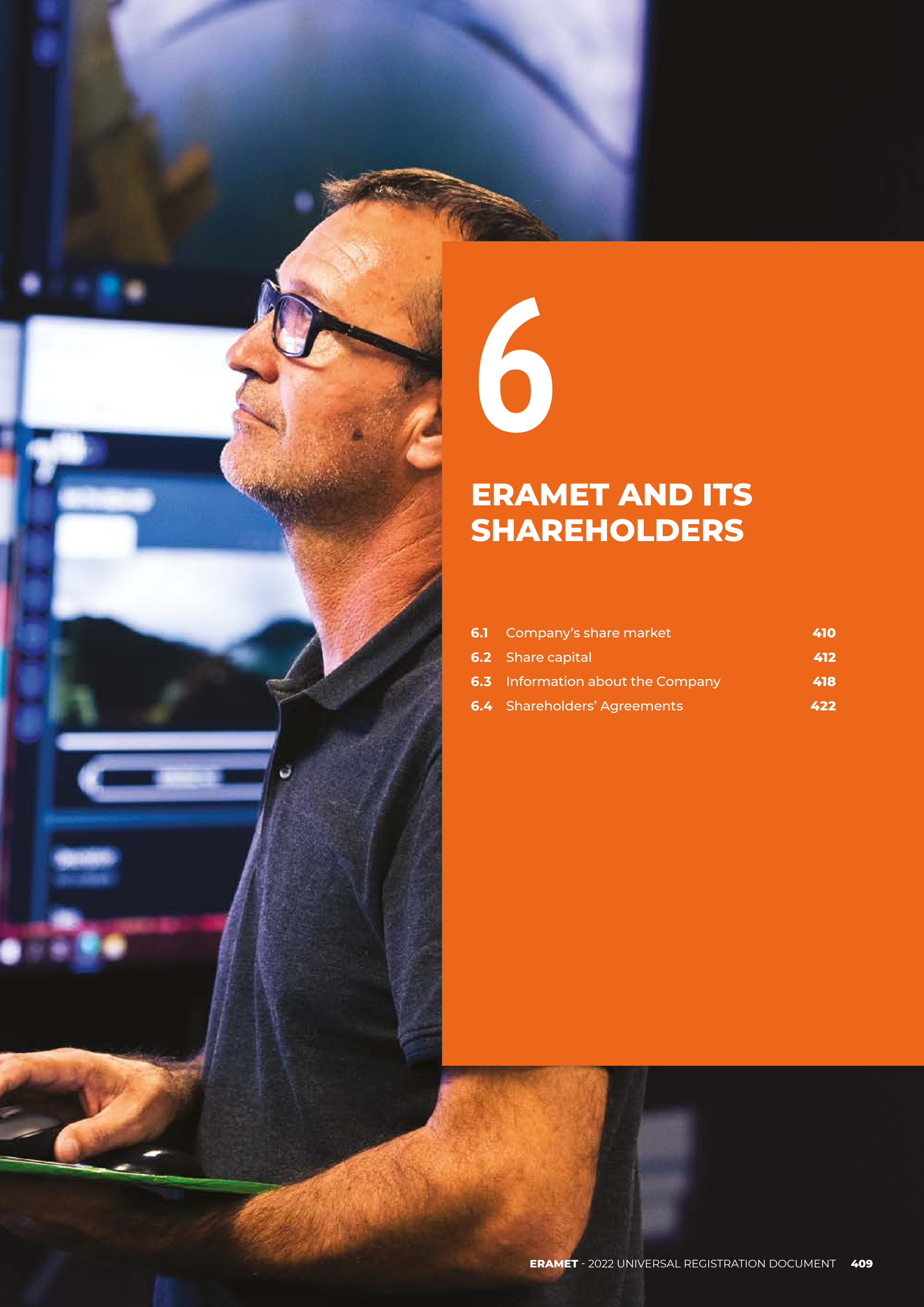
| | | | | Substantial contribution criteria | | | | | | Do No Significant Harm (DNSH) criteria | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Absolute revenue | Proportion of revenue | Climate change mitigation | Adapting to climate change | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation | Adapting to climate change | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Share of taxonomy-aligned revenue (year N) | Share of taxonomy-aligned revenue (year N-1) |
| Economic activities | Code(s) | *(in thousands of euros)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* | *(Yes/No)* | *(Yes/No)* | *(Yes/No)* | *(Yes/No)* | *(Yes/No)* | *(Yes/No)* | *(Yes/No)* | *(%)* | *(%)* |
| A. TAXONOMY ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | |
| **Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)** | | **0** | **0%** | | | | | | | | | | | | | | | |
| **A.2 Non-environmentally sustainable taxonomy-eligible activities (not taxonomy-aligned)** | | | | | | | | | | | | | | | | | | |
| 6.2 Freight transport (rail) | | 63,556 | 1% | | | | | | | | | | | | | | | |
| **Turnover of non-environmentally sustainable but taxonomy-eligible activities (not taxonomy-aligned) (A.2)** | | **63,556** | **1%** | | | | | | | | | | | | | | **0%** | **0%** |
| **TOTAL (A.1+A.2)** | | **63,556** | **1%** | | | | | | | | | | | | | | | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| Turnover of taxonomy non-eligible activities **(B)** | | 4,951,138 | 99% | | | | | | | | | | | | | | | |
| **TOTAL (A+B)** | | **5,014,694** | **100%** | | | | | | | | | | | | | | | |

## Portion of CAPEX eligible for and aligned with the Taxonomy

| Economic activities | Code(s) | Absolute CapEx (euros) | Share of CapEx (euros) | Substantial contribution criteria: Climate change mitigation (%) | Substantial contribution criteria: Adapting to climate change (%) | Substantial contribution criteria: Water and marine resources (%) | Substantial contribution criteria: Circular economy (%) | Substantial contribution criteria: Pollution (%) | Substantial contribution criteria: Biodiversity and ecosystems (%) | Do No Significant Harm criteria (DNSH – Do No Significant Harm): Climate change mitigation Yes/No | DNSH: Adapting to climate change Yes/No | DNSH: Water and marine resources Yes/No | DNSH: Circular economy Yes/No | DNSH: Pollution Yes/No | DNSH: Biodiversity and ecosystems Yes/No | Minimum safeguards Yes/No | Share of taxonomy-aligned CapEx (year N) (%) | Share of taxonomy-aligned CapEx (year N-1) (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. TAXONOMY ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | | | | | | |
| 4.1 Electricity generation using solar photovoltaic technology | 4.1 | 1,057,636 | 0.18% | 100% | | | | | | Oui | Oui | Oui | Oui | Oui | Oui | Oui | 0.18% | |
| 7.6 Installation, maintenance and repair of renewable energy technologies | 7.6 | 21,232 | 0.00% | 100% | | | | | | Oui | Oui | Oui | Oui | Oui | Oui | Oui | 0.00% | |
| **CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | **1,078,868** | **0.19%** | | | | | | | | | | | | | | **0.19%** | |
| A.2 Non-environmentally sustainable taxonomy-eligible activities (not taxonomy-aligned) | | | | | | | | | | | | | | | | | | |
| 3.4 Manufacture of batteries | 3.4 | 152,902,000 | 0.18% | | | | | | | | | | | | | | | |
| 3.6 Other low-carbon manufacturing technologies | 3.6 | 1,055,368 | 0.18% | | | | | | | | | | | | | | | |
| 4.5 Power generation by a hydroelectric plant | 4.5 | 93,800 | 0.02% | | | | | | | | | | | | | | | |
| 5.3 Construction, extension and operation of wastewater collection and treatment networks | 5.3 | 12,875,760 | 2.22% | | | | | | | | | | | | | | | |
| 5.4 Renewal of wastewater collection and treatment networks | 5.4 | 1,749,814 | 0.30% | | | | | | | | | | | | | | | |
| 6.2 Freight transport (rail) | 6.2 | 60,893,911 | 10.49% | | | | | | | | | | | | | | | |
| 6.14 Rail transport infrastructure | 6.14 | 221,993 | 0.04% | | | | | | | | | | | | | | | |
| 7.3 Installation, maintenance and repair of energy-efficient equipment | 7.3 | 60,970 | 0.01% | | | | | | | | | | | | | | | |
| 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling building energy efficiency | 7.5 | 494,781 | 0.09% | | | | | | | | | | | | | | | |
| 7.7 Acquisition and ownership of buildings | 7.7 | 691,575 | 0.12% | | | | | | | | | | | | | | | |
| **CapEx of non-environmentally sustainable taxonomy-eligible activities (not taxonomy-aligned) (A.2)** | | **231,039,972** | **41.60%** | | | | | | | | | | | | | | **41.60%** | |
| **TOTAL (A.1+A.2)** | | **232,118,840** | **41.80%** | | | | | | | | | | | | | | **41.80%** | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| CapEx of taxonomy non-eligible activities **(B)** | | 323,212,160 | 58.20% | | | | | | | | | | | | | | | |
| **TOTAL (A+B)** | | **555,331,000** | **100%** | | | | | | | | | | | | | | | |

## Portion of OPEX eligible for and aligned with the Taxonomy

| | | | | Substantial contribution criteria | | | | | | Do No Significant Harm criteria (DNSH – Do No Significant Harm) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | Absolute OpEx | Share of OpEx | Climate change mitigation | Adapting to climate change | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation | Adapting to climate change | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Share of taxonomy-aligned OpEx (year N) | Share of taxonomy-aligned OpEx (year N-1) |
| | | (euros) | (euros) | (%) | (%) | (%) | (%) | (%) | (%) | Yes/ No | Yes/ No | Yes/ No | Yes/ No | Yes/ No | Yes/ No | Yes/ No | (%) | (%) |
| A. TAXONOMY ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | | | | | | |
| **OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | **0** | **0%** | | | | | | | | | | | | | | **0%** | |
| A.2 Non-environmentally sustainable taxonomy-eligible activities (not taxonomy-aligned) | | | | | | | | | | | | | | | | | | |
| **OpEx of non-environmentally sustainable taxonomy-eligible activities (not taxonomy-aligned) (A.2)** | | **0** | **0%** | | | | | | | | | | | | | | | |
| **TOTAL A (A.1. + A.2.)** | | **0** | **0%** | | | | | | | | | | | | | | **0%** | |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES (%) | | | | | | | | | | | | | | | | | | |
| OpEx of taxonomy non-eligible activities **(B)** | | 189,503,000 | 100% | | | | | | | | | | | | | | | |
| **TOTAL A + B** | | **189,503,000** | **100%** | | | | | | | | | | | | | | | |



# 6

# ERAMET AND ITS SHAREHOLDERS

# 6.1 COMPANY'S SHARE MARKET

## 6.1.1 Listing market

The Company's shares are traded at Euronext on the Euronext Paris market (ISIN code: FR0000131757; LEI code: 549300LUH78PG2MP6N64).

No shares of another Group company are admitted for trading on another stock exchange.

## 6.1.2 Price trends

Changes to the Eramet share price are correlated to changes in raw material and metal prices, in particular manganese and ferronickel, and to shifts in the macroeconomic environment.

Eramet closed 2022 at €83.85 per share, representing an increase of 17% over the year compared to an 10% decrease for the SBF 120 index, equating to a market capitalisation of €2.4 billion.

After beginning the year on a low, the share price rose until it peaked at €160.20 per share on 25 March 2022. It then decreased until it reached its lowest price (€62.20 per share) on 14 October 2022, before once again enjoying an upward trend towards the end of the year.

The Eramet share was particularly volatile in 2022. For example, the difference between its lowest and highest price was 158%, compared to a 65% difference for the MSCI Metals and Mining Index and a 30% difference for the CAC 40. Taking the year's highest and lowest share prices as a reference, there were three noteworthy, and sharply contrasting, periods in 2022.

The share price increased by more than 120% in the first quarter. During this period, in a very favourable price environment considering the war in Ukraine, Eramet enjoyed strong positive momentum. It had published excellent results for 2021 and announced that it was refocusing on its Mining and Metals activities (following the sale of Aubert & Duval) and the value creation potential of its Lithium project in Argentina.

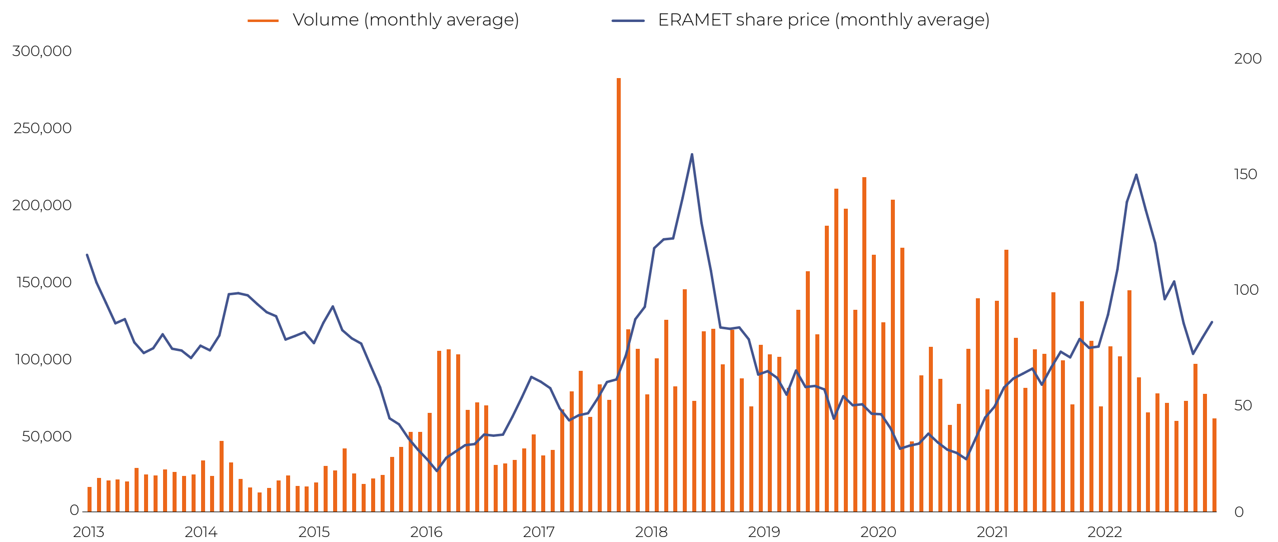
Between April and mid-October, although the Group maintained a strong operational performance – particularly in terms of production volumes – its share price dropped by more than 60% amid a sudden downturn in the macroeconomic environment, which greatly deteriorated mid-year. Investors revised their expectations downwards as a result of the renewed burst of inflation and interest rate hikes, the fear of recession in the United States and the slowdown in demand in China following another very strict lockdown. During this period, commodity prices fell sharply while medium-term price scenarios were revised downwards.

There was a renewed sense of optimism in the markets at the end of the year, which led the share price to rise by 35% between mid-October and 31 December. This improvement was mainly due to macroeconomic expectations, given the easing of the lockdown in China and the Fed slowing the pace of its rate hikes.

In 2022, traded volumes were down 24% compared to 2021, attaining a total of 21,733,017 shares, with an average of 84,564 shares traded per session (as opposed to 110,538 shares per session in 2021). The first quarter of 2022 was the most dynamic, with an average of 118,439 shares traded per session, whereas the following three quarters saw between 65,000 and 80,000 shares traded per session.

### Trends in volumes and the Eramet share price

**Volume** *(in thousands of shares / price in euros)*



STOCK MARKET DATA

| | Share price *(in euros)* extremes during the period | | | Market capitalisation as at 31/12 | Volume |
|---|---|---|---|---|---|
| | Highest | Lowest | Close as at 31/12 | *(in millions of euros)* | *(daily ave.)* |
| 2013 | 116.00 | 63.76 | 70.29 | 1,866 | 22,927 |
| 2014 | 102.00 | 65.85 | 76.50 | 2,031 | 22,980 |
| 2015 | 94.39 | 23.05 | 29.50 | 783 | 32,166 |
| 2016 | 66.72 | 15.36 | 56.74 | 1,506 | 63,607 |
| 2017 | 99.81 | 36.43 | 99.03 | 2,640 | 92,549 |
| 2018 | 167.20 | 46.00 | 60.35 | 1,607 | 102,123 |
| 2019 | 72.90 | 36.42 | 45.84 | 1,220 | 149,901 |
| 2020 | 47.18 | 18.67 | 42.92 | 1,143 | 106,034 |
| 2021 | 86.60 | 41.06 | 71.95 | 2,068 | 110,538 |
| 2022 | 166.00 | 60.60 | 83.85 | 2,411 | 84,564 |

| | Share prices *(in euros)* | | | Volume (× 1,000) |
|---|---|---|---|---|
| **2022** | **Lowest** | **Highest** | **Mean (close)** | *(daily ave.)* |
| January | 72.55 | 99.75 | 85.27 | 107.4 |
| February | 91.35 | 120.30 | 104.89 | 100.8 |
| March | 110.00 | 166.00 | 134.06 | 143.8 |
| April | 123.50 | 159.70 | 145.84 | 87.2 |
| May | 114.50 | 148.90 | 130.56 | 64.6 |
| June | 97.10 | 146.90 | 116.18 | 76.8 |
| July | 84.45 | 106.20 | 92.00 | 70.5 |
| August | 83.50 | 108.80 | 99.67 | 58.9 |
| September | 75.10 | 87.70 | 81.63 | 71.8 |
| October | 60.60 | 87.15 | 68.36 | 96.0 |
| November | 65.50 | 82.60 | 75.39 | 76.4 |
| December | 77.05 | 87.10 | 82.11 | 60.6 |

## 6.1.3 Share service

The Company's share register is maintained by:

- Uptevia
  Grands Moulins de Pantin
  9, rue du Débarcadère
  93761 Pantin Cedex, France

The implementation of the liquidity agreement was entrusted to Exane BNP Paribas.

# 6.2 SHARE CAPITAL

## 6.2.1 Subscribed capital

### 6.2.1.1 Representative amount and shares

The share capital, as of 31 December 2022, amounted to €87,702,893.35, representing 28,755,047 shares with a nominal value of €3.05, all of the same class and fully paid up. There is no subscribed capital that has not yet been paid up. There are no non-equity securities (founders' shares, voting certificates).

### 6.2.1.2 Rights attached to the shares

Each share entitles the holder, in the ownership of the Company's assets and in the sharing of profits, to a share equal to the portion of the share capital it represents, taking into account, where appropriate, the amortised and unamortised capital, paid and unpaid, the nominal amount and the rights of the shares of different classes.

Each share shall give the right, during the Company's life and in the event of liquidation, to payment of the same net amount in any allocation or redemption, such that all shares shall be considered together, where applicable, regardless of any tax exemptions or any taxation likely to be assumed by the Company.

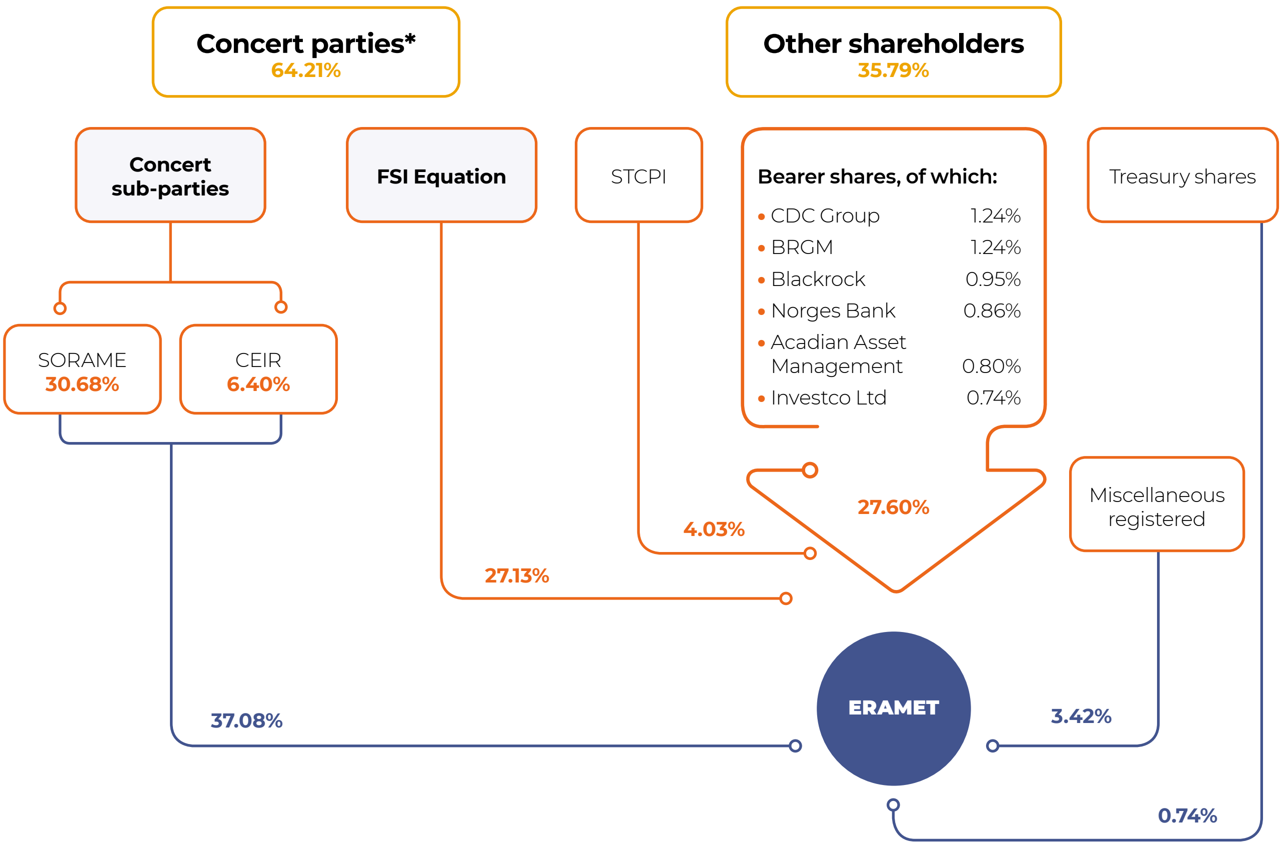
Fully paid-up shares for which a nominal registration in the name of the same shareholder has been valid for at least two years carry double voting rights.

## 6.2.2 Distribution of share capital

Since the close of the financial year, the Company has not been informed of any significant change in shareholding.

### 6.2.2.1 Control organisation chart

**Shareholders of the Company as at 31 December 2022** *(in % of shares)*




* *Pursuant to a Shareholders' Agreement which was the subject of a decision and information of the AMF published on 12 April 2012 under the No. 212C0486 at the time of its conclusion, a decision and information of the AMF published on 28 July 2016 under the No. 216C1753 relating to the changes in the group at the time of the acquisition of the entire FSI Equation capital by the Agence des participations de l'État (APE), and decisions and information of the AMF under No. 220C5283 and No. 221C0886 relating to amendments to the agreement.*

### 6.2.2.2 As at 31 December 2022 (including shareholders holding – or those likely to hold – at least 1% of capital or voting rights, and known to the Company)

| Major shareholders | Shares | % capital | Theoretical voting rights | Percentage of theoretical voting rights | Voting rights exercisable at Share-holders' Meeting | Percentage of voting rights exercisable at Shareholders' Meeting |
|---|---|---|---|---|---|---|
| Sorame[(1)] | 8,821,806 | 30.68% | 16,873,644 | 35.61% | 16,873,644 | 35.77% |
| CEIR[(1)] | 1,839,756 | 6.40% | 3,628,061 | 7.66% | 3,628,061 | 7.69% |
| **Total for the Sorame/ CEIR subgroup[(1)]** | **10,661,562** | **37.08%** | **20,501,705** | **43.27%** | **20,501,705** | **43.46%** |
| FSI Equation (held by the French State) [(1)] | 7,800,993 | 27.13% | 14,611,310 | 30.84% | 14,611,310 | 30.97% |
| State (direct ownership) | 100 | not significant | 200 | not significant | 200 | not significant |
| **Group total (Sorame/ CEIR/FSI)[(1)]** | **18,462,655** | **64.21%** | **35,113,215** | **74.11%** | **35,113,215** | **74.43%** |
| STCPI | 1,159,994 | 4.03% | 2,230,581 | 4.71% | 2,230,581 | 4.73% |
| Groupe CDC[(2)] | 357,652 | 1.24% | 357,652 | 0.75% | 357,652 | 0.76% |
| BRGM[(2)] | 356,044 | 1.24% | 356,044 | 0.75% | 356,044 | 0.75% |
| The Vanguard Group[(2)] | 332,779 | 1.16% | 332,779 | 0.70% | 332,779 | 0.71% |
| Blackrock [(3)] | 272,630 | 0.95% | 272,630 | 0.58% | 272,630 | 0.58% |
| Norges Bank[(2)] | 246,797 | 0.86% | 246,797 | 0.52% | 246,797 | 0.52% |
| Acadian Asset Management[(2)] | 231,313 | 0.80% | 231,313 | 0.49% | 231,313 | 0.49% |
| Investco Ltd[(2)] | 212,749 | 0.74% | 212,749 | 0.45% | 212,749 | 0.45% |
| Capital held by employees (including Eramet Share Fund)[(4)] | 514,609 | 1.79% | 627,267 | 1.32% | 627,267 | 1.33% |
| Corporate officers | 26,271 | not significant | 41,569 | not significant | 41,569 | not significant |
| Eramet treasury shares | 212,801 | 0.73% | 212,801 | 0.44% | 0 | 0.00% |
| Other | 7,397,971 | 22.25% | 8,402,097 | 14.30% | 8,402,097 | 15.25% |
| **TOTAL SHARES** | **28,755,047** | **100.00%** | **47,382,960** | **100.00%** | **47,170,159** | **100.00%** |
| **Total Registered Shares** | **20,818,491** | **72.40%** | **39,446,404** | **83.25%** | **39,309,022** | **83.33%** |
| **Total Bearer Shares** | **7,936,556** | **27.60%** | **7,936,556** | **16.75%** | **7,864,561** | **16.67%** |

*(1) The companies Sorame, CEIR and FSI Equation are signatories to a Shareholders' Agreement constituting a joint action and have been the subject of a decision and information of the Financial Markets Regulator under the No. 212C0486.*

*(2) Estimate based on last Nasdaq survey.*

*(3) According to the declaration of threshold crossing dated 28 December 2022.*

*(4) According to the new drafting of Article L. 225-102 of the French Commercial Code, derived from Article 135 of Law 215-990 of 6 August 2015, the share of capital held by employees on the last day of the year includes, in addition to the shares allocated under an employee savings plan or an FCPE, free registered shares under free share allocation plans authorised by a shareholders' meeting subsequent to the entry into force of the law, i.e. from 8 August 2015. At 31 December 2022, 514,609 shares fit this definition, i.e., 179,060 shares under the Eramet Employees mutual fund scheme; 8,278 shares under the 2016 Erashare France Plan (delivered in May 2018); 7,757 shares under the 2017 Erashare France Plan (delivered in February 2019); 8,372 shares under the 2018 Erashare France Plan (delivered in March 2020); 9,192 shares under the 2019 Erashare France Plan (delivered in February 2021); 8,972 shares under the 2016 Erashare International Plan (delivered in May 2020); 7,891 shares under the 2017 Erashare International Plan (delivered in February 2021); 9,383 shares under the 2018 Erashare International Plan (delivered in March 2022); 68,858 shares under the 2016 France Selective Plan (delivered in May 2019); 53,929 shares under the 2017 France Selective Plan (delivered in February 2020); 6,955 shares under the May 2017 France Selective Plan (delivered in May 2020); 40,354 shares under the 2018 France Selective Plan (delivered in March 2021); 52,471 shares under the 2019 France Selective Plan (delivered in February 2022); 19,080 shares under the 2016 International Selective Plan (delivered in May 2020); and 20,615 shares under the 2017 International Selective Plan (delivered in February 2021); 13,442 shares under the 22 March 2018 International Selective Plan (delivered in March 2022). As such, at 31 December 2022, employees held 514,609 shares amounting to 1.79% of the share capital.*

To the best of the Company's knowledge, there are no other shareholders directly or indirectly holding more than 1% of the Company's capital or voting rights and there are no pledged securities. Except for the treasury-held shares mentioned in the table above, there are no other treasury shares. The holding of shares by corporate officers is detailed in the Governance Chapter.

### 6.2.2.3 As at 31 December 2021 (including shareholders holding – or those likely to hold – at least 1% of capital or voting rights, and known to the Company)

| Major shareholders | Shares | % capital | Theoretical voting rights | Percentage of theoretical voting rights | Voting rights exercisable at Share-holders' Meeting | Percentage of voting rights exercisable at Shareholders' Meeting |
|---|---|---|---|---|---|---|
| Sorame[(1)] | 8,821,806 | 30.68% | 16,873,644 | 35.65% | 16,103,676 | 34.16% |
| CEIR[(1)] | 1,839,756 | 6.40% | 3,628,061 | 7.67% | 3,628,061 | 7.70% |
| **Total for the Sorame/ CEIR subgroup[(1)]** | **10,661,562** | **37.08%** | **20,501,705** | **43.32%** | **19,731,737** | **41.85%** |
| FSI Equation (held by the French State) [(1)] | 7,800,993 | 27.13% | 14,611,310 | 30.87% | 13,620,634 | 28.89% |
| State (direct ownership) | 100 | not significant | 200 | not significant | 200 | not significant |
| **Group total (Sorame/ CEIR/FSI)[(1)]** | **18,462,655** | **64.21%** | **35,113,215** | **74.19%** | **33,352,571** | **70.75%** |
| STCPI | 1,159,994 | 4.03% | 2,230,581 | 4.71% | 2,230,581 | 4.73% |
| Van Eck Associates[(2)] | 371,398 | 1.29% | 371,398 | 0.78% | 371,398 | 0.79% |
| BRGM[(2)] | 356,044 | 1.24% | 356,044 | 0.75% | 356,044 | 0.76% |
| The Vanguard Group[(2)] | 285,640 | 0.99% | 285,640 | 0.60% | 285,640 | 0.60% |
| Blackrock [(3)] | 272,630 | 0.95% | 272,630 | 0.58% | 272,630 | 0.58% |
| Capital held by employees (including Eramet Share Fund)[(4)] | 501,070 | 1.74% | 613,728 | 1.30% | 613,728 | 1.30% |
| Corporate officers | 20,348 | not significant | 28,702 | not significant | 28,702 | not significant |
| Eramet treasury shares | 183,413 | 0.64% | 183,413 | 0.39% | 0 | 0.00% |
| Other | 7,141,855 | 24.91% | 7,872,540 | 16.69% | 7,872,540 | 16.76% |
| **TOTAL SHARES** | **28,755,047** | **100.00%** | **47,327,891** | **100.00%** | **47,144,478** | **100.00%** |
| **Total Registered Shares** | **20,802,646** | **72.34%** | **39,375,490** | **83.20%** | **39,242,236** | **83.24%** |
| **Total Bearer Shares** | **7,952,401** | **27.66%** | **7,952,401** | **16.80%** | **7,902,242** | **16.76%** |

*(1) The companies Sorame, CEIR and FSI Equation are signatories to a Shareholders' Agreement constituting a joint action and have been the subject of a decision and information of the Financial Markets Regulator under the No. 212C0486.*

*(2) Estimate based on last TPI survey.*

*(3) According to the declaration of threshold crossing dated 23 December 2021.*

*(4) According to the new drafting of Article L. 225-102 of the French Commercial Code, derived from Article 135 of Law 215-990 of 6 August 2015 (Macron law), the share of capital held by employees on the last day of the year includes, in addition to the shares allocated under an employee savings plan or an FCPE, free registered shares under free share allocation plans authorised by a shareholders' meeting subsequent to the entry into force of the law, i.e. from 8 August 2015. At 31 December 2021, 501,070 shares fit this definition, i.e., 203,500 shares under the Eramet Employees mutual fund scheme; 9,323 shares under the 2016 Erashare France Plan (delivered in May 2018); 8,738 shares under the 2017 Erashare France Plan (delivered in February 2019); 9,266 shares under the 2018 Erashare France Plan (delivered in March 2020); 9,206 shares under the 2019 Erashare France Plan (delivered in February 2021); 13,037 shares under the 2016 Erashare International Plan (delivered in May 2020); 11,435 shares under the 2017 Erashare International Plan (delivered in February 2021); 80,295 shares under the 2016 France Selective Plan (delivered in May 2019); 63,368 shares under the 2017 France Selective Plan (delivered in February 2020); 6,955 shares under the May 2017 France Selective Plan (delivered in May 2020); 41,382 shares under the 2018 France Selective Plan (delivered in March 2021); 20,851 shares under the 2016 International Selective Plan (delivered in May 2020); and 23,714 shares under the 2017 International Selective Plan (delivered in February 2021). As such, at 31 December 2021, employees held 501,070 shares amounting to 1.74% of the share capital.*

### 6.2.2.4 As at 31 December 2020 (including shareholders holding – or those likely to hold – at least 1% of capital or voting rights, and known to the Company)

| Major shareholders | Shares | % capital | Theoretical voting rights | Percentage of theoretical voting rights | Voting rights exercisable at Share-holders' Meeting | Percentage of voting rights exercisable at Shareholders' Meeting |
|---|---|---|---|---|---|---|
| Sorame[1] | 8,051,838 | 30.23% | 16,103,676 | 35.70% | 16,103,676 | 35.83% |
| CEIR[1] | 1,788,305 | 6.71% | 3,572,301 | 7.92% | 3,572,301 | 7.95% |
| **Total for the Sorame/CEIR subgroup[1]** | **9,840,143** | **36.94%** | **19,675,977** | **43.62%** | **19,675,977** | **43.78%** |
| FSI Equation (held by the French State) [1] | 6,810,317 | 25.57% | 13,620,634 | 30.20% | 13,620,634 | 30.31% |
| State (direct ownership) | 100 | not significant | 200 | not significant | 200 | not significant |
| **Group total (Sorame/CEIR/FSI)[1]** | **16,650,560** | **62.51%** | **33,296,811** | **73.82%** | **33,296,811** | **74.09%** |
| Norges Bank[2] | 373,706 | 1.40% | 373,706 | 0.83% | 373,706 | 0.83% |
| The Vanguard Group[2] | 267,613 | 1.00% | 267,613 | 0.59% | 267,613 | 0.60% |
| STCPI | 1,070,587 | 4.02% | 2,141,174 | 4.75% | 2,141,174 | 4.76% |
| BRGM[2] | 356,044 | 1.34% | 356,044 | 0.79% | 356,044 | 0.79% |
| Capital held by employees (including Eramet Share Fund)[3] | 402,895 | 1.51% | 525,441 | 1.16% | 525,441 | 1.17% |
| Corporate officers | 9,051 | not significant | 16,335 | not significant | 16,335 | not significant |
| Eramet treasury shares | 165,188 | 0.62% | 165,188 | 0.37% | 0 | 0.00% |
| Other | 7,340,361 | 27.59% | 7,964,213 | 17.69% | 7,964,213 | 17.76% |
| **TOTAL SHARES** | **26,636,005** | **100.00%** | **45,106,525** | **100.00%** | **44,941,337** | **100.00%** |
| **Total Registered Shares** | **18,825,153** | **70.68%** | **37,186,116** | **82.44%** | **37,020,928** | **82.38%** |
| **Total Bearer Shares** | **7,810,852** | **29.32%** | **7,810,852** | **17.32%** | **7,810,852** | **17.38%** |

*(1) The companies Sorame, CEIR and FSI Equation are signatories to a Shareholders' Agreement constituting a joint action and have been the subject of a decision and information of the Financial Markets Regulator under the No. 212C0486.*

*(2) Estimate based on last TPI survey.*

*(3) According to the new drafting of Article L. 225-102 of the French Commercial Code, derived from Article 135 of Law 215-990 of 6 August 2015 (Macron law), the share of capital held by employees on the last day of the year includes, in addition to the shares allocated under an employee savings plan or an FCPE, free registered shares under free share allocation plans authorised by a shareholders' meeting subsequent to the entry into force of the law, i.e. from 8 August 2015. As at 31 December 2020, 402,895 shares met this definition (including the shares held by the Eramet mutual fund). As such, at 31 December 2020, employees held 1.51% of the share capital.*

### 6.2.2.5 Foreseeable changes to voting rights

At 31 December 2022, 2,190,578 shares registered for less than two years in registered form do not benefit from the double voting right. Should these shares qualify for double voting rights, double voting rights would be increased to a total of approximately 41,499,600, to which the simple voting rights of the bearer shares should be added i.e. 7,936,556 additional rights as of 31 December 2022.

## 6.2.3 Other securities giving access to the share capital

At the date of filing of this registration document, there are no other dilutive instruments (convertible or exchangeable negotiable securities or any negotiable securities with warrants) issued by the Company.

The bonus shares allocated, including details of the granted plans that were still open on 31 December 2022, are presented in the notes to Eramet's consolidated financial statements herein, and are existing shares. There are no stock-option plans in force.

## 6.2.4 Summary of financial authorisations

| Allocation of bonus shares (Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code) | |
|---|---|
| By the EGM | 28 May 2021 (eighteenth resolution) |
| Maximum total number | 700,000 shares |
| Duration of authorisation | 38 months until 28/07/2024 |
| Used in 2021 and 2022 | 133,539 |
| Available balance | 566,461 |

No other authorisations of a financial nature were granted by the Shareholders' Meeting.

## 6.2.5 Buyback of shares by the Company

### 6.2.5.1 Details of treasury-share purchase and sale operations during the year (Article L. 225-211 of the French Commercial Code)

The table below summarises the treasury share transactions that were made by the Company between 1 January and 31 December 2022.

| | Total number of shares | Market making[1] | Grants to employees | Total |
|---|---|---|---|---|
| **Position at 1 January 2021** | | **55,631** | **109,557** | **165,188** |
| *As a percentage of capital* | *26,636,005* | *0.21%* | *0.41%* | *0.62%* |
| Buyback mandate | | | 113,000 | 113,000 |
| Final allocation of bonus shares | | | (89,303) | (89,303) |
| Purchases/sales | | (5,472) | | (5,472) |
| **Position at 31 December 2021** | | **50,159** | **133,254** | **183,413** |
| *As a percentage of capital* | *28,755,047* | *0.17%* | *0.46%* | *0.64%* |
| Buyback mandate | | | 90,000 | 90,000 |
| Final allocation of bonus shares | | | (82,448) | (82,448) |
| Purchases/sales | | 21,836 | | 21,836 |
| **POSITION AT 31 DECEMBER 2022** | | **71,995** | **140,806** | **212,801** |
| *As a percentage of capital* | *28,755,047* | *0.25%* | *0.49%* | *0.74%* |

*(1) Liquidity agreement signed with Exane BNP Paribas.*

The Company did not use derivatives during the year.

No Group company holds shares in the parent company Eramet.

### 6.2.5.2 Liquidity agreement

To ensure minimum liquidity at any time of its share, the Company entered into a liquidity agreement with Exane BNP Paribas on 18 July 2003. This liquidity agreement is in accordance with market practice accepted by the AMF. The summary of the market making operations is given in the details of the purchase and sale transactions carried out above.

## 6.2.6 Description of the 2023 share buyback programme

### 6.2.6.1 Legal framework

In accordance with the provisions of Article 241-2 of the general regulations of the Autorité des marchés financiers and of EU Delegated Regulation 2016/1052 of 8 March 2016, the aim of this description is to state the purposes, terms and conditions of the Company's share buyback programme. This programme, which falls within the scope of Article L. 22-10-62 of the Commercial Code, will be subject to authorisation by the Shareholders' Meeting of 23 May 2023, meeting the quorum and majority requirements in ordinary matters. Eramet shares are admitted to trading on the Euronext Paris regulated market.

### 6.2.6.2 Breakdown by equity securities objectives held by the Company

As at 31 December 2022, the 212,801 treasury shares held by the Company were distributed as follows by objective:

- market maker (liquidity agreements): 71,995 shares;
- allocation to employees: 140,806 shares.

### 6.2.6.3 Objectives of the new share buyback programme

The objectives of this programme are:

- supporting the share price via a liquidity agreement with a market maker, in accordance with the market practice accepted by the AMF;
- the delivery of shares upon the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange or otherwise;
- the implementation of any stock option plan of the Company pursuant to the provisions of Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code;
- the allocation of bonus shares under the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 and L. 22-10-60 of the French Commercial Code;
- the allocation or the transfer of shares to the employees with respect to their share in the benefits of the expansion of the company, or the implementation of any employee savings plan under the conditions stipulated by the law, in particular, the articles L.3332-1 et seq. of the French Labour Code;
- their cancellation, in accordance with a resolution authorising the reduction of the share capital of the company.

### 6.2.6.4 Maximum number of shares to be purchased and maximum cash amount allocated to the programme

10% of the share capital as at 31 December 2022, or 2,875,504 shares, before deducting the treasury shares held by the Company.

The maximum purchase price would be €200 per share (or the equivalent value of this same amount on the same date in any currency or currency unit established by reference to several currencies).

The maximum amount allocated to these acquisitions would be €575,100,800 for 2,875,504 shares representing 10% of the Company's share capital.

### 6.2.6.5 Terms of repurchase

Shares, disposals, and transfers may be made by any means on the market or over the counter, including by transactions in blocks of securities or via derivatives, provided that the resolution proposed to the vote of the shareholders does not limit the part of the programme which can be realised by purchase of blocks of securities.

The Company specifies that in the event of the implementation of derivatives, the objective of the Company would be to cover optional positions taken by the issuer (purchase options or subscription of shares granted to Group employees, debt securities giving access to the capital of the issuer). The use of derivatives will more specifically consist of buying call options and the Company will not be required to use sales of put options.

### 6.2.6.6 Duration of the buyback programme

The validity of the programme is limited to a period ending with the Shareholders' Meeting convened to approve the financial statements for 2023.

# 6.3 INFORMATION ABOUT THE COMPANY

## 6.3.1 Corporate name (Article 2 of the Articles of Association)

Eramet. In this document, the Company is called "the Company" or "the issuer": the Group comprising Eramet and its subsidiaries is referred to as "the Group".

## 6.3.2 Registration number of the Company – LEI

The Company is registered in the Paris Trade and Companies Register under the No. 632 045 381 (SIRET No. for the head office: 632 045 381 000 27).

Its Legal Entity Identifier (LEI) is No. 549300LUH78PG2MP6N64.

## 6.3.3 Date of incorporation and duration of the Company (Article 5 of the Articles of Association)

The Company has been incorporated for a period of 99 years commencing on 23 September 1963 and expiring on 23 September 2062, except in the case of early dissolution or extension.

## 6.3.4 Headquarters (Article 4 of the Articles of Association)

The Company's head office is located at 10, boulevard de Grenelle, 75015 Paris, France.
The phone number of the Company's head office is +33 (0)1 45 38 42 42.

The Company's website address is https://www.eramet.com/en.

Please note that the information on this website does not constitute an integral part of this Universal Registration Document.

## 6.3.5 Legal form and applicable law

Eramet is a limited company under French law, run by a Board of Directors, governed by Articles L. 224-1 et seq. of the Code of Commerce (the legislative and regulatory part), insofar as it is not exempted by more specific provisions such as, notably, ordinance No. 2014-948 of 20 August 2014 with respect to governance and share capital transactions of publicly owned companies, and the provisions of its own Articles of Association.

## 6.3.6 Legal audit of the Company (Article 19 of the Articles of Association)

As required by law, the Company is audited by two primary Statutory Auditors.

## 6.3.7 Corporate purpose (Article 3 of the Articles of Association)

"The objective of the Company in all countries is the research and exploitation of mineral deposits of all kinds, the metallurgy of all metals and alloys, and their trading.

To this end, it operates directly, or indirectly by way of shareholding, in the following activities:

- research, acquisition, leasehold, alienation, concession and operation of all mines and quarries of any nature whatsoever;
- Treatment, processing and sale of all ores, mineral substances and metals, as well as their by-products, alloys and all derivatives;
- the manufacture and marketing of all products in the composition of which the aforesaid materials or substances are incorporated;
- more generally, all operations directly or indirectly related to the above items, or to promote the development of corporate interests.

To achieve this objective, the Company may:

- create, acquire, sell, exchange, take or lease, with or without a promise to sell, manage and exploit directly or indirectly all industrial and commercial establishments, factories, sites, and premises, movable and immovable objects;
- obtain or acquire any patents, licences, processes and trademarks, use, assign or provide them, grant licences in any country;
- generally carry out all commercial, industrial, financial, movable or immovable transactions, which may relate, directly or indirectly, to the Company's objective or which may facilitate its implementation. It may act, directly or indirectly, on its own behalf or on behalf of third parties and either alone or in association, partnership, or company, with any other companies or persons and carry out, directly or indirectly, in France or abroad, under whatever form it may take, the operations falling within its purpose. It may take, in any form, all interests and shareholdings, in all companies or enterprises, French or foreign, such as to favour the development of its own affairs."

The company's purpose is to: Become a reference for the responsible transformation of the Earth's mineral resources for "living well" together

## 6.3.8 Fiscal year (Article 23 of the Articles of Association)

The financial year, of twelve months, begins on 1 January and ends on 31 December of each year.

## 6.3.9 Shareholders' Meeting

### 6.3.9.1 Convocation and conditions for admission (Articles 20 to 22 of the Articles of Association)

#### Composition

The Shareholders' Meeting is composed of all the shareholders of the Company, regardless of their number of shares.

#### Convocation

The Shareholders' Meeting is convened and deliberates in accordance with the provisions of the French Commercial Code and Articles 20 to 22 of the Articles of Association.

Meetings are held at the head office or any other place within the same department specified in the meeting notice.

#### Conditions of admission

All shareholders are entitled to participate in the Meetings, upon presentation of proof of their identity. They may attend either in person, or be represented by another shareholder, their spouse, their civil union partner, or any other natural or legal person of their choice under the conditions provided for by the regulations in force.

Holders of registered shares and holders of bearer shares must complete the formalities prescribed by the regulations in force. These formalities must have been completed no later than the second business day preceding the Meeting at midnight Paris time prior to the Meeting. Shareholders are also entitled to vote by correspondence in accordance with Articles L. 225-107 and R. 225-75 et seq. of the French Commercial Code, by means of a form to be sent to the Company at least three days before the meeting.

If the Board of Directors so decides at the time of convening the Meeting, participation in the Meeting by video conference or by any means of telecommunication and remote transmission, including the Internet, is authorised in accordance with the regulations. If applicable, this decision is communicated in the meeting notice published in the *Bulletin of Mandatory Legal Notices*.

#### Undivided, split, pledged or sequestered shares

In the absence of specific statutory provisions, and pursuant to the provisions of Article L. 225-110 of the Commercial Code, any holder of an undivided share, a split share (bare owner and beneficiary), a pledged share or a sequestered share, is called to the Meeting and may attend, subject to compliance with the legal or statutory provisions below with respect to the exercise of voting rights.

### 6.3.9.2 Conditions for exercise of voting rights (Articles 8 and 20 of the Articles of Association)

Each shareholder has as many votes as the shares he owns or represents, subject to the double voting rights attached to certain shares. The Extraordinary Shareholders' Meeting convened on 21 July 1999 conferred a double voting right to each fully paid-up share for which a nominal registration in the name of the same shareholder has been valid for at least two years, with effect from 1 January 2002.

Shares granted free of charge, with respect to an incorporation of reserves, profits, or issue premiums, on the basis of old shares with double voting rights, also confer double voting rights at the end of a period of two years.

Double voting rights cease for any share which has been converted into bearer form or transferred, except, by law, any transfer by succession, liquidation of community property between spouses or family donation or a merger or division of the shareholding company.

In accordance with the law, double voting rights may only be abolished by a decision of the Extraordinary Shareholders' Meeting and after ratification by the Special Shareholders' Meeting.

#### Electronic voting

Any shareholder may also, if the Board of Directors so decides at the time of the convening of the Meeting, transmit a vote by correspondence or proxy, by any means of remote transmission, including the Internet, in accordance with the regulations applicable at the time of use.

In the case of the use of an electronic form, the signature of the shareholder may take the form either of a secure signature or of a reliable identification process guaranteeing its connection with the act to which it relates, specifically consisting of an identifier and a password. If applicable, this decision is communicated in the meeting notice published in the *Bulletin of Mandatory Legal Notices*.

Proxies or votes expressed electronically in this way before the meeting, and the confirmation of receipt given in reply, shall be regarded as irrevocable written instructions enforceable on all parties, it being stipulated that if the shares are sold before midnight, Paris time, on the second business day preceding the meeting, the Company shall invalidate or amend, as the case may be, proxies or votes expressed before such date and time.

#### Undivided, split, pledged or sequestered shares

In the absence of specific statutory provisions and pursuant to the provisions of Article L. 225-110 of the Commercial Code, the voting right is exercised by the usufructuary at the Ordinary Shareholders' Meeting, by the bare owner at the Extraordinary Shareholders' Meeting, by one of the undivided co-owners or by a single representative in the case of co-owners of undivided shares and by the owner of securities pledged or under escrow.

## 6.3.10 Transfer of shares

Since the elimination of the approval clause adopted by the Meeting of 15 June 1994, shares are exchanged freely subject to compliance with the rules applicable to companies whose shares are admitted to trading on a regulated market.

## 6.3.11 Identification of shareholders

### 6.3.11.1 Threshold crossing/Declaration of Intent

#### Legal declarations

Under Articles L. 233-7 to L. 233-11 of the Commercial Code, any natural or legal person, acting alone or in concert, holding a number of shares representing more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three-tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the Company's capital and/or voting rights must inform the Autorité des marchés financiers and the Company – within the agreed time limits by registered letter with acknowledgement of receipt – of the total number of shares and/or voting rights in their possession. The same people are also required to inform the Company when their shareholding falls below any of the above mentioned thresholds.

Finally, this reporting obligation is supplemented by the legal obligation to report, on time, the objectives over the next six months for any person crossing, upwards or downwards, the above mentioned thresholds of one tenth, three-twentieths, one fifth, or one quarter.

In the event of non-compliance with these reporting obligations, the provisions of Article L. 233-14 of the said Code shall be applied.

#### Additional statutory declarations

Since the amendment of Article 9 of the Articles of Association by the Shareholders' Meeting on 15 June 1994, any natural or legal person, acting alone or in concert, who comes to hold or ceases to hold a fraction equal to 1% of the capital and/or voting rights, or any multiple thereof, is required to inform the Company within ten days by registered letter with acknowledgement of receipt addressed to the Company's head office, including the number of shares and voting rights held.

Failure to do so results in the deprivation of voting rights for the shares or voting rights exceeding the fraction that should have been declared for a period of two years commencing from the regularisation and on request, at a Meeting, of one or more shareholders owning 5% of capital or voting rights of a Meeting.

### 6.3.11.2 Identification of shareholders

Pursuant to Article L. 228-2 of the French Commercial Code, the Company may, at any time, avail itself of the arrangements permitting the identification of the owners of bearer shares, as provided for in the regulations.

## 6.3.12 Publicly made declarations of threshold crossing

| Date | AMF Decision No. | Subject |
|---|---|---|
| 12/04/2012 | 212C0486 | Publication of the clauses of the Sorame-CEIR-FSI Shareholders' Agreement. |
| 21/05/2012 | 212C0634 | Declaration of threshold crossing downwards by AREVA – End of Sorame-CEIR-AREVA Shareholders' Agreement. |
| 23/05/2012 | 212C0647 | Declaration of threshold crossing upwards by FSI. |
| 22/07/2013 | 213C1027 | Declaration of threshold crossing upwards by BPI Group through Bpifrance Participations (ex FSI). |
| 22/07/2013 | 213C1028 | Declaration of holdings in the Caisse des Dépôts et Consignations through the BPI Group. |
| 21/07/2014 | 214C1461 | Declaration of threshold crossing upwards by Caisse des Dépôts et Consignations and BPI Group, through BPI France Participations, as a result of the allocation of double voting rights. |
| 28/07/2016 | 216C1753 | Consideration of the consequences of the change within the group (change in the control of FSI Equation with no impact on the equilibrium of the controlling group Eramet, the Sorame-CEIR-FSI Equation Shareholder Agreement remaining unchanged). |
| 02/09/2016 | 216C1953 | Declaration of threshold crossing upwards by the Agence des participations de l'État (APE), together with FSI Equation, which it controls, and the companies Sorame and CEIR. |
| 02/09/2016 | 216C1957 | Declaration of threshold crossing downwards by Bpifrance, through Bpifrance Participations, and the end of concerted action with FSI Equation, Sorame and CEIR. |
| 05/09/2016 | 216C1971 | Declaration of threshold crossing downwards by Caisse des Dépôts et Consignations, through Bpifrance Participations. |
| 20/12/2016 | 216C2860 | Declaration of threshold crossing upwards by Intesa SanPaolo S.p.A. |
| 21/12/2016 | 216C2884 | Declaration of threshold crossing downwards by Carlo Tassara France S.A.S. |
| 19/09/2017 | 217C2159 | Declaration of threshold crossing downwards by Intesa SanPaolo S.p.A. |
| 04/12/2020 | 220C5283 | Amendment to the Sorame-CEIR-FSI Shareholders' Agreement. |
| 27/04/2021 | 221C0886 | Amendment to the Sorame-CEIR-FSI Shareholders' Agreement. |

## 6.3.13 Elements likely to have an impact in the event of a public offer

In addition to the information on threshold crossings, double voting rights, shareholder agreements and commitments detailed in this section, the following items are to be noted.

### 6.3.13.1 Borrowings

The Multicurrency Revolving Credit Facility Agreement (RCF), described in the Notes to the consolidated statements, provides for the possibility for each bank, in the event of a change in control of the Company, to notify the cancellation of its commitment and the early repayment of its holding in advances outstanding.

The bond loans described in the notes to the consolidated financial statements include a change of control clause that could lead to the mandatory early redemption of bond loans at the request of each bondholder in the event of a change of control of the Company.

# 6.4 SHAREHOLDERS' AGREEMENTS

Pursuant to a Shareholders' Agreement concluded on 16 March 2012, which entered into force on 16 May 2012 and was last amended on 27 April 2021 and is tacitly renewable from 1 January 2021 for periods of six months, unless one of the parties notifies the other of its termination at least one month before the expiry of the current period – which was the subject of a decision and information of the Autorité des marchés financiers (AMF) under No. 212C0486 at the time of its conclusion, an amendment dated 21 March 2013, a decision and information of the AMF under No. 216C1753 relating to the change within the group acting in concert during the acquisition by the Agence des participations de l'État (APE) of the entire share capital of FSI Equation, and the two decisions and information of the AMF under Nos. 220C5283 and 221C0886 relating to amendments to the Agreement, the Company is majority controlled by a group of shareholders having declared to be acting in concert, including:

- a subgroup between Sorame and CEIR, companies controlled by the Duval Family, under a concurrent Shareholders' Agreement dated 19 July 1999, which came into force on 21 July 1999 and was the subject of an amendment on 13 July 2009;
- the Agence des Participations de l'État (APE), through its subsidiary FSI Equation.

The Shareholders' Agreement, as modified by the amendment dated 21 March 2013, provides that the Board of Directors include: five directors proposed by Sorame/CEIR; three directors nominated by APE; five directors who must be natural persons, including three individuals proposed by the subgroup Sorame/CEIR and two proposed by APE, selected on the basis of their competence and independence; two directors nominated by the Caledonian Territorial Corporation of Industrial Participation (hereinafter "STCPI"); a director proposed by agreement between Sorame/CEIR and APE; and a director called upon to chair the Eramet Board of Directors.

The provisions of the Shareholders' Agreement referred to above, as well as those of the subgroup, are contained in the main extracts of the AMF's "decision and information" texts reproduced below (the full versions of these texts are available on the AMF website).

To the knowledge of Eramet, there is no other agreement or pact.

## 6.4.1 Decision and Information No. 221C0886 of 27 April 2021

In a letter received on 26 April 2021, the Autorité des marchés financiers was informed that on 23 April 2021, an amendment to the Shareholders' Agreement entered into on 16 March 2012 – as amended by its amendments of 21 March 2013, 1 April 2019 and 30 November 2020 – was signed between Sorame-CEIR (both controlled by the Duval family) and FSI Equation.

Under the above-mentioned amendment, the Shareholders' Agreement now provides that as long as the positions of Chair and CEO of Eramet are held by the same person, the parties undertake to jointly propose and/or support the appointment, by the Board of Directors, of a lead director chosen by mutual agreement from among the independent directors put forward by Sorame and CEIR. The parties also agree to do their utmost to ensure that the candidate that they wish to nominate as lead director is named by Eramet Board of Directors, and that these commitments will be valid for as long as the Shareholders' Agreement is in force and at the latest until the Shareholders' Meeting to be held in 2025 is called to approve the financial statements for the financial year 2024.

## 6.4.2 Decision and Information No. 220C5283 of 04 December 2020

In a letter dated 1 December 2020, the Autorité des marchés financiers (AMF) was notified on 30 November 2020 of the signing of an amendment to the Shareholders' Agreement of 16 March 2012 (see D&I 212C0486 dated 12 April 2012 and 212C0647 dated 23 May 2012), as amended on 21 March 2013 and 1 April 2019, between Sorame and CEIR (both controlled by the Duval family) and FSI Equation (100% owned by Bpifrance Participations, itself 100% owned by Bpifrance S.A., which is jointly controlled 50% by the public institution Bpifrance and 50% by the Caisse des Dépôts et Consignations). As provided for in the above-mentioned amendment which will come into force on 1 January 2021, the Shareholders' Agreement will now be extended by tacit agreement for periods of six months (instead of one year) unless one of the parties notifies the other of its termination at least one month before the expiry of the current period.

### 6.4.3 Decision and Information No. 216C1753 of 28 July 2016

On 29 August 2016, the Agence des participations de l'État, acting on behalf of the State, acquired the entire capital of FSI Equation, which holds 6,810,317 Eramet shares, i.e., 25.66% of Eramet's capital.

In this context, the Agence des participations de l'État filed a request for dismissal of a proposed public offer for the Eramet shares with the AMF, which issued a decision No. 216C1753 on 28 July 2016, the terms of which are reproduced below.

*"At its meeting of 13 July 2016, the Autorité des marchés financiers considered a request to dismiss a proposed public offer for the Eramet shares, which is part of the amendment to the shareholding of this company[1]. The group consisting of Sorame[2] and CEIR[3] (both controlled by the Duval family) and FSI Equation[4] holds 16,646,151 Eramet shares, representing 33,292,302 voting rights, or 62.71% of the capital and 74.34% of voting rights of this company[5], broken down as follows:*

| | Shares | % capital | Voting rights | Percentage of voting rights |
|---|---|---|---|---|
| Sorame | 8,051,838 | 30.33 | 16,103,676 | 35.96 |
| CEIR | 1,783,996 | 6.72 | 3,567,992 | 7.97 |
| **Total for the Sorame/CEIR subgroup** | **9,835,834** | **37.06** | **19,671,668** | **43.93** |
| FSI Equation | 6,810,317 | 25.66 | 13,620,634 | 30.41 |
| **GROUP TOTAL** | **16,646,151** | **62.71** | **33,292,302** | **74.34** |

*The Agence des participations de l'État (APE), acting on behalf of the State, intends to acquire, in the second half of 2016, the entire capital of FSI Equation, which holds 6,810,317 Eramet shares, i.e. 25.66% of Eramet's share capital. As a result of the APE's acquisition of the entire share capital of FSI Equation, the direct shareholding of Eramet will not be changed, so the above-mentioned shareholding table will remain unchanged. Nevertheless, as the APE will replace Bpifrance Participations in the control of FSI Equation and in the group formed with the Sorame-CEIR subgroup, it will indirectly exceed the threshold of 30% of Eramet's voting rights and, together with the Sorame-CEIR subgroup, the threshold of 30% of Eramet's capital and 30% of its voting rights.*

*In this context, the APE has asked the Autorité des marchés financiers to note that there is no reason to file a public offer for the shares of Eramet, particularly on the basis of Article 234-7 of the general regulations.*

*In particular, the applicant contends that:*

- *Eramet is controlled by a group composed of Sorame, CEIR and FSI Equation, which holds 74.34% of Eramet's voting rights (30.41% of which are held by FSI Equation), i.e. the majority of voting rights in the Company;*
- *the subgroup Sorame-CEIR is predominant within the group it forms with FSI Equation [6]and the outcome of the proposed substitution transaction with respect to the capital of FSI Equation will not affect this predominance of the subgroup Sorame-CEIR insofar as the balance of the interests between said shareholders in the capital of Eramet will remain unchanged;*
- *the transaction will not entail any change in the terms of the exercise of power within Eramet due to the absence of any modification of the provisions of the Shareholders' Agreement concluded on 16 March 2012 between the current collaborators, which provides, in particular, for the composition of the corporate bodies and the rules for cooperation[6].*

*On this basis, the AMF noted (i) that the change of control of FSI Equation in favour of the APE will have no implication for the balance of the group controlling Eramet, within which Sorame and CEIR remain predominant over FSI Equation, (ii) the Shareholders' Agreement between the subgroup Sorame-CEIR and FSI Equation will remain unchanged, particularly with regard to the terms of exercising governance within Eramet and, therefore, on the basis of Article 234-7 of the general regulations there was no need for the compulsory filing of a draft public offer.*

*In the event of a modification of the agreements concluded or the respective interests of the collaborators, the AMF would need to be informed so that it can assess the consequences of these changes with regard to the obligation to file a public offer."*

*(1) See, in particular, the communication issued by the State (APE) on 27 July 2016.*
*(2) Société de Recherche et d'Applications Métallurgiques, controlled by the Duval family.*
*(3) Compagnie d'Études Industrielles de Rouvray, controlled by the Duval family.*
*(4) 100% owned by Bpifrance Participations, itself 100% owned by Bpifrance S.A., which is jointly controlled 50% by the public institution Bpifrance and 50% by the Caisse des Dépôts et Consignations.*
*(5) Based on share capital of 26,543,218 shares representing 44,783,479 voting rights, pursuant to paragraph 2 of Article 223-11 of the general regulations.*
*(6) See in particular D&I 212C0486 of 12 April 2012 and 212C0647 of 23 May 2012.*

## 6.4.4 Decision and Information No. 212C0486 of 12 April 2012

The main clauses of the said agreement are as follows:

### Composition of the Eramet Board of Directors

The Board of Directors will be made up of five directors proposed by Sorame-CEIR, three directors proposed by FSI, four directors who must be natural persons, of which two will be proposed by the Sorame/CEIR subgroup and two by FSI, selected on the basis of their competence and independence, two directors nominated by the Caledonian Territorial Corporation of Industrial Participation (hereinafter "STCPI") and a director called upon to chair the Eramet Board of Directors.

This composition must be maintained, unless there is (i) a greater than 10% change in the interests in Eramet's capital held by Sorame-CEIR or FSI at the signing of the Agreement, or (ii) a significant change in STCPI's interest in Eramet's capital, resulting in a reduction to fewer than 635,372 Eramet shares.

### Chair and committees of the Board of Directors

The parties (i.e. Sorame, CEIR and FSI) plan to consult before any appointment of a Chairman of the Board, a Managing Director, or a Deputy CEO, or appointment of leaders of each of the three Divisions of the Eramet Group. The composition and duties of the committees of the Board of Directors, namely the Selection Committee, the Remuneration Committee, and the Audit Committee, are also defined. In the event of failure of the collaboration, the rules of general law apply.

## Stability of the group

### Commitment of collaboration

The parties agree to consult before any meeting of the Eramet Board of Directors and any Shareholders' Meeting with a view to exercising their voting rights in concert and adopting a common approach to doing so, and acknowledge that, should they disagree on a matter before the Board of Directors, they will ensure that its decision is postponed to its next meeting[(1)].

### Commitment to retain

The companies Sorame and CEIR undertake to hold the first 70%, at least, and the second 30% of their total interest in Eramet and, as long as FSI does not increase its overall interest in Eramet, to retain 2% more of the Eramet capital than FSI, which ensures the overall group the retention of 51% of the Eramet voting rights as long as the interest of FSI in Eramet will remain equal to 25.68% of the capital. However, the Sorame/CEIR subgroup remains free to sell at least 80% of its interest in Eramet, and its commitment to retention ceases if FSI exercises its option to purchase the Eramet shares from Sorame.

### Obligations in case of public offer

Each party undertakes to make or execute in due time the declarations and obligations to which it is bound, to bear only the penalties for their possible non-performance, and to deposit and assume alone the public tender offer which became mandatory because of its possible acquisitions of Eramet shares, or any of its acts, or a breach of any of its obligations.

### Options to buy and sell the Eramet shares of Sorame and CEIR

Sorame grants to FSI an indivisible purchase option for its Eramet shares, exercisable in the event of a transfer of shares or one or more shares of general partners or of any transaction on Sorame that results in the Duval Family losing control of Sorame. CEIR grants to FSI an indivisible option to purchase all of its Eramet shares, and FSI grants CEIR an indivisible option to sell all of its Eramet shares. These two options will be exercisable should FSI exercise its option to purchase the Eramet shares held by Sorame.

### Reciprocal rights of first refusal (pre-emption)

The parties agree to a reciprocal right of first refusal, (i) in case of a firm intention to sell, on the market to unidentified third parties on an *ad hoc* basis or by accelerated bookbuilding (ABB) or by a fully marketed offer (FMO), a specified number of Eramet shares; (ii) in the event of a proposed assignment to one or more identified third parties of one or more Eramet share blocks, by application or off the market; and in the case of plans to contribute all or part of its interest in Eramet, paid for by the shares of the Company benefiting from the contribution.

The right of first refusal is excluded in the following cases:

- transfers in the market: for Sorame and CEIR, as long as the commitment to retain is respected, and for FSI, as long as it retains 20% of Eramet's share capital;
- transfers to a third party or several third parties identified or proposed contribution: for Sorame and CEIR, as long as the commitment to retain is respected and that a block of more than 5% of the capital is not sold to the same group of investors and for FSI, as long as it keeps 20% of the Eramet capital and that more than 5% of the capital is not sold to the same group of investors.

*(1) It is specified that in such a case, the parties are not required to agree and shall remain free to exercise their voting rights as they wish; in particular, they made no provision for veto rights.*

Generally, the obligation of notification and the rights of first refusal do not apply in the event of (i) free transmissions, upon death or inter vivos, to individuals, (ii) assignments within the Sorame-CEIR subgroup, provided that the first of these retains at least 70%, and the second at most 30% of their overall shareholding in Eramet, (iii) a merger of Sorame and CEIR, if Sorame is the absorbing company and remains controlled by the Duval family, and (iv) a transfer or contribution of FSI's Eramet shares to one of its subsidiaries, provided that the recipient adheres to the Shareholders' Agreement and replaces FSI in the resulting rights and duties.

### Duration

The pact will enter into force on the actual transfer by AREVA to FSI of the interest it holds in Eramet. It is concluded for a fixed term ending on 31 December 2016, and extends beyond that date by tacit agreement for periods of one year, unless one of the parties notifies the other of its termination at least one month before the expiry of the current period. The agreement will cease immediately and automatically in the event of (i) a change of predominance within the global group due to acquisitions or share subscriptions by FSI, (ii) sale or contribution or transfer by one of the parties of more than 80% of its stake in Eramet, or (iii) reduction to less than 15% of FSI's direct or indirect stake in Eramet capital.

Consequently, Sorame and CEIR decided by addendum No. 2, concluded on 16 March 2012, to amend the duration clause of the Shareholders' Agreement which they concluded on 17 June 1999, already amended by addendum No. 1 of 13 July 2009.

Finally, it is specified that Sorame and CEIR have committed to FSI to convert the required number of Eramet shares to bearer shares so that the current interest of the Sorame/CEIR subgroup is not increased by more than 2% as a result of the loss of the double voting rights attached to the Eramet shares sold to FSI. After the sale of Eramet shares, Sorame and CEIR and FSI will ask Eramet to re-register all of their Eramet shares in order to recover the double voting rights two years later.

## 6.4.5 Decision and Information No. 209C1013 of 21 July 2009

By letter dated 16 July 2009, the AMF was the recipient of a shareholder agreement entitled "Amendment No. 1 to the Eramet Shareholders' Agreement of 19 July 1999 between Sorame and CEIR" concluded on 13 July 2009 between the company Sorame, partnership limited by share capital, and the company CEIR, by simplified joint-stock.

A) It is recalled that, on 19 July 1999, Sorame and CEIR (companies controlled by the Duval family) entered into a Shareholders' Agreement binding them to act in concert for 10 years, as of 21 July 1999.

This agreement provided, in particular:

- the inalienability of their Eramet shares for five years, except, for each of them, up to a maximum of 1.5% of the Eramet share capital;
- complete freedom to sell between themselves their Eramet shares, provided that Sorame continues to hold at least 70% of the Eramet shares held by their collaboration and CEIR, a maximum of 30%, with the commitment to maintain this distribution between them in case of an increase in their holdings;
- reciprocal pre-emption rights over their Eramet shares;
- a commitment to collaborate prior to any Eramet Shareholders' Meeting, with a view to the concordant exercise of their voting rights for the implementation of a common policy regarding that company.

B) It is further recalled that Sorame and CEIR, certain members of the Duval family and AREVA are bound by a Shareholders' Agreement to act in concert with respect to Eramet, which derives from a private agreement dated 17 June 1999, and from an amendment thereto dated 27 July 2001 confirming Areva as the substitute for Cogema, which itself was confirmed as a substitute for ERAP on 1 December 1999, pursuant to the provisions of said agreement.

Amendment No. 2 to the aforementioned private deed of 17 June 1999 was signed on 29 May 2008, by which the parties extended their agreement of collaboration until 31 December 2008, and made various modifications to it, and for that reason substituted, as of 29 May 2008, a new wording to the previous drafting of their Shareholders' Agreement as of 17 June 1999.

Since none of the parties terminated the Agreement before 15 December 2008 and then 15 June 2009, the new Agreement was tacitly extended twice, the last time being from 1 July 2009 for a period of six months ending on 31 December 2009.

As of 16 July 2009, the parties to the agreement together hold 61.57% of the capital and 73.57% of the voting rights of Eramet, broken down as follows:

| | Shares | % capital | Voting rights | Percentage of voting rights |
|---|---|---|---|---|
| Sorame | 7,818,919 | 29.37 | 15,637,838 | 35.16 |
| CEIR | 1,783,996 | 6.70 | 3,567,992 | 8.02 |
| **Sorame/CEIR subtotal** | **9,602,915** | **36.07** | **19,205,830** | **43.18** |
| AREVA | 6,787,277 | 25.39 | 13,514,554 | 30.63 |
| **GROUP TOTAL** | **16,390,192** | **61.57** | **32,720,384** | **73.57** |

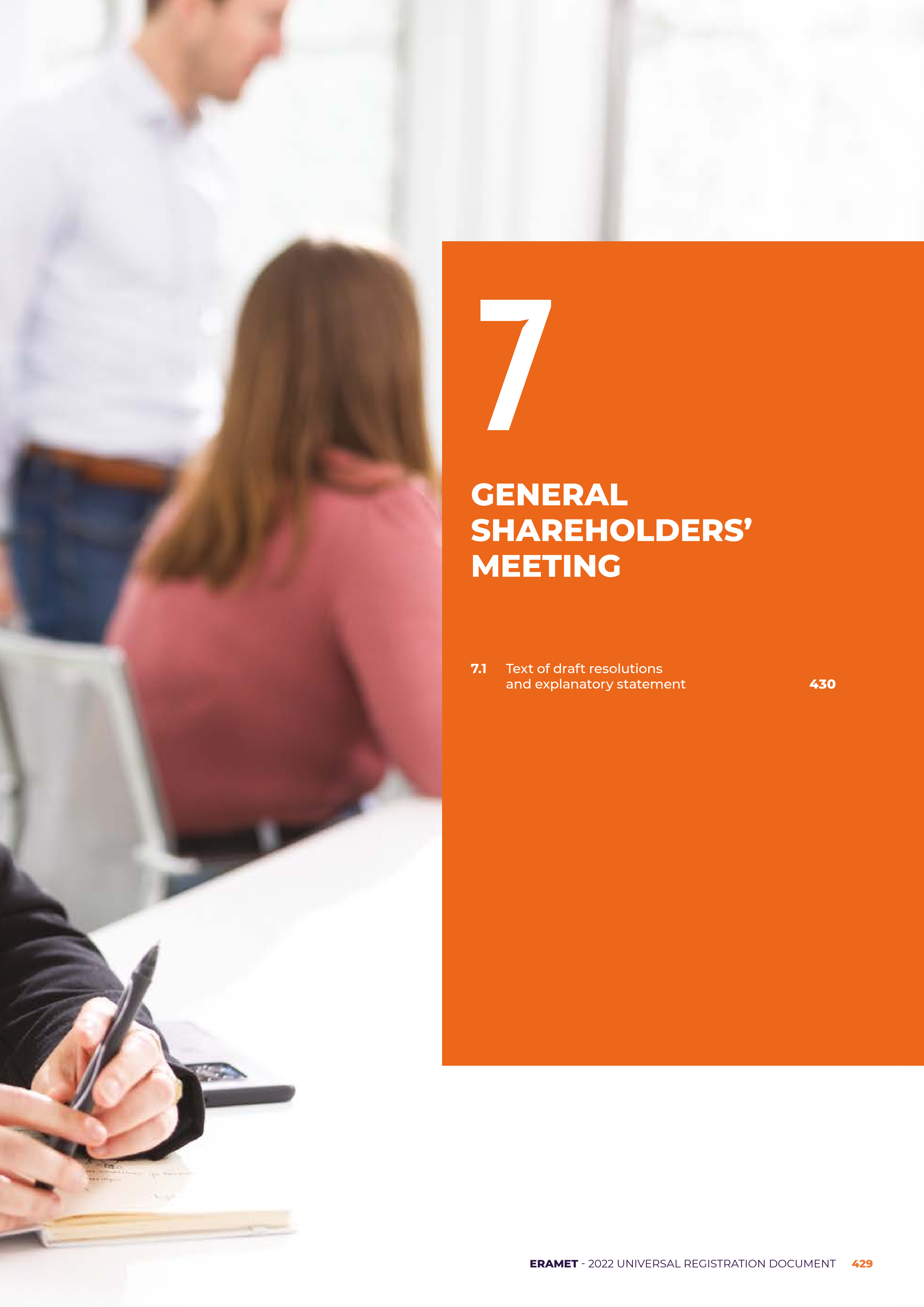
C) On 13 July 2009, Sorame and CEIR signed an amendment to the Agreement of 19 July 1999 described in point A above, which extended their collaboration agreement until 21 July 2014 while introducing a number of changes, resulting in a change in the wording of the Shareholders' Agreement of 19 July 1999.

The main clauses of the amendment between Sorame and CEIR are as follows:

- stability of the Sorame-CEIR group: except in the event of a sale representing at least 80% of the group's interest in Eramet, and as long as Areva does not increase its stake in Eramet by more than 2%, the parties undertake to retain the number of shares and voting rights required for their sub-group to remain predominant in the overall collaboration;
- transfer of Eramet shares between Sorame and CEIR: Eramet shares may be sold freely between the parties, provided that Sorame continues to hold at least 70% of the Eramet shares held by the sub-group, and CEIR no more than 30%;
- increase in holdings by Sorame and CEIR in Eramet: the parties are free to increase their holding in Eramet, provided that they do not increase their shareholding by more than 2% of the capital or voting rights in less than twelve months;
- commitment to collaborate between the parties prior to any Eramet Shareholders' Meeting, with a view to the concordant exercise of their voting rights for the implementation of a common policy regarding Eramet.

This agreement replaces the agreement of 19 July 1999. It is concluded for a period expiring on 21 July 2014 and shall thereafter be tacitly renewed for periods of two years, in the absence of its termination notified by either party with one month's notice before the expiry of the period in progress.

It shall cease, as will the concerted action between the parties, in the event of the sale by one of the parties of more than 80% of its interest in Eramet.



# 7

# GENERAL SHAREHOLDERS' MEETING

# 7.1 TEXT OF DRAFT RESOLUTIONS AND EXPLANATORY STATEMENT

## Within the Authority of the Ordinary Shareholders' Meeting

**The first and second resolutions** concern the approval of the parent company financial statements and the consolidated financial statements for the past financial year. The detailed financial statements can be found in the documents distributed to shareholders and are commented upon in the management report.

### First resolution

**(2022 annual financial statements)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, after hearing read aloud the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements for the financial year ended 31 December 2022, approves the said consolidated financial statements as presented to it, and the transactions translated in these financial statements or summarised in these reports.

### Second resolution

**(2022 consolidated financial statements)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, after hearing read aloud the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements for the financial year ended 31 December 2022, approves the said consolidated financial statements as presented to it, and the transactions translated in these financial statements or summarised in these reports.

In the **third resolution** you are asked to approve the special report of the Statutory Auditors of your Company pertaining to the agreements specified in Articles L. 225-38 et seq. of the French Commercial Code and authorised during the past financial year. You are asked to note that the report also presents the agreements previously authorised by your Meeting, which continued in the prior year and that, as these previously authorised agreements have already been approved by your Meeting, they are not being put to a vote by this Meeting.

### Third resolution

**(Related-party agreements)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, after hearing read aloud the special report drawn up by the Statutory Auditors on the agreements specified in Articles L. 225-38 et seq. of the French Commercial Code, approves this report and the transactions set out therein.

The purpose of **the fourth and fifth resolutions** is to propose, to the Shareholders' Meeting, the appropriation of net income for the 2022 financial year. This appropriation concerns the distribution of a dividend of €3.50 per share.

### Fourth resolution

**(Appropriation of income)**

The Shareholders' Meeting, acting with the quorum required for Ordinary Shareholders' Meetings:

- recognises that the net income for the financial year ended is €142,590,988.00;
- added to which are -€283,566,964.30 in losses brought forward at 31 December 2022.

The Shareholders' Meeting resolves to allocate the net income for the prior financial year to retained earnings which will then total -€140,975,976.30.

### Fifth resolution

**(Distribution of dividends)**

The Shareholders' Meeting, acting with the quorum required for Ordinary Shareholders' Meetings:

- notes that the "Other reserves" total €181,305,226.13 and resolves:
  - to distribute a dividend of €3.50 per share, which, for the 28,755,047 shares that make up the share capital as at 31 December 2022, equals €100,642,664.50.

The "Other reserves" are therefore decreased to €80,662,561.63.

The ex-dividend date will be 26 May 2023. The reporting date will be set at 29 May 2023. The dividend will be paid beginning on 30 May 2023.

The Shareholders' Meeting, in its ordinary session, duly notes that the dividends per share to be paid for the past year and the three previous years are, or were, as follows:

| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Number of shares compensated | 26,636,000 | 26,636,005 | 28,755,047 | 28,755,047 |
| Dividend | €0 | €0 | €2.50 | €3.50 |

The **sixth to eleventh resolutions** concern the renewal for a period of four years of the terms of office expiring at this Meeting:

- renewal of the term of office of Emeric Burin des Roziers (independent director). Emeric Burin des Roziers has been an Eramet director since May 2019. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. Since January 2023, Emeric Burin des Roziers has been CEO of the NW Group, specialising in the production of renewable electricity, electricity storage and electric mobility services. He is a corporate officer of NW Energy and NW Storm. Emeric Burin des Roziers was previously the Chief Executive Officer of Endel (an Engie subsidiary) and the Deputy Chief Executive Officer of Engie Solution's Industry BU from 2016 to April 2022. *From 2011 to 2016, he served the Eramet Group* as Director of Business Development of the Manganese Branch, Chief Executive Officer of the Recycling Activity and Director of Central Operations Restructuring. Emeric Burin des Roziers served as advisor and then Deputy Cabinet Director to the Ministry of Energy (2006-2011). He began his career in 2003 as a consultant with the Boston Consulting Group. Emeric Burin des Roziers graduated from the École Polytechnique and ENSTA;
- renewal of the term of office of François Corbin (independent director – lead director). François Corbin has been an Eramet director since May 2019. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. François Corbin is Vice President of MEDEF International in charge of coordination in the ASEAN region, and the French Minister for Europe and Foreign Affairs' special representative for economic affairs in the ASEAN region. *François Corbin joined the Michelin Group in 2004, where he held Senior Management positions in Business Units, then on the Group's Executive Committee and finally, from 2019 to July 2021, as General Delegate for International Affairs to the Chair of the Group.* François Corbin began his career in 1980 at the Pechiney Group where he held several positions as head of the operating department, after which he was Human Resources Director and Business Units Chief Executive Officer. François Corbin graduated from the École Centrale de Paris;
- renewal of the term of office of Sorame, now represented by Jérôme Duval, replacing Cyrille Duval. Jérôme Duval has been an Eramet director since May 2019. Jérôme Duval is a cousin of Nathalie de La Fournière, Héloïse Duval and Cyrille Duval and holds shares in Sorame and CEIR. It is proposed that the 2023 General Shareholders' Meeting votes to appoint him as the new permanent representative, replacing Cyrille Duval, for a period of four years. Jérôme Duval has been Director of Intermodal Financing Activities at Crédit Agricole CIB since September 2022. He was previously Director of Maritime and Americas Intermodal Financing activities at Crédit Agricole CIB New York from 2013. In New York, he established the regional maritime financing platform and went on to create the Intermodal financing activity for the bank. He began his career at Crédit Lyonnais in New York followed by experience in professional client coverage at Crédit Agricole in Île-de-France. He then joined Crédit Agricole CIB where, after coordinating international maritime financing activities, he developed a portfolio of the sector's key accounts from London. Jérôme Duval holds a Director's certificate from Sciences Po-IFA and a master's degree from ISG;
- renewal of the term of office of Jean-Yves Gilet. Jean-Yves Gilet has been an Eramet director since September 2016. It is proposed that the Shareholders' Meeting in 2023 votes to renew his term for a period of four years. Jean-Yves Gilet has been Chair of Gilet Trust Invest S.A.S., a strategy and management consulting company, since 2017. He is an engineer in the Corps des mines. Jean-Yves Gilet was Executive Director of BPI France from 2013 to 2016 and prior to that, CEO of the Fonds Stratégique d'Investissement (FSI) from 2010 to 2013. Beginning in 1991, he held various senior management roles in the Usinor Sacilor Group, followed by Arcelor (2002-2005) and ArcelorMittal (2006-2010). Having held various positions in the Direction générale de l'industrie (DGI) and Datar (1981-1988), Jean-Yves Gilet was Cabinet Director to the Deputy Minister in charge of Regional Planning and Conversions (1988-1990). He began his career in 1981 as deputy to the Regional Director of Industry and Research in Picardy. Jean-Yves Gilet is a graduate of the École Polytechnique and the École Nationale Supérieure des Mines de Paris (ENSMP);
- renewal of the term of office of CEIR, represented by Nathalie de La Fournière. Nathalie de La Fournière has been an Eramet director since May 2015 as permanent representative of CEIR. Nathalie de La Fournière is a cousin of Cyrille Duval, Jérôme Duval and Héloïse Duval and holds shares in Sorame and CEIR. It is proposed that the Shareholders' Meeting in 2023 votes to appoint her as the permanent representative of CEIR for a period of four years. Nathalie de la Fournière is currently Human Resources and Finance Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine. Since 1999, she has held positions as research officer and Research Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine. Nathalie de La Fournière began her career in 1990 at the RATP as a research officer followed by operational manager of the network. Nathalie de La Fournière graduated from the École Centrale de Paris and holds a Master's degree in auditing and management control from Toulouse Business School, as well as a Director's certificate from Sciences Po-IFA;
- renewal of the term of office of Manoelle Lepoutre (independent director until May 2023). Manoelle Lepoutre has been an Eramet director since May 2011. It is proposed that the Shareholders' Meeting in 2023 votes to renew her term for a period of four years. During its meeting of 21 March 2023, the Board considered that, from the Shareholders' Meeting of May 2023, Manoelle Lepoutre will no longer qualify as independent, as she will have competed three four-year terms of office on that date. Manoelle Lepoutre has been consulting at MSML Tech Conseil since June 2022. Manoelle Lepoutre has worked with TotalEnergies in the energy sector for many years. She has held various corporate positions within the Group: Director of Sustainable Development in 2009, Human Resources Director (Managers and High-Flyers) in 2013 and Citizen Engagement Director (CSR) from 2016 to the end of 2021. In 2004, she was appointed R&D Director of the Exploration & Production division. In 2000, she was appointed to the Executive Committee of Total E&P USA, where she held the position of Geosciences Director, responsible for exploration and the management of permits and reserves for North

America. In 1998, she was appointed to the Executive Committee of Elf Norge, as Exploration Director. Her career began in 1982 in the exploration and production sector, and she has held various roles in exploration and R&D, in France and the Netherlands. Manoelle Lepoutre is a graduate of the École Nationale Supérieure de Géologie de Nancy (ENSG) and the École Nationale Supérieure des Pétroles et des Moteurs (ENSPM). She is an elected member of the National Academy of Technologies of France.

The **twelfth resolution** concerns the appointment of Héloïse Duval as director, replacing Jérôme Duval, whose term of office is due to expire. Héloïse Duval is a cousin of Cyrille Duval, Jérôme Duval and Nathalie de La Fournière and holds shares in Sorame and CEIR. Héloïse Duval is Director of Mergers and Acquisitions within the SEB Group. She joined the Group in 2018 in the Group Strategy and Mergers & Acquisitions Directorate, where she coordinated strategic projects and oversaw the integration of acquired companies, before switching to focussing solely on mergers and acquisitions. Héloïse Duval began her career with Unibail-Rodamco-Westfield, where she was responsible for investments and transaction structuring. Héloïse Duval has a degree from the École des Hautes Études Commerciales (HEC Paris) and holds a Director's certificate from Sciences Po-IFA.

The **thirteenth resolution** concerns the appointment of Ghislain Lescuyer (independent director) as director, replacing Claude Tendil, whose term of office is due to expire. During its meeting of 21 March 2023, on the recommendation of the Appointments Committee, the Board of Directors examined the personal circumstances of Ghislain Lescuyer and noted that Mr Lescuyer could be considered as independent. From 2015 to April 2022, Ghislain Lescuyer was Chairman of the Management Board and then Chief Executive Officer of the Saft Group; he founded the Automotive Cells Company (a JV between Stellantis, Daimler and Saft/TotalEnergies), where he was Chairman of the Board of Directors from September 2020 to September 2022. In 2007, he was appointed Executive Vice-President of Areva T&D's products division, then, when it was taken over by Alstom, Senior Vice-President of Strategy & Development and Chief Information Officer (2010-2015). In 2003, he became a member of the Executive Committee and Director of various activities with Thomson/Technicolor in France and the United States. From 2000 to 2003, he was Managing Director of Europ@web (Groupe Arnault). Within the Bull group (1994 – 1999), he was a member of the Executive Committee and led various activities. Ghislain Lescuyer began his career as a Sales Engineer at SAT and Hewlett Packard, before becoming a consultant at McKinsey (1989-1994). Ghislain Lescuyer holds degrees from Télécom Paris (1980) and INSEAD (MBA 1988).

## Sixth resolution

**(Renewal of the term of office as director of Emeric Burin des Roziers)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews Emeric Burin des Roziers' term of office as director, which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Seventh resolution

**(Renewal of the term of office as director of François Corbin)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews François Corbin's term of office as director, which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Eighth resolution

**(Renewal of the term of office as director of Sorame, now represented by Jérôme Duval)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews the term of office as director of Sorame (represented by Jérôme Duval), which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Ninth resolution

**(Renewal of the term of office as director of Jean-Yves Gilet)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews Jean-Yves Gilet's term of office as director, which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Tenth resolution

**(Renewal of the term of office as director of CEIR, represented by Nathalie de La Fournière)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews the term of office as director of CEIR (represented by Nathalie de La Fournière), which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Eleventh resolution

**(Renewal of Manoelle Lepoutre's term of office as director)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, renews Manoelle Lepoutre's term of office as director, which expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Twelfth resolution

**(Appointment of Héloïse Duval as director)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, appoints Héloïse Duval as director, replacing Jérôme Duval, whose term of office expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

## Thirteenth resolution

**(Appointment of Ghislain Lescuyer as director)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, appoints Ghislain Lescuyer as director, replacing Claude Tendil, whose term of office expired at this meeting, for a period of four years, i.e. until the Shareholders' Meeting called to approve the financial statements for the 2026 financial year and to be held in 2027.

*Say on Pay Ex Ante*

Pursuant to the provisions of Article L. 22-10-8 paragraph II and Article R. 22-10-14 of the French Commercial Code, the Shareholders' Meeting is called to approve in the **fourteenth resolution**, the remuneration policy applicable to the members of the Board of Directors, and in the **fifteenth resolution**, the remuneration policy applicable to Christel Bories, Chair and Chief Executive Officer. These items appear in the 2022 Universal Registration Document "Corporate governance report".

In accordance with the wording of Article L. 22-10-8, the approval of the Shareholders' Meeting is required every year and upon each material change to the remuneration policy. If the Shareholders' Meeting does not approve the resolution and if it has previously approved a compensation policy, the latter shall continue to apply and the Board of Directors shall submit a draft resolution presenting a revised remuneration policy to the next Shareholders' Meeting for approval. In the absence of a previously approved compensation policy, if the Shareholders' Meeting does not approve the draft resolution, remuneration shall be determined in accordance with the remuneration assigned in the previous year, or, in the absence of remuneration assigned in the previous year, in accordance with existing practices within the Company.

*Say on Pay Ex Post*

Pursuant to the provisions of Article L. 22-10-9 paragraph I of the French Commercial Code, the Shareholders' Meeting is called to approve in the **sixteenth resolution** the information mentioned in Article L. 22-10-9 paragraph I of the French Commercial Code. These items appear in the 2022 Universal Registration Document "Corporate governance report". Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, the Shareholders' Meeting is called to approve in the **seventeenth resolution**, the fixed, variable and exceptional components of the remuneration and benefits of any kind, paid in the past financial year or assigned in the same financial year to Christel Bories, Chair and Chief Executive Officer in respect of the 2022 financial year. These items appear in the 2022 Universal Registration Document "Corporate governance report".

## Fourteenth resolution

**(Approval of the remuneration policy applicable to the members of the Board of Directors – "*say on pay ex ante*")**

Pursuant to the provisions of Article L. 22-10-8 and Article R. 22-10-14 of the French Commercial Code, the Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, approves the remuneration policy applicable to the members of the Board of Directors, as presented in the Company's corporate governance report described in Article L. 225-37 of the French Commercial Code and in the 2022 Universal Registration Document, section "Corporate governance report", paragraph 3.2.1.3.

## Fifteenth resolution

**(Approval of the remuneration policy applicable to Christel Bories, Chair and Chief Executive Officer – *Say on Pay ex ante*)**

Pursuant to the provisions of Article L. 22-10-8 and Article R. 22-10-14 of the French Commercial Code, the Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, approves the remuneration policy applicable to Christel Bories, Chair and Chief Executive Officer, as presented in the Company's corporate governance report described in Article L. 225-37 of the French Commercial Code and in the 2022 Universal Registration Document, section "Corporate governance report", paragraph 3.2.1.2.

## Sixteenth resolution

**(Approval of the information mentioned in Article L. 22-10-9 paragraph I of the French Commercial Code – "*Say on Pay Ex Post*")**

Pursuant to the provisions of Article L. 22-10-9 paragraph I and Article L. 22-10-34 of the French Commercial Code, the Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, approves the information mentioned in paragraph I of Article L. 22-10-9 of the French Commercial Code as presented in the Company's corporate governance report described in the last sub-paragraph of Article L. 225-37 of the French Commercial Code appearing in the 2022 Universal Registration Document, section "Corporate governance report", paragraphs 3.2.2.1, 3.2.2.2 and 3.2.2.3.

## Seventeenth resolution

**(Approval of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind paid or assigned in respect of the 2022 financial year to Christel Bories, Chair and Chief Executive Officer – *Say on Pay ex post*)**

Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, the Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or assigned in respect of the 2022 financial year to Christel Bories, Chair and Chief Executive Officer, as presented in the Company's corporate governance report described in Article L. 225-37 of the French Commercial Code appearing in the 2022 Universal Registration Document, section "Corporate governance report", paragraph 3.2.3.

The purpose of the **eighteenth resolution**, in the context of the provisions of Article L. 22-10-62 of the French Commercial Code, is to request authorisation from the Shareholders' Meeting to renew, in accordance with applicable laws and regulations, the Company's share buyback programme, using any and all means, including during a public offering. The maximum buyback amount is 10% of the capital and the maximum purchase price per share is €200. This resolution concerns the annual renewal of this authorisation. The main purpose of this authorisation is to allow the existing liquidity agreement to continue, and the employee free share grant plans to be implemented through the award of existing shares.

## Eighteenth resolution

**(Authorisation to act on the Company's shares)**

The Shareholders' Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, after acknowledging the Board of Directors' report and the description of the Company's share buyback programme, using the option provided by Article L. 22-10-62 of the French Commercial Code, authorises the Board of Directors to purchase or arrange for the purchase of the Company's shares within the limit of 10% of the share capital, with a view to:

- supporting the share price via a liquidity agreement with a market maker, in accordance with the market practice accepted by the AMF;
- delivering shares upon the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange or otherwise;
- implementing any stock option plan of the Company pursuant to the provisions of Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code;
- granting bonus shares under the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 and L. 22-10-60 of the French Commercial Code;
- granting or transferring shares to employees with respect to their share in the benefits of the expansion of the Company, or the implementation of any employee savings plan under the conditions stipulated by the law, in particular, Articles L. 3332-1 et seq. of the French Labour Code;
- cancelling them, pursuant to a resolution authorising the reduction of the Company's share capital.

These shares may be purchased, disposed, transferred or exchanged by any and all means, on the market or over the counter, including as applicable, through derivatives and the maximum share may be acquired or transferred in the form of share blocks, which may comprise the entirety of the authorised share buyback.

They may also be made during a period of public offering if the purchase offer for the Company's securities is fully settled in cash.

The payment may be made as follows.

The maximum purchase price shall not exceed **€200** per share (or the equivalent value of the same amount on the same date in any other currency or monetary unit established by reference to several currencies).

This authorisation is given for a period ending with the Shareholders' Meeting called to approve the financial statements for 2023.

On the basis of the number of shares comprising the share capital at **31 December 2022**, the maximum theoretical investment, assuming a share price of **€200**, will be **€575,100,800**.

In order to ensure this resolution is executed, all powers are granted to the Board of Directors, which may delegate them for the purpose of:

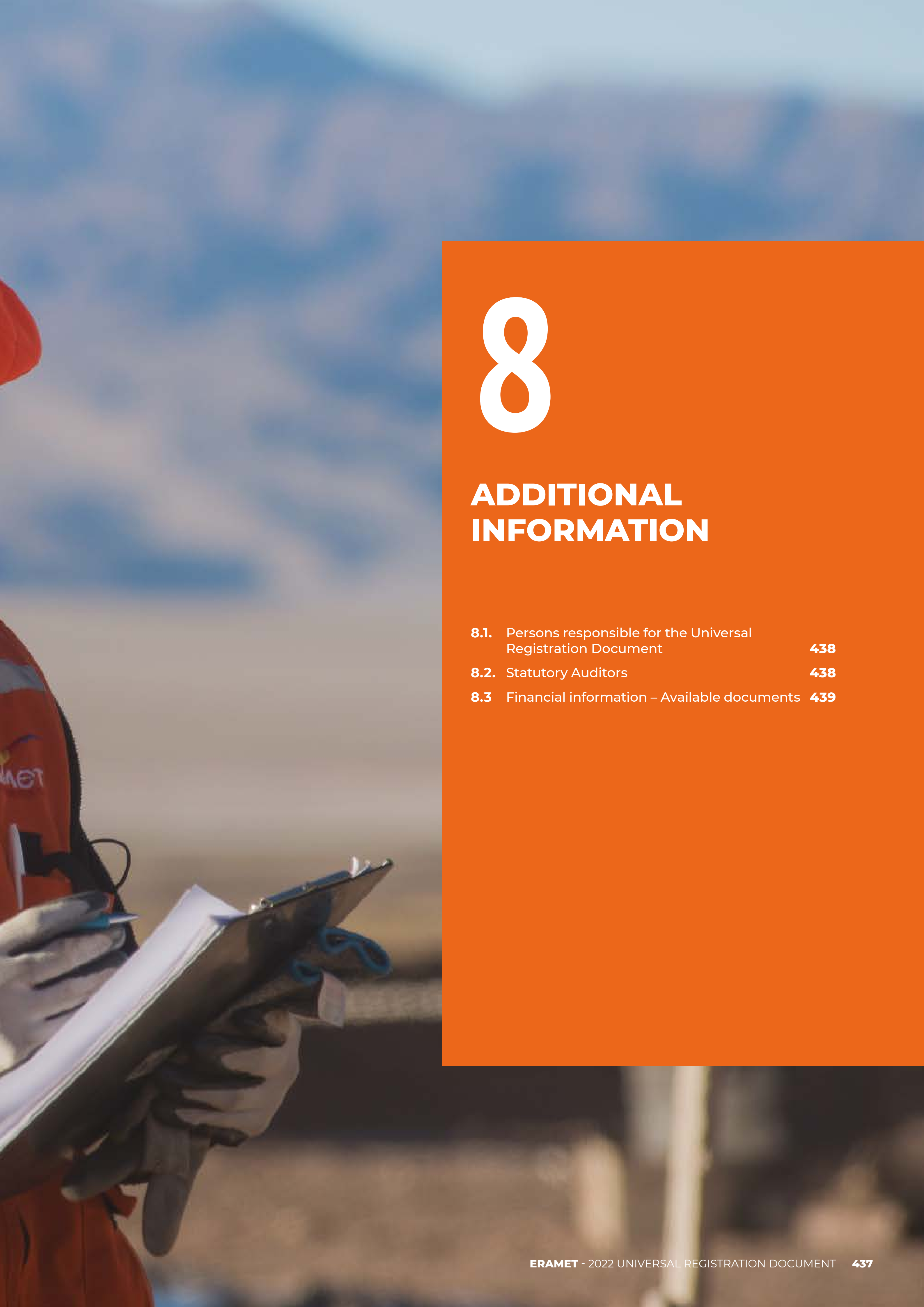
- executing all stock exchange orders, entering into all agreements concerning in particular, keeping share purchase and sale registers;
- making all declarations to the French financial markets authority;
- assigning or reassigning the shares acquired to the different objectives pursued in accordance with the applicable laws and regulations;
- fulfilling all other formalities and, generally, doing whatever is needed.

The **nineteenth resolution** allows the formalities involved in implementing the other resolutions voted by the Shareholders' Meeting to be fulfilled.

## Nineteenth resolution

**(Powers)**

The Shareholders' Meeting, acting with the quorum and majority required for OrdinaryShareholders' Meetings, endows the bearer of any original, excerpt or copy of the minutes of this Shareholders' Meeting with full powers to carry out all the necessary filings or formalities.



# 8

# ADDITIONAL INFORMATION

# 8.1. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

## 8.1.1 Name and status of officials

**Christel Bories**

Chairperson and CEO of Eramet.

**Nicolas Carré**

Chief Financial Officer in charge of Group procurement and IT

## 8.1.2 Declaration by the persons responsible for the Universal Registration Document

We declare that, to the best of our knowledge, having taken all reasonable measures in this regard, the information in this Universal Registration Document is accurate and does not contain any omission that could affect its scope.

We certify that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and of all the companies included in the consolidation, and that the management report (presented in the Integrated Report, and in Chapters 1 "Activities", 2 "Financial Statements", 3 "Corporate governance", 4 "Risk management", 5 "Non-financial performance statement", and 6 "Eramet and its shareholders") faithfully reflects the changes in the business, earnings and the financial position of the Company and all of the companies included in the basis for consolidation, while presenting the main risks and uncertainties faced by them.

Signed in Paris, on 13 April 2023

Nicolas Carré

Chief Financial Officer in charge of Group procurement and IT

Christel Bories

Chair and CEO

# 8.2. STATUTORY AUDITORS

The Company's corporate and consolidated financial statements are audited by the Auditors listed below:

## 8.2.1 Statutory Auditors

**Grant Thornton**

Address: 29, rue du Pont – 92200 Neuilly sur Seine, France, 632 013 843 RCS Nanterre.

Partner in charge of audit: Jean-François Baloteaud.

Date of appointment: Shareholders' Meeting of 28 May 2021.

Term expiry date: Shareholders' Meeting called in 2027 to approve the 2026 financial statements.

**KPMG S.A.**

Address: Immeuble Tour EQHO – 2, avenue Gambetta – CS 60055 92066 – Paris La Défense Cedex, 775 726 417 RCS Nanterre.

Partner in charge of audit: Michel Piette.

Date of appointment: Shareholders' Meeting of 29 May 2015.

Renewal date: Shareholders' Meeting of 28 May 2021

Term expiry date: Shareholders' Meeting called in 2027 to approve the 2026 financial statements.

# 8.3 FINANCIAL INFORMATION – AVAILABLE DOCUMENTS

## 8.3.1 Name of Information Officer

| | |
|---|---|
| Head: | Sandrine Nourry-Dabi |
| Position: | Director of Investor Relations |
| Address: | Eramet<br>10, boulevard de Grenelle – CS 63205<br>75015 Paris<br>Telephone: +33 (0) 1 45 38 37 02 |

## 8.3.2 Communication methods

Frequency: in accordance with regulations, Eramet publishes its annual and interim results and releases quarterly sales figures.

Information release: in addition to legal publication in financial publications, press releases and all regulated financial information are made available to the public on the Company's website (http://www.eramet.com – in the Investors section) and released in accordance with AMF regulations.

The Articles of Association, minutes of AGMs, Company and consolidated financial statements, reports by the auditors and all documents made available to shareholders can be consulted at the Company's headquarters.

All data indicated in this document for which no source is specifically indicated is from the Company's internal reporting and data.

Copies of all documents included in this Universal Registration Document may be viewed on the Eramet website (http://www.eramet.com) or consulted by making a request to the Company's Director of Legal Affairs at its headquarters.

During an embargo period (quiet period) of 15 calendar days before the quarterly sales publications or annual or interim results, the Company refrains from contact with analysts, investors or brokers who operate both in securities and credit.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# 9

# APPENDICES

# 9.1. CONCORDANCE TABLE WITH THE ANNUAL FINANCIAL REPORT

This Registration Document contains all the information required in annual financial reports pursuant to Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the AMF.

In order to facilitate the reading of this annual financial report, the concordance table below identifies the sections contained herein.

| No. | Information in the annual financial report | Reference(s) | Page(s) |
|---|---|---|---|
| 1 | Statement by management on the accuracy of the information | | 438 |
| 2 | Consolidated financial statements | 2.1 | 102 |
| 3 | Auditors' Report on the consolidated financial statements | 2.1 | 178 |
| 4 | Financial statements of the parent company | 2.2 | 183 |
| 5 | Auditors' report on the annual financial statements | 2.2 | 208 |
| 6 | Management report | See management report reconciliation table | |
| 7 | Fees of the Statutory Auditors | 2.1 (Note 16) | 173 |
| 8 | Report by the Board of Directors on Corporate Governance attached to the management report | Chapter 3 | 220 |

# 9.2 MANAGEMENT REPORT RECONCILIATION TABLE

The reconciliation table below identifies the main sections required by the French Commercial Code (CC), the French Monetary and Financial Code (CMF), the French General Tax Code (CGI) and the AMF's General Regulations (RGAMF).

| | Reference text | Reference(s) | Pages |
|---|---|---|---|
| Major events after the reporting date | L. 232-1-II CC | Note 17 – Consolidated financial statements | 173 |
| Foreseeable outlook | L. 232-1-II CC | Integrated Report (Outlook) | 35 |
| Results of subsidiaries and companies controlled, by areas of activity | L. 233-6 CC | 1.1.1.1; 1.1.2.1; 1.1.3.1; 1.1.4.1; 1.3.1 | 38; 51; 62; 69; 83 |
| Research and development | L. 232-1-II CC | 1.4 | 89 |
| Description of the main risks and uncertainties | L. 225-100-1-I-(3) CC | Chapter 4 | 271 |
| Group policy on the management of financial risks, exposure to price, credit, liquidity and cash risk | L. 225-100-1-I CC | 2.1 – Note 8 | 132 |
| Analysis of business developments, results and the financial position of the Company in the course of the year | L. 225-100-1-I-(1) CC | Integrated Report | 32 |
| Stakes or controlling interests in companies based in France | L. 233-6 CC | 2.1 – Note 18 | 173 |
| Information on supplier payment terms | D. 441-4 CC | 2.2 | 215 |
| Table of the financial results of the Company over the past five years | R. 225-102 CC | 2.2 | 214 |
| Reincorporation of general costs and sumptuary expenses | CGI, Art. 223 (c) and (d) | N/A | |

| | Reference text | Reference(s) | Pages |
|---|---|---|---|
| LEGAL INFORMATION AND INFORMATION CONCERNING SHAREHOLDER STRUCTURE | | | |
| Sum of dividends paid out over the last three financial years | CGI, Art. 243 (a) | Chapter 7 (fifth resolution) | 430 |
| Identity of shareholders with more than 5% of equity | L. 233-7 CC | 6.2.2.2 | 413 |
| Employee shares held on the last day of the year | L. 225-102 CC | 6.2.2.2 | 413 |
| Information on share buybacks during the year – treasury shares | L. 225-211 CC | 6.2.5 | 416 |
| Table summarising valid authorisations granted to the Board by the Shareholders' Meeting concerning share capital increases, and the use made of these authorisations during the year | L. 225-37-4-3° CC | 6.2.4 | 416 |
| Elements likely to have an impact in the event of a public offer | L. 22-10-11 CC | 6.3.13 | 421 |
| INFORMATION PROVIDED FOR IN ARTICLES L. 225-102-1 AND L. 22-10-36 OF THE FRENCH COMMERCIAL CODE – NON-FINANCIAL PERFORMANCE DECLARATION | | | |
| **1/ The Group's CSR issues and approaches** | **R. 225-105 CC** | **5.1** | **288** |
| **2/ Environmental protection** | **R. 225-105 CC** | **5.2** | **296** |
| Challenges, policies, objectives, organisation and resources for the prevention of environmental risks | R. 225-105 CC | 5.2.1 | 296 |
| ISO 14001 certification and environmental compliance indicators | R. 225-105 CC | 5.2.2 | 301 |
| Emissions reduction (air emissions, water emissions, site remediation/ restoration) | R. 225-105 CC | 5.2.3 | 302 |
| Circular economy (waste, beneficiation of raw materials) | R. 225-105 CC | 5.2.4 | 304 |
| Optimisation of water consumption | R. 225-105 CC | 5.2.5 | 307 |
| Fight against climate change | R. 225-105 CC | 5.2.6 | 308 |
| Environmental protection at mining sites (water management, tailings and waste management, rehabilitation) | R. 225-105 CC | 5.2.7 | 321 |
| Preservation of biodiversity | R. 225-105 CC | 5.2.8 | 329 |
| Responsibility for chemicals | R. 225-105 CC | 5.2.9 | 337 |
| **3/ Social and societal commitments** | **R. 225-105 CC** | **5.3** | **338** |
| Commitments to human rights | R. 225-105 CC | 5.3.1 | 338 |
| Social commitments to employees | R. 225-105 CC | 5.3.2 | 342 |
| Employee safety | R. 225-105 CC | 5.3.2.1 | 343 |
| Employee health | R. 225-105 CC | 5.3.2.2 | 346 |
| Employee security | R. 225-105 CC | 5.3.2.3 | 348 |
| Promotion and development of employees | R. 225-105 CC | 5.3.2.4 | 349 |
| Social indicators | R. 225-105 CC | 5.3.2.5 | 359 |
| Commitments to communities | R. 225-105 CC | 5.3.3 | 363 |
| Impact management and risk prevention for local communities | R. 225-105 CC | 5.3.3.2 | 365 |
| Dialogue with local communities | R. 225-105 CC | 5.3.3.3 | 367 |
| Contribution to the development priorities of communities | R. 225-105 CC | 5.3.3.4 | 369 |
| **4/ Business ethics** | **R. 225-105 CC** | **5.4** | **375** |
| Ethics, Compliance and Anti-Corruption | R. 225-105 CC | 5.4.1 | 375 |
| Responsible value chain (purchasing, sales) | R. 225-105 CC | 5.4.2 | 384 |
| Responsible interest representation | R. 225-105 CC | 5.4.3 | 389 |
| Combating tax evasion | R. 225-105 CC | 5.4.4 | 390 |
| Governance of the Sustainable Development of industrial and mining projects | R. 225-105 CC | 5.4.5 | 391 |

## 9.3. CORPORATE GOVERNANCE REPORT RECONCILIATION TABLE

| Commercial code (CC), AFEP-MEDEF code (CAM) | Reference text | Reference(s) | Pages |
|---|---|---|---|
| **ITEMS RELATING TO GOVERNANCE** | | | |
| Terms of office and functions of members of the Board of Directors and General Management – start and expiry dates of directors' terms of office | L. 225-37-4-(1) CC - Art. 15.3 CAM | 3.1.1.2 | 221 |
| Agreements between a corporate officer or shareholder holding more than 10% of the voting rights and a subsidiary (excluding current agreements) | L. 225-37-4-(2) CC | 2.2 (Statutory auditors' special report) | 212 |
| Summary of financial authorisations | L. 225-37-4-3° CC | 6.2.4 | 416 |
| Terms of exercise of General Management | L. 22-10-10-3° CC | 3.1.2 | 246 |
| Composition of the Board and its Committees and conditions for preparing and organising their work | L. 22-10-10-(1) CC | 3.1.1 | 220 |
| Number of meetings of the Board and its Committees and directors' attendance | Art. 12-1 CAM | 3.1.1.6 | 241 |
| Assessment of the Board of Directors | Art. 11-3 CAM | 3.1.1.7 | 243 |
| Independence of directors | Art. 10.5 CAM | 3.1.1.9 | 245 |
| Diversity policy applicable to members of the Board of Directors | L. 22-10-10-(2) CC | 3.1.1.9 | 244 |
| Limitations to the powers of the Chief Executive Officer | L. 22-10-10-3° CC | 3.1.2.3 | 247 |
| Standard corporate governance code | L. 22-10-10-(4) CC | 3.1.1.9 (1st paragraph) | 244 |
| Special provisions concerning the shareholders' attendance at the Shareholders' Meeting | L. 22-10-10-(5) CC | 3.1.3.3 | 248 |
| Procedures for assessing current agreements concluded under normal conditions | L. 22-10-10-(6) CC | 3.1.3.1 | 248 |
| **ITEMS RELATING TO REMUNERATION** | | | |
| Remuneration policy for corporate officers (*ex ante* vote) | L. 22-10-8-I CC | 3.2.1 | 248 |
| Compensation and benefits paid in the past financial year (*ex post* vote) | L. 22-10-9-I CC | 3.2.2.1 | 257 |
| Relative proportion of fixed and variable remuneration | L. 22-10-9-I CC | 3.2.2.1.1 | 257 |
| Return of variable compensation | L. 22-10-9-I CC | 3.2.2.1 | 258 |
| Commitments of any kind made by the company during the financial year for the benefit of ts corporate officers, corresponding to remuneration items, compensation or benefits due or likely to be due as a result of the assumption of their duties, the termination of their duties, or subsequent to them | L. 22-10-9-I CC | 2.2 (Statutory auditors' special report) | 212 |
| Obligation for corporate officers to keep stock options or bonus shares | L. 225-197-1 and L. 22-10-59 CC | 3.2.1.2 b (iii) | 252 |
| Remuneration differences (ratios) between corporate officers and employees | L. 22-10-9-I CC | 3.2.2.2 | 263 |
| Annual changes in remuneration over the last five financial years | L. 22-10-9-I CC | 3.2.2.2 | 263 |
| Compliance with the applicable remuneration policy | L. 22-10-9-I CC | 3.2.2.1; 3.2.2.3 | 263; 266 |
| Consideration of the vote of the last Ordinary Shareholders' Meeting on the remuneration policy (*ex ante* vote) | L. 22-10-9-I CC | 3.2.2.1; 3.2.2.3 | 263; 266 |
| Deviation and exemption from the remuneration policy implementation procedure | L. 22-10-9-I CC | 3.2.2.1; 3.2.2.3 | 263; 266 |
| Suspension/restoration of directors' remuneration for lack of gender diversity | L. 225.45, paragraph CC 2 | 3.2.2.3 | 266 |

| Commercial code (CC), AFEP-MEDEF code (CAM) | Reference text | Reference(s) | Pages |
|---|---|---|---|
| ITEMS LIKELY TO INFLUENCE A PUBLIC OFFERING | | | |
| Composition of shareholding structure and changes during the year | L. 233-13 CC | 6.2.2 | 412 |
| Table summarising valid authorisations concerning share capital increases and the use made of these authorisations during the year | L. 225-37-4, (3) CC | 6.2.4 | 416 |
| Statutory restrictions on the exercise of voting rights and share transfers, or clauses in known agreements | L. 22-10-11 CC | 6.3.11 | 420 |
| Shareholdings in the Company's capital | L. 22-10-11 CC | 6.2.2 | 412 |
| Holders of securities with special control rights | L. 22-10-11 CC | N/A | |
| Control mechanisms provided for in an employee shareholding system | L. 22-10-11 CC | N/A | |
| Agreements between shareholders | L. 22-10-11 CC | 6.4 | 422 |
| Rules governing the appointment/replacement of Board members – amendments to the articles of association | L. 22-10-11 CC | 6.4 | 422 |
| Powers of the Board | L. 22-10-11 CC | 3.1.2.3 | 247 |
| Agreements amended/terminated in the event of a change in control | L. 22-10-11 CC | 6.3.13 | 421 |
| Information that is likely to have an impact in the event of a public offer | L. 22-10-11 CC | 6.3.13 | 421 |

## 9.4 RECONCILIATION TABLE WITH DELEGATED REGULATION (EU) 2019/980 SUPPLEMENTING REGULATION (EU) 2017/1129

The following reconciliation table identifies the main sections required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of 14 March 2019, implementing Regulation (EU) 2017/1129 of 14 June 2017.

| | Information | References | Pages |
|---|---|---|---|
| **1** | **Persons responsible** | | |
| 1.1 | Identification of persons responsible | 8.1 | 438 |
| 1.2 | Statement of responsible persons | 8.1 | 438 |
| 1.3 | Expert declaration or report | N/A | |
| 1.4 | Third-party testimonial | N/A | |
| 1.5 | Declaration without prior approval | AMF insert | 1 |
| **2** | **Statutory Auditors** | | |
| 2.1 | Information on Statutory Auditors | 8.2 | 438 |
| 2.2 | Changes | 8.2 | 438 |
| **3** | **Risk factors** | **Chapter 4** | **271** |
| **4** | **Information concerning the issuer** | | |
| 4.1 | Company name | 6.3.1 | 418 |
| 4.2 | Place of registration, registration number, LEI | 6.3.2 | 418 |
| 4.3 | Date of incorporation and duration of the Company | 6.3.3 | 418 |
| 4.4 | Registered office, legal form, legislation governing the Company's activities, country of incorporation, address of statutory head office, website | 6.3.4; 6.3.5 | 418 |
| **5** | **Business overview** | | |
| 5.1 | Main activities | Integrated Report | |
| 5.1.1 | Main products sold or services provided | Integrated Report | 10; 11 |
| 5.1.2 | Any major new product or service under development or recently launched | Integrated Report | 10; 11 |
| 5.2 | Main markets (with total revenues broken down by activity type and geographic market for each financial year) | 2.1 (Note 4) | 113 |
| 5.3 | Important events in the development of the issuer's activities | 2.1 (Note 2) | 109 |

| | Information | References | Pages |
|---|---|---|---|
| 5.4 | Strategy and objectives (both financial and otherwise), taking account of prospects and future challenges | Integrated Report | 16 |
| 5.5 | Dependence on patents or licences, or industrial, commercial or financial agreements, if this impacts the issuer's activities or profitability | 1.2.1 (legal titles) | 74 |
| 5.6 | Information upon which any declaration by the issuer concerning their competitive position is based | 1.1.1.2.3; 1.1.2.2.3; 1.1.3.2.1; 1.3.3.1 | 42; 54; 63; 70; 85 |
| 5.7 | Investments | | |
| 5.7.1 | Description and amount of important investments | 1.1.1.3.3; 1.1.2.3.3; 1.1.3.4; 1.3.3.3 | 50; 61; 69 |
| 5.7.2 | Description of current investments and how they have been financed (internal or external sources of funding) | 1.1.1.3.3; 1.1.2.3.3; 1.1.3.4; 1.3.3.3 | 50; 61; 69 |
| 5.7.3 | Information regarding joint ventures in which the issuer holds a portion of the capital likely to have a significant impact on the value of its assets and liabilities, its financial position or its outcomes | Integrated Report | 10 |
| 5.7.4 | Environmental issues which may have a bearing on the use of Company property, plant and equipment | 5.2.5 | 307 |
| **6** | **Organisational structure** | | |
| 6.1 | Brief overview of the Group to which the issuer belongs (organisation chart) | Integrated Report | 8 |
| 6.2 | List of important subsidiaries | Integrated Report | 8 |
| **7** | **Review of financial position and results** | | |
| 7.1 | Financial position | Integrated Report | 32 |
| 7.1.1 | Review of shifts in activities and key indicators | Integrated Report | 32 |
| 7.1.2 | Probable future shifts in Company activities | 1.4 | 89 |
| | R&D | | |
| 7.2 | Operating revenue | | |
| 7.2.1 | Important factors influencing the operating revenue | Integrated Report | 32 |
| 7.2.2 | Explanations for major changes in turnover or net revenue | Integrated Report | 32 |
| **8** | **Cash and equity** | | |
| 8.1 | Short- and long-term capital | 2.1 (Note 7) | 124 |
| 8.2 | Cash Flow | 2.1 (table 3) | 104 |
| 8.3 | Funding requirements and structure | 2.1 (Note 7) | 124 |
| 8.4 | Potential restrictions on capital use | 2.1 (Note 7) | 124 |
| 8.5 | Sources of financing | 2.1 (Note 7) | 124 |
| **9** | **Regulatory framework** | | |
| | Description of the regulatory framework which may have a significant impact on activities, making mention of any factor – be it administrative, economic, budget-related, monetary or political – that has influenced or may significantly influence the issuer's activities, either directly or indirectly | | 74 |
| **10** | **Information on trends** | **1.2.1 (legal titles)** | |
| 10.1 | Trends affecting production, sales and costs between year's end and the document date | Integrated Report | 14 |
| 10.2 | Any likely influencing factor | Integrated Report | 14 |
| **11** | **Projected or estimated profit** | | |
| 11.1 | Assumptions | N/A | |
| 11.2 | Declaration as to assumptions | N/A | |
| 11.3 | Declaration as to comparability of projections or estimations | N/A | |
| **12** | **Administrative, management and supervisory bodies and General Management** | | |
| 12.1 | Information on members | 3.1.1.2 | 221 |
| 12.2 | Conflicts of interest | 3.1.2 | 239 |

| | Information | References | Pages |
|---|---|---|---|
| **13** | **Compensation and benefits** | | |
| 13.1 | Compensation | 3.2 | 248 |
| 13.2 | Pensions, retirement or other benefits | 3.2.1.2.1 | 255 |
| **14** | **Functioning of the administrative and management bodies** | | |
| 14.1 | Date of expiry of mandates | 3.1.1.2 | 221 |
| 14.2 | Service contracts | N/A | |
| 14.3 | Committees (composition and duties) | 3.1.2.1; 3.1.2.3 | 239; 242 |
| 14.4 | Declaration on corporate governance | 3.1.2.2 | 244 |
| 14.5 | Potential significant impacts on future changes to the composition of the administrative and management bodies (where such changes have already been decided upon) | N/A | |
| **15** | **Employees** | | |
| 15.1 | Employee information | 5.3.2.5 | 359 |
| 15.2 | Profit-sharing and options to subscribe shares held by the administrative and management bodies | 3.1.1.2 | 221 |
| 15.3 | Employee sharing in the issuer's capital | 6.2.2 | 413 |
| **16** | **Major shareholders** | | |
| 16.1 | Overview of shareholding | 6.2.2 | 413 |
| 16.2 | Voting rights | 6.2.2 | 413 |
| 16.3 | Ownership and control of issuer | 6.2.2 | 413 |
| 16.4 | Agreements related to control | 6.4 | 422 |
| **17** | **Related-party transactions** | **2.1 (Note 14)** | **169** |
| **18** | **Financial information concerning assets and liabilities, financial position and issuer's results** | | |
| 18.1 | History of financial information | 2.3 | 216 |
| 18.2 | Intermediary financial information and other | N/A | |
| 18.3 | History of annual financial information audits | 2.3 | 216 |
| 18.4 | Pro-forma financial information | N/A | |
| 18.5 | Dividend distribution policy | 2.4 | 216 |
| 18.6 | Judicial and arbitration proceedings | 2.1 (Note 15.5) | 172 |
| 18.7 | Significant alteration of financial position | N/A | |
| **19** | **Additional information** | | |
| 19.1 | Share capital | | |
| 19.1.1 | Subscribed capital | 6.2.1 | 412 |
| 19.1.2 | Other non-equity shares | N/A | |
| 19.1.3 | Treasury shares | 6.2.5 | 416 |
| 19.1.4 | Convertible or exchangeable securities, or securities with subscription warrants | 6.2.3 | 415 |
| 19.1.5 | Acquisition conditions for authorised capital not issued | N/A | |
| 19.1.6 | Options or agreements regarding the capital of a Group company | 6.4 | 422 |
| 19.1.7 | Share capital history for the financial year | 6.2.4.2 | 412 |
| 19.2 | Memorandum and Articles of Association | | |
| 19.2.1 | Registration number, corporate purpose | 6.3.2; 6.3.7 | 418 |
| 19.2.2 | Description of rights in case of multiple share classes | N/A | |
| 19.2.3 | Influencing factors in case of a change of management | 6.3.13 | 421 |
| **20** | **Important contracts (other than those struck in the normal course of activities)** | **N/A** | |
| **21** | **Available documents** | **8.3** | **439** |

# 9.5 CONCORDANCE TABLE WITH THE GLOBAL COMPACT PRINCIPLES – ERAMET COP

In the context of the commitments made by Eramet as a signatory to the UN's Global Compact, each year, the Group publishes its Progress Report. Accordingly, Eramet publishes information on its contribution to the Global Compact principles, through its Non-Financial Performance Statement and its Vigilance Plan. These two annual publications allow Eramet to reflect the policies, actions and results which the Group implements as part of its approach to CSR.

UN GLOBAL COMPACT
NOUS SOUTENONS LE PACTE MONDIAL

Ceci est notre **Communication sur le Progrès** sur la mise en œuvre des principes **du Pacte mondial des Nations Unies.**

Nous apprécions vos commentaires sur son contenu.

| Global Compact Principles | Eramet DPEF | | Eramet Vigilance Plan |
|---|---|---|---|
| HUMAN RIGHTS | 5.3.1<br>5.3.2<br>5.3.3 | Commitment to Human Rights<br>Social commitments to employees<br>Commitments to communities | II.1.a Mapping of risks of human rights violations<br>III.2.a Actions to manage human rights risks<br>V. Identification, assessment and management of risks related to suppliers and subcontractors |
| INTERNATIONAL LABOUR STANDARDS | 5.3.2 | Social commitments to employees | II.1.b Mapping of risks of harm to human health and safety<br>III.2.b Actions to manage risks of harm to human health and safety<br>V. Identification, assessment and management of risks related to suppliers and subcontractors |
| ENVIRONMENT | 5.2 | Environmental protection | II.1.c Environmental risks mapping<br>III.2.c Actions to manage environmental risks<br>V. Identification, assessment and management of risks related to suppliers and subcontractors |
| FIGHT AGAINST CORRUPTION | 5.4.1 | Ethics, Compliance and Anti-Corruption | / |

# 9.6 GLOSSARY

## Financial Glossary

### Consolidated performance indicators

The consolidated performance indicators used for the financial reporting of the Group's results and economic performance and presented in this document are restated data from the Group's reporting and are monitored by the Executive Committee.

### Turnover at constant scope and exchange rates

Turnover at constant scope and exchange rates corresponds to turnover adjusted for the impact of the changes in scope and the fluctuations in the exchange rate from one financial year to the next. The scope effect is calculated as follows: for the companies acquired during the financial year, by eliminating the turnover for the current period and for the companies acquired during the previous period by integrating, in the previous period, the full-year turnover; for the companies sold, by eliminating the turnover during the period considered and during the previous comparable period. The exchange rate effect is calculated by applying the exchange rates of the previous financial year to the turnover for the financial year under review.

### EBITDA (*Earnings Before Interest, Taxes, Depreciation and Amortisation*)

Earnings before financial revenue and other operating expenses and income, income tax, contingencies and loss provision, and amortisation and impairment of property, plant and equipment and tangible and intangible assets.

### Adjusted EBITDA

Adjusted EBITDA is presented to provide a better understanding of the underlying operating performance of the Group's activities. Adjusted EBITDA is EBITDA including Eramet's share in the EBITDA of material joint ventures accounted for by the equity method in the Group's financial statements.

On 31 December 2022, EBITDA was adjusted to include the proportional EBITDA of PT Weda Bay Nickel, a company in which Eramet holds an indirect shareholding of 38.7%. The Group holds a 43% stake in Strand Minerals Pte Ltd, the holding company that holds 90% of PT Weda Bay Nickel, which is recognised in the consolidated financial statements using the equity method.

A reconciliation with the Group's EBITDA is provided in Note 4 of the Consolidated Financial Statements.

### Adjusted leverage

Adjusted leverage is defined as the ratio of net debt (on a consolidated basis) to adjusted EBITDA (as defined above), given that PT Weda Bay had no external debt at the end of 2021 or 2022.

However, in the future, if other significant joint ventures restated in the adjusted EBITDA were to carry external debt, the net debt would be adjusted to include Eramet's share of the external debt of these joint ventures ("adjusted net debt"). Adjusted leverage would then be defined as adjusted net debt over adjusted EBITDA, in line with adopting a fair and economic approach to Eramet's debt.

### Manganese ore activity

Manganese ore activity corresponds to Comilog's mining activities (excluding the activity of the Moanda Metallurgical Complex, "CMM", which produces manganese alloys) and Setrag's transportation activities.

### Manganese alloy activity

The manganese alloy activity corresponds to the plants that process manganese ore into manganese alloys, and includes the three Norwegian plants comprising Eramet Norway ("ENO", i.e. Porsgrunn, Sauda and Kvinesdal), Eramet Marietta ("EMI") in the United States, Comilog Dunkerque ("CDK") in France and the Moanda Metallurgical Complex ("CMM") in Gabon.

### Manganese ore FOB cash cost

The FOB ("Free On Board") cash cost of manganese ore is defined as all production and overhead costs (R&D including exploration geology, administrative expenses, sales expenses, overland transport expenses), which cover all stages of ore extraction through to shipping to the port of shipment and loading, and which impact the EBITDA in the company's financial statements, over tonnage sold for a given period. This cash cost does not include sea transport or marketing costs. However, it does include the mining taxes and royalties paid to the Gabonese government.

### SLN's cash cost

SLN's cash cost is defined as all production and overhead costs (R&D including exploration geology, administrative expenses, logistical and commercial expenses), net of by-products credits (including exports and nickel ore) and local services, which cover all the stages of industrial development of the finished product until delivery to the end customer and which impact the EBITDA in the company's financial statements, over tonnage sold

## Financial glossary consolidated financial statements

(See Chapter 2.)

## Technical glossary

### Dmtu (Dry Metric Tonne Unit)

One dmtu corresponds to 10kg of manganese content.

### Pound (lb)

The pound is a unit of mass equal to exactly 0.45359237 kilogrammes. The mass value in pounds should be multiplied by 2,204.6 to calculate the equivalent in metric tonnes.

## PROCESSES

### Hot Isostatic Pressing (HIP)

A process of pressing of powdered inoxidisable alloys, into an iron alloy mould made in the shape of the desired part. Hot pressing takes place in a closed chamber, at a pressure of 1,000 bars and a temperature of 1000°C, but below the alloy's melting point. This produces a fine grain of inferior quality to that which is produced by forging. The alloys used are extremely pure, ensuring optimal resistance to corrosion and oxidation. In addition, Hot Isostatic Pressing (HIP) can produce mechanical characteristics with no prevailing spatial orientation (i.e. Isotropic properties), and can be used to make complex shapes and optimise thickness from the earliest stage of a design. Another advantage of HIP is the option of making bimetallic parts with two different types of surface, with a seamless join between them and no need for welding.

### Ore enrichment

Used by Société Le Nickel (SLN), this innovative technology is capable of increasing ore content – by sorting matter by particle size distribution and density – so that a greater proportion of the deposit can be exploited, thereby increasing the life span of the resource reserves.

### Drawing

Drawing is a cold shaping process, which involves passing a layered stub through a narrower channel, the shape of which is appropriate for the profile and dimensions we wish to obtain. This transformation exploits the plasticity of steel, and can be used to make circles, hexagons, squares and flat products, as well as more complex profiles.

### Forging

Plastic deformation of the metal between two flat implements. Forging is used to produce parts with simple shapes.

### Electroplating

The process of forming a metal coating using electrochemistry on a metallic or non-metallic surface.

### HIP

See Hot Isostatic Pressing.

### Hydrometallurgy

Reduction of metal oxides and separation of metal from oxide by chemical means (dissolution, solvent-based extraction, electrolysis).

### Rolling

Reduction of the thickness of an ingot, a bar, a sheet of metal, etc., by passing it between the rotating cylinders of a rolling mill.

### Acid leaching

Exploitation of nickel oxide ores (laterites) by dissolving them in acid.

### Swagging

Complex shaping of a metal stub by pressing it between two etched tools simultaneously, at slow speed.

### Alloy metallurgy

- Air metallurgy: done in an electric arc furnace, metal is melted, followed by metallurgic processing to add alloy metals, eliminate impurities and obtain the desired chemical composition.
- Vacuum metallurgy: used for alloys capable of withstanding higher stress levels (nitrogen content, oxygen-reactive alloy elements, etc.), this process, carried out in special furnaces, is known as Vacuum Induction Melting (VIM).
- Remelting: this process is crucial for certain critical parts designed for use in the aeronautics and energy sectors. It facilitates fuller control of the segregations and the inclusion morphology, and helps lower the gas content, thereby significantly improving the characteristics and mechanical reliability of the finished product.
- Powder metallurgy: Production of alloys with excellent properties by pulverisation of a jet of liquid metal.

### PM HSS

A high-speed steel (HSS) manufacturing process, combining powder metallurgy with shaping processes. The process consists of placing the high-speed steel powder – produced by gas atomisation – into a welded vacuum capsule, compacting it by hot isostatic pressing, and transforming it by forging, hot or cold rolling and drawing, to produce bars, rings, blades and sheets.

### Press

An industrial tool used for forging and swagging (see definitions of these terms). The pressure it applies is measured in thousands of tonnes.

### HPAL (High Pressure Acid Leach) process

This process is generally used to extract nickel and cobalt from laterite ore. It consists of using pressure, high temperatures and sulphuric acid to dissolve or leach the metals.

### Pyrometallurgy

Reduction of metal oxides and separation of metals from their oxides by melting (blast furnace or electric furnace).

### Value in use

Value in use corresponds to the difference in economic value between two products, obtained in specific conditions of use.

## PRODUCTS

### High-speed steel

Highly wear-resistant steels, extremely hard in both hot and cold conditions, designed primarily for the production of cutting tools (drill bits, taps, reamers, saws, etc.) and cold work tools.

### Alloys

Metallic materials composed of different metals, having specific properties suited to particular uses, such as wear-resistance or corrosion-resistance, mechanical strength at high temperatures, etc.

### Ferroalloys

Alloys containing iron and at least one other metal, added to the liquid metal during the steel production process, to adjust its composition to deliver the desired properties.

### Manganese

Used in alloys (such as ferromanganese and silicomanganese), this metal is used in the composition of steel in a proportion of between 6% and 7%. It improves the product's hardness, abrasion resistance, elasticity and surface state during rolling. It is also used in production processes for deoxidation/desulphurisation. Other applications: chemistry, cells and batteries, electronic circuits, fertiliser, hardening agent for aluminium, and so forth.

### Leucoxene

A heavy mineral whose composition is between those of ilmenite and rutile.

### Nickel

An essential element in alloys, this metal provides steel with numerous properties, which vary depending on nuances: resistance to atmospheric corrosion in combination with chromium (stainless steel), resistance to high temperatures, ductility, mechanical strength, electrical resistivity, magnetic properties, etc. Nickel can be recycled indefinitely.

### Primary nickel

Differs from secondary nickel which comes from the recycling of stainless steel.

### Nuances

Different alloy qualities obtained by varying the mixture of metals in their composition, to produce specific characteristics. Each nuance is suited to particular needs.

### Long products

Unfinished alloy products with high characteristics, designed to be transformed subsequently.

### Rutile

Natural titanium dioxide ($TiO_2$).

### Superalloy

Alloys of multiple metals where nickel is generally the chief ingredient (nickel-based superalloys). They exhibit excellent mechanical strength at high temperatures and corrosion resistance. Superalloys are used to manufacture parts for the aeronautics and space industries, energy production, the chemical industry, and environmental protection.

## Risk management glossary

### Risk

"A risk is the threat that an event, action or lack of action could significantly impact on:

- our ability to achieve our objectives and discharge our duties;
- our ability to detect development opportunities, in any and all areas, connected to our activity;
- the principal assets which are the fundamentals for our activity (be they tangible or intangible, financial, human resources, image, etc.);
- a critical process for our activity;
- the Eramet Group's ability to comply with its values, ethics and the laws and regulations in force."

### Criticality (of a risk)

The criticality of a risk is the assessment of the degree of seriousness of that risk, weighted by the estimated probability of that risk occurring. Criticality may be high, medium or low.

# 9.7 2022 VIGILANCE PLAN – ERAMET GROUP

## I. Scope and objectives

The aim of this Vigilance Plan is to meet the requirements of Law No. 2017-399 of 27 March 2017 on the duty of care of parent companies and contracting companies.

The scope of this plan primarily covers all Group entities: the parent company, Eramet SA, and the companies it directly or indirectly controls. This scope is also described in the methodological note to the Group's Non-Financial Performance Statement (presented in 5.5 of the Universal Registration Document).

The scope of the plan also covers suppliers and sub-contractors of Group entities (parent company or controlled subsidiaries). Risks related to entities are discussed in section 5 of this plan, as the assessment and management of risks in the supply chain is subject to specific measures.

### The Eramet Group

(See also www.eramet.com.)

Eramet is one of the world's leading producers of:

- manganese and nickel – which are used to improve the properties of steels – and mineral sands (titanium dioxide and zircon);
- parts and semi-finished products in alloys and high-performance special steels used by industries such as aerospace, power generation, and tooling.

Eramet is also developing activities with strong growth potential, such as lithium mining and recycling, which will play a key role in the energy transition and mobility of the future.

The Group employs approximately 13,000 people (9,090 employees in the new scope and 4,674 employees in discontinued operations) in twenty countries.

A more detailed description of the Eramet Group is provided in the integrated report and Chapter 1 of the Universal Registration Document in which this Vigilance Plan is published.

## II. Risk mapping and assessment of subsidiaries

As part of its risk identification and control process, the Group compiles every three years and annually updates its major risk map, the implementation of which is managed by the Risk Management, Internal Control and Audit Department. The risk map is presented to the Executive Committee and to the Audit, Risks and Ethics Committee of the Group's Board of Directors.

The map identifies risks to human rights, the environment and the health and safety of people, as well as identifying strategic, operational, financial and compliance risks.

### 1. Risks

#### a. Human rights

In 2017, Eramet formalised its first mapping of the risks of infringements of Human Rights and Fundamental Freedoms, with the support of external expertise. As a key milestone in 2020 in achieving the Human Rights objective of the CSR Roadmap, the exercise was renewed the same year, with the support of a specialised external firm with extensive experience in the extractive sector. The Human Rights risk mapping exercise is based on a range of preparatory tasks. These include documentary analyses, interviews with Group managers and its Business Units within key functions and broader consultation through questionnaires (HRD, HSE, Health, Security, Community relations, Site directors, Ethics and Compliance Local Officers, Human Rights officers etc.) of all Eramet Group activity sectors, entities and geographic areas where Eramet operates.

In each risk category, scenarios linked to the company's activities, local context and commercial relations have been identified. Assessment guidelines, drawn from international standards such as the UN Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organization (ILO), and the Performance Standards of the International Finance Corporation (IFC), and adapted to the mining and metallurgy sector are used. The impact of the health, economic and social crisis caused by the global pandemic was also factored into the 2021 analysis.

The criticality level of the scenarios and risk categories were defined as a function of the probability of occurrence and seriousness of the risk for potentially affected third parties (and not for Eramet directly). Seriousness is measured on the basis of three criteria, in accordance with the UN Guiding Principles on Business and Human Rights: scale, scope and irremediable character. Seriousness has more weight than probability, to ensure that serious risks for individuals are prioritised in accordance with the aforementioned Guiding Principles and the Group's methodologies. Current risk control mechanisms, such as existing policies and risk mitigation procedures, are taken into account to determine the criticality level. The current risk level is then defined using a criticality matrix and the degree of risk control.

The risk universe of Human Rights infringements defined during this exercise for the Eramet Group can be broken down into the following three broad categories, and the main risks were assessed for each of them as follows:

- **risks for Group employees,** mainly those related to health and safety at work (which are described in greater detail in Section II.1.b below), and those related to discrimination (mainly gender equality) and harassment;
- risks for local communities, in terms of potential impacts associated with the activities of Group entities, land purchases and population displacements, the environmental protection of communities and security measures;
- **risks generated by supply chain actors, such as, for example,** non-compliance with the International Labour Organisation's fundamental conventions. These risks are addressed in the section in the Vigilance Plan that focuses on the supply chain (section V).

Risk mapping is reviewed regularly, and relies most specifically on monitoring related action plans and assessments of the situation at the Group's sites and entities as it relates to these risks, as updated using the results of internal audits and the continuous reporting of information by the sites.

In 2022, Eramet updated its materiality matrix, which dates back to 2019. Over 600 stakeholders, both within the company and outside it, were asked to rank 29 issues in order of importance. These issues were grouped into six categories (human capital, business and product performance, environmental responsibility, social responsibility and governance, business conduct and adaptation to emerging trends). Human rights issues such as employee health and safety and local communities were identified as priority issues. This new analysis is in keeping with the objectives of the CSR Roadmap and the Group's Human Rights Policy.

## b. Health and safety of individuals

This section focuses on the risks of harm to the health and safety of employees and subcontractors working at the Group's sites. Risks to the health and safety of other people, such as residents close to the sites, are discussed in the sections on human rights and environmental risks and the associated control measures.

### Risks of harm to safety

The prevention of risks of work-related accidents is based primarily on the analysis of risks in the workplace, conducted within the plants with the help of employees. This highly operational analysis makes it possible to secure a specific operation by identifying all the risks to which the operators are exposed and the means of control implemented to manage them. These local analyses are compiled in the risk register of each site (known as the "single risk assessment document" for French sites). These risks are assessed according to a scale based on the frequency x gravity pair, taking into account the protection measures in place. This methodology makes it possible to identify the most critical risks and thus feed into the site's Safety Improvement Plan. Risk registers make it possible to group the risks by standard activities specific to each site. For example, they include mechanical handling, machine driving, walking etc.

The Group's risk analysis of workplace accidents allowed the risks identified to be grouped into three distinct categories:

- **Technological risks** associated with processes and installations present the most serious potential hazards. An explosion, a toxic gas leak, or equipment failure can impact several people in a single incident. The frequency of occurrence of these events is the lowest in the Group's history. These risks are specifically covered by the Industrial Risk analysis carried out in collaboration with the insurers;
- **Critical activities** are dangerous tasks that are carried out on a daily basis as part of the operation of facilities. They include working on machines, working at height, vehicle traffic, working in confined spaces, working with molten metal etc. Failure to control these risks can lead to serious accidents. These risks are covered through the implementation of "Essential Safety Requirements", which define the basic rules to follow, and compliance with these rules is regularly monitored;
- finally, the Group's operations involve many routine activities, such as walking, lifting and moving objects and using hand tools. About two-thirds of the Group's accidents involve these activities, but the severity of the accidents associated with them is statistically less serious than for critical activities. For these routine activities, we prevent risks by reminding employees to stay vigilant and having regular onsite exchanges. Eramet groups these activities which are difficult to categorise under the heading "non-standardised activities".

### Risks of harm to health

Based on the analysis of risks in the workplace recorded in the risk registers of each site, occupational health professionals identify the risks that may have a lasting or deferred impact on the health of employees. These risks may relate to physical health (noise, vibrations, painful postures, repetitive movements, night or alternating work, electromagnetic fields, extreme temperatures, exposure to hazardous chemical agents, including asbestos), psychological well-being (workload, organisation of work, autonomy), biological risks (malaria) or environmental risks (working at high altitudes or in extreme weather conditions).

Deferred risks are risks of occupational diseases, which are reported separately based on reports sent to the employer or which result in investigations by internal or regulatory prevention services. In France, a Table of Occupational Diseases is regularly updated and specific regulations are implemented in the other countries where the Group operates.

These risk maps and analyses to health and safety are regularly updated.

### c. Environment

As part of its environmental protection commitments and objectives, the Group maps the environmental damage risks for each of its sites. Environmental impact and risk assessment studies are carried out as part of the sites' exploration licences, ISO 14001 management systems and the Group's internal environmental audits. They are supplemented by industrial risk assessments carried out with insurers.

In 2017, the assessments resulting from these various activities were aggregated and harmonised in order to formalise a Group-worldwide risk map of damage to the environment. The environmental risks map was updated at the end of 2020.

The main risks and challenges for the Group's sites are related to the following potential impacts:

- **water consumption/pressure on water resources** (for industrial and mining sites);
- emissions into water (for industrial sites);
- atmospheric emissions (for industrial sites);
- production of hazardous waste (for industrial sites);
- risks of historical soil pollution (for industrial sites);
- impact on biodiversity (for mining sites);
- increase of erosion and impacts associated with rainwater run-off (for mining sites);
- production and storage of waste rock and tailings (for mining sites);
- energy consumption and greenhouse gas emissions (for industrial sites).

Since 2020, the Group's risk mapping formally includes a section dedicated to climate-related risks. This section reviews all physical and transition risks for each Division and each product category.

The details of the nature of the risks associated with these impacts are described along with the corresponding control measures in section III.2 of this plan.

Furthermore, industrial risks (the occurrence of an industrial accident) can also lead to environmental damage. The main industrial risks to which the Group's sites may be exposed are geotechnical (subsidence risk for mining structures), fire, explosion (including, for certain sites, related to the risk of contact between water and molten metal), breakdowns of critical machinery, rail-related (risk of derailment) and natural events (floods, storms/cyclones etc.).

## 2. Procedures for the regular risk assessment of subsidiaries

Given the risks presented above, the risk situation at the subsidiaries is regularly assessed through two main mechanisms: the internal reporting and feedback mechanism, and the internal audit mechanism.

A Safety, Environment and Energy information system has been rolled out across all industrial and mining sites, allowing for the collection and consolidation of environmental and safety performance indicators. The tool, which has been gradually rolled out since 2020, collects and manages quantitative and qualitative data, records incident, prevention and audit reports, analyses risks, accidents and anomalies, and implements adapted action plans. It has the capacity to compile information not only nationally and internationally, but locally. Data analyses are used to support decision-making and the monitoring of action plans. As such, it is a tool that is used not only for data feedback, but also to monitor issues as closely as possible. The Environment and Energy indicators are mostly derived from the sampling and analysis plans developed by the sites as part of their operating permits and the priorities identified by the Group. The tool has replaced the information and reporting systems that were used to manage Safety. It includes features for the reporting of accidents with or without time off and first aid, and covers all individuals operating at Eramet's sites (employees, temporary workers, subcontractors), as well as the hours worked by each person. This will consolidate frequency rates monthly for each site, subsidiary, Division and Group.

In 2021, the new tool incorporated features for managing safety-, environment- and energy-related incidents, as well as societal data and data on relationships with stakeholders, in particular local communities. Human rights-related risks are assessed on the basis of the dedicated risk map, drawing on information from regular events and committees and the annual CSR reporting of site data, which covers Human Resources management indicators and the management of potential impacts on the local communities where sites are located. This assessment also takes into account data from the processes used to monitor the social and environmental management of Group projects – which are implemented as part of the provision of project support – and, where applicable, any alerts relayed by the alert system.

In terms of environment, health, safety, energy, human rights and ethics, the Group also relies on a sophisticated internal audit mechanism to monitor the performance of its entities. Mixed teams of the Group's Internal Auditors (corporate departments, Division coordination, and site representatives), trained according to an internal guidelines system, conduct these audits, making it possible to situate in detail the performance of the sites. Specific Safety audits covering critical activities are carried out at all sites by internal or external auditors and are used to validate the level of compliance with Essential Safety Requirements and the Safety management framework and to adapt and redirect improvement action plans where necessary.

The mechanism includes internal environmental performance review internal audits and subject-specific audits (e.g., air pollution). A significant number of sites are also subject to external environmental regulatory compliance review audits. The implementation of high-priority audit recommendations is monitored by the Environment and ESG Performance Department. Human rights audits may also be delegated to third-party consultants.

Audits with a focus on human rights criteria for employees and/or communities are carried out by the Risk Management, Internal Control and Audit Department with reference to a dedicated internal framework based on the Danish Institute for Human Rights Quick Check methodology. The latter was reviewed in 2020 to take into account the Group's requirements on the fundamentals of its relationship with communities, as formalised in an *ad hoc* procedure. These audits give priority to the most sensitive sites identified during the human rights risk mapping exercise.

Corrective action plans are defined at the end of each audit, and for all risks considered significant, a report on the implementation of corrective actions is consolidated at Group level.

With regard to the risk assessment of subsidiaries in terms of industrial risk, the control system is based primarily on the programme of biennial insurance engineering visits (insurance prevention audits) to its industrial sites in close collaboration with insurers, brokers and the Group Insurance Department. If any significant risks are detected during these audits, a corrective action plan is implemented by the site concerned.

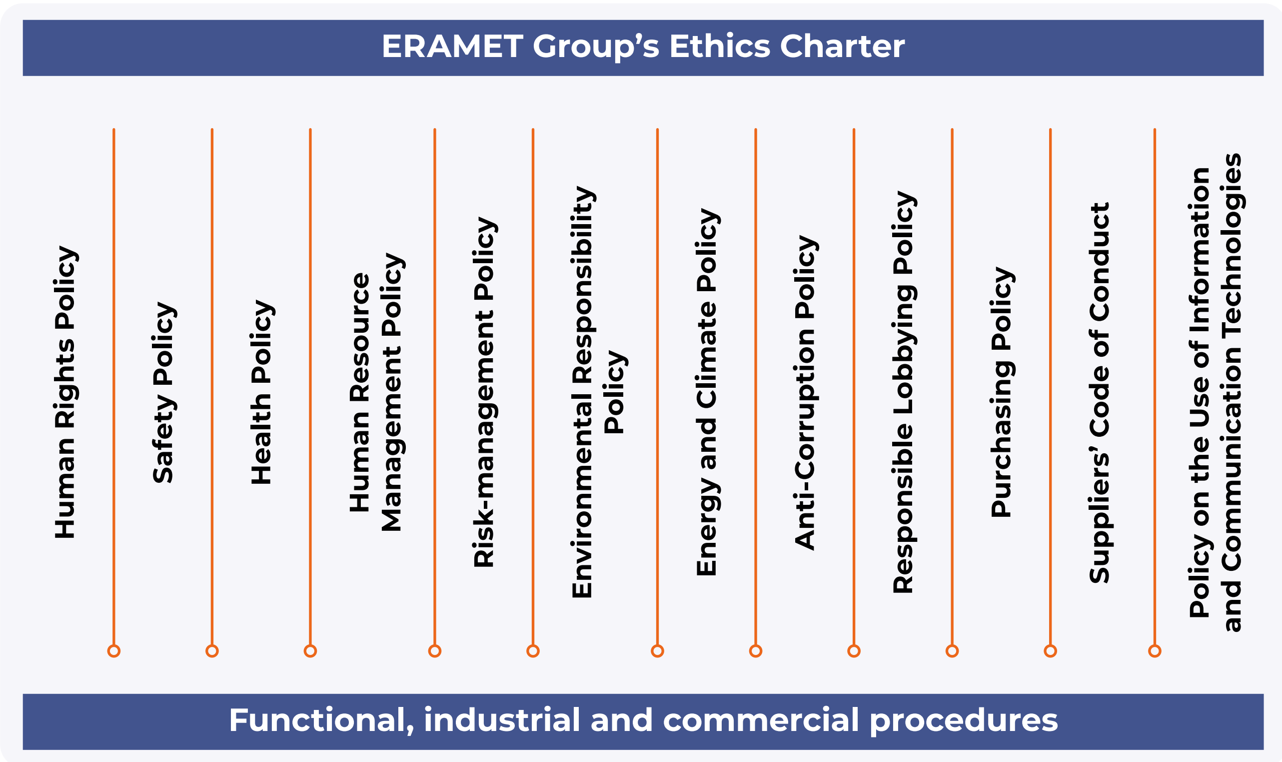
## III. Risk management

### 1. Risk management commitments and organisation

The management of risks related to human rights, health, safety and the environment is the focus of a clear commitment by the Group in all of these areas.

The Group framework of commitments, made up of its charters and policies, presents the fundamentals of the Sustainable Development approach of Eramet, a committed corporate citizen.

THE ERAMET MANAGEMENT SYSTEM CSR COMMITMENT FRAMEWORK



In 2020, the Group reviewed its guidelines platform, now formalised in its management system: Eramet Management System (EMS). Eramet draws on a common foundation of standard reference commitments, which is formulated as a set of policies and procedures that apply to all Group companies and their employees.

Thus, the policies form a set of principles, standards, and behaviours that translate the long term intentions of the Group concerning the nature of its activity and the company's relations with the main internal (staff and their representatives) and external stakeholders (suppliers, customers, shareholders, competitors, etc.). They were adopted on subjects considered to be essential in terms of performance and commitment for the Group. These main principles are then translated into functional, industrial or commercial procedures. Thus, the latter determine the Group's requirements guidelines, with a concern for ensuring compliance with the Group's commitments and minimising related risks.

Implemented in 2015 and reviewed in 2020, the Group's Ethics Charter (published on www.eramet.com and translated into the 12 languages of the countries in which the Group operates) sets out the rules and principles governing action and behaviour that are applicable to and binding on all Group employees. It relates to the Group's commitments and those of its employees in many areas, notably development, stakeholder relations, employee safety, protection of the environment, security, customer engagement, social dialogue, combating harassment, transparency, anti-corruption, compliance with competition rules and others.

Dedicated policies, presented in the foregoing diagram, allow the Group to further commit to certain themes, and are detailed in the sections on these topics. All of these texts are available on the Group's website www.eramet.com. To raise employee awareness of the principles of these policies, theme-specific e-learning courses have been rolled out, for example, on human rights, safety, the environment, business ethics, diversity and inclusion, etc.

The Group's commitment translates into involvement at the highest level of the Company and at all management levels. The Sustainability and Corporate Engagement Department and the Human Resources, Health, Safety and Security Department, both members of the Group's Executive Committee, propose, support and monitor the multi-year objectives and associated action plans. They report to the Executive Committee. The Safety and Prevention Department and the Ethics and Compliance Department report directly to the Group's Chairperson and CEO.

The effective incorporation of CSR issues into the Group's activities is also closely monitored by Eramet's Board of Directors, in particular through two of its Committees, i.e., the Strategy and CSR Committee, and the Audit, Risks and Ethics Committee. The incorporation of these issues was further supported by the adoption of the Group's CSR Roadmap, which is set out in section IV of this plan.

The Sustainability and Corporate Engagement Department has an Environment and ESG Performance Department and a Social Impact and Human Rights Department, while the Human Resources Department (HRD) includes a Social Relations, Diversity and Inclusion Department, a Security Department and a Medical Advisor, responsible for promoting the Group's Health Policy. The Energy and Climate Department, which reports to the Strategy Department, the Ethics and Compliance Department and the Group Purchasing Department, round out this system.

These corporate functions are organised and structured around practices and processes aimed at continuously strengthening their commitment and efficiency, highlighting a strong culture of risk identification and control. Onsite teams and networks of correspondents ensure standards are correctly applied and information is reported daily.

GROUP ORGANISATION


The objectives and action plans are implemented across all the Group's Divisions and operational entities. Their effective execution and the good coordination between the Corporate functions and the Divisions have been strengthened by the establishment of working groups and cross-functional committees focusing on various themes (CSR, Biodiversity, Mining Environment, Responsible Purchasing, Responsible Sales, Human Rights, Ethics).

Furthermore, the Group pays particular attention to the incorporation of social, environmental, health and safety, cultural and societal criteria at the earliest stages of its projects. The experts and specialists are integrated into the industrial, technical, legal and financial teams, and participate in the various steering committees, from pre-project phases to feasibility studies and pre-construction. Likewise, they participate in acquisition audits in the case of merger or acquisition projects, as well as in due diligence related to the transfer of assets.

As part of their role, these various Departments turn to stakeholders to take part in risk assessment exercises and implement appropriate management measures. These include managers, employees and employee representatives, for issues that have a major impact on employees, such as safety and human rights. Dialogue with external stakeholders takes place at the local level. Whether it concerns the roll-out of operations, risk management measures or again local development support programmes, Eramet and its subsidiaries make sure they continuously inform and consult nearby populations. A few examples are presented in the plan.

## 2. Risk management actions

### a. Human rights

Eramet has decided to strengthen its commitment in human rights by including this concern in its CSR roadmap, through its eighth goal. Eramet aims to become, by 2023, a benchmark in Human Rights compliance in its sphere of activity and measures this development through its application of the United Nations guiding principles. To meet this objective requires a specific approach and process to identify its risks, anticipate controls, and implement risk prevention and management measures, even corrective measures where necessary. A Steering Committee composed of various Departments is dedicated to rolling out the human rights approach. The Committee monitors in particular the progress of management measures implemented in response to the risks identified during the risk mapping exercise.

In 2019, Eramet adopted its Human Rights policy (published on www.eramet.com). Through this specific declaration, Eramet reaffirms the essential place of this topic in its managerial and operational approach, as well as in its relations with both internal and external stakeholders.

It covers internationally recognised human rights and breaks down more accurately the commitments made by the Group on its salient issues, identified through the risk assessment exercises carried out by Eramet and classified into three areas:

- respecting the human rights of employees, in order to guarantee a safe, healthy and respectful work environment;
- respecting the Human Rights of commercial partners (customers, suppliers, subcontractors and partners), in order to develop a responsible value chain;
- respecting the Human Rights of communities, by reducing impacts and striving to make a positive contribution.

Employee awareness is a key element of the Human Rights approach. After the policy was adopted, Eramet launched an internal communication campaign on its websites, its social media pages and distributed an explanatory medium to roll out this new Group commitment in all the countries where it operates. Teaching resources have been gradually developed and made available to the Group's managers and employees. These are provided in several formats: e-learning courses, summary teaching materials, practical case studies, face-to-face awareness-raising sessions, etc.

When the Eramet Production System was being built, the Human Rights Golden Rules were developed in consultation with the sites, providing Group entities with a body of operational principles to follow.

In 2021, under the supervision of the Social Impact and Human Rights Department, the Group launched an assessment of the compliance of the Group's entities with the Human Rights Policy. This assessment is in addition to the human rights risk mapping exercise carried out in 2020. The assessment involved 18 entities, including mining sites, industrial sites and tertiary sites. The assessment focused on the four areas of the Human Rights Policy, namely: employee relations, business partner relations, local community relations and governance of the policy. The Group's compliance rate was 88%. In light of the results, action plans and a network of human rights advocates were introduced at the sites. The Social Impact and Human Rights Department regularly monitors the implementation of these action plans with its advocates. Between the end of 2021 and December 2022, the Group's compliance with the Policy increased from 88% to 93%, by means of procedures being documented and training courses completed.

In 2021, SLN conducted a self-assessment of its social performance at two of its mines against the IRMA (Initiative for Responsible Mining Assurance) standard. The social-responsibility requirements are based on the most ambitious international standards and cover issues such as human rights, dialogue, impact management and community investment.

In 2022, two other IRMA self-assessments were conducted at GCO and Eramine. These self-assessments covered the entire IRMA standard and enabled specific action plans to be put in place in order to achieve IRMA certification in the short-term for the mines in Senegal and Argentina. These action plans are cross-functional and aim to improve the Group's human rights performance for workers (safety, working conditions, harassment, etc.), for communities (ethnic populations, cultural heritage, etc.), but also in the context of environment-related human rights (negative impacts, access to natural resources, etc).

#### Human rights in the workplace

Health and safety is an integral part of fundamental human rights, and as such has been integrated into the Group's risk mapping exercise on human rights violations. Due to the nature of their industrial and mining activities and their countries in which they operate, the Group's sites may pose risks to the health and safety of employees, the management of which is one of the Group's priorities. These measures are described in section III.2.b of this plan.

In order to strengthen the control of workplace discrimination and harassment risks identified during the Group mapping exercise, "Ethics kits" on topics related to employee human rights have been included in the training catalogue and allow managers to educate their co-workers about discrimination and harassment. More generally, information is sent to all employees, through infographics displayed at all the Group's sites concerning the organisation of ethical compliance and in particular the existence of the professional whistleblowing system, presented in section VI of this plan. In addition, as part of a trade union agreements related to the prevention of psychosocial risks, monitoring units have been set up at the various sites in mainland France to anticipate risk situations and give warning if an employee with psychological difficulty is identified. These topics can also be discussed by occupational health services on sites.

Following the creation of the Diversity and Inclusion cluster within the Talent Department, the Group drafted its first Diversity and Inclusion Roadmap to fight discrimination and promote gender equality. Measures that have already been implemented have incorporated diversity into internal and external hiring processes, talent management with neutral offers, management training (e.g., "Non-discriminatory Hiring", "All Together" for the Top 120), and employee awareness-raising (e.g., a "Diversity & Inclusion, what's it all about" e-learning course, a "Diversity & Inclusion" catalogue on our WeLearn digital platform). These last initiatives, in particular, have been delivered since the introduction of a network of Diversity and Inclusion advocates, who are active across all entities and who have also benefited from a development programme to help them perform their Advocate role.

All of the implemented measures are monitored under Objective 4 of the CSR Roadmap, "Integrate and foster the wealth of diversity".

At the same time, Eramet has appointed a number of Sexual Harassment and Sexist Acts advocates. Initially covering France, this system was extended to Gabon, Senegal, Argentina and China in 2022. Roll-out continued in other Group countries, with the gradual appointment and training of these advocates by external experts.

Measures to manage risks to the rights of workers in the supply chain, which were also identified during the mapping exercise, are presented in section V of this plan.

### Rights of communities bordering Group sites

Most of the Eramet Group's sites have a permanent presence in the areas in which they operate, which with they develop highly interdependent relationships. The local integration of sites, particularly with regard to neighbouring communities, is therefore a key element in the sustainability of the Group's activities. As a result, the Group has built long-term relationships of trust with neighbouring communities, and works to prevent any risk of violation of their fundamental rights. The Human Rights policy sets out Eramet's commitments in this area and addresses issues such as dialogue and appeals, relocation activities, land purchases and involuntary resettlements, environmental and climate impacts and impacts related to sites' activities and security measures.

In terms of societal responsibility, two procedures guide the practices of the Group's subsidiaries:

- the "HSE/CSR criteria for projects" procedure applicable to new Group projects;
- the "Relations with host communities" procedure applicable to all of the Group's productive sites. This is modelled on the standards and good practices of the *International Finance Corporation* (IFC, World Bank Group). They adopt a proportionality approach according to which the required measures must be scaled to match the challenges of the sites. The procedure was revised in the second half of 2022 to incorporate all the requirements of the IRMA benchmark applicable to community relations.

The fundamentals of Eramet's community relations, incorporated in the societal procedures which apply to the Group's sites and projects, focus on three pillars:

***1. Management of risks and impacts on communities:***

The prevention of risks and the management of impacts inherent in mining and metallurgy activities are a fundamental aspect of the relations maintained with local populations. These risks and impacts are identified and covered by containment measures in accordance with the "mitigation hierarchy" which entails avoiding, reducing and compensating these impacts. Complaints handling mechanisms available to local populations ensure that any incident or concern can immediately be brought to the attention of the entity. These incidents are then handled through corrective actions and used as feedback for the continuous improvement of the management system. These mechanisms are presented in Section VI of this plan.

Measures relating to the management of the main risks and societal impacts of the Group's subsidiaries are presented below.

#### Land purchases and population displacements

The activities of certain Group sites require the acquisition of land from communities that reside or carry out economic activities (agricultural or commercial) in the area. These operations may pose risks of human rights violations (property rights or the right to an adequate standard of living in these communities). In terms of preventing these violations, the Group refers to the principles set out in the Performance Standards of the International Finance Corporation (World Bank Group), applicable to these relocation activities. For each of these operations, resettlement action plans are automatically drawn up with the affected parties prior to the displacement. These plans include jointly defining the compensation matrix for compensated assets, the resettlement location and schedule, as well as measures to restore livelihoods.

#### The environmental protection of communities

Some sites also present environmental impact risks that may affect local residents. These may be pollution risks or risks of reducing communities' access to the natural resources they use. All these risks are covered by risk-management strategies, presented in section III.2.c. of this plan, on management of risks of damage to the environment. Depending on the nature of these impacts or risks, local residents may be involved in the definition or execution of these control measures. In particular, local communities are associated with baseline characterisation studies that include their knowledge of biodiversity, its uses and ecosystem services.

#### Security measures

In addition, some of the countries or regions in which the Eramet Group operates may experience unstable political, security or climate situations (terrorism, information theft, crime, earthquakes, cyclones, etc.). In this context, the Group Security Department implements measures to ensure the protection of employees (whether travelling for business reasons, or foreign or local residents), intellectual property and Eramet facilities. As Eramet is aware that these measures must be established in respect of the rights of communities bordering Group sites, it has incorporated this issue in its Human Rights policy and has established a Group Security Policy that complies with international law, French law and the laws of the countries in which the Group operates. As part of this policy, and in accordance with the principles of the Eramet Group Ethics Charter, the prevention of safety risks begins with establishing dialogue and a relationship of mutual respect with local communities. Similarly, training and rules governing the use of force and the equipment of the security personnel are decided, designed and controlled by a Site Security Officer, who acts within the framework defined by the Group Security Director.

In 2022, an external audit was conducted to assess the level to which the security systems of mining sites comply with the Voluntary Principles on Security and Human Rights. This initial analysis is part of a global action plan to improve human rights systems.

#### 2. *Engage with local stakeholders*

Whether it concerns the roll-out of operations, risk management measures or again local development support programmes, Eramet and its subsidiaries make sure they continuously inform and consult nearby populations. This is accomplished in several ways, including through public information meetings and open days, joint committees, public consultations, written publications, etc.

Whether it involves requirements related to the authorisation process, the implementation and updating of societal and environmental impact studies, or proactive initiatives, the sites put in place mechanisms for consulting with local residents and other stakeholders in order to take into account their expectations in terms of controlling these impacts throughout the entire operation.

In consultation with the Sustainability and Corporate Engagement Department, some sites may go beyond the regulatory requirements for dialogue with local residents. In particular, the sites exercise greater vigilance with regard to the indigenous or vulnerable populations that may reside in the surrounding area.

As part of a process of continuous improvement, actions to reinforce these dialogue mechanisms with the affected people are included in a multi-year action plan drawn up by the Group.

In 2022, a consultancy firm conducted an external audit on the extent to which the complaints management mechanisms of our mining sites comply with the effectiveness criteria of the UN Guiding Principles on Business and Human Rights. The results of the study demonstrated that the sites had implemented effective mechanisms, but that dialogue and communication with communities needed to be improved.

#### 3. *Contribution to local development priorities*

Eramet aims to make the Group's activities a source of clear benefits for local populations. By placing a particular focus on employment and local sourcing and subcontracting, the Group's subsidiaries constantly strive to increase their contribution to the economy of the territories where they are based. Above all, the Group's sites develop community investment or sponsorship programmes aimed at supporting local development priorities. In a partnership approach, these priorities are identified and monitored collectively: support to economic activities, actions to promote education, health, sport, culture and the environment or construction of infrastructures.

How sites are rolled out and their compliance with Group standards on community relations are monitored under Objective 5 of the Roadmap, "Be a valued and contributing partner of our host communities". A five-year programme in respect of host communities is implemented by the Divisions for this purpose. The achievement of the objective will be measured against two targets by 2023:

- 100% of sites have established a mechanism for engage with local stakeholders;
- 100% of sites have implemented an investment programme to contribute to local development, with a focus on actions in favour of young people.

### b. Health and safety of individuals

Actions to prevent risks to the health and safety of employees are coordinated by the Safety and Prevention Director and the Group Medical Advisor, who both report directly to the Chairperson and CEO and the Director of Human Resources, Health and Security. They establish and propose to the Executive Committee the Group's health and safety guidelines. Once validated, these guidelines are defined in the Divisions by the Deputy General Managers, assisted by Health and Safety coordinators, and then on site by the Site Managers, who are themselves assisted by a site Health and Safety coordinator.

Prevention of damage to health and accidents is at the heart of the system, and concerns Eramet employees and temporary workers and subcontractors who work on the sites. It is based on the analysis of risks in the workplace, which determines the actions and preventive measures to be implemented. The Group's commitments and expectations on these issues are set out in the Safety policy and the Health policy (published on www.eramet.com).

#### Management of risks related to safety

Prevention tools are adjusted to the three major risk groups identified:

- the prevention of technological risks is based on the implementation of barriers (technical, organisational and human) as a result of hazard studies. Prevention depends greatly on the technical expertise of the teams that has been acquired over years of operations and their ability to identify and respond to weak signals;
- the risks associated with critical activities are too important to leave the choice of method of operation to the stakeholders; these activities are also strongly governed by rules. Eramet has compiled a set of minimum essential rules – "Essential Safety Requirements" – that all sites are required to comply with, and which are compatible with local legal requirements.

Limited in number, they are communicated via training and on-site exchanges. They are auditable and audited as part of Corporate audits;

- finally, non-standardised activities cannot reasonably be governed by simple rules. For the work situations in question, Eramet develops its employees' situational awareness so they can learn to make the right safety-related decisions. Team awareness, feedback, and especially interactions with the chain of command in the field are all systematically used to guide decisions towards safer behaviour.

For each risk identified, risk reduction measures are implemented to reduce the criticality to an acceptable level. Routine tasks are carried out according to work guidelines that take into account the risks identified for the task in question. A specific risk analysis must be conducted for tasks not covered by a work guideline, and a work permit must be obtained for critical activities. Tasks and work carried out by subcontracted companies are governed by a specific prevention plan and compliance with safety rules is verified in the field.

Safety is an absolute priority for the Group and is the foremost objective in its CSR Roadmap. The Group's FR2 figure (Eramet + temporary workers + external companies) fell for the fifth consecutive year, to 1.6 in 2022, corresponding to a 27% decrease in one year, after falling by 44% in 2021, and a sixfold reduction over five years. There were no serious accidents in 2022. This significant decrease is the result of the progress achieved by the various Divisions, and more particularly by the Mining and Metals Division, which is now one of the leading mining players in terms of safety results.

### Management of risks related to health

In terms of prevention of health risks, the Group's strategy is based on the Group's Health policy, which covers four main areas, broken down into specific priority actions. The strategic areas are:

- reducing and managing the effects and impacts of the Group's activities on the health of employees, subcontractors and local residents;
- continued employment for all employees during their professional career, including when affected by poor health;
- participation in general public health and chronic disease prevention campaigns;
- the prevention of risks to psychological health and the implementation of actions for the quality of working life.

Within this framework, specific measures aimed at combating addictive habits (smoking, drinking etc.), preventing stress and psychosocial risks (PSR), and measures to fight biological risks/diseases (such as malaria) are implemented at the Group's various sites, according to their level of criticality and exposure.

A Group standard has been rolled out in the EMS for the prevention of chemical risks and the management of hazardous products. The Group Products Coordination Unit – which is part of the Sustainability and Corporate Engagement Department – and the Group's coordinating medical officer are responsible for communicating on, ensuring and monitoring the application of this standard. They organise a Group Products Committee meeting once a year to outline strategic priorities and the support to be provided to Divisions and sites to help them comply with the numerous regulations. The action of this structure has three main objectives:

- improve the technical and scientific knowledge of Group products;
- provide support and information to internal and external clients;
- harmonise the chemical risk management methods on the sites.

Harmonising the chemical risk management on the sites is a major challenge. Eramet Group production sites are found on five continents, and they must, therefore, follow and respect various regulations concerning hygiene and controls of chemical exposures in the workplace. In this area of regulation, there may be significant differences from country to country for the same substance. Harmonisation and communication between sites on these subjects is therefore important for exchanging, explaining and implementing practices and references, ensuring a corresponding protection that is the same or higher than the regulations in force in the relevant country.

Performance is measured based on the Group's EMS standard, for which compliance with the first two chapters is an essential prerequisite:

- the chemical products present on site are listed according to how hazardous they are. Mapping of chemical risks has been completed and is used to monitor exposures;
- exposure monitoring (metrology of work stations and biometrology) must be carried out on site regularly, and compared to the references defined by the Group (such as toxicological data sheets). Corporate functions are provided with a summary of these measures and help the sites interpret these results.

For the Group, chemical risk management does not stop at the site gates. The consequences of activities on the health of local populations are also investigated. Of particular focus in this respect is the risk of environmental asbestos at nickel mines. In New Caledonia, specific operating procedures exist to control veins of asbestos-containing ores in the event that the mining activity uncovers them. The operators are trained in the precautions to be taken, and special medical monitoring has been set up, in consultation with the authorities, social partners, and other mining operators.

In Gabon, the Group has studied and measured manganese levels in the immediate environment of the Moanda mine, and was able to demonstrate that there was no health impact relating to manganese in the air. Generally, the health impact of activities is always assessed in detail during project phases.

In New Caledonia, the Group has signed a partnership with the Nouméa Centre for Follow-up Care and Rehabilitation to treat employees with obesity (BMI > 35) to ensure multi-disciplinary medical care and to minimise the impact of this condition on the physical and professional activities of those affected.

The health prevention strategy is based on the Group's Health Policy, described above.

### c. Environment

Eramet's policy on Environmental Responsibility (published on www.eramet.com) focuses on three areas:

1. implementing effective environmental and industrial risk management systems across all of its plants, and across its transport and supply chains. Contingency plans and crisis response structures have been defined to ensure an efficient response in the event of an incident;
2. taking environmental issues into consideration as early as possible when designing and developing industrial and mining projects, based on national regulations, Group policies, and the international standards within the industry or of project funders;
3. the supply of necessary metals to ensure the energy transition and develop activities that contribute to a more efficient economic model in terms of its primary resources and more circular.

To manage its environmental risks, the Group relies on a network of internal experts and on a structured organisation. The Environment and ESG Performance Department defines the Group's benchmarks, coordinates the general dynamics of continuous improvement, implements mechanisms for monitoring internal standards, and provides sites and projects with expert technical support. Monitoring and anticipation of regulatory changes are performed jointly with the Social Impact and Human Rights Department. In addition, more than 60 people make up the network of HSE functions at the sites with a reporting line to their senior management for the vast majority of them. Training and awareness activities on the essentials of environmental responsibility management are also carried out at the site, Division and Corporate levels.

The management of environmental risks begins with the implementation of environmental management systems. This is why the Group pursues the objective of ISO 14001 certification for all its sites, except those that have no significant impact on the environment. The latter category includes sites with purely administrative activities, such as offices, distribution centres or sites in project or closure phase. As at the end of 2022, sites that had obtained ISO 14001 certification represented 89% of the target objective. With the certification of GCO in Senegal and the Doniambo power plant in New Caledonia in 2021, all of the Group's mining sites are now ISO 14001 certified.

The more targeted measures and actions to control each of the environmental risks are described below.

#### Water consumption/pressure on water resources (industrial and mining sites)

Mining, metallurgy and hydrometallurgy activities consume water in several ways: for the cooling of furnaces and other metallurgical plants, for the washing of ores, raw materials and by-products, and finally for hydrometallurgical processes (solubilisation and reactive environments).

In 2020, Eramet conducted a significant study on the water footprint of all its active sites. The goal was to achieve a more accurate definition of the risks associated with water use in the different plants. The study used renowned international tools to reach its goal: Aqueduct Water Risk Atlas (developed by the World Resources Institute – WRI) and the Water Risk Filter.

The study confirmed that there were no production sites with significant water consumption (> 5000 $m^3$ per year) located in a catchment area with high water stress risk, i.e., with a ratio of total water withdrawals to available and renewable water supplies of greater than 40%, as defined by the WRI. Only one site (Commentry in France) is located in an "average to high" risk catchment area. However, the latter's consumption accounts for less than 1% of the Group's consumption. Without being concerned by a physical risk of water shortage in the short term, Eramet considers the GCO site (Senegal) as a sensitive site with regard to water, considering the crucial use of aquifers for the mine area residents, who mainly earn their living from market gardening activities. The Argentine Centenario lithium project site, located in a barren salt flat where water is critical, can be added to this list.

Although this water resource is often substantial or abundant on its sites, the Group attaches real importance to its preservation. Multiple actions are taken to use only the required amount.

Whenever technically possible, the sites encourage internal recycling of the water consumed. Furnaces and other metallurgical facilities, as well as other high-consumption installations, are mainly cooled using closed circuit systems. The water consumption is then essentially supplemented in order to compensate for evaporation or losses in the system. Where possible, the sites also source water from a nearby industrial site.

With regard to mining sites, the issue of water consumption mainly concerns the Grande Côte Operations (GCO) site in Senegal. The subject of water management is sensitive there, as the operation of the mine uses two aquifers, one of which is very important for the people and the country in general. Given this situation, every precaution is taken to ensure that the impact of the mine is as low as possible. GCO has an expert team in hydrogeology, and the water management system was designed and authorised by the competent department of the Senegalese Government to avoid additional pressure on the surface water table used to supply agricultural crops for local residents. All mining installations are controlled to ensure minimal variations in the level of this water table.

To anticipate future water shortage, Eramet has fully committed to reducing water-intensive operations in all its development mining projects: the recognition of water as a key factor in developing the Argentine Lithium project adsorption process, as this made it possible to reduce the water intensity of processes by 30% with R&D progress, resulting in a final recycling rate of 60%. Additional measures, currently being approved by the engineering teams, are expected to improve this performance further once the production units have been put into operation.

### Emissions into water (industrial sites)

Hydrometallurgical sites are the sites that present relatively the most significant risks of water pollution, due to the use of chemicals and an aqueous process. Eramet is committed to reducing its aqueous emissions, and all industrial water is managed in accordance with applicable regulations.

In addition to preventive systems, such as ponds and double-walled storage tanks, curative mechanisms, such as effluent treatment plants using physico-chemical processes or hydrocarbon separators (separation by decantation) are used to allow discharges that are in accordance with the statutory limit values.

The Group's sites also closely monitor the quality of groundwater and the impact of the activity on soils and subsoils. Several hundred piezometers are distributed throughout the Group's various sites, both within and outside of the Company, to support the initial phases of any new project (characterisation of the initial state) and also to monitor any impacts on ground and surface water.

### Atmospheric emissions (industrial sites)

Pyrometallurgical activities with their fusion plants and heat treatment furnaces contribute the most to stack dust air emissions, including power plants. $CO_2$ emissions are discussed below.

Air emissions are a function of the nature of raw materials and ores used, the transfer and loading technologies in place, the installed capacity of the equipment and especially the level of activity of the sites.

In pyrometallurgy, stack dust emissions are generated in the handling of materials, furnaces, grinding and milling operations, as well as operations involving molten liquid metal and slag. In hydrometallurgy, stack dust emissions most often occur during the handling, grinding, drying or transfer of materials.

The effluent purification systems generally used in the Group's factories are electrostatic precipitators, baghouses and washing towers. Specific treatment systems for certain pollutants can also be used, such as activated carbon filters. The different items of equipment are installed according to the characteristics of the industrial processes, the targeted purification performances and regulatory constraints.

According to its CSR Roadmap, Eramet has undertaken a vast project aimed at decreasing its stack dust emissions by 80% over a period of five years. A reduction of around 70% has already been achieved after four years of work.

### Production of hazardous waste (industrial sites)

The activities that generate hazardous waste are mainly derived from the pyrometallurgical processes of the Group's mining divisions. The High Performance Alloys Division sites that are significant in terms of their size also generate significant quantities of hazardous waste.

These activities produce dust recovered by filtration systems, sludge and sodium-calcium slag which, depending on their intrinsic properties and the location of the operation, can be considered hazardous waste. The hazardous waste is treated through specific, authorised channels. Controls are put in place to ensure the proper management of this waste throughout the process (transport of waste, delivery to approved centre and final treatment).

### Impact on biodiversity (mining sites)

In terms of controlling biodiversity risks, Eramet has formalised its commitments through a dedicated policy, which is structured around three main areas:

1. better awareness and understanding of biodiversity and its features;
2. acting to preserve biodiversity by applying the Avoid, Reduce, Rehabilitate, Offset mitigation sequence;
3. raising awareness, and exchanging and sharing information.

These principles are to be adapted at sites in a manner proportionate to local issues.

In New Caledonia, Société Le Nickel (SLN) operates nickel deposits on various sites in the heart of a region renowned for its rich biodiversity and the high rate of endemism among its flora and fauna species. It has developed reliable and environmentally friendly rehabilitation methods including revegetation by hydraulic seeding and plantations. The naturally low fertility of the soils, rich in metals and poor in organic elements, as well as the extreme rainfall conditions, make it difficult to see the results of this work in the short term because of the very slow growth.

SLN has implemented a global biodiversity management plan derived from a biodiversity strategy that incorporates international preservation standards in this area. Through this strategy, SLN implements its global biodiversity management plan.

In this context, SLN is working on the reintroduction of rare and threatened plant species through inventories of mining centres, as well as phenological monitoring to better control the reproduction of these species. SLN also monitors the wildlife (reptiles, birds, bats), the marine environment and the water quality of its mining creeks on all of its active sites.

In Gabon, the mining procedure includes a remodelling step and the progressive upgrading of the topsoil. The gradual reshaping of historically disturbed surfaces has also been completed.

In Senegal, the exploitation of mineral sands involves the clearing of vegetation as a floating dredge moves along the deposit. Biodiversity is of medium sensitivity in the areas currently being exploited. The issues are mainly related to the rehabilitation and revegetation of large areas when the exploited sites are made available. Revegetation (sowing/planting of local species) occurs after the reshaping of slag heaps to maximally reflect the original landscape (dunes). An auxiliary irrigation system is also in place to enable the continuity of revegetation operations during the nine-month dry season.

According to its CSR Roadmap, Eramet has committed to increasing the pace of mining rehabilitation being carried out at its sites. Mining rehabilitation is the key operation in limiting the impact on biodiversity, as well as on water resources. The goal is to rehabilitate a surface area that is the same size as or larger than that which was cleared for the purpose of extraction. To monitor the achievement of this objective, GCO launched a rehabilitation performance monitoring project in 2021. For that purpose, drones are used to collect aerial images at regular intervals at zones undergoing rehabilitation, and an Artificial Intelligence has been trained to analyse the collected data and produce dashboards on restoration quality (newly created vegetation cover, survival rate of planted species etc.). All this is a rare commitment in this industry and represents significant progress compared with previous years. For the fourth consecutive year, the objective was achieved in 2022.

### Increased erosion and impacts associated with rainwater run-off (mining sites)

At mining sites in New Caledonia, and to a lesser extent in Gabon, the major issue of water management is to prevent the entry of suspended solids (SS) into the receiving environment through run-off caused by erosion due to surface stripping.

To avoid this, the sites are equipped with sedimentation ponds that trap suspended matter to limit their transport into the natural environment. Upstream from these works, many precautions are taken to minimise erosion, including roofing of sites to prevent water entry, minimisation of unsheltered areas, conservation of natural embankments at the edges of stripping sites, the organisation of run-offs to reduce speed, and the implementation of hydraulic locks. All of these measures are documented in water management plans.

In Gabon, the subject of erosion is less significant given the topography of the plateau deposit and the draining characteristics of the upper geological layers of the plateau. This topic still attracts attention due to the ongoing extension of the original deposit into the steeply sloping part. There is a specific water management plan for this area. As part of this plan, a specific environmental monitoring system is in place, which confirms the effectiveness of the measures taken and makes it possible to verify that the very limited and localised phenomenon of acid mine drainage does not have a significant impact on the natural environment.

In Senegal, protecting the dunes reconstituted after dredging against wind and water erosion is an issue. This risk of erosion is controlled by regenerating the reconstituted dunes, as the revegetation stabilises the sands.

### Production and storage of waste rock and tailings

Given the considerable volume of waste rock being handled at SLN operations, the storage of waste rock in appropriate structures and their revegetation is a vital environmental task in order to minimise erosion and the impacts on the ecosystem and landscape.

SLN has implemented effective techniques that have been validated by the authorities, one of which is to create waste rock stockpiles. The stability of these structures is guaranteed in the long term, even during exceptionally heavy rainfall. These waste rock stockpiles are subject to continuous monitoring and regular audits by an external third party. Moreover, in order to minimise land clearing and promote site rehabilitation, SLN prioritises the creation of flat-top piles in old mining pits, when the environmental conditions are favourable.

In Gabon, the problem is less sensitive since, on the one hand, the volumes of waste rock being handled are much less, and on the other hand because the technique of exploitation by the successive opening/closing of extraction compartments allows the majority of waste rock to be placed directly into the compartments after extraction.

The Senegal mine is not at all affected by this problem, since the sand dune is reconstituted after passing the dredge and extracting the recoverable part.

Tailings, which are produced in ore concentration plants at the mines in Gabon and New Caledonia, are separated using wet methods, without altering the natural properties of the soils. As such, they not considered hazardous waste within the meaning of the regulations. In New Caledonia, the majority of the processing residues from enrichment plants are also commercially exploited as by-products of the mine. In Gabon, mining waste is stored in basins consisting of closed dykes. The waste from the metallurgical enrichment plant is stored in a containment cell. These structures are continuously monitored for their stability.

It should also be pointed out that these structures are modest in size, and that Eramet does not make use of the controversial technique of "upstream raised" dams. Eramet is committed to implementing the recommendations of the GISTM[1], and has adopted an internal procedure to that effect. Internal and external verification audits are carried out in this regard.

The GCO plant in Senegal produces a very small amount of residues. The residual products have characteristics which allow their return to the natural environment when the dune is reconstituted.

Finally, Eramet is committed to developing alternatives to storing waste in dams (wet method). In Gabon, 50% of flows in the mine extension will therefore use a dry stacking method which removes the risk of geotechnical stability and also enables the recycling of water. This method is also used for the nickel hydrometallurgy project developed by Eramet in Indonesia.

### Rehabilitation of closed industrial sites

The Group exercises the utmost vigilance against potential impacts on soils and subsoils resulting from its past, current or future activities, both in the area of its industrial and mining activities.

For several years now, Eramet has developed a "soil" expertise cluster to manage the environmental aspect of discontinued activities. This expertise concerns the investigation, monitoring and management of potentially impacted soils. It operates through various projects, such as the rehabilitation of industrial land, the end of life of landfills, or former mines. This expertise is also consulted to improve the prevention of soil pollution on active sites, as well as upstream of acquisitions and disposals. Lastly, this cluster is taking action to strengthen knowledge of the state of the soils and subsoils of the various sites at which the Group operates.

### Energy consumption and greenhouse gas emissions (industrial sites)

Through its Energy and Climate policy, published in 2020 (accessible on www.eramet.com), Eramet is committed to reducing its greenhouse gas emissions, in particular by reinforcing its approach to improving energy efficiency, by promoting and developing the recycling of raw materials in a circular economy approach, and prioritising low-carbon energy sources and processes under economically acceptable conditions.

The Group takes climate issue to the highest level of its management bodies. Governance is organised at three levels:

- the Board of Directors, which relies on the recommendations of its Strategy and CSR Committee;
- the Executive Committee, which is supported by the Energy and Climate Department, which was created in 2018 and which reports to the Director of Strategy and Innovation, who is a member of the Group's Executive Committee;
- the Energy & Climate Department, which, for operations, relies on a network of on-site energy and climate specialists, on the sites' various departments and business units, and on dedicated decarbonisation personnel within the Operations Department.

Decarbonisation of our economic activities is at the heart of the momentum of mines, metals and alloys. As this is a short, medium and long-term problem, reducing $CO_2$ emissions is backed by governance that takes into account an optimisation of existing assets, the development of new technologies in partnership with peers, academics and suppliers, as well as supporting the decarbonisation of customers and suppliers.

As such, Eramet's answer to climate change is based on the following focus points:

- the reduction of $CO_2$ emissions on scopes 1 & 2;
- helping customers (scope 3 emissions) to reduce their GHG emissions, by offering products and solutions that mainly contribute to reducing the carbon footprint. This is reflected in the Group's strategy;
- the formal request to Eramet's suppliers and customers to commit to a decarbonisation process compatible with the Paris agreements;
- promoting the circular economy.

The Group's commitments are extended, with the support of the Energy and Climate Department, to all of its sites. Each site's General Management applies an energy management system based on ISO 50001 standards. At year-end 2022, all the mining and metallurgy sites were ISO 50001 certified.

In 2022, Eramet's $CO_2$ emissions fell by 3% compared to the previous year (and by 12% compared to 2019). The Group's medium-term objective (by 2023, a 26% reduction in production-related emissions compared to 2018) was largely exceeded in 2021, when the quantity in tonnes of $CO_2$ emissions per tonne produced fell by 39%, mainly due to an increase in mining production. The Group has assessed its scope 3 emissions pursuant to the rules set out in the *GHG Protocol*, as well as its areas for improvement.

In 2020, Eramet decided to set a long-term objective by committing to a *Science-Based Target* reduction. This approach has been validated by the SBTi *(Science Based Target initiative)* with the "target set" status, and targets a 40% reduction in absolute scope 1 and 2 emissions by 2035 compared to 2019. Eramet has also set itself the target of contributing to the achievement of carbon neutrality within this scope by 2050.

## IV. Governance and systems to monitor the measures implemented and assess their effectiveness

Several of the Group's systems make it possible to monitor the implementation of the measures presented in this plan and to evaluate their effectiveness.

The Group's systems for reporting and monitoring committees/rituals, described in section II.2 of this plan, provide data that can be used to measure the resources deployed at each site, and their results. The data is collected and tracked by the Sustainability and Corporate Engagement Department, the Safety and Prevention Department and the Human Resources, Health and Security Department. The internal audit system, also described in section II.2 of this plan, enables the monitoring of each of the Group's sites, and the production of recommendations.

In the specific case of Group projects, the implementation of environmental and societal impact management action plans is monitored on a continuous basis as part of project support provided by the Environment and ESG Performance Department.

The monitoring of these subjects is increasingly integrated into the management bodies and Division steering bodies, according to the challenges identified for their respective activities and entities. Formalisation of the Group's CSR Roadmap has also facilitated greater supervision by top management of the most sensitive subjects addressed through measures set out in the Vigilance Plan.

The Eramet Group has adopted a roadmap to guide its CSR performance. The roadmap is a comprehensive tool that addresses its challenges and risks and integrates its contribution into the United Nations SDGs. This Roadmap, which links CSR priorities and the pillars of the Group's five-year strategic vision, covers the 2018-2023 period. It contains thirteen objectives.

The Safety, Environment and Human Rights measures included in the Roadmap when it was designed are monitored under this framework, covering the main risks identified within the Group's Vigilance Plan. In practice, Objective 1 covers measures fostering the Health and Safety of employees and subcontractors. The main human rights topics highlighted by the dedicated risk mapping are processed via Objective 4 on diversity, Objective 5 on relations with host communities, as supplemented by Objective 8 which provides guidelines for the implementation of the human rights collective commitment approach. Environment-related issues requiring particular attention are mainly addressed under Objectives 11, 12 and 13, which concern, respectively, reducing air emissions, safeguarding water resources and accelerating the rehabilitation of our mining sites by fostering biodiversity and shrinking the energy and climate footprint. Additional elements for each of these objectives are available in each point of section III. Risk management actions

The Roadmap has been shared and validated by the Strategy and CSR Committee and the Board of Directors, which review it periodically. The Executive Committee also closely monitors the progress of the commitments made, during interim reviews carried out based on careful internal management and organised on a quarterly *ad hoc* basis, the CSR Steering Committee. This Committee comprises representatives of the Departments in charge of the CSR Roadmap objectives and business-line experts (HR, Safety, Purchasing, Environment, Societal Impact, Ethics and Compliance, Strategy, Finance, and operational Divisions). It also generates proposals and initiatives for the Group, with the aim of continuously improving its CSR approach.

## V. Identification, assessment and management of risks related to suppliers and subcontractors

The Eramet Group's activities involve the significant use of external purchasing and, to a lesser extent, outsourcing. The entire Eramet Group spends about 60% of its turnover on the purchase of goods and services. As a result, the Group pays particular attention to CSR issues related to its upstream value chain.

### 1. Risk mapping and supplier and subcontractor assessment procedures

#### Risk mapping

Every year since 2017, as part of its responsible purchasing approach, the Group conducts a risk mapping exercise to identify the risks generated by its suppliers' and subcontractors' activities, in terms of human rights and fundamental freedoms, human health and safety, and the environment (hereafter "CSR risks").

In order to develop this risk map, an approach based on the business categories of the various suppliers and subcontractors was chosen. The ISIC (International Standard Industrial Classification of All Economic Activities) nomenclature developed by the UN was used. This nomenclature contains several hundred categories. A level of CSR risk is then allocated to each business category, on the basis of ratings provided by an external consultant. This rating is the result of data analysis and sectoral studies on the impacts and practices specific to each business category. These risks are analysed in the four areas, namely working conditions and respect for human rights, the environment, ethics and fair practices, and issues related to the supply chain of the sector itself.

This CSR risk mapping identified the Eramet Group's 18 purchasing categories with the highest level of CSR risk, including the following categories:

- manufacture of non-metallic mineral products;
- manufacture of coke and refined petroleum products;

- manufacture of refractory products;
- manufacture of chemical products;
- metallurgy and processing of basic precious and non-ferrous metals;
- recovery of materials (treatment of waste composed of secondary raw materials; recovery by sorting material from non-toxic waste);
- wholesale trade of solid, liquid and gaseous fuels and related products;
- wholesale trade of metals and ores;
- mining of coal and lignite;
- construction of roads and railways;
- construction of other civil engineering projects.

This mapping exercise – the methodology of which is likely to change as part of a continuous improvement approach – is conducted every year.

### Procedure for assessing the situation of suppliers and subcontractors with regard to CSR risks

In addition to the annual supplier CSR risk mapping exercise, the Eramet Group has introduced a Group management procedure (EMS) which defines the methods for ethically assessing and screening its suppliers.

As part of this procedure, CSR assessment and ethical screening methods are defined according to the following criteria:

- the supplier's business sector;
- the supplier's country;
- the expenditures with the supplier.

The CSR assessments are carried out via a questionnaire that is completed by the supplier and analysed by a specialised external partner, or via an in-house Eramet questionnaire in which the answers are checked internally. In both cases, the CSR questionnaire covers the four areas: working conditions and respect for human rights, the environment, ethics and fair practices, and the supply chain of the sector. The companies questioned are required to provide documents to support their declarations (certifications or policies, for example). Any supplier that does not provide supporting documentation and/or proof to support their answers shall be considered and processed as a high-CSR risk supplier.

During the 2017-2022 period, Eramet has questioned all of its suppliers identified as at-risk in terms of CSR according to its mapping.

Since the launch of the consolidated programme, more than 340 suppliers and subcontractors identified as at risk (160 suppliers and subcontractors for discontinued activities), representing more than 50% of the Group's purchasing expenses in 2022, have been assessed.

In addition to the CSR assessments, some suppliers are also subject ethical screening, depending on the level of risk posed by the country where they are based, and the amount of expenses incurred. Criteria that trigger so-called ethical screening are based on the country in which the supplier operates and the amount of expenditure incurred. To carry out this assessment, the Group uses an ethical database. During the 2019–2022 period, more than 2,600 suppliers, based on a rating established by an external expert, and/or reaching a pre-defined turnover threshold, were subject to this analysis.

In addition to this process, which covers all Group purchasing, a due diligence procedure for conflict ore was introduced within the Eramet Group.

Some of the Group's activities require the use of tungsten in metallic form or, more anecdotally, the use of tantalum or tin in their manufacturing processes. These metals may be called "conflict" metals if their exploitation is used to finance armed groups and fuel civil wars in some parts of the world. Eramet is very attentive to the conditions of supply of these materials, and in particular to compliance with the specific provisions of the "US Dodd Frank Act", the European regulation that entered into force on 1 January 2021, and the guidelines set by the OECD for multinational companies.

The Eramet buyers in charge of these supplies thus systematically require their suppliers to provide information concerning the origin of the ores used for the manufacture of the ores/metallic products sold to Eramet. To this end, Group buyers use the Conflict Minerals Reporting Template (CMRT), supplied and updated regularly by the Responsible Minerals Initiative (RMI), of which Eramet is a member through its subsidiary Aubert & Duval.

In addition to this commitment to inform, Eramet also ensures that all conflict ore supplies come from refineries or foundries recognised as compliant with the RMAP standard developed by the RMI, which is a benchmark in this domain.

## 2. Risk management

### Risk management policy and organisation

Eramet has adopted a Suppliers' code of conduct (published on www.eramet.com) – which formalises the Group's desire to strengthen the incorporation of sustainable development issues in its procurement processes – and seeks to promote a dynamic of continuous improvement. Eramet's expectations with regard to its suppliers, subcontractors and service providers primarily target three main areas: Human Rights and working conditions, environment and products, and good business practices. It is available on the Eramet website. (www.eramet.com)

To oversee the Group's responsible purchasing approach, Eramet has set up a Responsible Purchasing Committee, comprising the Group Purchasing Manager, the Supplier Performance Coordinator and representatives from the Sustainability and Corporate Engagement Department and the Group Legal Department. This Committee is an integral part of the Group's ethics compliance organisation, led by the Compliance and Ethics Department.

Eramet uses an SRM (Supplier Relationship Management) tool to identify and closely track its entire panel of suppliers. As such, more than 22,700 prospective and listed suppliers are continuously assessed with reference to the CSR and ethics risk map, and their assessment or screening can now be automatically launched.

This tool also enables the Eramet Group to be more proactive in its assessment and monitoring of suppliers' CSR risks. Risks are now identified and assessments and screenings launched when a potential supplier is still at the prospecting stage. A prospect with high CSR-risks and a weak risk management approach can therefore be disregarded before being included in Eramet's supplier base.

### Risk management actions

Compliance with the principles set out in the Eramet Group's Suppliers' code of conduct forms part of Eramet's contractual requirements for all its suppliers and subcontractors. The code specifies that assessments and audits may be carried out by Eramet at suppliers' premises to verify compliance with the principles stated therein.

All subcontractors operating on Eramet's sites must also comply with the rules in force at these sites in relation to environmental, health and safety risk management. To do so, HSE contractual clauses are included in the agreements signed with subcontractors. These clauses clearly define the expectations and commitments of each party in terms of Safety in particular.

The results of the CSR assessments and/or ethics screenings, which may be supplemented by due diligence measures, allow the Responsible Purchasing Committee to define the degree to which the suppliers identified as at risk are in compliance, or in breach. Then, arbitration committees decide upon the risk management actions that need to be implemented for the suppliers that are considered to be non-compliant. Among the actions to control potential risks, dialogue with suppliers and the development of targeted action plans are given priority. 56 suppliers are currently the subject of a corrective action plan, tailored to their specific characteristics and areas for improvement. The Group is also planning on-site CSR audits to find out more about the situation, practices and constraints of suppliers.

Eramet can also decide to terminate the relationship with the supplier when it considers that the situation requires it, specifically if a supplier refuses or is unable to implement corrective measures. Eramet reserves the right to terminate the contractual relationship and this case is provided for in the suppliers' code of conduct. Over the course of the 2019–2021 period, Eramet ceased working/terminated relations with 70 at-risk suppliers, in particular due to certain suppliers' refusal to comply with the Group's CSR requirements.

### 3. System to monitor the measures implemented and assess their effectiveness

For actions related to responsible purchasing, the monitoring of the implementation of measures and the assessment of their effectiveness is carried out both on the supplier side (risk management measures) and internally (implementation of the approach).

In the first place, suppliers' compliance with the requirements of the Suppliers' code of conduct, or with the corrective measures requested further to CSR assessments, may be monitored through supplier audits, as described above.

The Group's supplier relation management tool (SRM) is used on a daily basis to steer all the necessary CSR assessments (invitation, reminders, renewals, etc.) and ethics surveys to ensure the compliance of all suppliers with the Group's procedures and standards.

Performance indicators relating to the updating of risk maps, the roll-out of assessments, and audits of suppliers are monitored by the Responsible Purchasing Committee. Some of these indicators are related to Objective 10 of the CSR Roadmap, which monitors, in particular, the compliance rate of Group suppliers identified as at-risk. In late 2022, 90% of suppliers were considered compliant with the Group's requirements. Most of the suppliers ranked non-compliant suppliers are suppliers who failed to answer the questionnaire, the absence of an evaluation automatically places them in the category of high-risk suppliers. The implementation of the CSR Roadmap is the subject of a half-yearly report to the Group's Executive Committee, and an annual report to the Board of Directors' Strategic and CSR Committee.

## VI. Whistleblowing and reporting system

The Group's whistleblowing system, established in June 2020, enables employees and stakeholders to report the following unethical behaviour:

- corruption, bribery and facilitation payments;
- money laundering;
- favouritism, influence peddling and the illegal acquisition of interests;
- fraud and/or falsification of all documents;
- theft and embezzlement;
- conflicts of interest;
- anticompetitive practices;
- discrimination, unfair treatment, bullying or sexual harassment at work;
- sexist actions or violence;
- conduct contrary to the Group's policies and standards in relation to health, hygiene, safety at work and protection of the environment;
- violations (or risk of violation) of the Human Rights of the Group's employees or of third parties affected by the Company's activity; and
- generally, any crime or misdemeanour, gross and manifest breach of the law or regulations, and any threat or serious harm to the general interest.

Employees have several whistleblowing channels at their disposal: they can, in particular, notify their managers and the Ethics and Compliance Local Officers.

If no action is taken and/or if there is a conflict of interests, they directly notify the Ethics and Compliance Department of inappropriate conduct by using the outsourced digital whistleblowing platform, in line with the General Data Protection Regulation (GDPR) provisions, rolled out in the Group's 20 countries, most recently in Cameroon. It can be accessed via all the Group's internet and intranet sites, as well as a QR code on posters displayed within the Group and 20 dedicated free telephone numbers.

This system ensures total confidentiality for employees and external stakeholders, and guarantees that no retaliatory measures will be taken against those who use the tool, so long as they actions are not self-serving and made in good faith. The whistleblower can remain anonymous if allowed by local law.

## Management of whistleblower reports and dedicated governance

### Stages of the whistleblowing system

Dedicated governance has been put in place to manage whistleblower reports completely confidentially and securely. A Sanctions Coordination Committee including the Group Human Resources Director, the Human Resources Departments of the two Divisions, the Social Law Department, and the Ethics and Compliance Department, meet twice yearly to ensure that the sanctions announced are consistent.

This whistleblowing system has been the subject of a major communication campaign within the Group since it was rolled out, and has also been communicated to external stakeholders; et the address of the system is mentioned in all Ethics and Compliance reference frameworks and in the procedures of the Group Purchasing Department.

Complete information on how to use the system and on whistleblowing processing can be found on the special Ethics & Compliance page of the Group's website and intranet, as well as on all the Group's various local websites. Posters, leaflets and events are circulated on the premises of all the Group's different entities, worldwide.

In July 2022, a communication campaign was rolled out throughout the Group to mark the second anniversary of the whistleblowing system. For this occasion, a communication was sent to all the Group's employees, in French and English, reminding them of the existence of the system and answering the questions frequently asked by employees concerning both the preservation of anonymity and the process for using the alert system without a professional email address. This email also gave an overview of the system, specifying the number of alerts received since its creation, the topics addressed, the proportion of non-anonymous alerts, and the number of sanctions and corrective plans decided upon following investigations.

For the second consecutive year, this communication was accompanied by an "Ethics Barometer", which assesses the level of employee confidence in the whistleblowing system, with particular attention being paid to the responses received.

In 2022, a communication campaign was also carried out in each subsidiary by the Ethics and Compliance Department and the Ethics and Compliance Local Officers as part of Global Anti-Corruption Day:

- display of posters of the whistleblowing system, with the telephone number for alerts specific to each country, and posters on the Group's Human Rights Policy;
- display of information on the whistleblowing system on the site display screens;
- distribution of stickers to each employee showing the dedicated telephone number for each country and the QR code for access to the whistleblowing platform;
- video of the signing of the Anti-Corruption Policy by the Executive Committee.

## Reporting

Whistleblower reports are the subject of specific reporting, confidentially, at the highest level:

- at the monthly meeting between the CEO and the Ethics and Compliance Director;
- when monthly statistics are sent to the Executive Committee;
- on an ad hoc basis during meetings of the Audit, Risks and Ethics Committee.

## Key performance indicators

12 key performance indicators are used to assess the system's effectiveness on a regular basis.

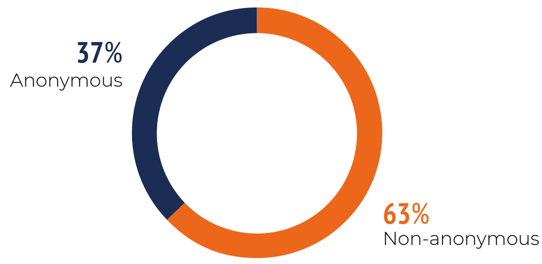
In 2022, it received 85 reports, up 60% on the previous year. 70% were investigated (the others were not proven or were out of scope) which led to disciplinary sanctions and/or remediation plans (18). Of the reports received, 16 were made by external stakeholders which have access to the whistleblowing system.

The cases are dealt with quickly, with regular interaction with the whistleblowers, when they were not anonymous. In 2022, the median processing time was approximately one month.

Three key performance indicators (KPIs) are specifically monitored at the request of the Executive Committee to ensure the effectiveness of the whistleblowing system.

In the context of the Ethics Barometer, which is carried out every year, 82% of employees indicated that they had confidence in the whistleblowing system, which is reflected in the statistics by the substantial majority of non-anonymous reports.

PROPORTION OF ANONYMOUS ALERTS AND BREAKDOWN OF ALERTS BY TYPE


In addition to the Group's whistleblowing mechanism, and depending on their potential impacts on the environment and local residents, some sites have also set up dedicated systems to receive and respond to concerns, questions or complaints from local residents. For all of the Group's mining sites, these mechanisms are developed in reference to the IFC's standards and best practices of grievance management. The receipt, processing and resolution procedures are therefore adapted in line with the cultural context of the entity and the nature of the impacts that may affect local residents. All stages of the process must be comprehensible and transparent, and the it must be easily accessible to local stakeholders at no cost to them. In 2022, as part of the process of continuous improvement, a consultancy firm conducted an external audit on the extent to which the complaints management mechanisms comply with the effectiveness criteria set out by the UN Guiding Principles on Business and Human Rights.

## VII. Report on the effective implementation of the Vigilance Plan

The purpose of this publication is to comply with the obligations of Law No. 2017-399 of 27 March 2017 on the duty of vigilance of parent and contracting companies regarding the publication of the report on the effective implementation of the plan. The Eramet Group's Vigilance Plan was first published in 2017 and subsequently updated in 2019 and 2021.

The risk assessment work used by Eramet to formalise its Non-Financial Performance Statement has provided the Group with a very precise view of the challenges it faces. The material risks for which the Group must annually present risk control policies and measures and their results include violations relating to the environment, human health and safety, human rights and fundamental freedoms, for the Group and its supply chain (see 5.1.2 "CSR risk assessment").

The table below presents for each category of risks expected in the Vigilance Plan and the risks identified, the elements of the Non-Financial Performance Statement, published in the management report, making it possible to report in more detail on risk control actions and their results, supplementing or amending the information presented in the Vigilance Plan above.

CROSS-REFERENCE TABLE VIGILANCE PLAN – NON-FINANCIAL PERFORMANCE STATEMENT

| Vigilance Plan items | Risks identified | Integration with the Non-Financial Performance Statement | |
|---|---|---|---|
| Environment | Water consumption (industrial and mining sites) | 5.2.5<br>5.2.6.3 | Optimisation of water consumption<br>Water management |
| Environment | Emissions into water (industrial sites) | 5.2.3.2<br>5.2.7.3 | Aqueous waste<br>Water management |
| Environment | Atmospheric emissions (industrial sites) | 5.2.3.1 | Airborne emissions |
| Environment | Energy consumption/ greenhouse gas emissions (industrial sites) | 5.2.6 | Fight against climate change |
| Environment | Production of hazardous waste (industrial sites) | 5.2.4.1<br>5.2.4.2 | Optimisation of the consumption of primary raw materials<br>Waste prevention and recovery |
| Environment | Risks of historical soil pollution (industrial sites) | 5.2.3.3 | Rehabilitation of closed industrial sites |
| Environment | Production of waste rock and tailings (mining sites) | 5.2.7.2<br>5.2.7.4 | Responsible resource management<br>Tailings and mine waste management |
| Environment | Impact on biodiversity (mining sites) | 5.2.8 | Preservation of biodiversity |
| Environment | Erosion (mining sites) | 5.2.7.3<br>5.2.7.4<br>5.2.7.5 | Water management<br>Tailings and mine waste management<br>Rehabilitation of mining sites |
| Human Health and Safety | Safety | 5.3.2.1<br>5.3.2.1.1<br>5.3.2.1.2<br>5.3.2.1.3<br>5.3.2.1.4 | Employee safety<br>Main safety issues and risks<br>Safety governance<br>Risk prevention strategy<br>Safety performance |
| Human Health and Safety | Health | 5.3.2.2<br>5.3.2.2.1<br>5.3.2.2.2<br>5.3.2.2.3<br>5.3.2.2.4 | Employee health<br>Main health issues and risks<br>Health Governance<br>Risk prevention strategy<br>Health performance |
| Human rights and fundamental freedoms | Human rights in the workplace: Discrimination and harassment | 5.3.2.4.4 | Equal opportunities, measures to foster non-discrimination and diversity |
| Human rights and fundamental freedoms | Rights of communities bordering the sites | 5.3.3<br>5.3.3.1<br>5.3.3.2<br>5.3.3.3 | Commitments to host communities<br>Objectives, organisation and instruments<br>Impact management and risk prevention for local communities<br>Dialogue with local communities |
| Risks for suppliers and subcontractors | Non-compliance with ILO conventions in the supply chain | 5.4.2<br>5.4.2.1<br>5.4.2.2 | Responsible value chain<br>Governance<br>Responsible purchasing |
| Whistleblowing and reporting mechanism | N/A | 5.4.1.3<br>5.3.3.2.4 | Risk prevention strategy/Whistleblowing system<br>Local complaint management mechanisms |

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