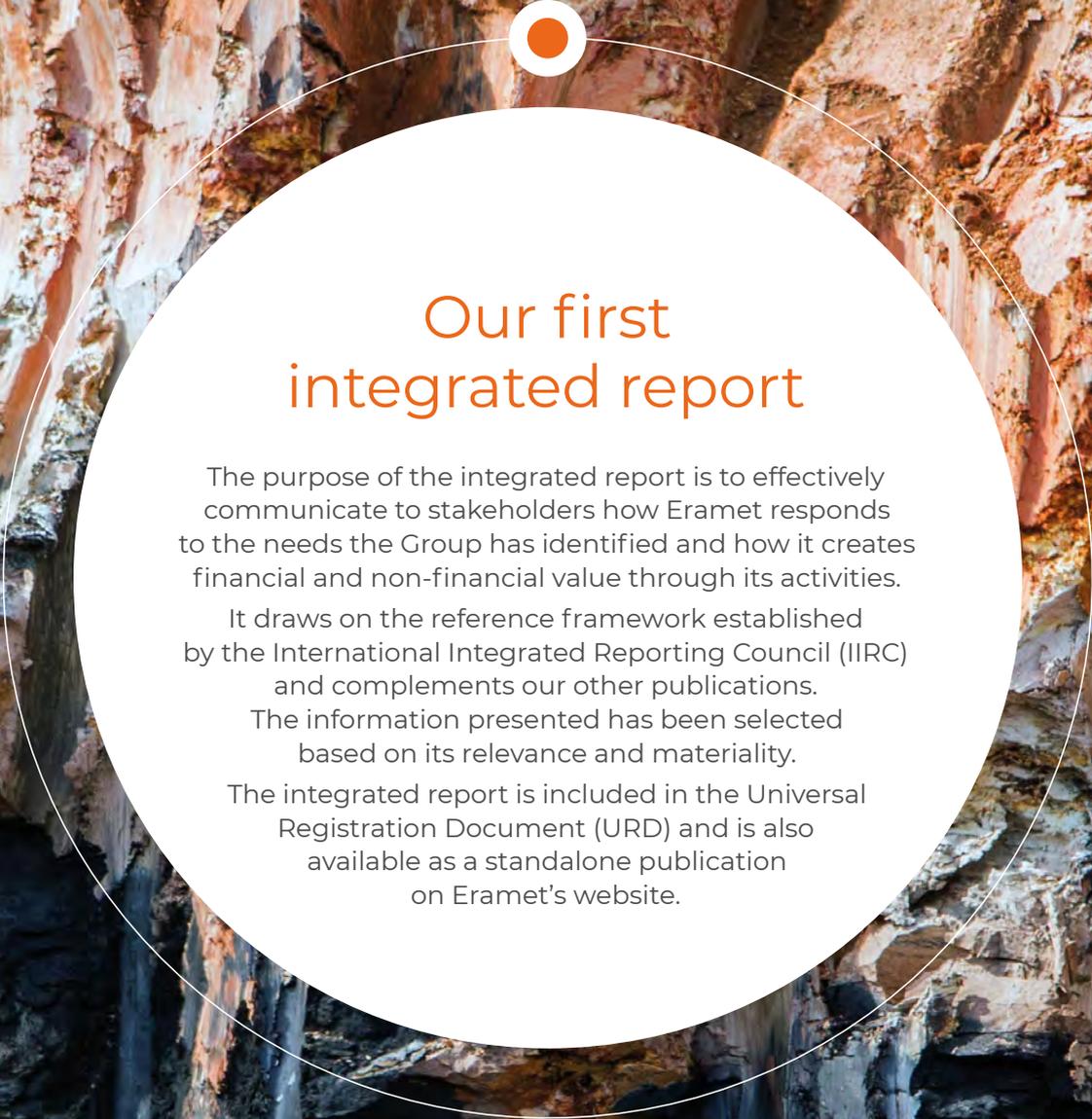


**2020**  
INTEGRATED  
REPORT



eramet



## Our first integrated report

The purpose of the integrated report is to effectively communicate to stakeholders how Eramet responds to the needs the Group has identified and how it creates financial and non-financial value through its activities.

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.

# CONTENTS

## OF THE INTEGRATED REPORT

Message from the Chair and CEO	4	Innovation	18
Manifesto	6	2020 key figures	20
In brief	7	Locations	21
Trends and opportunities	8	Business model	22
History of the Eramet Group	10	Value creation	24
Organisation of activities	11	Strategy	26
Activities		CSR commitment	30
- Mining and Metals Division	12	Risk management	32
- High Performance Alloys Division	16	Governance	34
		Financial performance	36
		Non-financial performance	39
		2021 Outlook	41



“

In both the energy transition and corporate social responsibility, Eramet has been able to anticipate change and is well equipped to support the transition from the oil era to the metal age.”

**CHRISTEL BORIES**  
CHAIR AND CEO

## Message from Christel Bories

---

### Meeting the challenges of tomorrow

Its profound effect on our economies and, more broadly, our industrial companies makes this an unprecedented crisis. In a world that combines economic disruptions, changes in models and market volatility, now more than ever it is necessary to have a clear vision of both global and local challenges and their solutions, and to stay the course while knowing how to adapt the route.

Eramet demonstrated these qualities in the exceptional context of 2020: the Group's performance in the second half of the year and the remarkable successes in our mining activities not only demonstrated the relevance of our strategic and operating model but also the resilience of our activities, thanks to the agility and adaptability of our teams.

We have been able to protect our employees and our communities, ensure the continuity of our operations almost everywhere and achieve our operational growth objectives while pursuing our ambition to be a leader in the favourable energy transition market.

### Faced with this hostile environment, Eramet has shown its resistance

We did not wait for this crisis in order to design and implement a profound transformation of Eramet through a demanding roadmap. The Group is therefore approaching 2021 on a stronger footing, and can thus envisage a new phase of organic growth in its mining activities and become the benchmark mining operator.

Eramet is the only European mining entity with world-class mineral deposits in all critical metals for the energy transition: nickel, cobalt and lithium. But that is not our only advantage.

The Group's performance in the second half of the year and the remarkable successes in our mining activities demonstrated the relevance of our model.

The crisis has highlighted the need to meet new CSR (Corporate Social Responsibility) requirements. Consumers, like our customers, are increasingly demanding low-carbon and responsible supply chains. Eramet is particularly well positioned to meet this demand: I have put CSR at the centre of our strategic model and positioned Eramet as a committed and contributive corporate citizen.

Whether in terms of energy transition or CSR, Eramet has thus been able to anticipate changes to its environment and is well equipped to support the transition from the era of oil to that of metals.



# MANIFESTO



**Working towards a more sustainable world:** this is the most pressing challenge facing humanity and one that the current pandemic is only reinforcing. To meet these challenges, because metals are essential, our industries have a major role to play - both here and now, and for future generations. This means successfully implementing a vital energy and ecological transition, which entails continually striving to use our natural resources more responsibly.

We have made this role a top priority within our corporate purpose: **become a reference for the responsible transformation of the Earth's mineral resources for "living well" together.**

At Eramet, we act to build a robust and agile business model that guarantees the highest level of performance for our customers and places corporate social responsibility at the heart of our activities.

**Driven by our aspiration to both fulfil our ambitions and meet the growing need for raw materials, and because our materials provide solidity, durability and aesthetics, we are duty bound to pursue a profound transformation.**

Although our vision to make Eramet a committed and contributive corporate citizen remains consistent, our structure, management and methods have changed considerably. As such, our Group aspires to be a larger value creator and an entity that is ever more committed to its employees, communities and all its partners. We should not be afraid of holding ourselves to high standards: that is what the greatest collective efforts thrive on.

## Eramet today is...

A key player in ore and metals recovery and in the production and processing of high performance alloys.

 **2<sup>nd</sup>**

Eramet is the **world's second largest producer of high-grade manganese ore** and the world's largest producer of refined manganese alloys.

 **1<sup>st</sup>**

Eramet is the world's largest **producer of ferronickel** and one of the world's leading producers of high-purity nickel salts.

 **4<sup>th</sup>**

Eramet is the **world's fourth-largest producer of TiO<sub>2</sub> feedstocks** and the **world's fourth-largest producer of zircon**.

**2<sup>nd</sup>**

Eramet is the **world's second-largest producer of high-power die-forged parts**. The Group is also one of the world leaders of gas-atomised powder metallurgy and a major European producer of high-performance special steels.

**€3,553M**  
**SALES IN 2020**

  
**13,129**  
EMPLOYEES

**-40%**  
**2035 OBJECTIVE TO REDUCE ABSOLUTE CO<sub>2</sub> EMISSIONS**

**€398M**  
EBITDA 2020

**-24%**  
**REDUCTION OF ACCIDENT FREQUENCY RATE (FR2) \* IN 2020**

\* Data including Eramet + temporary workers + external companies.

# A rapidly changing ecosystem

accelerated by the 2020 pandemic.

● MEGATRENDS

## Societal and geopolitical

### OUR CHALLENGES

- Rapid population growth and accelerated urbanisation.
- Rising inequality, hastened in 2020 by the crisis caused by the pandemic.
- Polarisation of opinions and mounting distrust, especially toward 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.



## IMPACT OF THE COVID-19 PANDEMIC

- In 2020, the health, economic and social crisis sped up existing trends and the appearance of new short-term problems stemming from the fallout from the pandemic and resulting uncertainties.
- Adaptive **measures needed** to be taken. These included the development of crisis management procedures and measures – particularly health related – and the increasing use of digital interfaces in social, economic and professional relationships, such as working from home, *retail* and information.

● MEGATRENDS

## Economic and technological

### OUR CHALLENGES

- Slowdown in global economic growth due to the pandemic, particularly the major aerospace crisis.
- Rapidly changing markets and customer needs.
- 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.
- Increased market volatility: commodities prices, supply and demand, etc.
- Desire to refocus investment on future projects and support for high-impact geopolitical, social, economic and environmental activities.
- 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.



## CREATION OF SUSTAINABLE VALUE

### New innovative services to support the energy transition

- 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<sub>2</sub> capture technologies.
- Development of materials recovery and products made from recycled materials.

The global eco-system is undergoing major changes. Businesses need to continually and thoroughly re-examine their interactions with all their stakeholders. Stakeholders' expectations are changing, influenced by demographic, societal, geopolitical, economic, technological and environmental megatrends. The Eramet Group's mining and metallurgical businesses are at the core of these changes.

MEGATRENDS

## Environmental

**OUR CHALLENGES**

- Climate emergency and need for collective climate actions.
- 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. For example: tightening regulatory pressure, higher 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.

▼

### INCREASED AWARENESS

**Increased awareness of environmental issues:**

- Climate change.
- Energy mix and efficiency.
- Depletion of natural resources (mineral, water, biodiversity).
- Circular economy.
- Atmospheric pollution, water and soil pollution, space pollution.

These megatrends offer responsible growth prospects and opportunities to the Eramet Group.

Responsible recovery of industrial metals and minerals, recyclability, mining 4.0, growth of urban centres, electric mobility: this is the framework into which Eramet's vision falls.

OUR STRATEGIC VISION

SUSTAINABLE VALUE CREATOR

BUSINESS PARTNER OF CHOICE

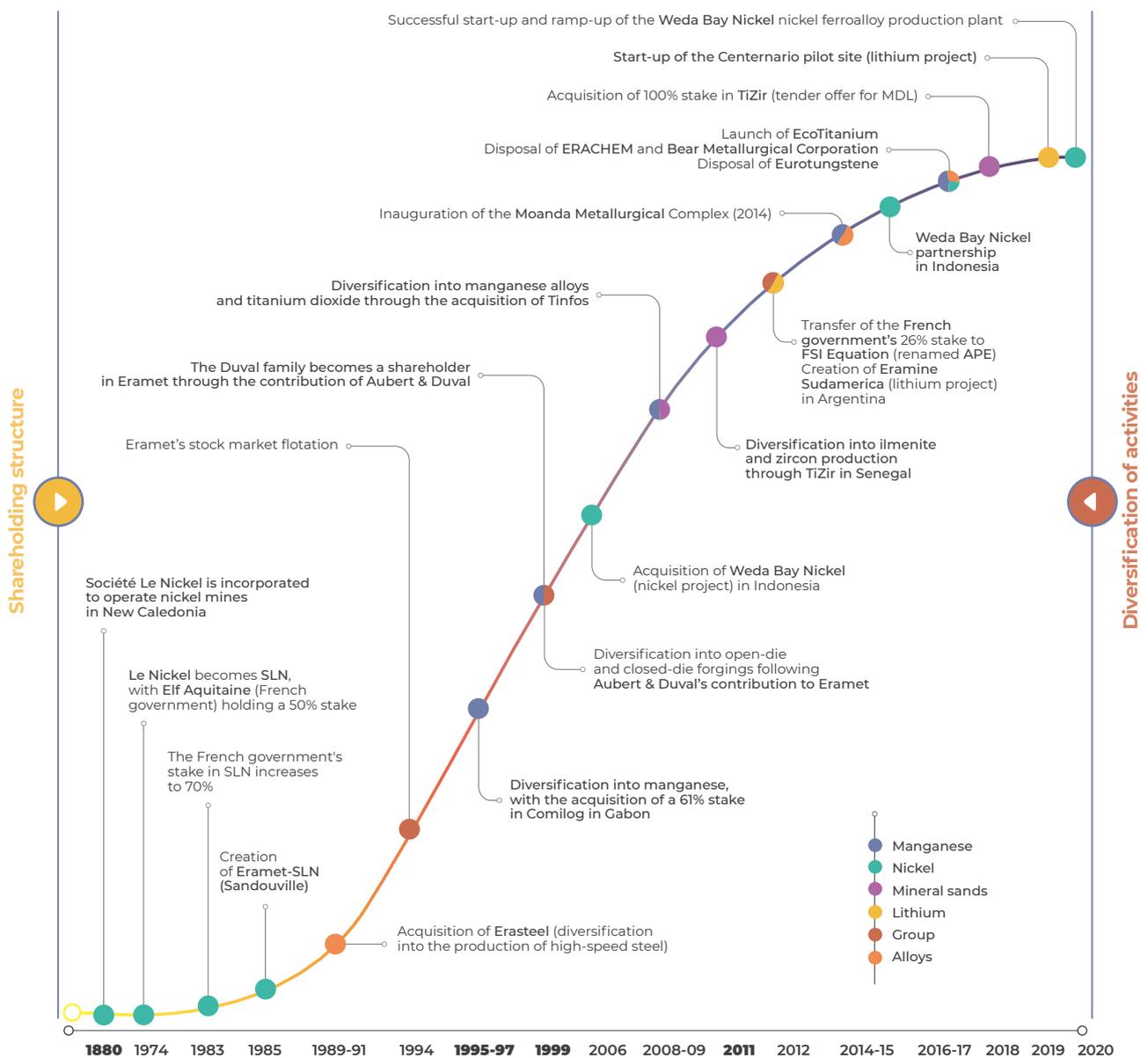
COMMITTED & CONTRIBUTIVE CORPORATE CITIZEN

HOME FOR THE BEST TALENT

ENTREPRENEUR

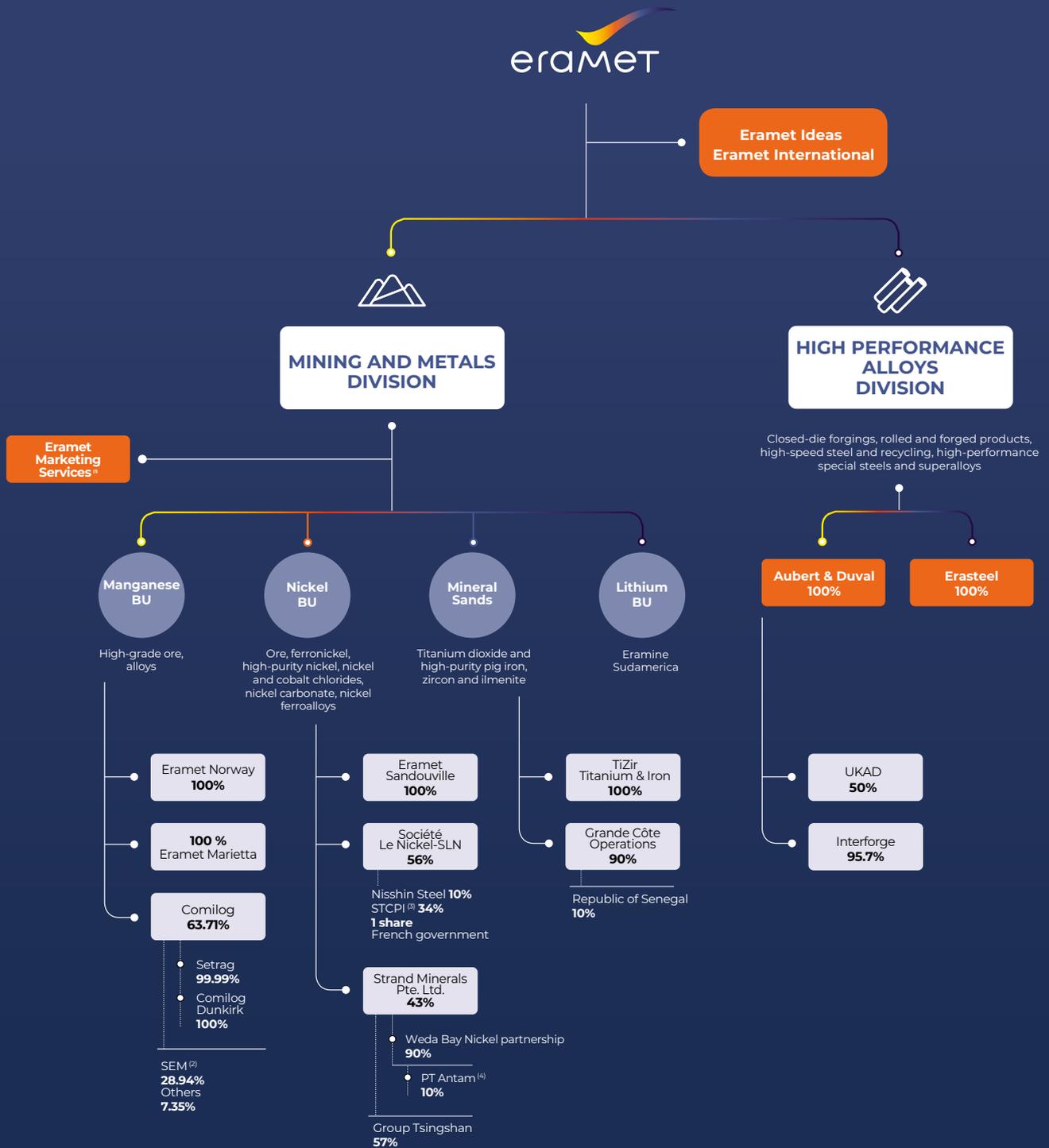
# A longtime player in mining and metallurgy

Established over a century ago, the Eramet Group works in ore and metals recovery, and the production and processing of high value-added alloys.



# Group structure

Eramet, an international industrial group with two divisions:  
 - Mining and Metals,  
 - High Performance Alloys.



1) Legal entity housing the sales and support functions of the Mining and Metals Division, as from 1 January 2021.

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.

# Mining and Metals Division

The Mining and Metals Division extracts metalliferous ores, which it sells or transforms into alloys or metal salts applying the highest standards in terms of corporate social responsibility.

Its clients are core industries as well as high-tech companies across the globe. It holds specific expertise in geology, mining and ore processing (pyrometallurgy and hydrometallurgy).

## WORLD-CLASS DEPOSITS

Resources with operation prospects of several decades, positioned in the 1st quartile of the mining industry cost curve.



**107 Mt**

OF MANGANESE CONTENT  
(manganese)

Gabon, Comilog  
Resources > 40 years



**19.4 Mt**

OF NICKEL CONTENT

New Caledonia, SLN  
Resources estimated  
at ~ 50 years



**9.3 Mt**

OF NICKEL CONTENT

Indonesia, Weda Bay  
Over 50 years of resources



**32.1 Mt**

OF MINERAL SANDS  
(zircon and ilmenite)

Senegal, TiZir  
Over 30 years of resources



**10 Mt**

OF LITHIUM CARBONATE  
EQUIVALENT (LCE)

Argentina (project)  
Over 50 years of resources





## Manganese BU

Eramet is the world's second largest producer of high-grade manganese ore, thanks to its Moanda mine in Gabon, and the world's largest producer of high value-added manganese alloys, the "refined alloys".

### RESOURCES AND ACTIVITIES

- 1 highly competitive manganese mine in Gabon operated by Comilog, a subsidiary of the Group, with a very high-grade ore (44%).
- 3 processing units in Gabon, 5 pyrometallurgy plants in Europe and the United States for the production of sinter and manganese alloys.
- Transportation of ore from the Libreville port on ore-carrying trains operated by Setrag, a railway company and subsidiary of Comilog.

### MARKETS

- The extracted manganese ore is transformed into manganese alloys, which are essential to the production of carbon steel (approximately 90% of the market) used in particular in the construction and automotive industries.

**5.8 Mt**  
OF MANGANESE  
ORE PRODUCED

### KEY FIGURES

- ~ 4,300 employees
- €1,699M in sales
- 698 kt of manganese alloys produced



### RESILIENCE OF THE GROUP'S MINING ACTIVITIES AMID THE HEALTH CRISIS

In 2020, Eramet's mining activities adapted quickly to the Covid-19 health measures taken in the different locations where the Group operates.

The Group was therefore able to continue operating its mines and plants throughout the year and set new production records: 5.8 Mt of manganese ore production (+22% from 2019); 762 kt of mineral sands in Senegal (+4%); 3.4 Mwmt of nickel ore production and 23.5 kt of low-grade nickel ferroalloys (in Ni content) in Indonesia; nearly 700 kt of manganese alloys.

In addition, in New Caledonia, SLN produced 48 ktNi of ferronickel and continued ramping up nickel ore exports, which amounted to 2.5 Mwmt (up 55%).

The fallout from the pandemic affected the price environment. The price of manganese ore suffered from the impact of the crisis on the carbon steel market, especially in Europe and the United States, despite the rebound in production in China from the second quarter. Nickel prices saw a bright spot late in the year, driven by demand from China and a favourable outlook for battery demand.



## 5.4 Mwmt

OF NICKEL ORE PRODUCED BY SLN OF WHICH 2.5 MWMT EXPORTED

## 3.4 Mwmt

OF NICKEL ORE PRODUCED BY WEDA BAY NICKEL

### KEY FIGURES

- ~2,350 employees
- €905M in sales
- 48 kt of ferronickel produced at SLN
- 24 kt of low-grade nickel ferroalloys produced at Weda Bay Nickel (joint-venture at 100%) in Indonesia

## Nickel BU

Eramet, the world's largest producer of ferronickel, processes ore from nickel mines in New Caledonia and Indonesia. It is also a producer of high-purity nickel thanks to the Sandouville refinery in France.

### RESOURCES AND ACTIVITIES

- In New Caledonia, SLN (Société Le Nickel), 56% owned by Eramet: highly competitive nickel mines and a pyrometallurgy plant for the production of ferronickel.
- Rapid growth in nickel ore exports thanks to the implementation of a new business model over the last two years.
- In Indonesia, Weda Bay Nickel, 43% owned by Eramet in a joint venture with the Chinese company Tsingshan, the world's leading producer of stainless

steel: a world-class deposit designed to power several units processing ore into low-grade nickel ferroalloys.

- Start-up and rapid growth in 2020 of the plant operated by the *joint venture* and powered by the mine.
- In Sandouville, Normandy, a pure nickel refinery, intended mainly for the electronics market.

### MARKETS

- Nickel ore is extracted for processing into nickel ferroalloys, mainly used for producing stainless steel (70% of the market) as well as pure metal and nickel salts.

# Mineral Sands BU

**Eramet is a major player in mineral sands. The Group is the world's fourth-largest producer of titanium-containing raw materials and the world's fourth-largest producer of zircon.**

## RESOURCES AND ACTIVITIES

- Production of titaniferous ores (ilmenite, rutile, leucoxene) and zircon in Senegal operated by GCO (Grande Côte Operations).
- Transport of ore by GCO, by rail from the mine to the Dakar port.
- Processing of a part of our ilmenite and production of titanium dioxide slags and high-purity pig iron at the pyrometallurgy plant Titanium and Iron (TTI) in Norway.

## MARKETS

- Minerals 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 (nearly 90% of which is used for pigment production).

**762 Kt**  
**MINERAL SANDS**  
**CONCENTRATES PRODUCED**  
**IN SENEGAL**

### KEY FIGURES

- ~ 1,000 employees
- €276M in sales
- 199 kt of titanium dioxide produced in Norway



## LITHIUM BU (PROJECT)

**In Argentina, the Group 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 critical metal essential to the energy and digital transition.**

The project consists in extracting brine from the salt lake and processing it into lithium carbonate, the base compound for the energy storage industry (51%). In 2020, a pilot plant established on the site demonstrated the quality of the lithium carbonate produced. The competitive process positions it in the 1st quartile of the lithium industry's cash cost with very significant extractable resources. In light of the health crisis, in April 2020 the Group decided not to start construction on the plant. Since then, the project has been mothballed. This lithium deposit remains an excellent asset with strong future potential for the Group.



# High Performance Alloys Division

The High Performance Alloys Division has a unique know-how dedicated to strategic industries.

It supplies high-tech aeronautics, energy and defence industries with parts, semi-finished products or metal powders, with superalloys, high-performance steels, high-speed steels, aluminium alloys and titanium alloys.

## Aubert & Duval

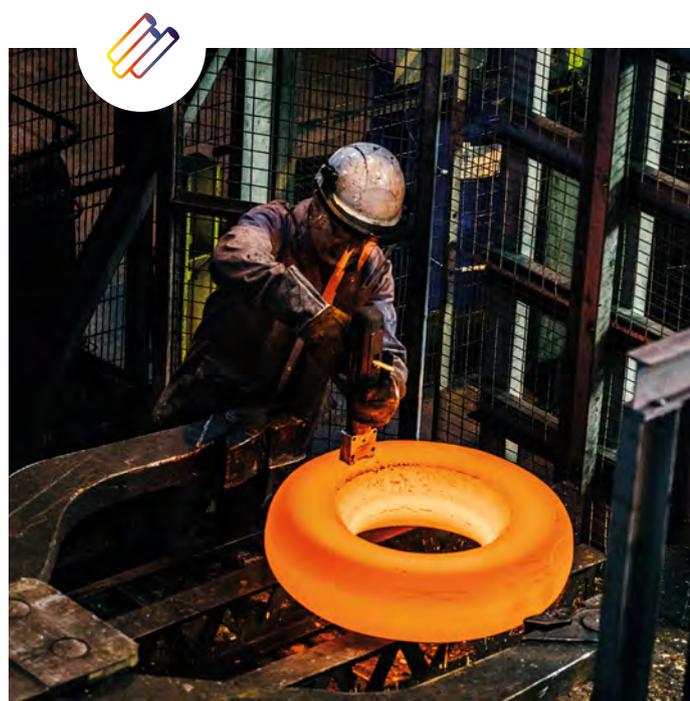
Aubert & Duval is one of the world leaders in high performance steels, superalloys and titanium and one of the world leaders in large closed-die forgings and the world's second largest producer of high-power closed-die forgings in titanium, steel, superalloys and aluminium.

### ACTIVITIES

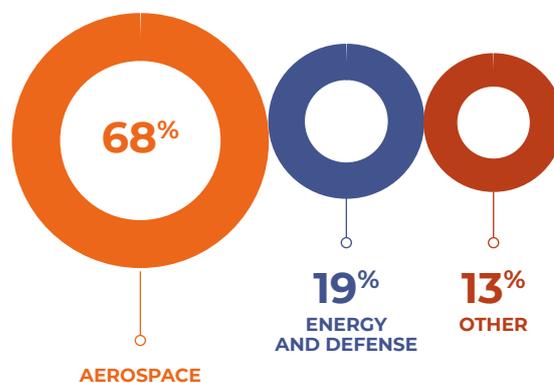
- For over 100 years, Aubert & Duval has been developing metallurgical solutions to support projects in the most exacting industries: long products, open-die forgings, closed-die forgings, powders for additive manufacturing, etc.

### MARKETS

- Aeronautics/aerospace
  - Energy
  - Defence
  - Automotive
  - Tooling
- Powders for additive manufacturing



### BREAKDOWN OF SALES



### KEY FIGURES

- ~ 3,900 employees
- 14 industrial sites

**€539 M**  
2020 SALES



## Erasteel

Erasteel is a world player in conventional high-speed steels and the leader in gas-atomised powder metallurgy with ASP® powder metallurgy high-speed steels and PEARL® metallic powders. The company is also a European player in the recycling of catalysts, metal oxides and batteries.

### ACTIVITIES

· Erasteel offers a wide range of steel grades and alloys from powder metallurgy or conventional metallurgy which it produces mainly in Sweden, France, China and India. Products are in the form of powders, round and flat bars, wires and strips.

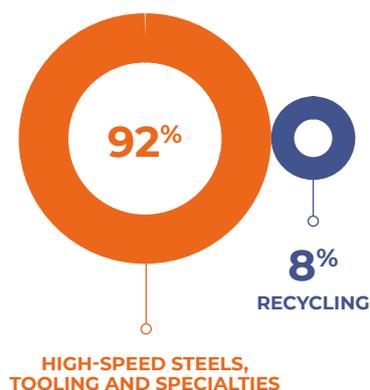
### MARKETS

· Cutting tools  
 · Cold work tools  
 · Saws and knives  
 · Components and replacement parts  
 · Stainless steel industry  
 (recycling of used catalysts and batteries)

# €142 M

2020 SALES

### BREAKDOWN OF SALES



### KEY FIGURES

- ~ 850 employees
- 6 industrial sites



### A DEEP, LONG-TERM AEROSPACE CRISIS

The pandemic sparked a collapse of the aerospace industry and a contraction of the automotive industry, developments that hit the Group's High Performance Alloys Division hard.

The aerospace industry, which accounts for around 70% of A&D's sales, has been hard hit with a drastic slowdown in air transport. In 2020, delivery of aircraft hit a historic low, with Airbus and Boeing delivering only 723 planes, a 42% drop from 2019, which has had a severe impact on the whole industry's supply chain. 2021 is also on course to be a challenging year, with industry analysts predicting that it will take the sector several years to return to pre-crisis levels.

The automotive industry, which accounts for nearly half of Erasteel's sales, also suffered from the health crisis, with 2020 sales volumes of light vehicles 13% lower than an already weak level in 2019 despite a rebound in sales in Asia in the second half of the year.

- Pilot facility dedicated to recycling Li-ion batteries, Eramet Ideas, Trappes, France

## INNOVATION



**Eramet Ideas,**  
an innovation center  
integrated across  
the entire value chain:  
mining operations,  
semi-finished products,  
digital transformation.

**Innovation centres**  
for the High  
Performance  
Alloys Division.

# Innovation

Eramet is a diversified mining and metallurgical group, and a technological leader in its fields of activity.

## Expertise

- Extractive metallurgy (mineralogy, mineral processing, geomaterials, hydrometallurgy and pyrometallurgy).
- Metallurgical processing of alloys and high-performance steels (including powder metallurgy).
- Thermomechanical processing of alloys by forging and closed die-forging.
- Digital metallurgy (mathematical interpolation, extrapolation and algorithmic processing methods applied to metallurgy).



## Eramet Ideas: create value for the Group's sites and strategic projects

- **Excellence centre** in mining, extractive metallurgy and recycling
  - **Open innovation:** benchmarks, collaborative projects, European partnerships and university partnerships are at the heart of the innovation process
  - **Collaboration with start-ups** on new technologies
  - ▶ Improve the **performance of the Group's mining and metallurgical assets**
  - ▶ **Support strategic projects** and, in particular, developments in energy transition metals
- 
- Study with BASF on the development of refined nickel-cobalt production for the electric vehicle market.
- 

28

## Collaborative projects

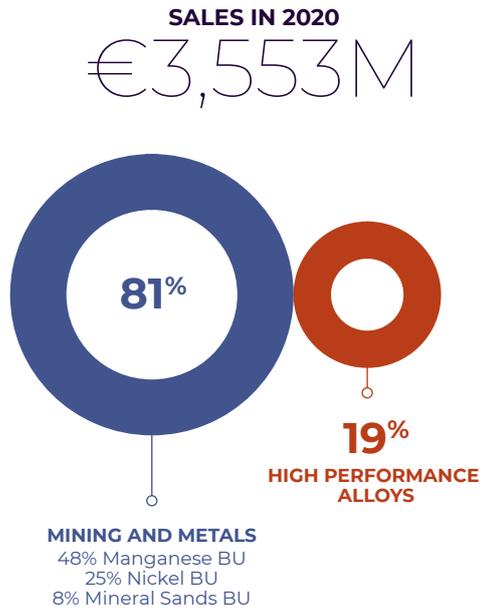
European collaborative projects in progress, including the ReLieve project and 15 Norwegian collaborative projects

~ 300  
experts and technicians  
(in-house R&D)

€35M  
dedicated  
to innovation,  
or 1% of Group sales

1<sup>st</sup>  
MICROSCOPE  
in Europe  
equipped with  
QEMSCAN  
mineralogy  
software

2020 KEY FIGURES



**€398M**

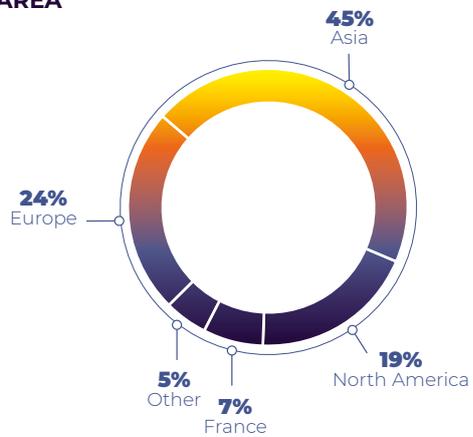
EBITDA

**€106M**

CURRENT OPERATING INCOME

A global  
 mining and  
 metallurgical  
**group**

**BREAKDOWN OF SALES BY GEOGRAPHICAL AREA**



**13,129**

EMPLOYEES WORLDWIDE

**BREAKDOWN OF HEADCOUNT BY GEOGRAPHICAL AREA**

<b>39%</b> France	<b>32%</b> Africa
<b>9%</b> Europe (excluding France)	<b>2%</b> Asia
<b>2%</b> Americas	<b>16%</b> Pacific

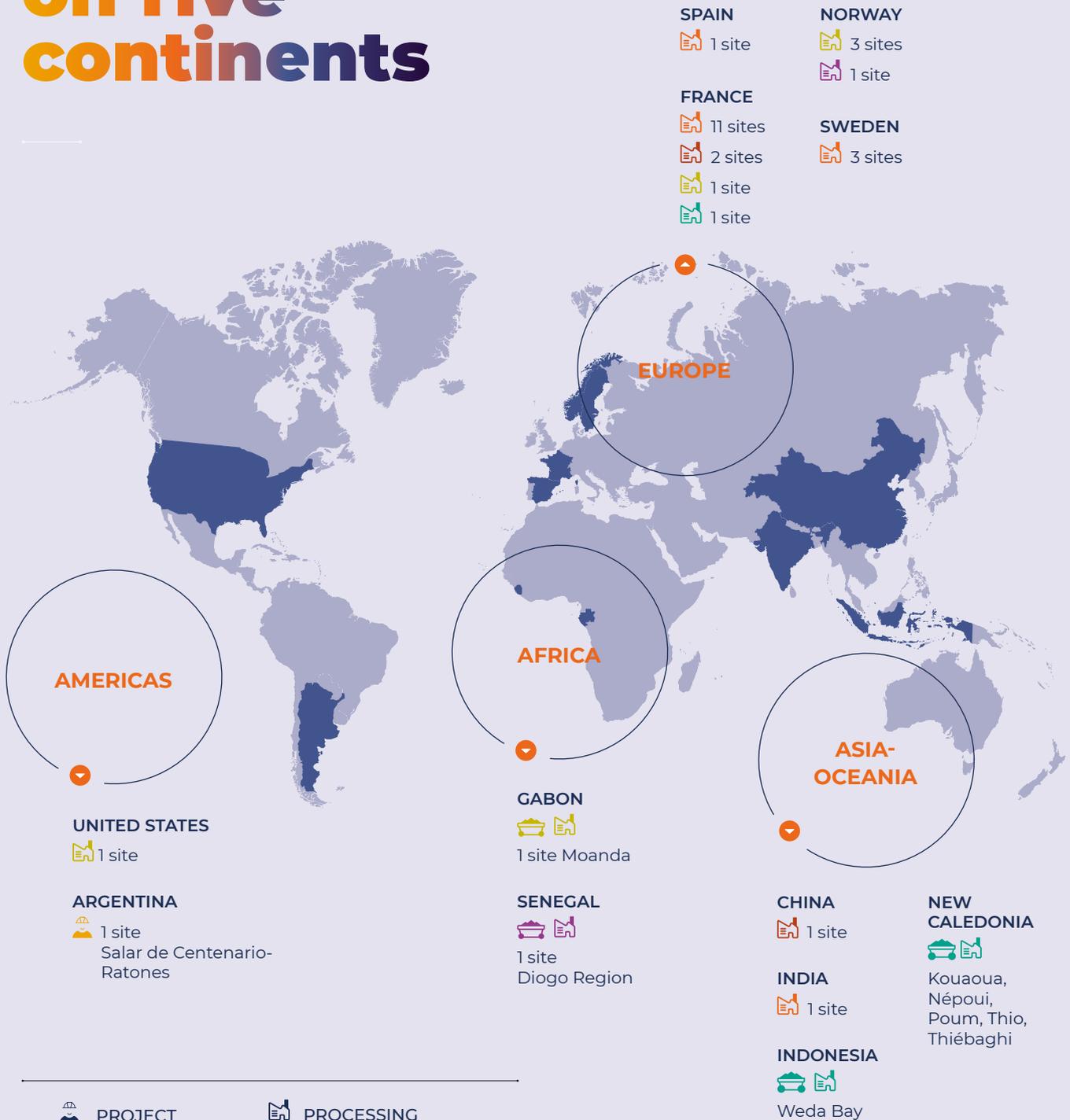
**20**

COUNTRIES WHERE THE GROUP OPERATES

**36**

MINING AND INDUSTRIAL SITES

# Present on five continents



# Our business model

Eramet is a global leader and a diversified mining and metallurgical group.

## Our ambition

Developing a selective portfolio of value-creating mining and metallurgical activities.

To be among in each of our businesses profitability

### OUR ASSETS AND RESOURCES <sup>(1)</sup>

#### Natural capital (resources)

- 107 Mt** of manganese content (Gabon).
- 19.4 Mt** of nickel content (New Caledonia).
- 32.1 Mt** of mineral sands (Senegal).
- 10 Mt** of lithium (LCE <sup>(2)</sup>) (Argentina).
- 9.3 Mt** of nickel content, 43% owned by Eramet (Weda Bay, Indonesia).

#### Industrial capital

- 37** mining and metallurgical industrial sites worldwide.
- €343M** industrial investments.

#### Financial capital

- SBF 120** listed company.
- €398M** EBITDA.
- €1.9 billion** financial liquidity.

#### Human capital

- 13,129** employees in 20 countries.
- 24.7%** of managers are women.

#### Intellectual and innovation capital

- €35M** R&D expenditure.
- 300** employees (in-house R&D).

#### Societal capital

- Local territories as shareholders** of our main subsidiaries: 34% New Caledonia (SLN), 29% Gabon (Comilog), 10% Senegal (GCO).
- Long-term relationships** with customers.



1) The presentation of Eramet's resources follows IIRC recommendations.  
2) LCE: Lithium Carbonate Equivalent.

**the best**  
in terms of performance,  
and innovation.

**To be a company recognised** for our  
strategic model, our management system  
and our societal commitment.



## OUR VALUE CREATION

### Shareholders

**3%** ROCE<sup>(3)</sup> (2020).  
**€1.1 billion** market capitalisation at 31/12/2020.

### Customers/Suppliers

**€3.6bn** in sales.

### Communities/Regions

**€411M** paid by our subsidiaries active in the extractive industry to local governments (mainly taxes and royalties in 2019<sup>(4)</sup>).

**€21.4M** investment in local communities and sponsorships.  
**92%** of decarbonated power purchased in 2020.

### Employees

**-24%** of recordable accidents (frequency rate FR2<sup>(5)</sup> of 4.1 in 2020)  
**67%** of employees received training.

### R&D and innovation partners

**28** European projects subsidised and 15 ongoing Norwegian collaborative projects.

## WHO WE WILL BE IN 2023



**SUSTAINABLE VALUE CREATOR**



**BUSINESS PARTNER OF CHOICE**



**COMMITTED & CONTRIBUTIVE CORPORATE CITIZEN**



**HOME FOR THE BEST TALENT**



**ENTREPRENEUR**

3) ROCE: current operating income/capital employed.

4) Yearly update issued in June.

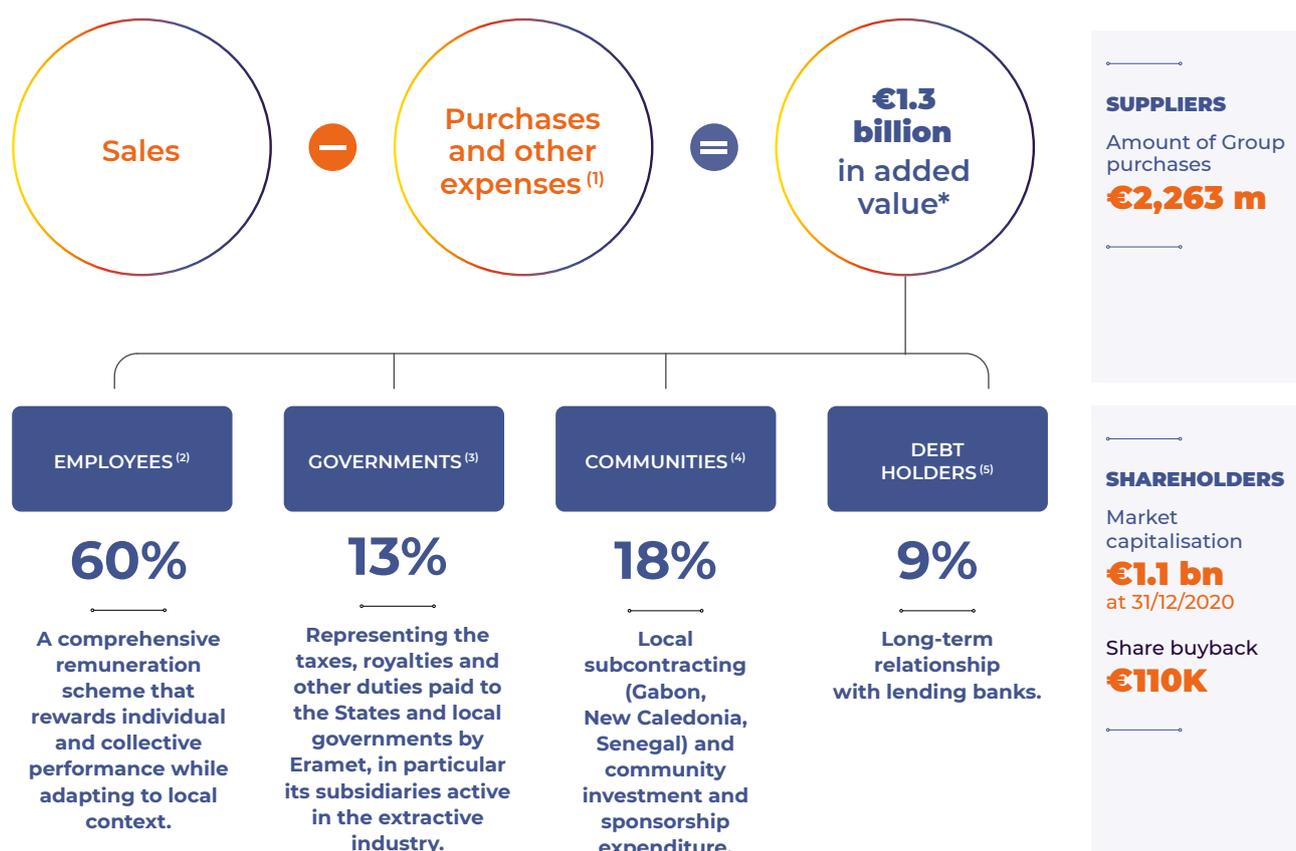
5) FR2 = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors).

# Sharing added value

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

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

## Distribution of value among stakeholders



Note: based on the consolidated financial statements at 31 December 2020.

\* Distributable to stakeholders.

1) Including consumption for the financial year, inventories/capitalised production, other current and non-current operating income and expenses, share of net income from joint ventures.

2) Payroll paid (wages, bonuses, and allowances).

3) 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.

4) Community investment and sponsorship, and local subcontracting expenditure (New Caledonia, Gabon, Senegal).

5) Cost of net debt and other financial income and expenses.

In practice, the effectiveness and longevity of the Group's actions stem from a partner-oriented approach that involves, in particular, the stakeholders represented below.



**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.



**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.



**COMMUNITIES**

**TOPICS OF INTEREST**  
Jobs and subcontracting, community investment projects (infrastructure, diversification), impact management.

**COMMUNICATION AND DIALOGUE METHODS**  
Information meetings, public meetings, tripartite committees, consultations, community relations offices, site visits, complaint management systems.



**CUSTOMERS**

**TOPICS OF INTEREST**  
Product quality and innovation, competitive positioning, traceability, climate footprint, duty of care and supply chain, respect for human rights.

**COMMUNICATION AND DIALOGUE METHODS**  
Group publications, trade relationships, meetings, trade shows, customer requests.



**SUPPLIERS AND SUBCONTRACTORS**

**TOPICS OF INTEREST**  
Product quality and innovation, market opportunities, health and safety, performance improvement, duty of care and supply chain, respect for human rights.

**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.



**SHAREHOLDERS AND INVESTORS, DEBT HOLDERS AND LENDERS**

**TOPICS OF INTEREST**  
Financial and operating income, employee and subcontractor health and safety, resource use and management, energy consumption and GHG emissions.

**COMMUNICATION AND DIALOGUE METHODS**  
Group publications, General Shareholders' Meeting, roadshows, ongoing meetings.



**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.

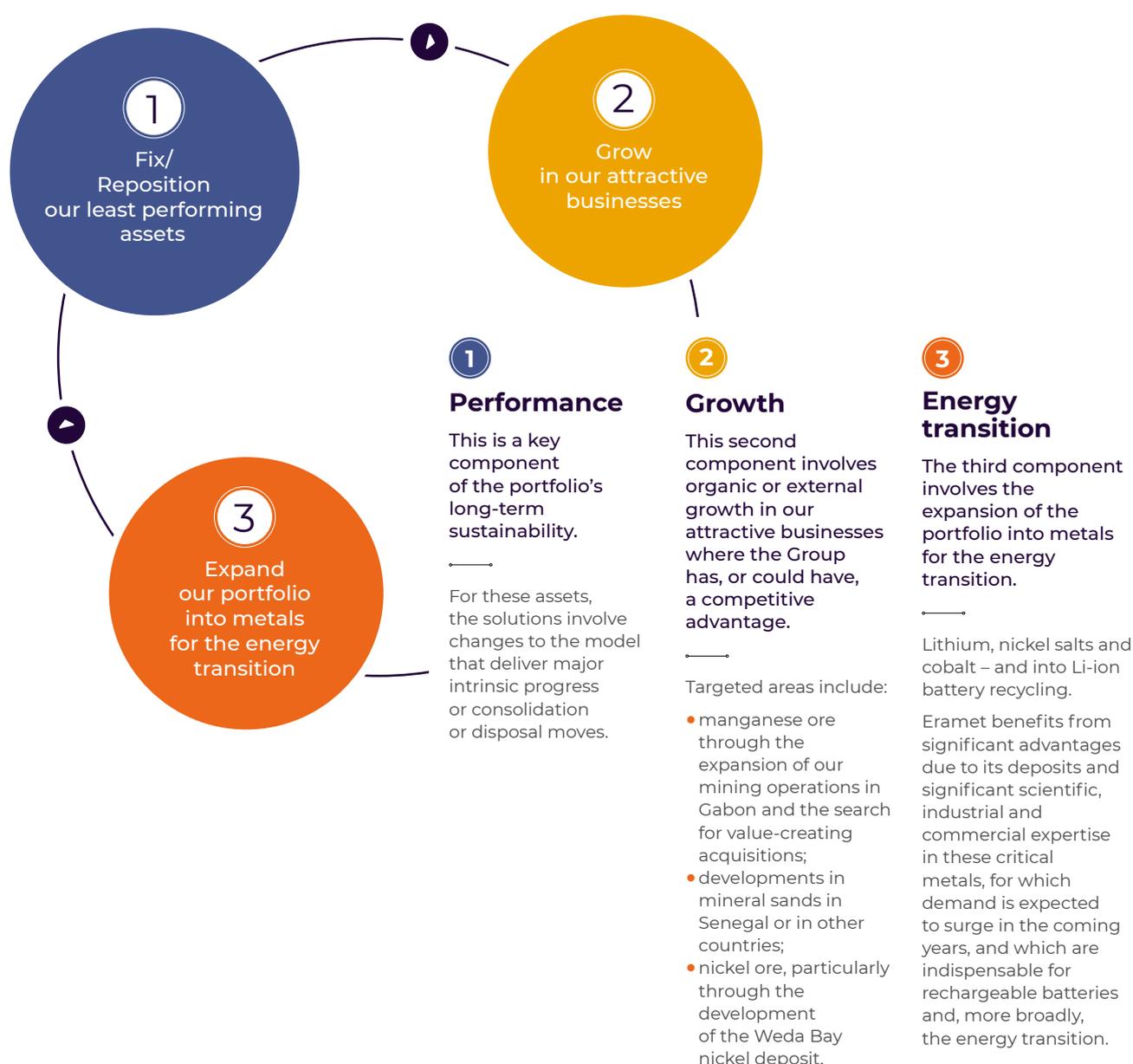
**COMMUNICATION AND DIALOGUE METHODS**  
Group publications, meetings, participation in task forces.

# Strategic transformation: key benchmarks achieved in 2020

Increase Eramet Group's cash generation and diversify its asset portfolio

Launched in 2018, the Group's in-depth strategic and managerial transformation programme aims to reposition it in order to ensure competitiveness in a changing environment and sustainable value creation.

The strategic transformation focuses on the following three areas:





**+55%**

**NICKEL ORE  
EXPORTS FROM  
SLN IN 2020**

**1**

## Performance

### SLN rescue plan

In New Caledonia, faced with numerous internal and external challenges, a rescue plan for SLN was outlined in order to achieve a sustainable recovery. Its success requires the involvement of all stakeholders and the guarantee of normal operating conditions.

This plan is built on three pillars: implementing a new business model based on ferronickel production by the plant and low-grade ore exports; improving productivity and reducing energy prices.

The new business model, rebalanced on two activities, mining and metallurgy, allows an increase in revenues through improved duration and valuation in its current mining deposits and a reduction in cash-cost accordingly. SLN is currently authorized to export 4 Mwmt of nickel ore per year; success of the rescue plan requires bringing this volume up to 6 Mwmt.

The increase in nickel ore export volumes, combined with higher ore prices, resulted in a substantial improvement in cash cost of nearly 10% in 2020 compared to 2019, despite societal disruptions.

### Industrial restructuring of A&D and Erasteel

Since 2018, the strategic review conducted in the High Performance Alloys Division has made it possible to:

- focus the division's operations on the major strategic market segments: aeronautics, land-based turbines, defence, nuclear, high-speed steels from powder metallurgy and additive manufacturing;
- outline a plan for structuring the operations of Aubert & Duval and Erasteel into three separate business units (BU) responsible for their own performance: Closed-die forgings BU, Rolled and Forged products BU and High-speed steels and Recycling BU;
- revamp processes and the quality culture;
- focus employees on the improvement in sales and customer satisfaction.

The objective of each business unit is to improve performance in a more agile structure, and acquire new market shares in strategic segments.

This is the case in particular in the aerospace industry for mono-corridor programmes, both for engine and structure parts and for long products.

In 2020, the Group continued its strategic review of A&D amid an unprecedented aerospace crisis. All options are under consideration, including a disposal.

### Sandouville recovery plan

The plant in Sandouville, Normandy, was hit especially hard by the health crisis in 2020, and the site's recovery was disrupted by a particularly damaged market environment. However, 2021 is opening on a more promising note, with a strong recovery of the electronics and catalysis markets.



# 3.4 Mwmmt

WEDA BAY NICKEL'S NICKEL ORE PRODUCTION IN 2020

## Growth in mineral sands

For a few years now, Eramet has also been building up its portfolio in the attractive mineral sands sector. The Group thus took total control of TiZir in 2018. The quality of the mine in Senegal and the enrichment capacity of part of the ore at the plant in Norway make it a major player in the mineral sands industry. The Group is looking into de-bottlenecking options in the medium-term for the Senegal production.

In 2019, Eramet also obtained a mining exploration licence in Cameroon for the Akonolinga rutilifere block. Initial studies began in 2020.

## Development of the Weda Bay nickel deposit

In Indonesia, Weda Bay is a world-class deposit, developed in partnership with the Chinese company Tsingshan, the world's leading producer of stainless steel. **The start-up of activity is successful**, and mining operations and production of low-grade nickel ferroalloys ramped up quickly. The mine, intended to power several plants, began operating in late 2019 and produced 3.4 Mwmmt of nickel ore in 2020. The first metal tapping at the joint venture's nickel ferroalloy production plant took place at the end of April 2020. In August, the plant reached its nominal capacity – 35 ktNi per year – ahead of schedule, and produced 23.5 ktNi. Eramet is responsible for the mining component and has an off-take right of 43% of volumes produced, equivalent to its stake in the holding company controlling this asset.

## 2 Growth

**+22%**  
COMILOG'S MANGANESE ORE PRODUCTION IN 2020

### Increase in manganese ore production in Gabon

The reserves of the Moanda mine in Gabon suggest that the mine will be able to continue its growth plan.

An alternative process involving the dry processing of part of the ore started at the end of 2018 in order to extend the life of the Bangombé plateau currently being exploited. This process allows for flexibility in the operation of the mine, and an increase in volumes produced in the short term. In 2020, Eramet applied a modular approach to increase the capacity of the Moanda mine, opening the Okouma plateau late in the year, at the same time as it opened the Bangombé plateau.

This approach optimises industrial investments and is based on the start of production at the new plateau and on the intensified use of the alternative dry processing for the entire mine.

On this basis, production totalled **5.8 Mt of manganese ore**, and the €72 million invested in growth in 2020 produced major progress in the organic growth of Comilog, a strong value creator, with very short time of return on investment.

**The 2021 ore production target is 7 Mt**, or a 20% increase from 2020, with investment of approximately €100 million. In 4 years, the mine's production will have increased by more than 50%.

This growth dynamic is supported by the railway renovation programme with a doubling of the transportation capacity of the Trans-Gabon Railway, operated by Setrag, a wholly owned subsidiary of Comilog. Since the programme began in 2016, **transport capacity has jumped by 80%**, enabling excellent logistical progress: transported ore reached a record level of 6 Mt - up 30% from 2010 - while providing good service for other customers, specifically, wood.

3

## Energy transition

### Lithium project in Argentina

The aim of this project is to allow the Group to diversify its asset base, both geographically and financially, via lithium, a critical metal for energy transition. Since the discovery of the Centenario-Ratones deposit, geological works have increased the quantity of available resources to around **10 Mt LCE (lithium carbon equivalent)**, making it a world class resource.

The technical and economic studies were finalised in 2019, with a targeted production capacity of 24 kt LCE per year. In the first half of 2020, given the health crisis and high uncertainty plaguing the global economy, and particularly the raw materials markets, the Group decided not to start construction on the plant and to **shelve the project**. Nevertheless, in 2020, the pilot plant,

a small-scale replica of a future industrial facility, **achieved the target performance for the brine treatment process, under real-world conditions at the deposit.**

This deposit is an excellent asset with strong future potential for Eramet's portfolio.



### Nickel and cobalt for batteries

The study of diversification of the valorisation of the Weda Bay deposit for the production of nickel and cobalt salts is an opportunity to expand the Group's product portfolio into critical metals for the energy transition.

In this vein, **in December 2020 Eramet and BASF signed an agreement to jointly assess the development of a refined nickel and cobalt hydro-metallurgical project.** The project, which would recover the ore from Weda Bay, aims to start operating the facilities in the middle of this decade. The feasibility study began in early 2021.

The development in **Li-ion (lithium, nickel, cobalt) batteries recycling** with the launch of the R&D programme, is also a part of this dynamic.

# 90%

**YIELD FROM THE LITHIUM DIRECT EXTRACTION PROCESS AT THE PILOT PLANT IN 2020**

The ambition and vision of the Eramet Group are also based on managerial transformation and digital transformation, which is a cross-cutting growth and performance driver.

### MANAGERIAL TRANSFORMATION

**In-depth managerial transformation, a key condition for properly executing the current strategy, is in progress.**

Its aim is to deploy managerial and operational excellence at all levels of the organization: upward revision of the level of ambition; light, flexible and responsive organizations; skills enhancement in leadership, empowerment and performance management; rigorous approach to execution; focus on results. This transformation should improve performance and make it easier to realise our strategic ambitions. Eramet has been strengthened with the addition of new skills, a key factor in this transformation's success, with half of positions on the senior management team in the last three years held by new recruits from both inside and outside the Group.

### 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 and Factory 4.0 are becoming a reality: IoT coupled with predictive or conditional maintenance algorithms, drones in mines, artificial intelligence in geology or metallurgy are some of the areas where rapid progress is being made.

# Our CSR commitment

“We create sustainable value by combining operational performance with a positive environmental and societal impact.”

Eramet’s sustainable development approach is an integral part of its strategic vision. Implemented in each of the five pillars of the strategic vision, it is embodied most specifically by its ambition to be a committed and contributive corporate citizen and a home for the best talent.



## 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.



- 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 responsible economy



## 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 of the targets and the progress made in 2020 by the Group are presented in chapter 6.

# 3

## THEMATIC THRUSTS

Serving as a meeting point between its businesses, its strategy and the global challenges to which Eramet is confronted, the 2018-2023 Roadmap provides a framework for the Group’s organised, defined and measurable approach to progress in terms of corporate social responsibility.



### MORE INFORMATION

For more information on Eramet’s CSR commitment and its achievements in 2020 refer to the Group’s Non-Financial Performance Statement (chapter 6).



## Contribution to Agenda 2030

Through its economic and productive activities, Eramet directly meets the United Nations' Sustainable Development Goals (SDGs) 8, 9, 12 and 13. Eramet's CSR Roadmap, based on these goals, particularly contributes to the human, ethical and environmental issues.

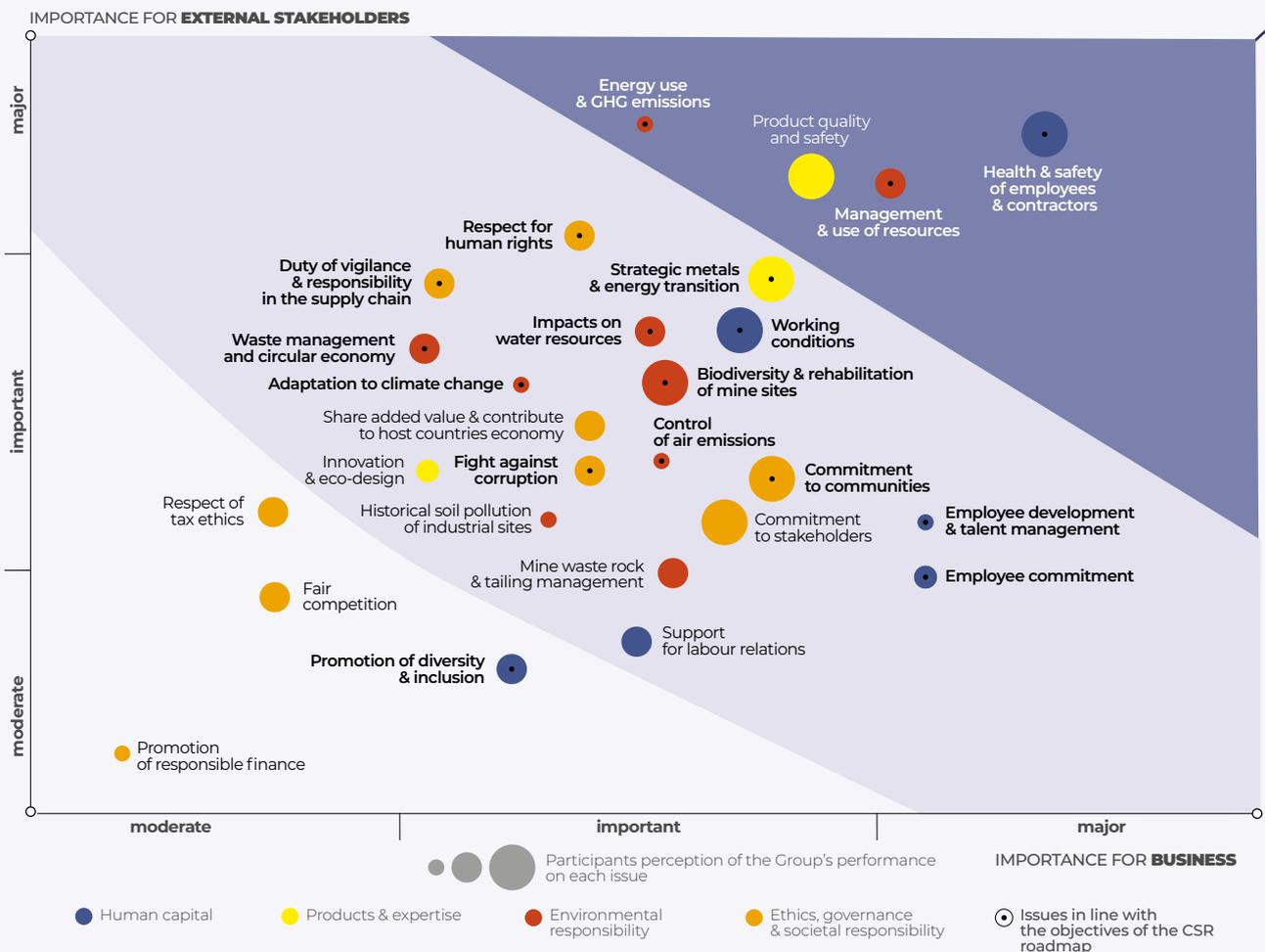
- "Eramet committed to people" contribution
- "Eramet committed to economic responsibility" contribution
- "Eramet committed to the planet" contribution

## Materiality matrix

As a cross between the importance of CSR issues to the company and stakeholders' expectations on these issues,

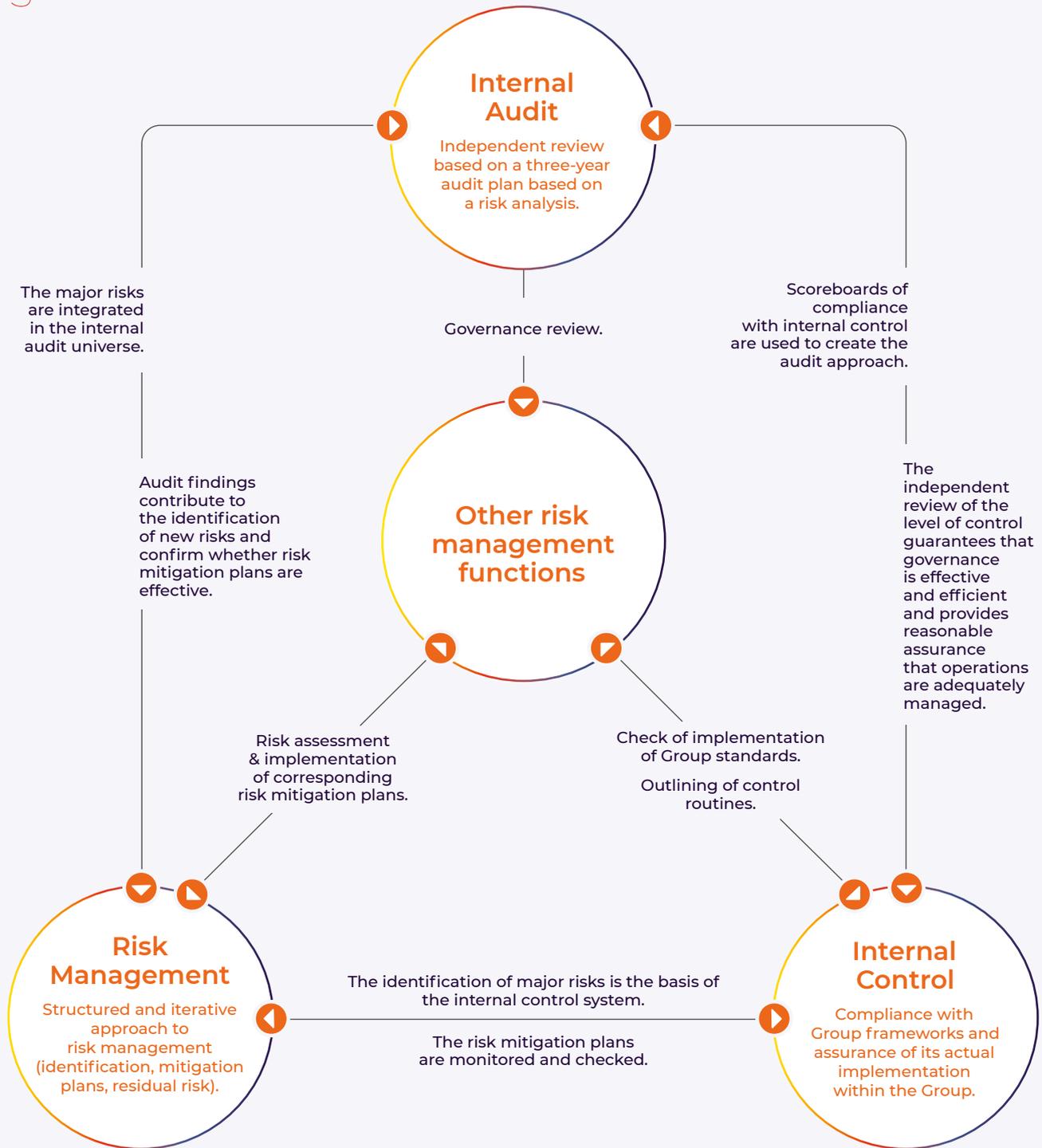
the materiality analysis leads to the management of an open and dynamic CSR strategy.

The exercise conducted in 2019 clearly indicates the relevance of the issues that make up the CSR roadmap. For more information on this initiative, refer to chapter 6.



# Risk management

To fully achieve its strategic objectives and to develop its activities, Eramet has implemented a risk management system supported by an integrated approach and a dedicated governance.



**MORE INFORMATION**  
For more information on Eramet's risk management, refer to chapter 5.

## The three lines of defence model of risk management within the Eramet Group



## Risk mapping

The 2020 update of the Group risk mapping shows the following risks:

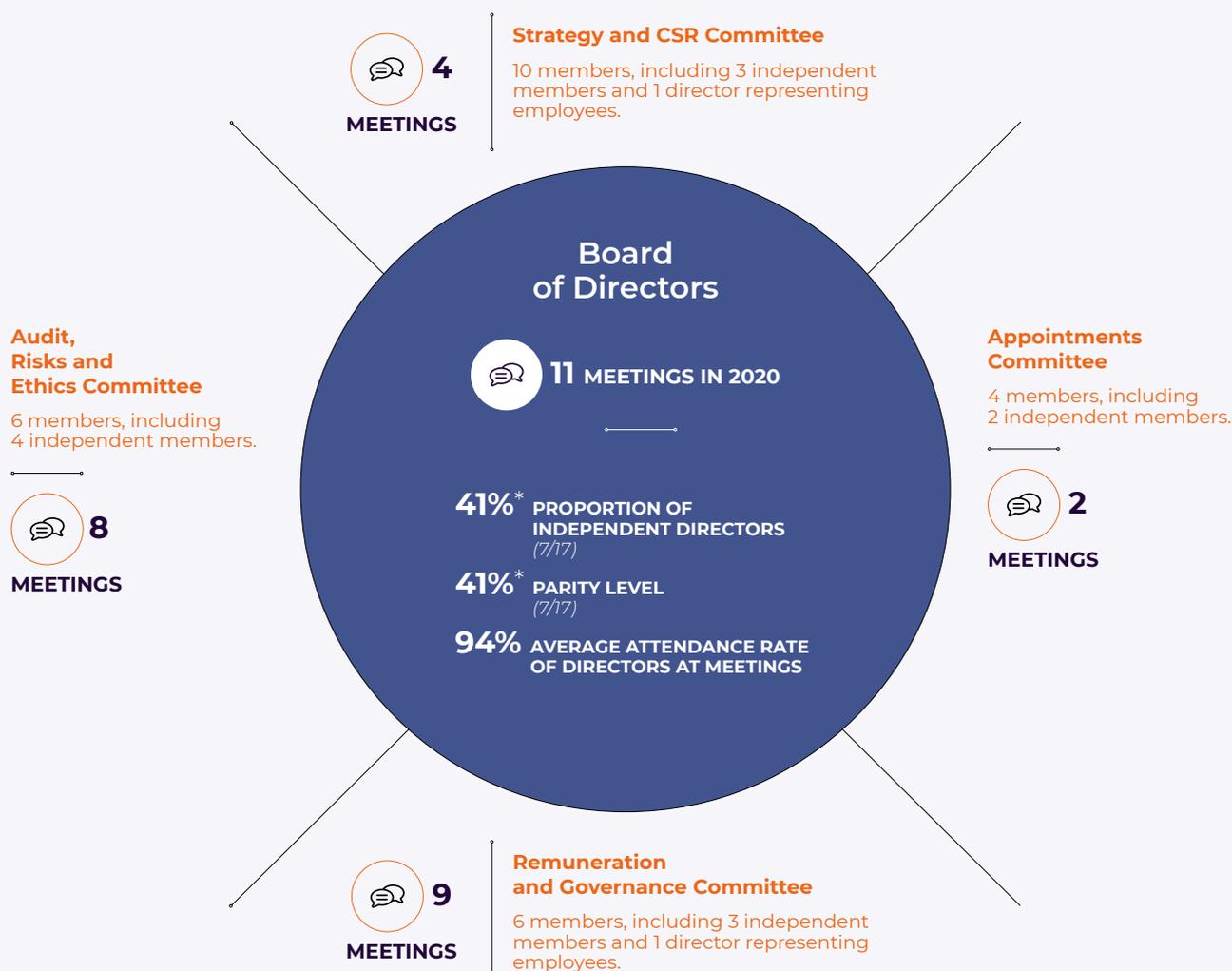
CATEGORY	RISK FACTORS	NET* IMPORTANCE LEVEL
STRATEGIC AND FINANCIAL	Risks related to non-execution of the chosen strategy of organic growth of the Mining and Metals Division	High
	Risks of non-recovery of assets held by the Group for which profitability is insufficient	High
	Geopolitical risks	High
	Risk of a significant drop in metal prices	High
	Risk of financing difficulties	High
OPERATIONAL	Risk of failure of information systems, protection of information and cyber attacks	High
	Risk of a serious rail accident on the Trans-Gabon Railway	High
	Risk of breakdown of a geotechnical structure	Medium
	Risks of challenges in attracting/retaining talent	Medium
	Risks caused by a health crisis	Medium
	Risks to the safety of persons	Medium
LEGAL	Risks related to production reliability and the development of new metallurgical products	Medium
	Risk of fraud and corruption	Medium
	Risk of legislative and regulatory changes regarding the environment	Medium

\*Including current risk management measures.

# Board of Directors

Eramet shares are traded on the Euronext Paris market. At 31 December 2020, the number of shares owned by the group formed between Sorame and Ceir, on the one hand, and FSI Equation (subsidiary of Agence des participations de l'État, acting on behalf of the government), on the other, represented 62.51% of the share capital. Eramet refers to the principles of corporate governance of listed companies set out in the Afep/Medef code, which can be consulted on Medef's website. The Board of Directors exercises the powers conferred by law to act in all circumstances in the name of the company.

 <p><b>Christel BORIES</b> Chair and CEO French nationality</p>	 <p><b>Michel ANTSELEVE</b> Director Gabonese nationality</p>	 <p><b>Émeric BURIN des Roziers</b> Director French nationality</p>	 <p><b>Christine COIGNARD</b> Independent Director French and Canadian nationality</p>	 <p><b>François CORBIN</b> Independent Director French nationality</p>
 <p><b>Jérôme DUVAL</b> Director French nationality</p>	 <p><b>SORAME, represented by Cyrille DUVAL</b> Director French nationality</p>	<div style="text-align: center;">  <p><b>19</b> Board of Directors <b>MEMBERS</b></p> </div>		
 <p><b>CEIR, represented by Nathalie DE LA FOURNIÈRE</b> Director French nationality</p>	 <p><b>Jean-Yves GILET</b> Director French nationality</p>			
 <p><b>Jean-Philippe VOLLMER</b> Director French nationality</p>	 <p><b>Manoelle LEPOUTRE</b> Independent Director French nationality</p>			
 <p><b>Catherine RONGE</b> Independent Director French nationality</p>	 <p><b>Jean-Philippe LETELLIER</b> Director representing employees French nationality</p>	 <p><b>Sonia SIKORAV</b> Independent Director French nationality</p>	 <p><b>Claude TENDIL</b> Independent Director French nationality</p>	 <p><b>Bruno VINCENT</b> Director appointed by the Government French nationality</p>



## Executive Committee

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 members and is made up as follows:

<b>Christel Bories</b>	Chair and CEO
<b>Virginie de Chassey</b>	EVP Sustainability and Corporate Engagement
<b>Thomas Devedjian</b>	Executive Vice President in charge of Finance, Digital and Group Purchasing
<b>Jérôme Fabre</b>	Deputy CEO in charge of the High Performance Alloys Division
<b>Philippe Gundermann</b>	EVP Strategy and Innovation
<b>Jean de L'Hermite</b>	Group General Counsel
<b>Anne Marie Lemaignan</b>	EVP Human Resources, Health and Security
<b>Kléber Silva</b>	Deputy CEO in charge of the Mining and Metals Division

\* These ratios do not include directors representing employees.

# Financial and extra-financial performance

Good resilience of the Group in 2020, thanks to excellent operational performance and strong cash generation in the second half.

N.B.: All changes in FY 2020 are stated with respect to FY 2019, unless otherwise specified. "H1" corresponds to the first half of the year and "H2" to the second half.

2020 was marked by a health crisis of an unprecedented scale linked to the Covid-19 pandemic, which caused a global economic recession impacting raw material prices, particularly manganese, and resulting in a profound crisis in the aerospace sector, the main end-market of the High-Performance Alloys division.

In this context, the Group was able to adapt quickly and with agility. Mining activity posted new production records and benefitted from the rebound in the steel market in China from Q2. The High-Performance Alloys division accelerated its measures to reduce costs and control WCR, which paid off in H2.

▶ **The Group's turnover** amounted to **€3,553m** in 2020, down slightly by -3% (-2% at constant scope and exchange rates<sup>(1)</sup>). The strong growth in manganese ore sales volumes (+37%) and nickel ore exports (+55%) offset the significant decline in manganese ore prices (-19%), as well as the decline in aerospace sales at Aubert & Duval.

▶ **Group EBITDA** totalled **€398m**. The Group made major intrinsic progress, particularly in H2, strengthened by the favourable seasonality. However, external factors weighed very heavily on performance, owing to the impact of the pandemic.

▶ **Current operating income** came to **€106m**, mainly after booking a depreciation expense on fixed assets of -€281m.

▶ **Net income, Group share recovered sharply in H2** (-€52m). It ended at -€675m for the year, reflecting asset impairments linked to the crisis (-€498m), notably A&D (-€197m), the mothballing of the lithium project (-€113m) and the closure of the metal manganese business in Gabon (-€83m, booked in H2). The share of income in the Weda Bay Nickel joint venture in Indonesia contributed €79m to net income, Group share in 2020.

▶ **Free Cash-Flow** ("FCF") amounted to **-€36m** at end-December 2020, with **strong cash generation in H2** (+€174m, of which +€229m from improvements in WCR). For the year, the Mining and Metals division, excluding the lithium project, generated FCF of nearly €330m, of which €265m in H2, reflecting the excellent operational performance, the significant reduction in WCR and optimised capex. The High-Performance Alloys division posted FCF close to breakeven in H2 (-€10m) thanks to significant progress in costs and inventories, after a H1 adversely affected by the impact of the pandemic on its markets (FCF of -€165m).

Overall, the Group's strong FCF generation in H2 reflects the excellent operational performance and the success of the cash control plan started from Q1. The latter led to a significant improvement in WCR by approximately 30 days of turnover compared to end-2019, mainly due to the decline

in inventories. The cash control performance also led to a reduction in current capex (-26%).

Growth capex, including the plan to modernise the Transgabonese railway, totalled €104m in 2020 in Gabon, in order to support organic development in manganese ore production, which is highly value-accretive with a quick payback.

▶ **Net debt stood at €1,333m** at 31 December 2020, **stable versus 2019**.

As a reminder, the Group was granted a waiver for the calculation of covenants ("Covenant Holidays") for June and December 2020.

Eramet's **cash** levels remained **high** at €1,856m.

Measures to preserve cash, such as strict control of industrial capex and WCR, which were taken as part of the Group's cash control plan and which demonstrated success in H2 2020, are maintained for 2021.

Moreover, a proposal not to pay out any dividend in respect of the 2020 financial year will be made at the Shareholders' General Meeting on 28 May 2021.

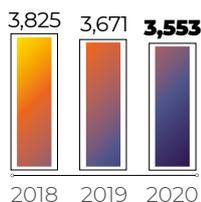
(1) See Financial Glossary in Appendix 7.

## Key activity figures

### Sales

(€ millions)

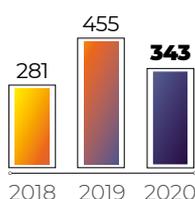
Sales down by **3%** compared with 2019.



### Industrial investments

(€ millions)

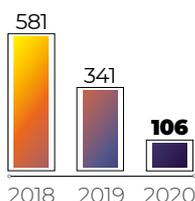
Industrial investments stood at **€343 million** and were dedicated to the modernisation of industrial tools and the preparation of growth projects.



### Current operating income

(€ millions)

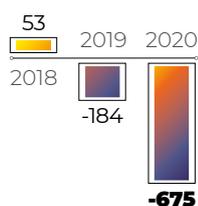
The Group's current operating income is down by **69%**, compared with 2019.



### Net income, Group share

(€ millions)

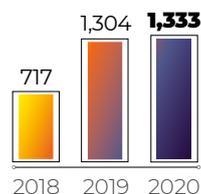
The Net income attributable to the Group is down **-€675 million**, after recognition of non-operating result and expenses (-€561 million), financial result (-€186 million) and a tax expense (-€121 million) mainly due to taxes in Gabon.



### Net financial debt

(€ millions)

Net debt at €1,333 million at 31 December 2020.



**€398M** EBITDA 2020

OF WHICH  
€120M IN H1 AND  
€278M IN H2

**-€36M** FCF 2020

OF WHICH  
-€210M IN H1 AND  
€174M IN H2

N.B.: all the commented changes in FY 2020 are calculated with respect to FY 2019, unless otherwise specified.

## FINANCIAL PERFORMANCE

### Breakdown of current operating income (by business sector)

	2020	2019
<b>Mining and Metals Division</b>		
Manganese BU	339	459
Nickel BU	-79	-58
Mineral Sands BU	44	64
Lithium BU (project shelved)	-5	0
<b>High Performance Alloys Division</b>		
Holding	-41	-56
<b>Total</b>	<b>106</b>	<b>341</b>

### Changes in net debt (€ million)

	2020	2019
<b>Operating activities</b>		
EBITDA	398	630
Cash impact of items in EBITDA	(383)	(420)
<b>Cash flow from operations</b>	<b>15</b>	<b>210</b>
Change in WCR	294	(124)
<b>Net cash generated by operating activities <sup>(1)</sup></b>	<b>309</b>	<b>86</b>
<b>Investing activities</b>		
Industrial investments	(342)	(455)
Other investment flows	(3)	11
<b>Net cash used in investing activities <sup>(2)</sup></b>	<b>(345)</b>	<b>(444)</b>
<b>Net cash used in financing activities</b>	<b>(15)</b>	<b>(117)</b>
Impact of fluctuations in exchange rates and other	35	(6)
Acquisition of IFRS 16 rights of use	(12)	(12)
<b>(Increase)/Decrease in net financial debt</b>	<b>(29)</b>	<b>(493)</b>
<b>Restated opening (net financial debt)*</b>	<b>(1,304)</b>	<b>(811)</b>
<b>Closing (net financial debt)</b>	<b>(1,333)</b>	<b>(1,304)</b>
<b>Free Cash Flow (1) + (2)</b>	<b>(36)</b>	<b>(358)</b>

### Summary of the consolidated financial statements (€ millions) <sup>(1)</sup>

	2020	2019	Change (€m)	Change <sup>(2)</sup> (%)
Sales	3,553	3,671	-118	-3%
EBITDA	398	630	-232	-37%
Current operating income (COI)	106	341	-235	-69%
Net income, Group share	-675	-184	-491	N/A
Free Cash-Flow	-36	-358	323	+90%
Net debt (net cash)	1,333	1,304	29	+2%
Gearing RCF <sup>(3)</sup>	106%	63%	+43 pts	N/A
ROCE (COI/Capital employed <sup>(4)</sup> of year n-1)	3%	12%	-9 pts	N/A

\* Restated on first-time application of IFRS 16 at 1 January 2019.

1) Data rounded up to the nearest million.

2) Data rounded up or down to the nearest %.

3) Net debt-to-equity ratio, excluding IFRS 16 impact and excluding loan by the French government to SLN.

4) Sum of equity, net financial debt, provisions for restoration of sites, provisions for restructuring and other social risks, less non-current financial assets, excluding capital employed at Weda Bay Nickel.

# Non-financial performance continues to improve

In 2018, Eramet outlined its CSR Roadmap, which establishes a link between its priority environmental and societal issues and the Group's strategic vision.

In order to assess the overall progress of its 2018–2023 Roadmap, Eramet measures its CSR performance index based on the year's achievements. For 2020, the indicator reached 102 (100 indicating validation of all targets). The majority of the targets to be achieved by 2023 are well underway.

Some targets outperformed their annual milestone in 2020. Progress on the materials recovery targets, through the circular economy action plan and the reduction of the energy and climate footprint, is ahead of schedule.

The progress of some targets was affected by the health crisis. Training and diversity actions were delayed.

These slowdowns can be explained largely by the health measures taken to manage the crisis, which led to a temporary delay.



## Key achievements in 2020

-24%

REDUCTION IN NUMBER OF ACCIDENTS

-25.4%

REDUCTION OF T CO<sub>2</sub>/T OUTGOING PRODUCT (REF. 2018)

990,000 t

OF LOW-GRADE INCIDENTAL ORES AND TAILINGS NEWLY RECOVERED THANKS TO THE CIRCULAR ECONOMY PLAN

€10 million Covid-19 solidarity plan

Signature of the Diversity Charter

Eramet/BASF partnership agreement for the assessment the production of nickel-cobalt for the electric vehicle market

## NON-FINANCIAL PERFORMANCE

### ESG PERFORMANCE ASSESSMENT

Eramet takes part in many external assessments of its non-financial performance. Since 2019, the Group has been participating in assessments conducted by financial and non-financial rating agencies recognised by its stakeholders, particularly its investors, customers and civil society. Eramet gives priority to rating agencies that have precise methodologies that analyse the material issues of the industry. Assessments thus play a role in the continuous improvement process of the company's commitments and its non-financial performance.

Following on from the assessment by Vigeo-Eiris in 2019, this year, Eramet's CSR strategy has been evaluated by ISS ESG's *corporate rating*. Two improvements attest to Eramet's concrete progress: the Group earned an overall rating of B- and for the first time was awarded "Prime" status. This status is granted to companies whose ESG performance exceeds the threshold of other companies in their industry.

# -40%

**2035 OBJECTIVE TO REDUCE  
ABSOLUTE CO<sub>2</sub> EMISSIONS**

# CARBON NEUTRALITY

**BY 2050 (SCOPE 1 AND SCOPE 2)**

Eramet earned a B, a significant improvement from the D it received in 2019, on the *Climate Change* questionnaire of the *Carbon Disclosure Project's* (CDP) 2020 ranking. This places Eramet in the top category of companies in its business sector, rewarding its proactive steps in this area.

In a new *Wall Street Journal* ranking that was released this year, Eramet appears among the 100 most sustainably managed publicly traded companies in the world.



**B- rating, "Prime" status  
ISS ESG Corporate rating**  
JUNE 2020



**B rating  
CDP Climate change**  
DECEMBER 2020



## FOCUS 2020: COVID-19 SOLIDARITY PLAN

In April 2020, as the Covid-19 pandemic was raging across the globe, Eramet announced the implementation of a Group solidarity plan, accompanied by an exceptional budget allocation of €1.5 million.

As of the end of 2020, most of this exceptional Group allocation had been used, with the residual balance being held to continue actions to fight Covid-19 in 2021.

- Most of the money went to support the subsidiaries for the purchase of health and hygiene supplies, food and staples for the local stakeholders. This was the case, for example, with Comilog and Setrag in Gabon, where more than **300,000 masks** and PPE were distributed.

In New Caledonia, SLN distributed more than **1,000 health and hygiene kits and food packs**. In Argentina, Eramine gave the closest village an ambulance. In France, the sites of the both Group

divisions got involved and provided more than **100,000 masks** and other protective equipment to their local residents.

- The Group also gave financial donations to charity and institutional partners working on research against the virus and support the most impoverished people in France. It also organised a solidarity campaign among employees, whose donations were matched.

In addition to this allocation from the Group, the subsidiaries are independently taking initiative: this includes Comilog and GCO's support for public institutions, with the organisation of a medical

mission at Amissa Bongo Hospital in Franceville, and support for the Senegalese government's Force Covid-19 foundation. Some CSR actions by the sites, particularly in Senegal and Gabon, have also helped the communities' health and economic resilience in the face of the crisis, by stepping up their community investment expenditure to support healthcare, infrastructure work and activities supporting local employment. In 2020, the Eramet Group and its subsidiaries mobilised more than **€10 million** to support their stakeholders in fighting the health and economic crisis stemming from the Covid-19 pandemic.

## The Group's outlook in 2021

The markets of the Mining and Metals division remain well-oriented at the start of 2021, mainly thanks to the momentum of the Chinese economy, with an improved short-term outlook in Europe and the United States. However, the overall economic context for raw materials remains uncertain for the year.

The High-Performance Alloys division is suffering in its main market from the crisis in the aerospace sector, which is expected to take several years to resolve. However, it benefits from a solid outlook in the national sovereignty and energy markets as well as the expected recovery in the automotive sector.

In 2021, the Group continues to implement its strategic roadmap with further significant intrinsic progress expected, notably thanks to the achievement of the following targets:

- **7 Mt** of manganese ore production;
- Nickel ore exports of **more than 3.5 Mwmt** as part of the continued execution of SLN's rescue plan;
- Production of more than 6 Mwmt of nickel ore at Weda Bay.

This organic growth momentum should help to amplify the traditional seasonality of mining activities.

In 2021, Group capital expenditure could total c.€300m in current capex and c.€200m in growth capex to support organic development, mainly in manganese.

Based on a consensus of average manganese ore prices at **\$4.5/dmtu** and LME nickel prices at **\$7.5/lb** for 2021, **forecast EBITDA** of approximately **€600m<sup>(1)</sup>** is expected in 2021, significantly higher than in 2020, with a considerably more favourable seasonality in H2.

This outlook is in line with the momentum of the start of this year, without an economic setback linked to the pandemic. It is in line with our strategic roadmap, and aim to make Eramet's business model even more robust, in order to strengthen the Group and take full advantage of the postcrisis period.

(1) Based on an exchange rate at \$/€1.22.



Design and production: **côté corp.**

Photo credits: Désirey Minkoh/Afrikimages, Adrien Daste, Bruno Détante, Julien Goldstein, Michel Labelle, Nicolas Louet, Andrew McLeish, Ludovic Combe, Sylvain Cambon, Marco Dufour, Hervé Thouroude/GENERALI



erameT

10, boulevard de Grenelle  
CS 63205  
F-75015 Paris  
**[www.eramet.com](http://www.eramet.com)**