2021

Universal Registration Document

CONTENT

eramet

2021

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIER

AMF

This Universal Registration Document was filed with the Autorité des marchés financiers (AMF) on 4 April 2021, as the competent authority under regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a prospectus and, if applicable, a summary and any 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 2021 Universal Registration Document, including the annual financial report 2021, which has been prepared under the ESEF format (European Singlie Electronic Format) and filed with the AMF, available on the Company's website and on the AMF's website.

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

MANIFESTO

Working towards a more sustainable world: this is the most pressing challenge facing humankind.
To meet this challenge, and 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: **to become a reference for the responsible transformation of the Earth's mineral resources for 'living well' together.**

Because we are convinced of the validity of our approach, we place operational and financial performance on the same level as social responsibility.

Although our vision to make Eramet a committed and contributive corporate citizen remains consistent, our model has changed considerably.
Today, we have everything in place to meet the two challenges of the new era of metals: produce more and produce better.

We are at the beginning of a new chapter in the history of the Eramet Group.

CHRISTEL BORIES
CHAIR AND CEO

MESSAGE FROM
CHRISTEL BORIES

Eramet had an exceptional year in 2021. Our excellent performance in operation, CSR and finance reflect the commitment and agility of our teams, who knew how to seize opportunities in an unsettled and uncertain environment.

This outstanding performance illustrates the relevance of our operational model, which produces significant internal improvements driven by long-term growth in production volumes and cash flow. It is also the result of the large-scale strategic and managerial transformation we have been undertaking over the last four years, which has led us to redirect our portfolio towards the highest value-accretive activities and to enable our teams to become more autonomous and agile.

This growth must be sustainable and responsible. In 2021, our level of CSR performance remained high due to the ambitious commitments undertaken for the safety and development of our employees, quality of life for the communities living close to our sites, and to protect the climate and preserve biodiversity.

In 2021, we also accelerated our strategic repositioning towards high-growth mining and metallurgical activities. We relaunched construction of our lithium plant in Argentina and signed a memorandum of understanding for the sale of Aubert & Duval.

Recent market developments – with excellent growth in demand for metals that are crucial for the energy transition and increased environmental and societal requirements – have confirmed our strategic choices. More than ever, we believe Europe needs to secure the supply of these metals. The tragedy in Ukraine and the high level of climate instability facing the continent is a painful reminder of these strategic challenges. With an asset portfolio containing these metals that are essential for our future – nickel, cobalt, lithium, and manganese – Eramet is positioned as a key player in the energy transition.

The women and men who work at Eramet are therefore more committed than ever and – strengthened by a renewed Executive Committee – they are approaching this new chapter in the Group's history with the ambition of becoming a reference for the responsible transformation of the Earth's mineral resources and for 'living well' together.

The outstanding performance seen in 2021 illustrates the relevance of our operational model, which produces significant internal improvements driven by long-term growth in production volumes and cash flow.

ERAMET TODAY IS...

a major international player, refocused on its Mining and Metals activities.

Unless otherwise stated, the figures presented in this integrated report exclude discontinued operations (Sandouville, Aubert & Duval and Erasteel), pursuant to IFRS 5 [1].

1st

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

4th

Eramet is the world's fourth-largest **producer of titanium-containing raw materials** and the world's fourth-largest **producer of zircon**.

4th

Eramet is the world's **fourth-largest producer of ferronickel.**

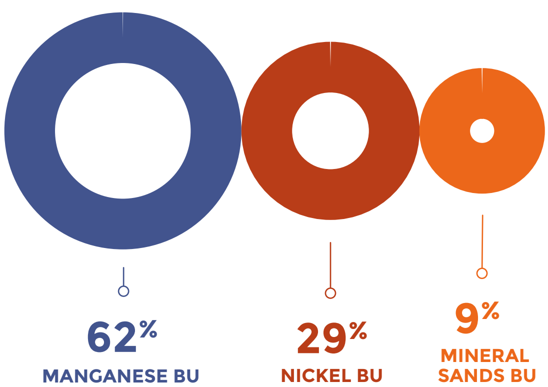
1st

First European company to develop large-scale sustainable lithium production.

€BN 3.668

SALES IN 2021[1]

2021 TURNOVER BY ACTIVITY [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 3, Notes 2.1 and 3.2 and Chapter 6 of this document). Excluding the IFRS 5 restatement, Group sales amounted to €4.499 billion in 2021, EBITDA to €1.031 million, current operating income to €751 million and FCF to €401 million. Including discontinued operations, the FR2 was down -46% and the workforce included 13,373 employees worldwide at the end of 2021.

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

€M
1,051

2021 EBITDA [1]

€M
784

CURRENT OPERATING INCOME [1]

€M
526

2021 FCF [1]

-39%

REDUCTION IN TCO2/T OUTGOING PRODUCT (REF. 2018)

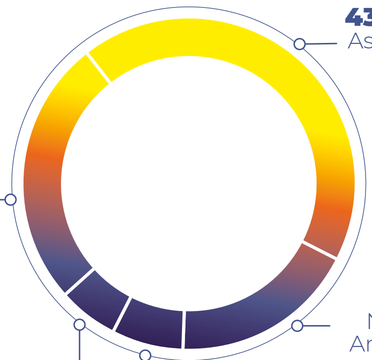
-59%

REDUCTION IN ACCIDENT FREQUENCY RATE (FR2) [1][2]

26%

OF MANAGERS ARE WOMEN

BREAKDOWN OF SALES BY GEOGRAPHICAL AREA [1]



8,523

EMPLOYEES WORLDWIDE AT THE END OF 2021 [1]

BREAKDOWN OF HEADCOUNT BY GEOGRAPHICAL AREA

8% France
10% Europe (excluding France)
3% The Americas
52% Africa
1% Asia
26% Pacific

AN INDUSTRIAL PRESENCE ON FIVE CONTINENTS

17

MINING AND INDUSTRIAL SITES[1]

PROJECT

MINING SITE

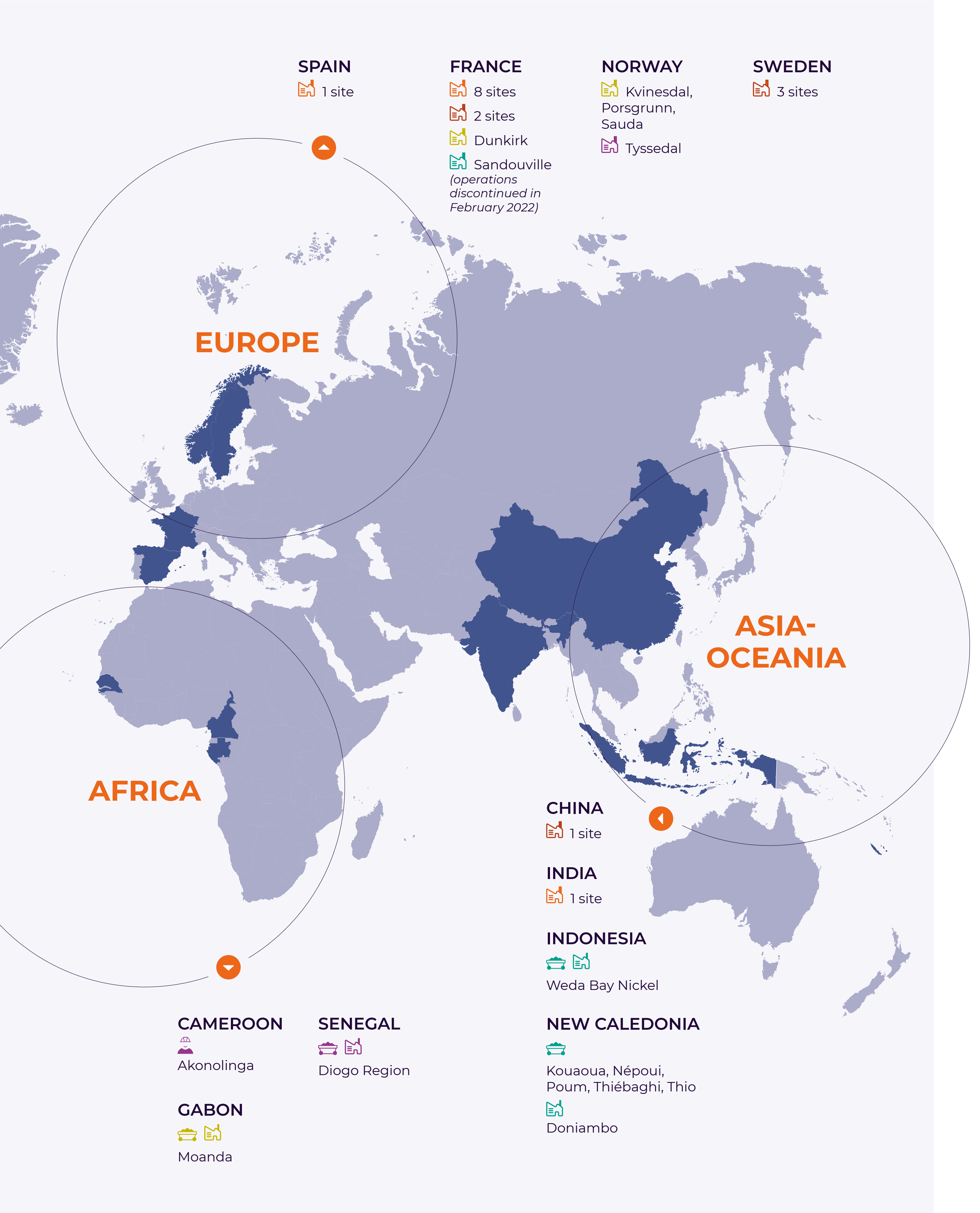
PROCESSING

- **Manganese**
- **Nickel**
- **Mineral sands**
- **Lithium**

Discontinued operations

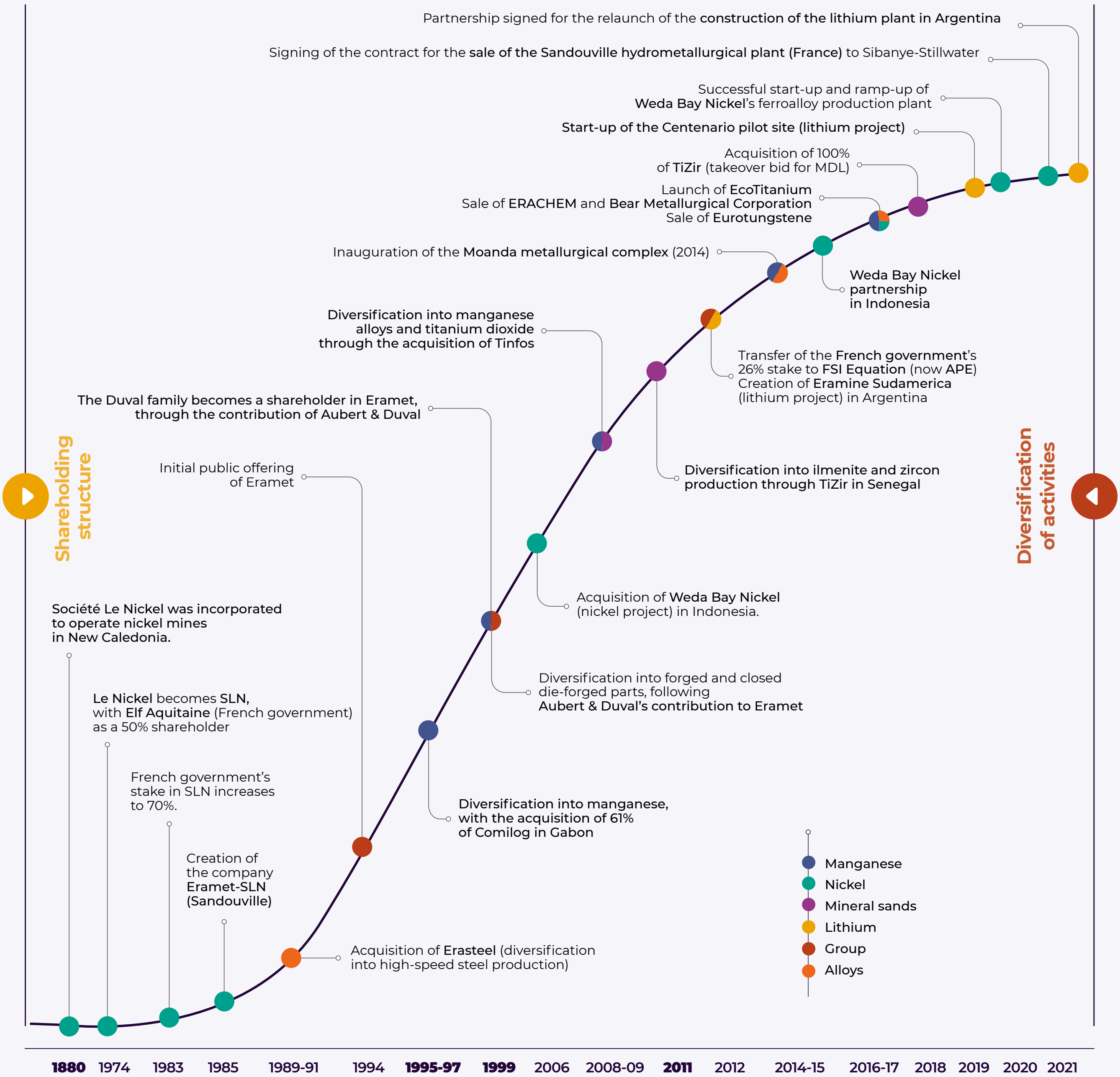
- Erasteel
- Aubert & Duval

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


SPAIN
1 site
FRANCE
8 sites
2 sites
Dunkirk
Sandouville
(operations discontinued in February 2022)
NORWAY
Kvinesdal, Porsgrunn, Sauda
Tyssedal
SWEDEN
3 sites
EUROPE
ASIA-OCEANIA
AFRICA
CHINA
1 site
INDIA
1 site
INDONESIA
Weda Bay Nickel
NEW CALEDONIA
Kouaoua, Népoui, Poum, Thiébaghi, Thio
Doniambo
CAMEROON
Akonolinga
SENEGAL
Diogo Region
GABON
Moanda

A LONG-TIME PLAYER IN MINING, METALLURGY AND METALS

For more than a century, the Eramet Group has been working in responsible ore and metals recovery and has diversified both in terms of markets and geographical area.



GROUP STRUCTURE

Four business units within the Mining and Metals activities corresponding to Eramet's main markets.

eramet

- **Eramet Ideas**
- **Eramet International**

MINING AND METALS ACTIVITIES

Eramet Marketing Services (1)

BU Manganese
High-grade ore, alloys

- Eramet Norway **100%**
- Eramet Marietta **100%**
- Comilog **63.71%**
  - Setrag (6) **Comilog 59.99%** **Meridiam 40%**
  - Comilog Dunkerque **100%**
  - SEM (2) **28.94%**
  - Others **7.35%**

BU Nickel
Ore, ferronickel, high-purity nickel, nickel and cobalt chlorides, nickel carbonate, nickel ferroalloys

- Eramet Sandouville (7) **100%**
- Company Le Nickel-SLN **56%**
  - Nisshin Steel **10%**
  - STCPI (3) **34%**
  - **1 share** French government
- Strand Minerals Pte. Ltd. **43%**
  - PT Weda Bay Nickel **90%**
  - PT Antam (4) **10%**
  - Group Tsingshan **57%**

BU Mineral sands
Titanium dioxide and high-purity pig iron, zircon and ilmenite

- TiZir Titanium & Iron **100%**
- Grande Côte Operations **90%**
  - Republic of Senegal **10%**

BU Lithium
Eramine Sudamerica

HIGH PERFORMANCE ALLOYS (5)

(DISCONTINUED)

Closed-die forgings, rolled and forged products, high-speed steels and recycling, high-performance special steels and superalloys.

- **Aubert & Duval (5) 100%**
  - UKAD (8) **50%**
  - Interforge **95.7%**
- **Erasteel (5) 100%**

(1) *Legal entity housing the sales and support functions of the Mining and Metals activities, 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.*
(5) *Discontinued operations, in application of IFRS 5.*
(6) *Meridiam: private investor, specialising in the long-term management of sustainable public infrastructure.*
(7) *Operation being discontinued as at December 31, 2021; discontinued on February 4, 2022.*
(8) *100% owned as at 24 January 2022.*

MINING AND METALS ACTIVITIES

Eramet extracts metalliferous ores, which it sells or transforms into alloys, applying the highest standards in terms of corporate social responsibility.

Its clients are core industries and high-tech companies across the globe. The Group has specific expertise in geology, mining and ore processing (pyrometallurgy and hydrometallurgy).

WORLD-CLASS DEPOSITS

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

65 Mt

OF MANGANESE CONTENT

Gabon, Comilog

Over 23 years of reserves [1]

3.6 Mt

OF NICKEL CONTENT

New Caledonia, SLN

Over 25 years of reserves [1]

3.5 Mt

OF NICKEL CONTENT

Indonesia, Weda Bay

Over 25 years of reserves [1]

18.9 Mt

OF MINERAL SANDS (zircon and ilmenite)

Senegal, Tizir

Over 22 years of reserves [1]

1.1 Mt

OF LITHIUM CARBONATE EQUIVALENT (LCE)

Argentina (project)

40 years of reserves [1]

(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.

MANGANESE BU

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

RESOURCES AND ACTIVITIES

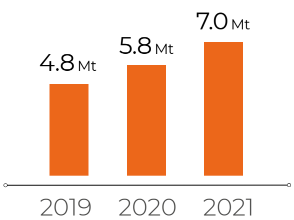
- 1 highly competitive manganese mine in Gabon operated by Comilog, a subsidiary of the Group, with a very high-grade ore (44%) and organic production growth thanks to the development of the new Okouma plateau.
- Processing units in Gabon, 5 pyrometallurgy plants in Europe (3 in Norway, 1 in France) and the United States (1 in Ohio) 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.

7.0 Mt

OF MANGANESE ORE PRODUCED



2021 KEY FIGURES

- **~ 4,513 employees**
- **€2,267M in sales**
- **747 kt of manganese alloys produced**

NICKEL BU

Eramet, one of the world's largest producers of ferronickel, processes ore from nickel mines in Indonesia and New Caledonia.

RESOURCES AND ACTIVITIES

· **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 nickel ferroalloys.

· A very rapid ramp-up of mining operations and production of nickel ferroalloys in 2021; the plant, operated by the joint venture and fed by the mine, had reached its nominal production capacity by August 2020.

· **In New Caledonia**, SLN (Société Le Nickel), 56% owned: highly competitive nickel mines and a pyrometallurgical plant for the production of ferronickel.

· Continued growth in nickel ore exports thanks to the implementation over the last three years of a business model rebalanced on two activities, mining and metallurgy.

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.

14 Mwmt

OF NICKEL ORE PRODUCED BY WEDA BAY NICKEL

5.4 Mwmt

OF NICKEL ORE PRODUCED BY SLN OF WHICH 2.9 MWMT EXPORTED

2021 KEY FIGURES

- **~ 2,253 employees**
- **€1,046 million in turnover**
- **39 kt of nickel ferroalloys produced at Weda Bay Nickel (joint-venture at 100%)**
- **39 kt of ferronickel produced at SLN**

Sale of Sandouville

In February 2022, Eramet finalised the sale of the Sandouville hydrometallurgical refinery to Sibanye-Stillwater, a major player in precious metals, for approximately €85 million. This transaction had been announced at the end of July 2021. The site, which employs around 190 people, specialises in the manufacture of high value-added nickel salts and high-purity metal for specific applications in electroplating and in the design of superalloys, catalysts and electronic components.

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 the ilmenite produced in Senegal and production of titanium dioxide slag and high-purity pig iron at the TTI (TiZir Titanium and Iron) pyrometallurgy plant in Norway.

MARKETS

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

804 Kt
MINERAL SANDS CONCENTRATES PRODUCED IN SENEGAL

2021 KEY FIGURES
- **~ 983 employees**
- **€349M in sales**
- **209 kt of titanium dioxide produced in Norway**

Launch of the pre-feasibility study for the Akonolinga project (Cameroon)

In November 2019, Eramet was awarded five exploration permits on the Akonolinga rutiliferous block in the Central region of Cameroon by the Cameroonian government. The purpose of these three-year permits is to allow the Group to carry out the fieldwork and feasibility studies required to obtain a mining convention. At the end of 2021, following the work carried out by the exploration unit (drilling campaigns and study to define a mining plan), Eramet decided to carry out the "PFS" pre-feasibility study in 2022 based on the initial resources identified. The project would serve to diversify the Group's product offering in the particularly attractive rutile market and would strengthen the mineral sands mining activities currently taking place in Senegal.

LITHIUM BU

**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.**

After mothballing the project in 2020 in the context of the health crisis, the Group began constructing the lithium production plant in November 2021, in partnership with Tsingshan, a Chinese steel group. Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint.

RESOURCES AND ACTIVITIES

- Extraction of brine from the salt lake and its processing into lithium carbonate, the base compound for the energy storage industry.
- Efficient direct extraction process using a solid active ingredient developed by Eramet Ideas, Eramet's R&D centre.
- Positioning in the 1st quartile of the lithium industry's *cash cost* with very significant extractable resources.
- Construction of the plant will start in the first quarter of 2022, with production beginning in early 2024. Reaching nominal capacity expected in the second half of 2025.

MARKETS

- Lithium has special physical and chemical properties, making it a metal used in various applications.
The most dynamic application market is energy storage in the form of lithium-ion batteries (more than 75% of outlets). These batteries can be found in electric vehicles, portable electronics and high-voltage electricity storage.

24 Kt

ANNUAL PRODUCTION TARGET FOR LITHIUM (LCE(1)) BY 2026 IN ARGENTINA

2021 KEY FIGURES

- **Approximately 90% extraction efficiency**
- **Approximately 1 week production cycle**
- **-44% of water resources consumed compared to the conventional process**
- **Cash cost of approximately 3,500 USD/t LCE EXW(2)**

(1) Lithium Carbonate Equivalent.
(2) EX-Works: *Ex-factory costs, excluding taxes and royalties.*

HIGH PERFORMANCE ALLOYS

(Discontinued operations)

The Aubert & Duval and Erasteel activities have a unique know-how dedicated to strategic industries.

They supply 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, 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.

€493M
2021 SALES

2021 KEY FIGURES

- **~3,796 employees**
- **10 industrial sites**

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.

€184M
2021 SALES

2021 KEY FIGURES

- **~830 employees**
- **6 industrial sites**

Sale of Aubert & Duval

In February 2022, Eramet signed a non-binding memorandum of understanding with a consortium comprising Airbus, Safran and Tikehau ACE Capital with a view to the sale of Aubert & Duval. This transaction is expected to be completed in the second half of 2022[(1)]. The sale is taking place on the basis of an enterprise value of €95 million and will include a series of specific guarantees in addition to the usual guarantees. The accounting impact of the transaction, estimated at -€340 million [(2)], has been recorded in the income for the 2021 financial year. In addition, Eramet announced that, following the strategic review of Erasteel, the sale of this subsidiary was the Group's preferred option.

(1) After consultations with employee representative bodies and subject to the usual conditions precedent, including the approval of the relevant regulatory and competition authorities.
(2) Subject to closing adjustments.

ERAMET IS A TECHNOLOGICAL LEADER IN ITS FIELDS OF ACTIVITY

Eramet Ideas brings together the Group's innovation and development teams.

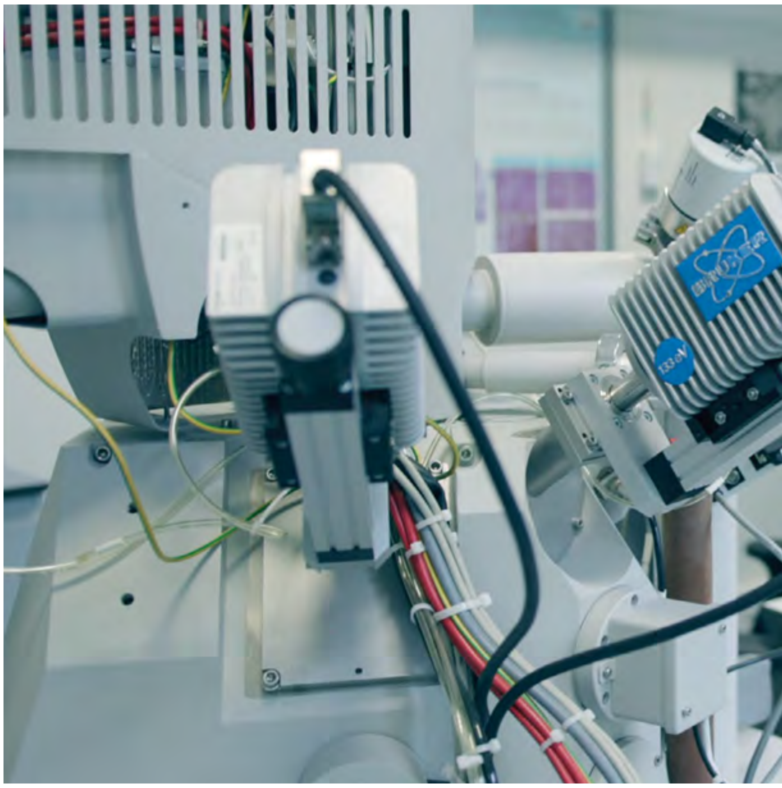
Expertise

- Mineralogy, geology, geometallurgy and mining
- Mineralurgical, hydrometallurgical and pyrometallurgical processes in extractive metallurgy
- Digital metallurgy (mathematical interpolation, extrapolation and algorithmic processing methods applied to metallurgy)

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

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 in order to:
  - **Improve the performance of the Group's mining and metallurgical assets**
  - **Support strategic projects** and, in particular, developments in energy transition metals



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

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

1st

MICROSCOPE IN EUROPE EQUIPPED WITH QEMSCAN MINERALOGY SOFTWARE

A RAPIDLY CHANGING ECOSYSTEM ACCELERATED BY THE PANDEMIC

SOCIETAL AND GEOPOLITICAL

OUR CHALLENGES

- Rapid population growth and accelerated urbanisation.
- Rising inequality, hastened by the crisis related to the pandemic in 2020 and 2021.
- 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

- Adaptation measures to meet the recovery in demand for metals following the sudden shutdown of production systems in 2020. 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, commerce and information.
- Integration of a societal approach to operational excellence for the mining and industrial activities.
- Strong growth in demand for critical metals in the energy transition.
- Awareness of the need for sovereignty in regions such as Europe and North America.

Eramet begins construction of its lithium plant in Argentina.

ECONOMIC AND TECHNOLOGICAL

OUR CHALLENGES

- Variability in global economic growth during the pandemic, with periods of slowdown followed by periods of rapid recovery, with a strong impact on demand for metals.
- 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.
- 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.
- Sharp increase in metal requirements for batteries due to the electric vehicle revolution.

OUR OPPORTUNITIES

Creation of sustainable value from innovative new 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_2 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.

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

ENVIRONMENTAL

OUR CHALLENGES

- Climate emergency and need for collective climate actions.
- 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. 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.

OUR OPPORTUNITIES

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.

OUR BUSINESS MODEL

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

OUR ASSETS AND RESOURCES [1]

Human capital

8,523 employees in 20 countries.
26% of managers are women.

Natural capital (resources)

117 Mt of manganese content (Gabon).
19.2 Mt of nickel content (New Caledonia).
38.4 Mt of mineral sands (Senegal).
9.9 Mt of lithium (LCE [2]) (Argentina).
10.4 Mt of nickel content, 43% owned by Eramet (Weda Bay, Indonesia).

Industrial capital

17 mining and metallurgical industrial sites worldwide.
€312 million industrial investments.

Financial capital

SBF 120 listed company.
€1,051 million EBITDA.
€2.0 billion financial liquidity.

Intellectual and innovation capital

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

Societal capital

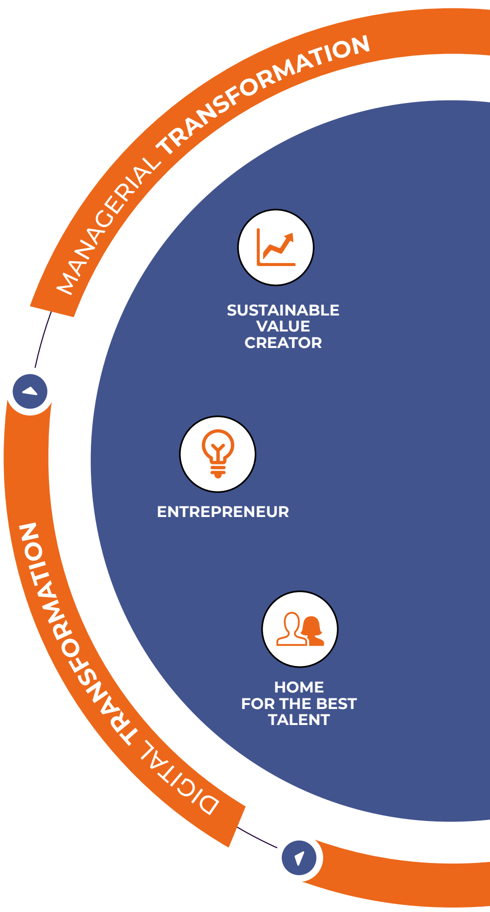
Local territories as shareholders of our main subsidiaries:
34% New Caledonia (SLN),
29% Gabon (Comilog),
10% Senegal (GCO).
Long-term relationships with customers.

OUR STRATEGIC FOCUSES

Growing in metals for global economic development

Resilient markets:
Manganese ore and alloys
Nickel
Mineral sands

OUR STRATEGIC VISION



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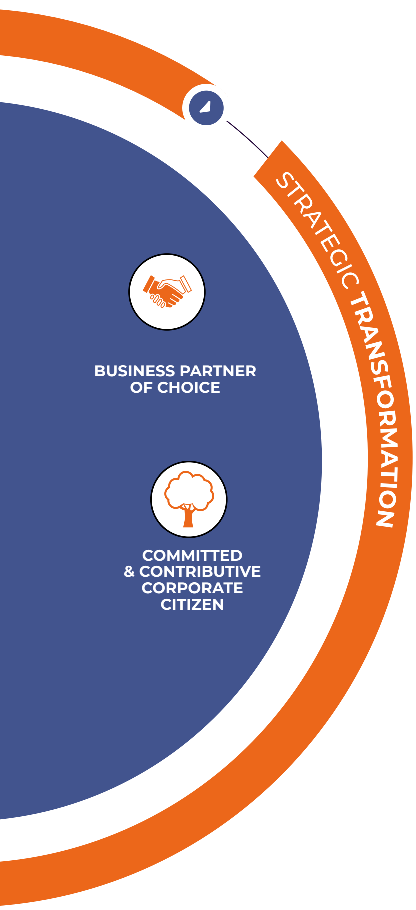
OUR CORPORATE PURPOSE:

“Become a reference for the responsible transformation of the Earth’s mineral resources for ‘living well’ together.”

A pure player in the mining and metals sector contributing to a sustainable future.

Developing critical metals for the energy transition

High-growth markets:
Lithium
Nickel/cobalt salts
Battery recycling



OUR VALUE CREATION

Employees

-59% of recordable accidents (frequency rate FR2 (5) of 1.5 in 2021).

72% of employees received training.

Shareholders

30% ROCE (3) (2021).

€2.1 billion market capitalisation in 2021.

Customers/ Suppliers

€3.7 billion in turnover.

Communities/ Regions

€495 million paid by our subsidiaries active in the extractive industry to local governments (mainly taxes and royalties in 2020 (4)).

€9.3 million investment in local communities.

90% of decarbonated power purchased in 2021.

R&D and innovation partners

28 European projects subsidised and 15 ongoing Norwegian collaborative projects.

OUR CSR COMMITMENTS

SUSTAINABLE DEVELOPMENT GOALS

SCIENCE BASED TARGETS

act4nature international

CSR Roadmap 2018-2023, 13 CSR objectives, page 299

Vigilance Plan 2021, page 451

Global Compact Principles – Eramet COP, page 444

(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).

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 added value.

DISTRIBUTION OF VALUE AMONG STAKEHOLDERS

Turnover − Purchases and other expenses (1) = Added value 2021 * **€1.5 billion**

SUPPLIERS

Amount of Group purchases 2021

€3.0 billion

EMPLOYEES(2) 2021

54%

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

GOVERNMENTS(3) 2021

16%

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.

COMMUNITIES (4) 2021

17%

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

DEBT HOLDERS (5) 2021

8%

Long-term relationship with lending banks.

SHAREHOLDERS (6)

5%

Market capitalisation: **€2.1 bn** as at 31/12/2021; Share buyback: **€7.9 million**

Notes: On the basis of the consolidated financial statements at December 31, 2021, before application of IFRS 5, and including activities held for sale or discontinued operations.

* *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.

(6) Dividend of €2.5 per share put to vote at the General Shareholders' Meeting in respect of the 2021 financial year.

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, economic 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.

SUPPORT GLOBAL ECONOMIC DEVELOPMENT AND THE ENERGY TRANSITION

Eramet, a leading player in mining and responsible metals processing, with an attractive repositioning and cash-generating activities.

Launched in 2018, the Group's in-depth strategic and managerial transformation programme has enabled it to reposition itself competitively in the Mining and Metals sector, in a rapidly changing environment, in order to create value over the long term.

The worst performing assets were therefore repositioned:

- The Sandouville site was sold at the start of 2022.
- A memorandum of understanding was also signed in February regarding the sale of Aubert & Duval and in 2022 the Group expects to continue with plans to sell Erasteel.[1]
- The SLN rescue plan launched at the end of 2018 has proven its relevance under normal operating conditions. It is based on an increase in exports of low-grade ore, an improvement in productivity and a decrease in the price of energy. All actions that are dependent on SLN have been completed to date (change in working hours, implementation of the tools needed to increase production). In February 2022, the New Caledonian government and SLN embarked on a new trajectory for the subsidiary's future. A first milestone was reached with the government's unanimous vote to authorise the export of an additional 2 Mwmt to reach 6 Mwmt of nickel ore exports per year. The ramp-up will take place until 2024.

This trajectory is also based on a significant reduction in the cost of energy at the Doniambo plant. The reflection on access to competitive electricity and the project for a power plant to supply Doniambo will have to be stepped up in 2022.

The Group's strategy is now based on the two areas presented below.

(1) *Pursuant to IFRS 5, relating to non-current assets held for sale, these assets have been classified as discontinued operations in the Group's financial statements at December 31, 2021. See Chapter 3, Notes 2.1 and 3.2 of the Universal Registration Document.*

1

GROWING IN METALS FOR GLOBAL ECONOMIC DEVELOPMENT

Continued global economic development should support growth in the demand for metals related to infrastructure (carbon steel), construction (pigments, ceramics) and consumption (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 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;
- developments in mineral sands in Senegal or in other countries, particularly Cameroon;
- nickel ore, particularly through the development of the Weda Bay deposit in Indonesia.

2

DEVELOPING CRITICAL METALS FOR THE ENERGY TRANSITION

The second component involves 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 (electric vehicles in particular) and thus contributing to the decarbonisation of world economies.

These include:

- lithium, with the restart of the Centenario project announced by Eramet in November 2021;
- development in the production of nickel and cobalt for batteries, thanks to the Sonic Bay project, from the Weda Bay deposit and in partnership with BASF;
- the lithium-ion battery recycling project.

Metals for global economic development

ORGANIC GROWTH IN MANGANESE ORE PRODUCTION IN GABON

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

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 production growth continued in 2021, making Moanda the world's leading manganese mine.

The modular approach developed by Comilog optimises capital expenditure and is based on starting production at the new plateau, intensifying the use of alternative dry processing for the entire mine, followed by the gradual implementation of modular washing plants on the Okouma plateau.

On this basis, production totalled **7.0 Mt of manganese ore**, and the €151 million invested in growth in 2021, including the Trans-Gabon modernisation plan, produced major progress in the organic growth of Comilog, a strong value creator, with a very quick return on investment.
The mine's production has increased by more than 60% compared to 2018.

The 2022 ore production target is 7.5 Mt, a 7% increase on 2021, with investment of approximately €200 million.

+21%

COMILOG'S MANGANESE ORE PRODUCTION IN 2021

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 51% subsidiary of Comilog (since early 2022). Since the programme began in 2016, **transport capacity has increased by 96%,** producing excellent logistical progress and thus increasing the amount of ore transported to a record level.

GROWTH IN MANGANESE ALLOYS

Manganese ore is transformed into manganese alloys before being introduced into steels to give them their mechanical properties. Eramet has six plants that carry out this pyrometallurgical smelting operation using part of the ore produced in Gabon.
The *production set-up* is constantly being streamlined, with the focus on productivity of smelting furnaces, lower CO_2 emissions, and increased production of refined (low-carbon) alloys for which Eramet is the world leader. This is achieved by undertaking numerous incremental actions in the field, and 2021 saw total production jump to 747 kt of alloys, an increase of 7%.

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 launched **a medium-term organic growth programme** for production in Senegal with de-bottlenecking options. The first stage is expected to deliver around 10% growth in mineral sand volumes by the end of 2024, with a limited investment of around €30M.
In 2019, Eramet also obtained a mining exploration licence in Cameroon for **the Akonolinga rutiliferous block**. Initial studies were launched in 2020 and **the pre-feasibility study phase** started in 2021.

DEVELOPMENT OF THE WEDA BAY NICKEL DEPOSIT

In Indonesia, on the island of Halmahera, the world-class deposit Weda Bay has been developed in partnership with the Chinese company Tsingshan, the world's leading producer of stainless steel. The start-up of activity was successful**, and mining operations and production of low-grade nickel ferroalloys ramped up quickly.** The mine, which is intended to supply several plants on the Halmahera island industrial site, including the partnership's plant, started up at the end of 2019 and has produced 14 Mwmt, including nearly 10 Mwmt of marketable nickel ore in 2021.
The first metal tapping at the joint venture's nickel ferroalloy production plant took place at the end of April 2020. The following August, the plant reached its nominal capacity ahead of schedule. In 2021, it produced 39 kt-Ni, at a very competitive production cash cost. Eramet, a minority shareholder, 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 90% of this asset.
Weda Bay's excellent operating performance again resulted in **a significant contribution to the Group's free cash flow in 2021.**

An innovative ecosystem

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, and on digital transformation.

INNOVATION

Innovation is at the heart of Eramet's strategy and is supported by Eramet Ideas, the Group's 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 performance while developing long-term innovation projects that support the strategic 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.

Critical metals for the energy transition

LITHIUM PROJECT IN ARGENTINA

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. In 2020 and 2021, the pilot plant, a small-scale replica of a future industrial facility, **achieved the target performance for the brine treatment process over time, under real-world conditions at the deposit.**
In 2021, the Group decided to launch construction of the lithium carbonate production site, in partnership with Tsingshan. **Eramet will have a majority share of** 50.1% in the project and will manage it from an operational standpoint. Its partner, Tsingshan, will finance the construction and take a 49.9% stake in the project. Production volumes will be marketed by each partner based on their respective shareholding. The construction of the plant, with an annual production of **24,000 tonnes** of lithium (LCE), is expected to start in the first quarter of 2022, with **production beginning in early 2024** and full capacity expected in the second half of 2025. The size of the deposit will allow for further expansion *through* the construction of other similar plants by both partners.

NICKEL AND COBALT FOR BATTERIES

The Weda Bay deposit development project 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 nickel and cobalt hydrometallurgical project for the electric vehicle market.**

~90%

YIELD FROM THE LITHIUM DIRECT EXTRACTION PROCESS AT THE PILOT PLANT

The project, which would recover the ore from Weda Bay, aims to start operating the facilities in the middle of the current decade, producing 42,000 tonnes of nickel and 5,000 tonnes of cobalt per year from mines operated according to internationally recognised environmental and social standards. Feasibility studies started in early 2021 and are expected to continue into 2022.

RECYCLING OF LITHIUM-ION BATTERIES

The development in Li-ion (lithium, nickel, cobalt) **batteries recycling** is also a part of this dynamic. As part of the European ReLieVe project, the final pilot tests in 2021 allowed a robust treatment process to be selected. The year 2022 will be devoted to a pre-feasibility study ("PFS") for a lithium battery recycling plant located in Europe and to the launch of the pre-industrial demonstration unit.

EXPLORATION

In 2019, the Group established an Exploration Unit aimed at bringing 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 our growth drivers for 2030. The unit focuses on the Group's metals: lithium, nickel and cobalt, mineral sands and manganese.

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 and 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.

3 THEMATIC THRUSTS

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

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

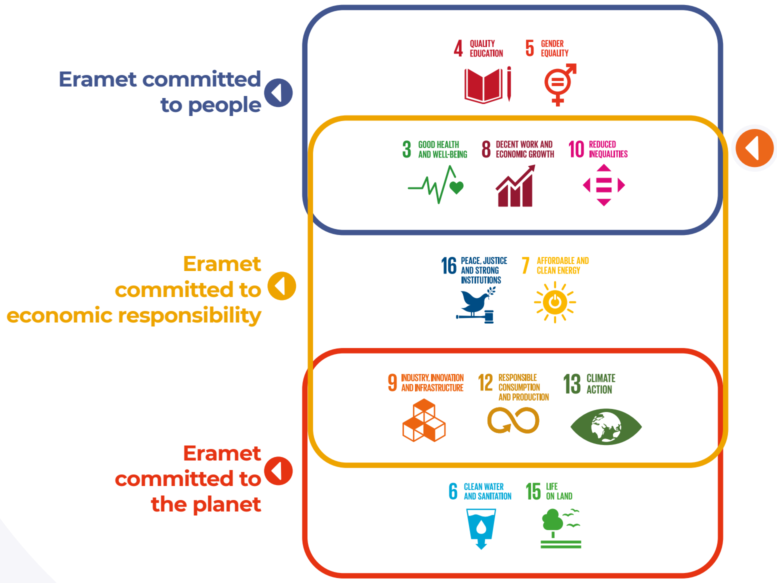
6. Be an energy transition leader in the metals sector.
7. Actively contribute to the development of the circular economy.
8. Be a reference company in terms of respect for human rights in our field of activity.
9. Be an ethical partner of choice.
10. Be a responsible company of reference in the mining 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.

MORE INFORMATION
For more information on Eramet's CSR commitment and its achievements in 2021 refer to the Group's Non-Financial Performance Statement (chapter 6).

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 6.



Contribution to Agenda 2030

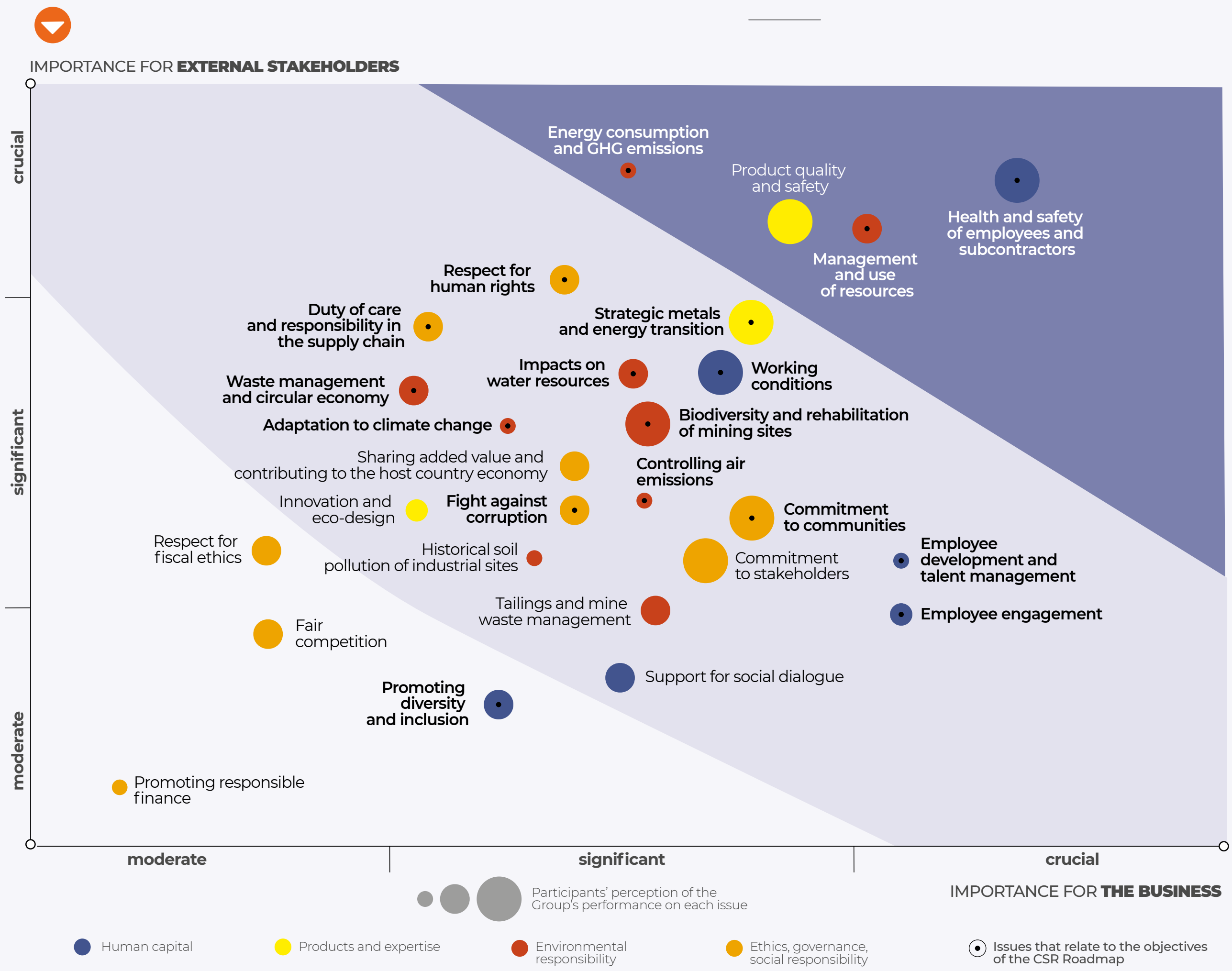
Through its economic and productive activities, Eramet directly meets the United Nations' Sustainable Development Goals (SDGs) 8, 9, 12 and 13. Eramet's CSR Roadmap, based on these goals, particularly contributes to the human, ethical and environmental issues.

CSR FOCUS 2021

In 2021, our progress-oriented approach involved representatives of civil society to a greater extent. Eramet strengthened its CSR commitments, with the validation of its CO_2 objectives by the SBTi, the inauguration of the Lékédi Biodiversité foundation in Gabon, incorporation into the act4nature initiative, the first self-assessments carried out using the IRMA reference framework and the implementation of new action plans. The Group also created a new Social Impact and Human Rights department within the Sustainable Development and Corporate Engagement department. Above all, in May 2021, Eramet incorporated its corporate purpose into the company's statutes.

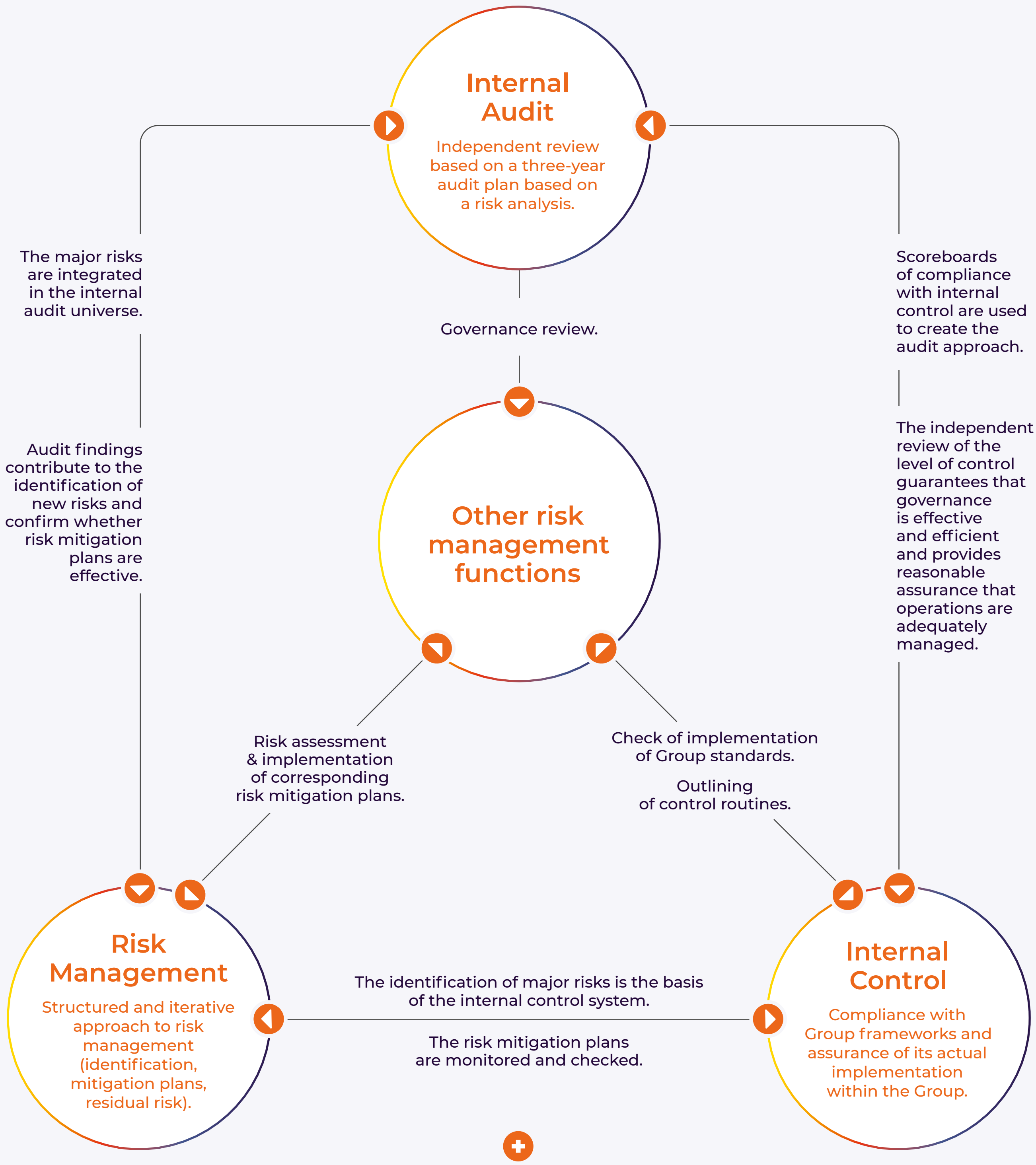
Materiality matrix

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

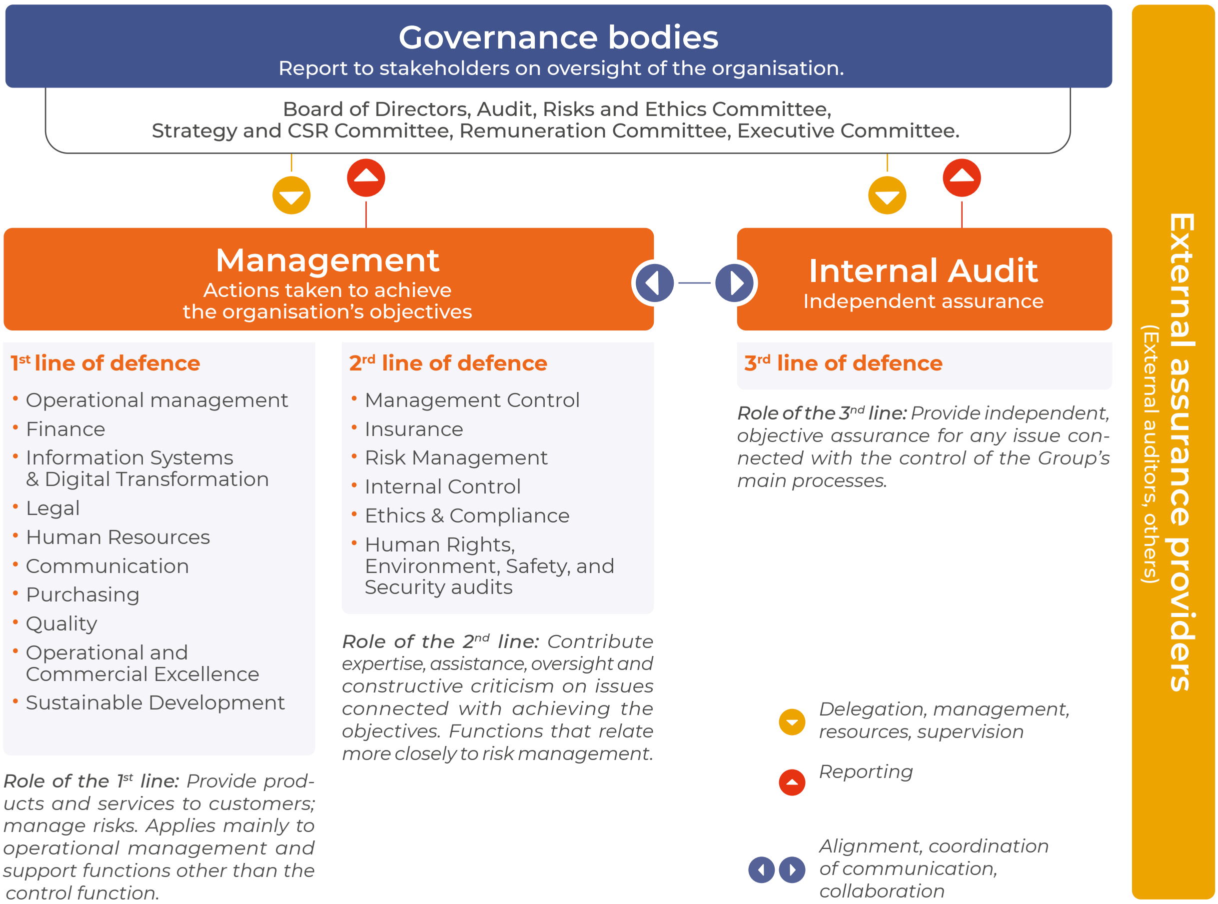
To fully achieve its strategic objectives and to develop its activities, Eramet has implemented a risk management system supported by an integrated approach and a dedicated governance.



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 2021 update of the Group risk mapping shows the following risks:

CATEGORY	RISK FACTORS	NET* IMPORTANCE LEVEL	TREND OBSERVED IN 2021
STRATEGIC AND FINANCIAL	Risks of non-recovery of assets held by the Group for which profitability is insufficient	High	Stable
	Geopolitical risks	High	Stable
	Risk of a significant drop in metal prices	High	Stable
	Risk of financing difficulties	Medium	Decreasing
	Risks related to non-execution of the chosen growth strategy for the Mining and Metals business units	Medium	Decreasing
OPERATIONAL	Risk of a serious rail accident on the Trans-Gabon Railway	High	Stable
	Risks of failure of information systems, data protection and cyber-attacks	High	Stable
	Risk of breakdown of a geotechnical structure	Medium	Stable
	Risks of challenges in attracting/retaining talent	Medium	Stable
	Risks related to production reliability and the development of new metallurgical products	Low	Decreasing
LEGAL	Risk of fraud and corruption	Medium	Stable
	Risk of high social expectations	Medium	Increasing
	Risk of legislative and regulatory changes regarding sustainable development	Medium	Stable

* *Including current risk management measures.*

BOARD OF DIRECTORS

Eramet shares are traded on the Euronext Paris market.

At December 31, 2021, the number of shares owned by the group formed between Sorame and Ceir, on the one hand, and FSI Equation (wholly owned by the French government), on the other, represented 64.21% 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.

Christel Bories
Chair and CEO
French nationality

Alilat Antseleve OYIMA
Director
Gabonese nationality

Émeric Burin des Roziers
Independent director
French nationality

Christine Coignard
Independent Director
French and Canadian nationality

François Corbin
Lead Director & Independent Director
French nationality

Jérôme Duval
Director
French nationality

Sorame, represented by Cyrille Duval
Director
French nationality

CEIR, represented by Nathalie de La Fournière
Director
French nationality

Frédéric Gaidou
Director representing employees
French nationality

Jean-Yves Gilet
Director
French nationality

Manoelle Lepoutre
Independent Director
French nationality

Jean-Philippe Letellier
Director representing employees
French nationality

Miriam Maes
Independent Director
Dutch nationality

Catherine Ronge
Independent Director
French nationality

Sonia Sikorav
Independent Director
French nationality

Claude Tendil
Independent Director
French nationality

Bruno Vincent
Director appointed by the Government
French nationality

Jean-Philippe VOLLMER
Director
French nationality

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

44%*
PARITY LEVEL
(7/16)

94%
AVERAGE ATTENDANCE RATE OF DIRECTORS AT MEETINGS

* *These ratios do not include directors representing employees.*

Board of Directors
9 MEETINGS IN 2021

3 MEETINGS
Strategy and CSR Committee
10 members, including 3 independent members and 1 director representing employees.

6 MEETINGS
Audit, Risks and Ethics Committee
6 members, including 4 independent members.

2 MEETINGS
Appointments Committee
4 members, including 2 independent members.

6 MEETINGS
Remuneration and Governance Committee
6 members, including 3 independent members and 1 director representing employees.

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.

From left to right: **Jérôme Fabre,** Executive Vice-President High Performance Alloys Division, **Virginie de Chassey,** Chief Sustainability and External Affairs Officer, **Jean de l'Hermite,** Group General Counsel, **Kléber Silva,** Chief Operating Officer, **Christel Bories,** Chairman and CEO, **Geoff Streeton,** Chief Development Officer, in charge of Strategy, Innovation and Business Development, **Nicolas Carré,** Chief Financial Officer, in charge of procurement and IT (from May 2, 2022), **Anne-Marie Le Maignan,** Executive Vice-President Human Resources, Health and Security.

FINANCIAL AND EXTRA-FINANCIAL PERFORMANCE

Excellent year with EBITDA above €1 billion[1] and accelerated repositioning to high-growth activities.

Note 1: All the figures provided for financial year 2021 and financial year 2020 correspond to figures pursuant to IFRS 5[1] as presented in the Group's consolidated financial statements, unless otherwise stated.

New phase for the Group, which is focusing on the Mining and Metals activities following the announcement of the signing of a memorandum of understanding for the sale of Aubert & Duval[2];

Confirmation of the positioning as a responsible company that is making a contribution;

Outstanding operational performance in manganese, nickel and mineral sands, and resilience in the mining activity in New Caledonia;

Construction of the lithium plant in Argentina relaunched to meet the acceleration in demand for energy transition metals;

Over the last two years, **the 64% growth in Group EBITDA** is mainly due to **intrinsic gains** of nearly **€450 million** [3].

The **Group's turnover** amounted to **€3,668m** in 2021, up significantly by 31% (+35% at constant scope and exchange rates[4]). This growth was mainly driven by Manganese alloys activity (very favourable price environment combined with an improved product mix), as well as excellent operational performances in the manganese ore business (+21% in volumes produced, +9% in volumes sold) and trading activity for nickel ferroalloys produced in Weda Bay.

Group **EBITDA** totalled **€1,051m**, up very significantly (x2) versus 2020, notably reflecting:

- An impact of external factors of +€437m, including positive price effects of +€394m for manganese alloys and +€227m for nickel, partially offset by -€278m in cost increases, notably linked to freight,
- Intrinsic performance of +€164m for activities of the new scope, including +€111m linked to the growth in external manganese ore sales,
- A negative impact of -€66m linked to SLN, whose performance was impacted by exceptional external disruptions in New Caledonia.

Current operating income came to **€784m**, mainly after booking a depreciation expense on fixed assets of -€259m.

Net loss for discontinued operations amounted to **-€426m** and mainly reflects the negative impact of the announced divestment of Aubert & Duval (-€340m), with no impact on Group net debt at 31 December 2021.

As a result, **net income, Group share** for the year was **€298m**. It also includes the share of income in Weda Bay (+€121m) as well as the impairment reversal on the lithium project (+€117m).

Free Cash-Flow ("FCF") amounted to **€526m** in the new scope of the Group. Excluding holding costs, the Mining and Metals activities generated **FCF of nearly €700m**, including a contribution from **Weda Bay** of up to **€146m**, reflecting the excellent operational performances of the activities.

Capex disbursements remained **stable at €312m**. They include growth capex totalling €151m in Gabon, including the plan to modernise the Transgabonese railway, in order to support organic development in manganese ore production, which is highly value-accretive with a quick payback. Current capex was kept under control, notably at SLN pending the release of authorisations on nickel ore exports, obtained in February 2022.

Net debt stood at **€936m** at 31 December 2021, **a reduction of more than €440m** [5] due to the Group's strong cash generation, despite **negative FCF of -€125m in discontinued operations**. The change in net debt also includes the contribution of Meridiam following its acquired equity interest in the capital of Setrag in November (+€31m).

Moreover, a proposal to pay out a **dividend** of **€2.5 per share** in respect of the 2021 financial year will be made at the Shareholders' General Meeting on 31 May 2022.

Financial fraud was identified at end-2021 within the Group's central treasury management, as announced in a press release issued on 21 December 2021. The findings of the immediate investigations established that the fraud had been initiated by an employee of the Group. The purpose of the fraud was to falsify the true characteristics of a realised investment, and then to conceal the financial loss suffered in 2019 from the decline in value of the investment in question. The employee was dismissed for gross misconduct with legal proceedings initiated.

It is confirmed that the financial impact was limited to €45m. It has been booked in the Group's shareholders' equity and cash in the opening balance sheet at 1 January 2020.

This impact does not include potential future insurance reimbursements, ongoing legal action, and potential recoveries.

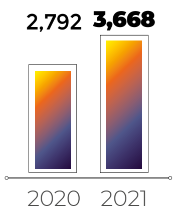
An action plan has been defined in order to strengthen the internal controls and security measures within the Group Treasury department, in particular with an overhaul of its procedures.

As of 31 December 2021, Eramet's **liquidity** remained high at **€2bn**. In H2, Eramet redeemed early all the bonds issued by TiZir which were still outstanding as well as most part of the credit line drawn down in the RCF (€901m). The latter was redeemed in full in January 2022.

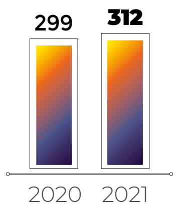
(1) Excluding Aubert & Duval, Sandouville and Erasteel, which, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", are presented as discontinued operations in 2021 and 2020.
(2) The transaction was subject to obtaining the opinion of staff representative bodies and the necessary regulatory authorisations.
(3) Including discontinued operations.
(4) See Financial Glossary (Chapter 9 of the document).
(5) Reduction in net debt of €388m, before application of the IFRS 5 standard.

KEY ACTIVITY FIGURES[1]

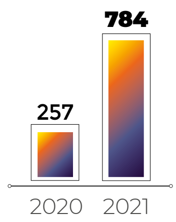
Turnover
(in millions of euros)



Industrial investments
(in millions of euros)



Current operating income
(in millions of euros)



€1,051 MILLION

GROUP EBITDA X 2 IN 2021

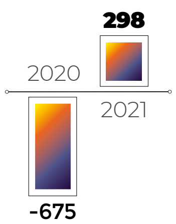
with a highly significant contribution from manganese alloys, in a very favourable pricing environment partially offset by the substantial increase in freight and energy costs.

€526 MILLION

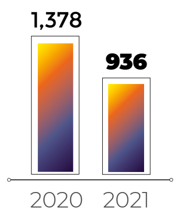
FREE CASH-FLOW

€401 MILLION, including discontinued operations.

Net income, Group share
(in millions of euros)



Net financial debt
(in millions of euros)



€991 MILLION, including discontinued operations.

(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 2021 and 2020.*

Summary of the consolidated financial statements,
pursuant to IFRS 5, excluding discontinued operations

(€ millions)[1]

	2021 [3]	2020 restated [3,6]	Change (€m)	Variation[2] (%)
Turnover	3,668	2,792	+876	+31%
EBITDA	**1,051**	**516**	**535**	**104%**
Current operating income (COI)	784	257	527	205%
Net income from continuing operations	**791**	**(160)**	**951**	**N/A**
Net income from discontinued operations	(426)	(516)	90	N/A
Net income, Group share	**298**	**(675)**	**972**	**N/A**
Group Free Cash Flow	**526**	**116**	**410**	**353%**
Net debt	**(936)**	**(1,378)**	**-442**	**-32%**
Shareholders' equity	1,335	958	377	39%
Leverage (Net debt/EBITDA)	0.9	2.7	-1.8 pt	N/A
Gearing RCF[4]	51%	115%	-64 pts	N/A
ROCE (COI/Capital employed[5] of year n-1)	30%	8%	+22 pts	N/A

(1) Data rounded up to the nearest million. (2) Data rounded up or down to the nearest %. (3) 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 2021 and 2020. Balance sheet impacts are only restated for 2021. (4) Net debt-to-equity ratio, excluding IFRS 16 impact and excluding loan by the French government to SLN. (5) 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. (6) Pursuant to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated financial statements were restated at January 1, 2020 for the impact of the financial fraud at Group headquarters.

Changes in net debt
pursuant to IFRS 5, excluding discontinued operations

(€ millions)

	Financial Year 2021	FY 2020
Operating activities		
EBITDA	1,051	516
Cash impact of items in EBITDA	(258)	(322)
Cash flow from operations	**793**	**194**
Change in WCR	(80)	204
Net cash generated by operating activities (A)	**713**	**398**
Investing activities		
Industrial investments	(312)	(299)
Other investment flows	125	17
Net cash used in investing activities (B)	**(187)**	**(282)**
Net cash used in financing activities	**21**	**(15)**
Impact of fluctuations in exchange rates and other	(25)	29
Acquisition of rights of use IFRS 16	(10)	(8)
Change in net financial debt of assets held for sale[1]	(125)	(151)
(Increase)/Decrease in net financial debt	**388**	**(29)**
Opening (net financial debt)	**(1,378)**	**(1,349)**
Closing (net financial debt) of continuing operations	**(936)**	**(1,378)**
(Net financial debt) of discontinued operations	**(54)**	
Free cash flow (A) + (B)	**526**	**116**

(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 CONTINUES TO IMPROVE

Eramet made CSR commitments in its 2018-2023 roadmap, linking priority environmental and societal issues and the Group's strategic vision.

To assess the overall progress of its roadmap, Eramet measures its CSR performance indicator based on the year's achievements. For 2020, the indicator reached 104 (100 indicating validation of all targets). The majority of the targets to be achieved by 2023 are well under way.

Some targets outperformed their annual milestone in 2021. 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.

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2021 CSR PERFORMANCE INDEX (TARGET 100)

CSR 2023

KEY ACHIEVEMENTS IN 2021

MEDICAL CARE PROVIDED TO **22,000** PEOPLE

-46% REDUCTION IN NUMBER OF ACCIDENTS

IMPROVEMENT IN APPRENTICESHIP CONDITIONS FOR **14,000** STUDENTS

-39% REDUCTION IN TCO_2/T OUTGOING PRODUCT (Reference 2018)

-40% OBJECTIVE FOR 2035 TO REDUCE ABSOLUTE CO_2 EMISSIONS Validated by the *Science Based Targets initiative* (SBTi)

26% OF MANAGERS ARE WOMEN

REHABILITATION RATE **1.32** IN 2021 REPRESENTING 30% MORE CLEARED SURFACE AREA

CONTRIBUTION TO **CARBON NEUTRALITY** BY 2050 (scope 1 and scope 2)

Creation of the Lékédi Biodiversity Foundation in Gabon

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

ESG PERFORMANCE ASSESSMENT

The Group actively participates 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 process of continuous improvement in the company's commitments and its non-financial performance.

Corporate ESG Performance
Prime
RATED BY ISS ESG

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

V.E

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

SUSTAINALYTICS
a Morningstar company
RATED

Note 26.2
Sustainalytics
AUGUST 2021

CDP
DISCLOSURE INSIGHT ACTION

B rating
CDP *Climate change*
DECEMBER 2021

FOCUS 2021
inclusion of the corporate purpose in the Group's Articles of Association

Eramet's Combined General Shareholders' Meeting, held in May 2021, approved the inclusion of the corporate purpose in the company's statutes:

"BECOME A REFERENCE FOR THE RESPONSIBLE TRANSFORMATION OF THE EARTH'S MINERAL RESOURCES FOR 'LIVING WELL' TOGETHER."

The corporate purpose is the company's permanent project. It gives meaning to our decisions and actions. It strengthens our links with all stakeholders, first and foremost our employees, who find reasons to act and a goal within it. It is about projecting the company into the future and defining our role in society. How are our jobs and activities essential? What value do they bring to society? Is this enough?

Our corporate purpose gives credibility to our ambition: metals serve our daily well-being through robust and resistant buildings and infrastructure, lighter and more efficient means of mobility, safer health tools and more efficient telecommunications devices. But they are also essential to tomorrow's world, because the era of metals has opened up to finding sustainable, responsible solutions to the challenges of the energy and ecological transition.

Eramet, a corporate citizen, aims to become a benchmark in its activities through its actions and behaviour and building on its considerable expertise and experience.

Being mindful of the challenges facing our planet, we operate our deposits in such a way as to ensure that mineral resources are mined in an environmentally friendly and biodiversity-friendly manner and to optimise their use.

We believe that the processing of the Earth's mineral resources is responsible, contributive and inclusive.

We aim to maximise the positive impact of our activity for local communities and the regions in which they live. We continue to develop initiatives in the field of educational aid, health prevention and the fostering of local entrepreneurship based on a relationship of trust, nurtured by dialogue and exchange.

Our metals provide solidity, durability and aesthetics, all qualities and essential functions that forge this living well together.

The integration of our corporate purpose into the Articles of Association is a key step in our approach to corporate responsibility. Work began in 2021 to promote its understanding across all teams and external stakeholders.

The corporate purpose is, first and foremost, a reason to act that allows us to guide decisions within the company.

THE GROUP'S OUTLOOK IN 2022

The markets of the Mining and Metals activities remain well-oriented at the start of 2022 and should continue to grow over the year. In addition, prices are expected to remain at globally high levels.

High freight costs and logistics issues are set to persist in 2022. However, at the start of the year, the Group implemented in Gabon a solution for transporting manganese ore by larger vessels, which should reduce sea transport costs.

Developments in energy costs, in particular those of gas and electricity, remain uncertain for 2022. Continued price increases could have an impact on the Group's profits. In Norway, the Group's electricity intensive plants benefit from long-term supply contracts using hydro and wind power to cover a significant part of their needs. In parallel, the Group's plants could also be impacted by an increase in the price of metallurgical coke, given the tension in this market.

In 2022, as part of its new strategic roadmap, Eramet is expected to make further significant intrinsic progress, and is targeting further production records:

- **7.5 M**t of manganese ore produced;
- **more than 4 Mwmt** of nickel ore exported;
- **approximately 15 Mwmt** [1] of nickel ore produced at Weda Bay.

Invoiced selling prices for manganese alloys should remain slightly above 2021 on average for the year, particularly in Europe, while the consensus for average manganese ore prices and LME nickel prices is $5.2/dmtu and $19,800/t respectively for 2022.

Based on the production targets and the consensus of the abovementioned price forecasts, Group EBITDA would be approximately €1.2bn in 2022.

The Group's capital expenditure is expected to amount to approximately €550m in 2022, including the operations in the process of being sold, yet excluding the lithium project financed by Tsingshan. On the one hand, this capital expenditure includes approximately €300m in current capex and, on the other hand, organic growth capex, including approximately €200m intended to support and sustain growth in Gabon.

Supported by its ongoing refocusing on its high cash-generating Mining and Metals business, Eramet is accelerating the implementation of its growth strategy. The Group has a highly competitive portfolio of assets, both in operation and under development, to support the sustainable growth of the economy and produce the metals required for the energy transition.

This outlook does not take into account the potential impact of the Russia-Ukraine conflict, which the Group is monitoring with the utmost attention.

(1) On a 100% basis ; pending administrative approval

→ Floating concentration unit for mineral sands, GCO, Senegal

ACTIVITIES

2

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 2020 and 2021 financial years:

- The sale of the Sandouville plant to Sibanye-Stillwater was closed on 4 February 2022, for a net sale price of approximately €85m.
- A non-binding Memorandum of Understanding (MoU) was signed on 22 February 2022 with a consortium composed of Airbus, Safran and Tikehau ACE Capital for the divestment of Aubert & Duval. This transaction, which should be completed before year-end, would be based on an enterprise value of €95m and would be supported by a set of specific guarantees in addition to the usual guarantees. The accounting impact on the Group's net income is approximately -€340m in 2021. This impact remains subject to closing adjustments.
- The Group plans to continue the process for the sale project of Erasteel in 2022, following the strategic review conducted in 2021.

2.1 MINING AND METALS ACTIVITIES

2.1.1 Manganese BU

2.1.1.1 Highlights of the year

2.1.1.1.1 Key figures

BU Manganese *(in millions of euros)*	FY 2021	FY 2020
Turnover	2,267	1,699
EBITDA	910	442
Current operating income	769	339
Net cash flow generated by operating activities	728	472
Capital employed at start of year	1055	1,258
Capital expenditure[1]	244	195

(1) Excluding right-of-use assets per IFRS 16 (€4 million in 2021 compared with €5 million in 2020).

OPERATIONAL INDICATORS

Manganese BU *(thousands of tonnes)*	FY 2021	FY 2020
Manganese ore and sinter production	7,024	5,803
Volume of ore and sinter transported	6,544	6,013
External manganese ore sales	5,765	5,303
Manganese alloy and metal production	747	698
Manganese alloy and metal sales	716	716

2.1.1.1.2 Operating performance

In 2021, Moanda became the world's leading manganese mine with high-grade ore production of 7 Mt (+21%), a positioning in the first quartile of the cash cost curve, and an annual pace close to 8 Mt in H2 2021.

The Manganese BU posted turnover up to €2,267m and a very strong increase in EBITDA to €910m (+106%).

This increase notably reflects the strong increase in manganese alloys selling prices combined with a more favourable product mix. CIF prices for manganese ore also increased, but this positive impact was entirely absorbed by the very strong increase in the cost of freight..

Activities

In Gabon, the **manganese** ore production target was reached with **7 Mt produced** in 2021 (+21%), thanks to the mine expansion programme combined with continuous operational improvement.

The improvement in Setrag's logistical performance enabled the achievement of the target of more than 6.5 Mt in transported and shipped ore volumes (+9% vs. 2020), despite a difficult start to the year. This reflects more favourable seasonality in H2 (+24% in transported and shipped volumes versus H1) as well as the progress made on the railway line. Factoring in the strong consumption of the Group's alloys plants during the year, external sale volumes stood at 5.8 Mt in 2021 (+9%).

The FOB cash cost of [(1)] manganese ore activity was $2.24/dmtu, stable versus 2020, factoring in an unfavourable currency effect.

In addition, the cost of freight increased very considerably over the year.

Manganese alloys production totalled 747 kt in 2021 (+7%). Sales remained stable at 716 kt, with a very favourable change in the mix to higher margin refined products.

The manganese alloys margin increased very significantly in 2021, driven by the strong increase in selling prices, which represented a positive impact of approximately €350m, net of input costs, and a favourable change in the mix. The cost of manganese ore consumed by the plants remained stable on average over the year, considering an average lag of 4 to 6 months between the entry of ore in inventories and the sale of alloys.

Outlook

Global carbon steel production is expected to grow moderately in 2022, affected by the capping of production imposed by the Chinese authorities on the one hand, and the shortage of semiconductors slowing demand in the automotive industry on the other. Prices should gradually decline, whilst remaining at high levels at the start of the year, factoring in multiple and persistent constraints weighing on the supply of raw materials (freight rates, energy prices, and health protocol). In particular, invoiced selling prices for manganese alloys should start to decline from Q2. On a full-year basis and on average, they are expected to remain above 2021.

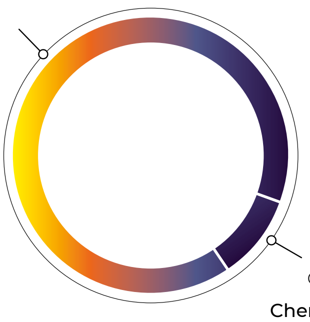
Sea freight rates are expected to remain high, factoring in the robust growth in demand and vessel availability, which is limited by port congestion.

As part of the modular and optimised growth programme of the Moanda mine, the production target is set at 7.5 Mt for 2022, an increase of 7% from 2021.

2.1.1.2 The manganese market

2.1.1.2.1 Main applications

Manganese applications



Source: Eramet.

Steel, main application market with 90% of manganese used

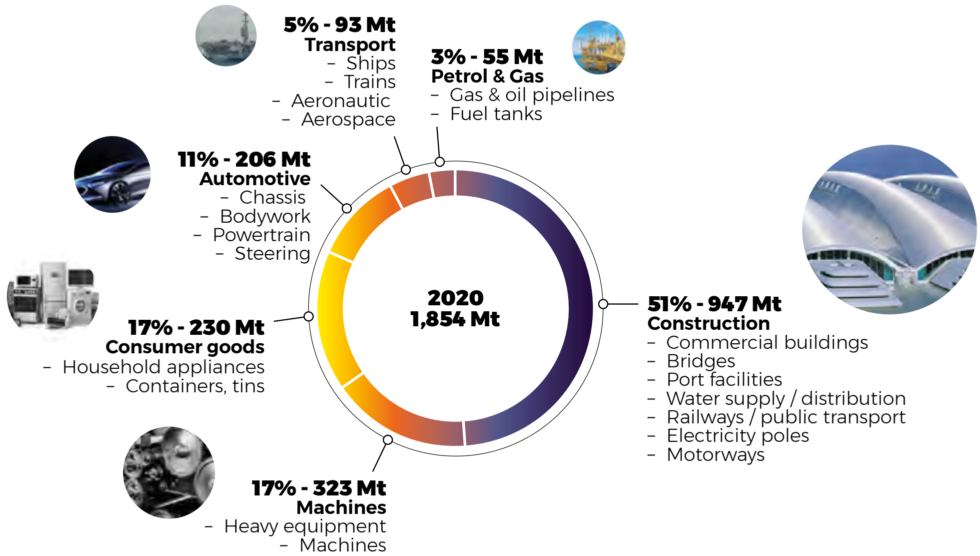
All steel producers use manganese in their production processes – an average of 6-7 kg per tonne of steel, so that the steel takes on its usual properties. Manganese is used in steel in the form of manganese metal (pure manganese) or mainly as an alloy (ferromanganese or silicomanganese) with an average content of 70% manganese. 1.8 tonnes of ore with roughly 40% 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.

(1) See Financial Glossary in Chapter 9. Cash cost calculated excluding sea transport and marketing costs (€280 million in 2021 vs. €151 million in 2020, mainly corresponding to the cost of sea transport).

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.

2.1.1.2.2 Demand for manganese

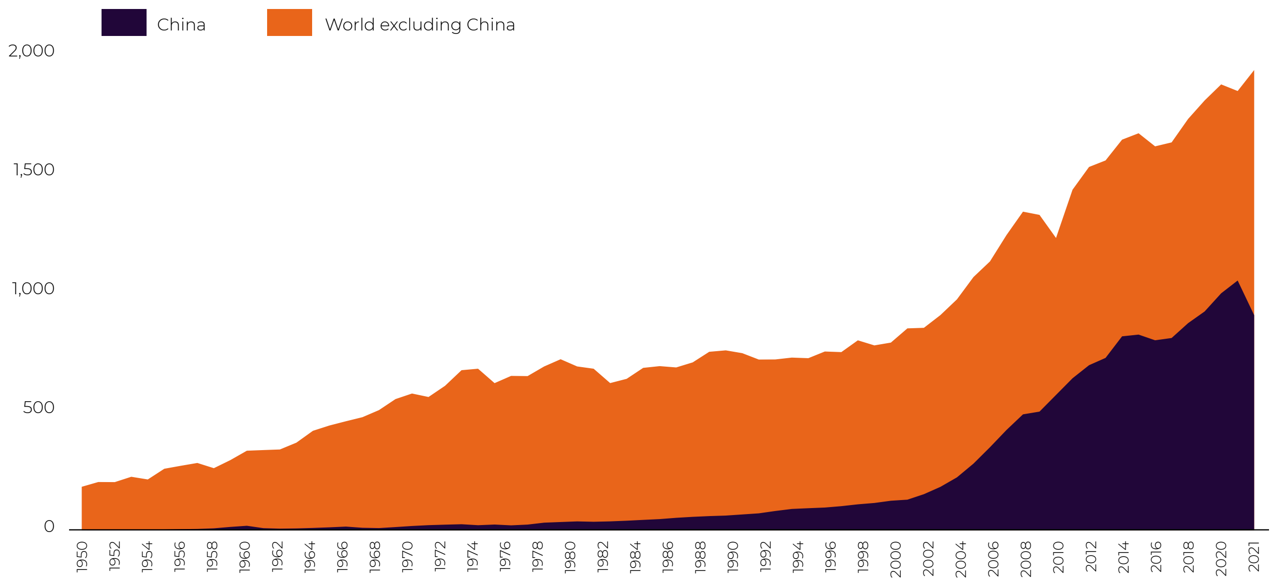
Manganese demand thus depends very heavily on trends in global carbon steel production and particularly on China, which alone is responsible for more than half of global production. The economic take-off of China, which has experienced rapid urbanisation with growing demand on its infrastructure, has also contributed significantly to the long period of strong growth in steel production and demand for manganese over the last two decades. After a year marked by the health crisis, the global production of steel, which had contracted by 0.41% in 2020, rebounded by nearly 4% in 2021. The areas most affected by the crisis, namely Europe, the United States, India and developed Asia, returned to pre-pandemic levels as their economies recovered. China, meanwhile, has recorded a different trajectory. It continued its sustained rate of growth in the first half of the year, due in particular to the automotive, construction and infrastructure sectors, which were particularly dynamic, before experiencing a sharp slowdown in the second half-year due to government restrictions imposed on energy consumption, and environmental measures. Thus, Chinese production decreased by 16% in the second half of the year compared with the same period in 2020, after increasing by 11% in the first half.

BREAKDOWN OF CRUDE STEEL PRODUCTION

	Volumes *(millions of tonnes)*					% annual growth				
Global production of crude steel	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
European Union	163.0	168.6	162.8	141.1	160.6	2.1%	3.4%	-3.4%	-13.4%	13.8%
Other Europe (including Turkey)	49.2	49.2	45.6	46.8	52.2	10.1%	0.0%	-7.4%	2.7%	11.5%
CIS	101.1	100.9	100.6	101.8	105.5	-1.0%	-0.2%	-0.3%	1.2%	3.6%
North America	115.8	120.9	119.7	101.1	117.8	4.6%	4.4%	-1.0%	-15.5%	16.6%
South America	43.7	45.0	41.7	38.3	45.4	8.6%	3.0%	-7.4%	-8.2%	18.6%
Africa	14.8	17.7	16.4	15.2	19.2	13.2%	19.4%	-7.4%	-7.3%	26.5%
Middle East	32.5	36.0	40.1	41.0	41.1	10.2%	11.0%	11.4%	2.0%	0.5%
China	870.9	920.0	996.3	1,063.7	1,031.0	7.7%	5.6%	8.3%	6.8%	-3.1%
India	101.5	109.3	111.2	100.3	117.9	6.3%	7.7%	1.8%	-9.9%	17.6%
Other Asia and Oceania	235.7	245.4	241.3	218.5	244.6	5.1%	4.1%	-1.7%	-9.4%	11.9%
COUNTRY	**1,728.0**	**1,813.0**	**1,875.7**	**1,867.6**	**1,935.3**	**6.2%**	**4.9%**	**3.5%**	**-0.4%**	**3.6%**

Source: World Steel Association, Eramet, February 2022.

Trends in global crude steel production *(millions of tonnes)*



2.1.1.2.3 Manganese supply

Manganese ore

The supply of manganese ore is made up of several types of ore of varying qualities. A distinction is generally made between the supply of medium to high-grade ore (30-48% manganese content), which is profitable to transport and export (these ore flows are classified as "seaborne"), and low-grade ore, which is consumed and transformed locally. Even though these two types of ore are used in combination by alloy producers, the use value of high-grade ore is far greater than that of lower-grade ore.

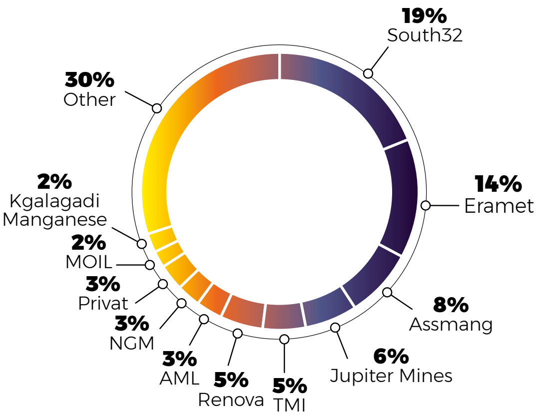
Global ore production in 2021 was estimated at approximately 20.6 million tonnes of manganese content. Nearly 40% of ore production for export comes from South Africa, with nearly 20% coming from Gabon and 15% from Australia. These three countries combined account for three-quarters of global production and own the richest manganese deposits, along with Brazil, to a lesser extent.

MANGANESE ORE PRODUCTION *(MILLIONS OF TONNES CONTENT)*

	2017	2018	2019	2020	2021
South Africa	6.0	6.7	7.3	7.5	8.0
Gabon	2.0	2.3	2.6	3.3	3.7
Australia	2.6	3.5	3.1	3.2	3.1
China	1.6	1.5	1.5	1.4	1.3
India	0.9	1.0	1.0	0.8	0.9
Brazil	1.1	1.2	1.7	1.2	0.7
Ghana	0.7	1.1	1.5	0.7	0.7
Ukraine	0.4	0.5	0.4	0.4	0.6
Côte d'Ivoire	0.2	0.4	0.4	0.6	0.4
Myanmar	0.1	0.2	0.3	0.2	0.2
Other	1.1	1.4	1.3	1.1	1.1
WORLDWIDE	**16.8**	**19.5**	**21.2**	**20.5**	**20.6**

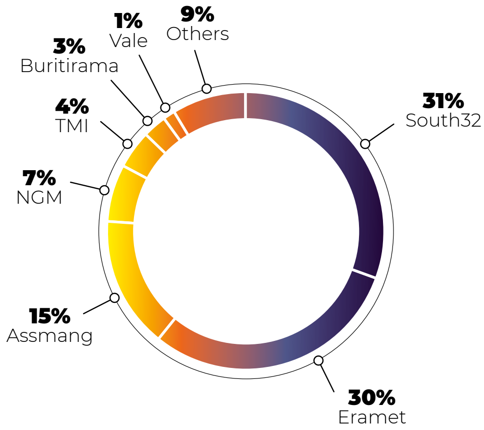
Source: Eramet, February 2022.

Manganese ore production by player



Source: Eramet, February 2022.

High-grade manganese ore production by player



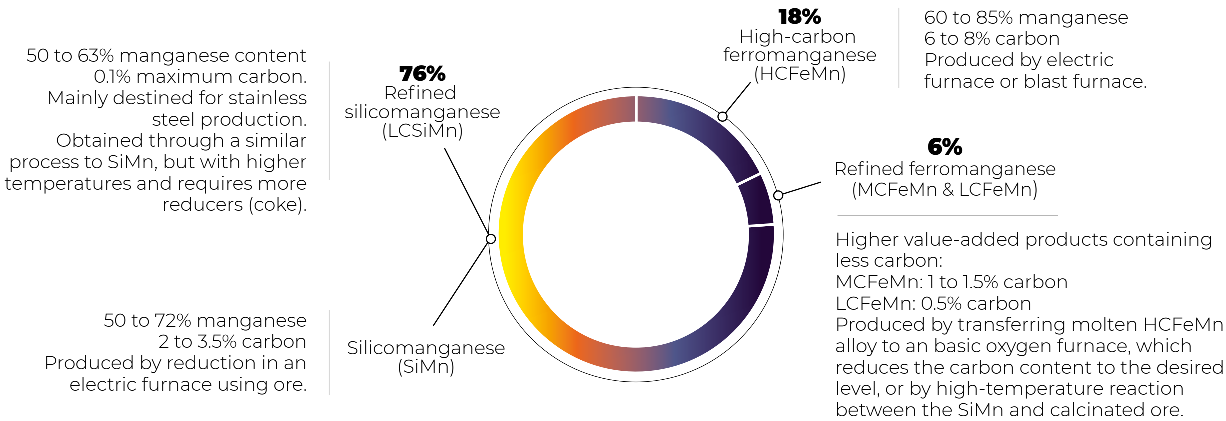
Source: Eramet, February 2022.

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

Manganese alloys

Manganese alloys are produced by melting manganese ore at a temperature of approximately 1,600°C. This operation, known as "metallurgical production", is carried out by adding coke to furnaces, which are mostly 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.

	2017	2018	2019	2020	2021
China	9.7	12.3	14.8	14.5	13.8
India	2.2	2.4	2.5	2.4	3.1
Ukraine	0.9	1.0	0.9	0.6	0.8
Russia	0.5	0.5	0.6	0.6	0.6
South Korea	0.6	0.6	0.6	0.5	0.6
Norway	0.7	0.6	0.6	0.5	0.6
Malaysia	0.5	0.6	0.6	0.5	0.5
Japan	0.6	0.6	0.6	0.4	0.5
Brazil	0.3	0.3	0.3	0.2	0.4
South Africa	0.4	0.4	0.4	0.3	0.3
Other	1.9	2.0	1.9	1.7	1.7
WORLDWIDE	**18.3**	**21.4**	**23.8**	**22.3**	**22.9**

Source: Eramet, January 2022.

BREAKDOWN OF GLOBAL MANGANESE ALLOY PRODUCTION BY PRODUCT TYPE

	2017	2018	2019	2020	2021
Silicomanganese (of which refined)[1]	69%	72%	76%	78%	76%
High-carbon ferromanganese	23%	21%	18%	17%	18%
Refined ferromanganese	8%	7%	6%	5%	6%

Source: Eramet, January 2022.

(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.

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.

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% Mn content), 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 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 technology [1]. This sector is expected to grow strongly in the coming years.

(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

2.1.1.2.4 Price

Formation and monitoring of manganese ore prices

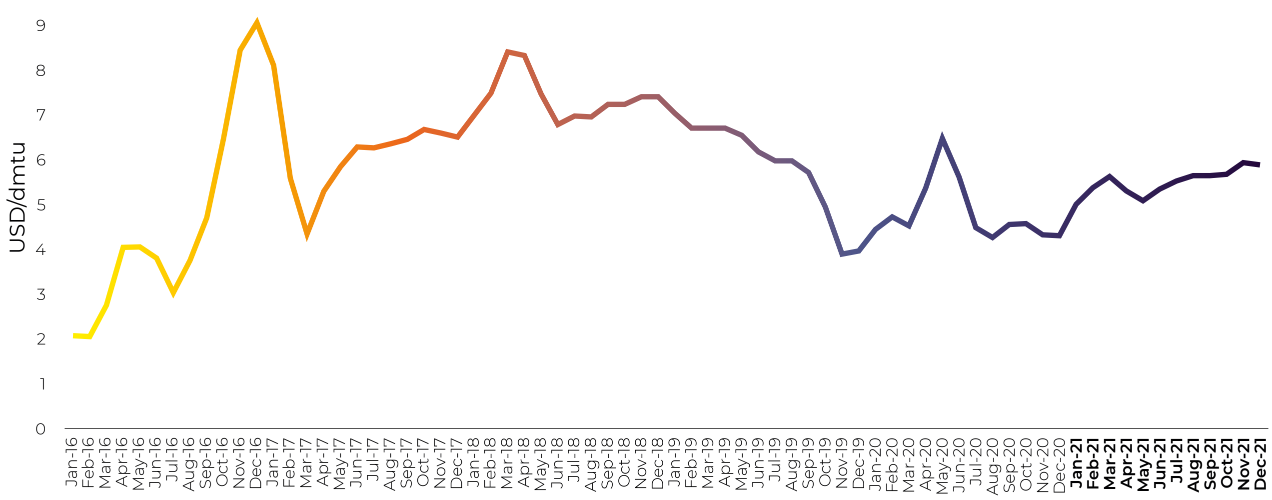
The sale price of manganese ore is the result of direct negotiations between buyers and sellers. It is conventionally expressed in USD/dmtu (dry metric tonne unit). The dmtu price is higher for high-grade ores, and also depends on particle size and the possible presence of impurities.

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]. 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.

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



Source: CRU, January 2022.

Formation and monitoring of manganese alloy prices

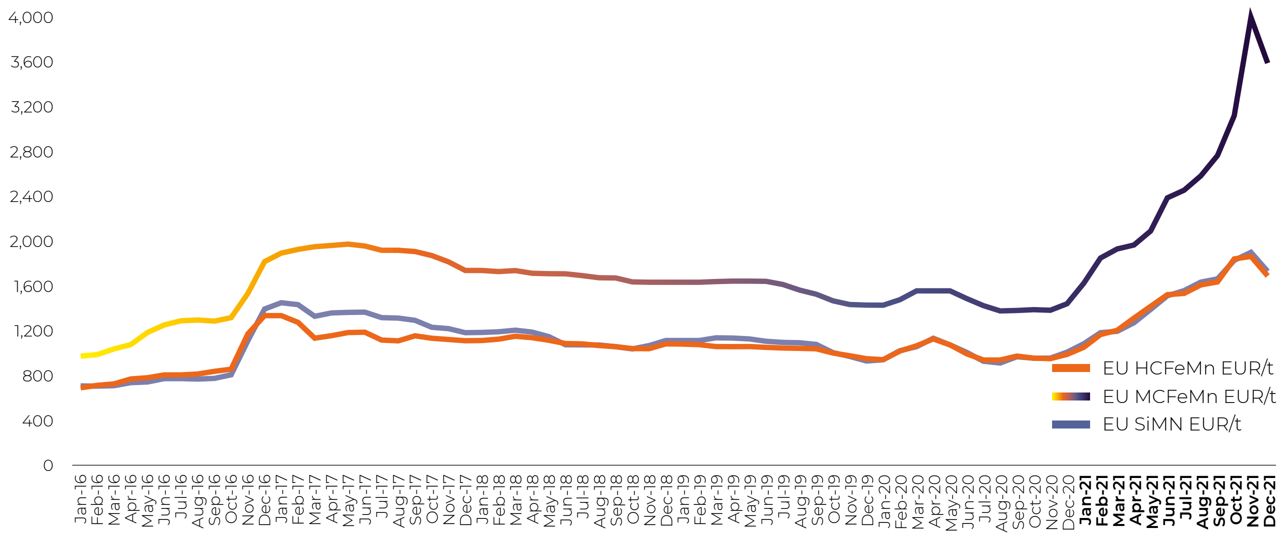
There is no market as such for manganese alloys. Prices are negotiated directly between producers and customers. As far as scheduled sales are concerned, alloy prices are often negotiated on a quarterly basis. Non-scheduled sales are often negotiated on the basis of spot prices.

The manganese alloys market is a highly competitive global market. The movement of alloys between large areas is relatively limited, due to shipment costs. Prices may vary between major geographic areas (Europe, North America and Asia) due to changes in exchange rates or lags in economic cycles.

There are also discrepancies between the different alloy families due to differences in value in use. Refined alloys in particular have a much higher sale price than standard alloys.

There are several reference indices which are used to track trends in manganese alloy prices using monthly spot price surveys. Market players mostly use the CRU and to a lesser extent Fastmarkets. Other indices are also used in some regions, including Platts (US and Europe), Argus and Metalshub (Europe) and Tex (Asia).

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



Source: CRU, January 2022.

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.

2.1.1.2.5 Recent trends and market outlook

In 2021, global manganese ore production was 20.6 million tonnes of manganese content, an increase of 0.5% compared with 2020. Gabon (where Comilog is responsible for two-thirds of total production) is the main driver of this growth, followed by South Africa. However, Gabon did not maintain the high level of exports seen in the second half of 2020 due to logistical and financial problems (particularly the explosion in the cost of freight). In Brazil, meanwhile, production contracted by nearly 40%.

Ore inventories in Chinese ports stabilised at around 5.4 million tonnes at the end of 2021 (i.e. around 10 weeks of consumption), down compared with the end of 2020, due in particular to a better allocation of ore volumes in other areas of the world.

Robust demand for ore outside China and a relatively constrained supply helped maintain ore prices at 5.28 USD/dmtu (44% Mn CIF China) on average over the year, up 15% compared with 2020. The increase in freight rates also supported price levels.

Manganese alloys benefited from robust demand from the steel market, low supply availability and logistical constraints. Thus, alloys prices, which have been relatively stable in recent years, have soared in the wake of steel prices, particularly in Europe and the United States, which are the core markets for Eramet's manganese alloys. In Europe, high-carbon ferromanganese and silicomanganese prices rose by more than 50% on average compared with 2020. The biggest increase was seen in refined alloys. Medium-carbon ferromanganese prices rose by 79% on average compared with the previous year.

Steel production is expected to grow moderately in 2022, affected by the production cap imposed by the Chinese authorities on the one hand, and the shortage of semiconductors slowing demand from the automotive sector on the other.

The supply of ore is expected to increase by almost 5% compared with 2021, with Gabon representing more than half of this growth, followed by South Africa.

Sea freight rates are expected to remain high due to port congestion and sustained transportation demand, which could weigh on the availability of manganese ore and alloys.

2.1.1.3 Manganese BU overview

2.1.1.3.1 Structure and positioning

The Manganese BU 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. The BU also includes manganese ore processing activities, essentially in the form of manganese alloys for the steel industry.

The BU 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, through its Manganese activity is a leading world player in the Manganese industry, both for mining extraction as for ore processing:

- the Moanda mine is the world's largest manganese mine, and overall the company is the world's second-largest producer of manganese ore (market share of 14%), but the largest producer of high-grade ore (market share of 32%);
- 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 BU, backed by the Group's commercial network, can offer a flexible response to the various manganese-related needs of its customers.

2.1.1.3.2 Activities and products

Manganese mining activities and processing (manganese alloys)

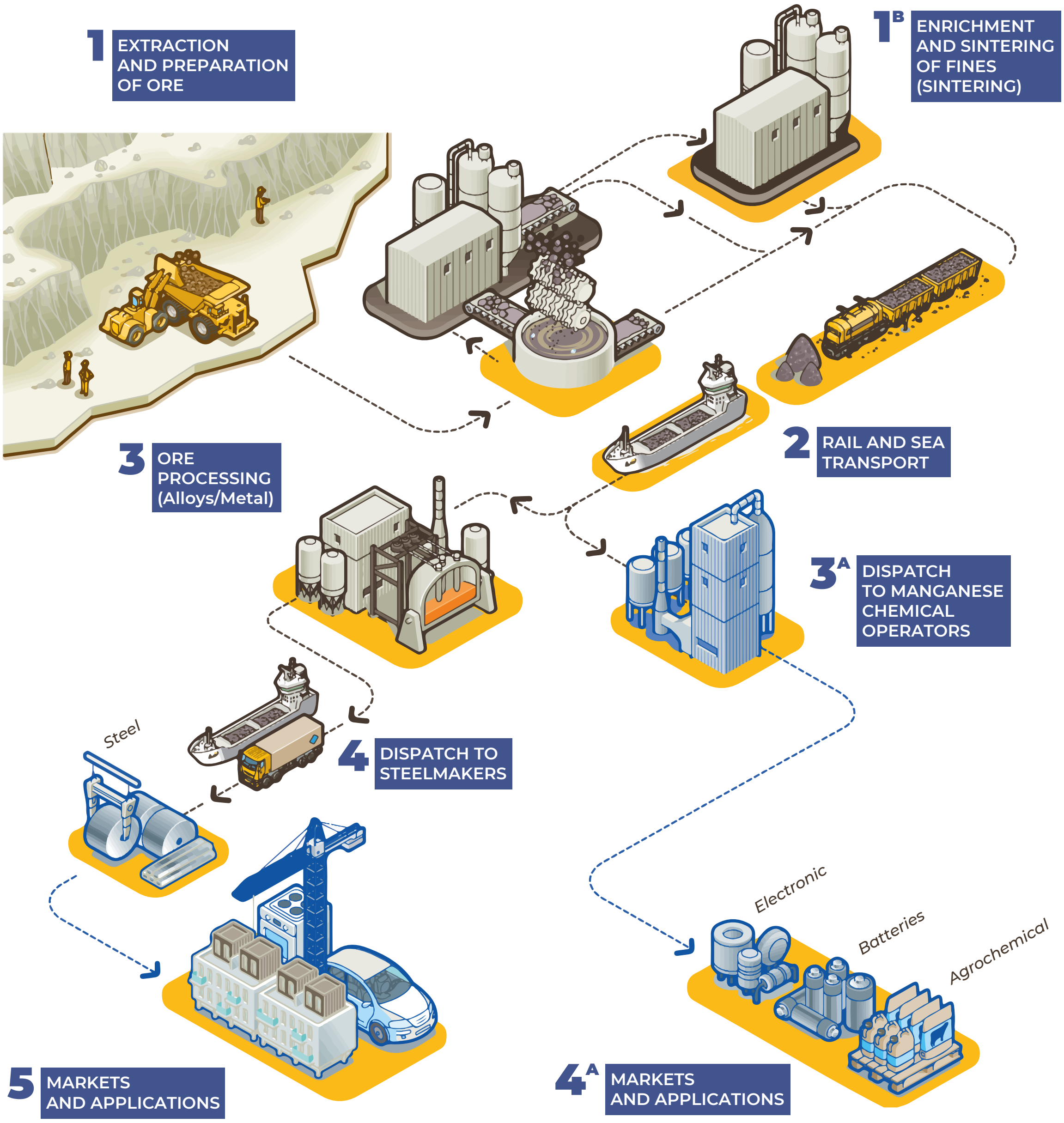


Illustration of the stages involved in manganese ore processing activities at Eramet.

MANGANESE ORE PRODUCTION

(thousands of tonnes)	2021	2020	2019	2018	2017
Manganese ore and sinter production	7,024	5,803	4,765	4,330	4,163

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 through mobile screening machines, and two beneficiation plants. The resulting enriched 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-Gabonese Railway (Setrag, a 51% subsidiary of Comilog since end-January 2022) transports Comilog's manganese ore, 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.

Under the agreement signed in September 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 (since November 2021). 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 this agreement, 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 ten 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.

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). 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 now producing MnO for a nominal capacity of 55 kt/year. They were used to supply manganese electrolysis (manganese metal production), which stopped in 2020. In 2021, Eramet began selling MnO on the agricultural, animal feed and battery markets. The first tonnes produced were sold at the end of the year.

MANGANESE ALLOY AND MANGANESE OXIDE PRODUCTION

(thousands of tonnes)	2021	2020	2019	2018	2017
High-carbon ferromanganese	67	83	83	54	60
Standard silicomanganese*	276	251	229	281	265
Refined alloys and manganese metal	404	363	428	385	391
Manganese oxide (MnO)	5	-	-	-	-
TOTAL	**752**	**698**	**740**	**720**	**716**

* *Including the silicomanganese produced at C2M in 2021 previously classified as standard refined alloys*

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

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
		55 kt	Rotary furnace	MnO

2.1.1.3.3 Capital expenditure

(in millions of euros)	2021	2020	2019	2018	2017[1]
Capital expenditure Mines and Plants	211	154	184	85	48
Trans-Gabonese Remedial Investment Plan	33	42	50	55	41

(1) Excluding the Mineral Sands BU, incorporated within the Manganese BU until 2017.

In 2021, the Manganese BU implemented a significant investment programme for substantially higher amounts than in 2020. The programme mainly consisted of strategic growth investments with very short return times, safety and environmental investments and investments in the maintenance of its industrial facilities.

In view of Comilog's reserves in Gabon, annual manganese ore production capacity of about 8 Mt in the medium term can be envisaged. Total investment expenses dedicated to the organic growth of Comilog, very profitable with a very rapid ROI time, amounted to €100 million in 2021. These investments are part of a modular programme which must make it possible to raise Comilog's production capacity to 7.5 million tonnes a year from 2022.

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

Comilog also carried out environmental and societal projects. In 2021, Eramet committed to an investment of around €17 million to improve the quality of the atmospheric emissions of the CIM (REACIM project). Construction will start in 2022 for start-up in 2023.

Routine investments for maintaining existing facilities and the studies necessary for future developments (quality control, ore transportation capacities, modular washing facilities of the organic growth programme) account for the rest of investments.

Within the manganese alloy plants, the main investments were devoted to maintaining the main production tools. Under its multi-year furnace rehabilitation programme, Eramet Norway successfully renovated a furnace in 2021 for an investment of around €16 million. The pilot facility aimed at reducing carbon impact and promoting better energy use started up in 2021 on the Sauda site and is already showing promising results.

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, 2021 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, the manufacture of new rails (425,000 pieces produced in 2021) and the renewal of the track superstructure (173 km renewed in 2021) are progressing at full capacity. New sleeper laying equipment is expected at the end of March 2022 to increase the pace of the renovation and to complete it in late 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.

2.1.2 Nickel BU

2.1.2.1 Highlights of the year

2.1.2.1.1 Key figures

Nickel BU *(in millions of euros)*	Financial Year 2021 (2)	Financial Year 2020 restated (2)
Continuing operations		
Turnover	1,046	802
EBITDA	113	52
Current operating income	37	(46)
Net cash flow generated by operating activities	39	53
Capital employed at start of year	636	664
Capital expenditure(1)	35	44
Discontinued operations		
Turnover	154	103
EBITDA	(27)	(31)
Current operating income	(27)	(33)

(1) Excluding right-of-use assets per IFRS 16 (€5 million in 2021 compared with €2 million in 2020).

(2) Excluding Sandouville, which, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", is presented as a discontinued operation in 2021 and 2020.

OPERATIONAL INDICATORS

	FY 2021	FY 2020
WEDA BAY NICKEL (INDONESIA)		
Marketable nickel ore production *(millions of wet tonnes – 100%)*	9.9	3.4
Production of nickel ferroalloys *(in thousands of tonnes of nickel content – 100%)*	39.0	23.5
Sales of nickel ore *(millions of wet tonnes – 100%)*	6.6	0.4
Sales of nickel ferroalloy *(in thousands of tonnes of nickel content – Eramet off-take)*	15.7	6.2
SLN (NEW CALEDONIA)		
Nickel ore production *(millions of wet tonnes)*	5.4	5.4
Nickel ore exports*(millions of tonnes content)*	2.9	2.5
Ferronickel production *(thousands of tonnes of nickel content)*	39.0	47.8
Ferronickel sales*(thousands of tonnes of nickel content)*	39.2	50.2
SANDOUVILLE (MAINLAND FRANCE) – DISCONTINUED OPERATIONS		
High purity nickel production *(thousands of tonnes of nickel content)*	8.9	7.3
Sales of high purity nickel *(thousands of tonnes of nickel content)*	8.9	7.4

2.1.2.1.2 Operating performance

Nickel BU turnover increased to reach €1,046m in 2021, of which €817m for SLN [1] and €229m linked to the trading activity of nickel ferroalloys produced at Weda Bay (off-take contract). The BU's EBITDA more than doubled, totalling €113m.

The contribution of Weda Bay activity to Group FCF was very significant in 2021, at €146m.

The recovery in the stainless steel and batteries markets was reflected by a strong increase in prices over the year, offset in part by the increase in freight costs which notably weighed on ore exports in New Caledonia.

However, SLN only partially benefitted from it due to numerous disruptions that constrained ferronickel production and sales, which declined significantly over the period, while the increase in ore export volumes was limited to 3 Mwmt. [2].

(1) SLN, ENI and others.

(2) Mwmt: millions of wet metric tonnes; Kwmt: thousands of wet metric tonnes.

Activities

In Indonesia, the Weda Bay mine produced 14 Mwmt in 2021 (vs. 3.4 Mwmt in 2020), of which 10 Mwmt was either transferred to the joint venture plant or sold to the nickel ferroalloy production plants located in the industrial park near the mine, which is fast-developing. The remainder, which is currently non-marketable and non-recoverable, the majority of which is limonite, can be used for future needs.

External ore sales, which amounted to more than 6 Mwmt (vs. 0.4 Mwmt in 2020), were constrained in Q4 2021, as they were conditional on obtaining administrative authorisations (relating to an increase in capacity), the examination of which, slowed down by constraints and closures linked to the Covid crisis, is still ongoing. These authorisations are expected to be completed in the weeks ahead.

The nickel ferroalloys plant, which is also supplied by the mine, continued to operate at maximum capacity, reaching 39 kt-Ni produced over the year. Trading activity (off-take contract) contributed €229m to Group turnover.

As a result, the excellent operational performance of Weda Bay was reflected in a substantial contribution to Group FCF over the period of €146m, of which €130m in dividends received.

Parallel to this, Eramet and BASF continued their feasibility studies for their shared project to develop a nickel and cobalt hydrometallurgical complex using ore extracted from Weda Bay mine. A decision regarding the continuation of the project will be made at the end of the initial study phase, scheduled for completion in 2022.

In New Caledonia, activities were disrupted all year round (blockades linked to Vale, bad weather, loss of an electric power plant unit and significant increase in Covid-19 cases on the territory from September). Despite these disruptions and due to the ramp-up in the mines, **SLN** mining production remained stable in 2021, reaching 5.4 Mwmt. Low-grade nickel ore exports increased +17% to 3 Mwmt, with an annual pace of approximately 4 Mwmt in Q4 2021. Conversely, ferronickel production strongly declined (-18% to 39 kt-Ni) due to poor supply of furnaces, as well as sold volumes (-22% to 39 kt-Ni).

Cash cost[1] amounted to $7/lb on average in 2021, mainly reflecting the contraction in ferronickel production volumes, but also the increase in energy and input costs, as well as an unfavourable currency impact.

SLN's free cash-flow at the local level will be at breakeven in 2021.

In February 2022, the government of New Caledonia and SLN committed to a new trajectory for the subsidiary. In this respect, a first milestone was achieved with the unanimous vote of the government to authorise the export of an additional 2 Mwmt, in order to reach 6 Mwmt of nickel ore exports per year. The ramp-up will take place until 2024.

This trajectory is also based on a significant reduction in the cost of energy at the Doniambo plant. Discussions on access to competitive electricity power as well as the electric power plant project to supply Doniambo are expected to be stepped up in 2022.

At the Sandouville plant, nickel salt and high-purity metal production reached 8.9 kt in 2021, an increase of +22% and sales volumes increased by +20% to 8.9 kt. Turnover thus stood at €154m in 2021 (+50% versus 2020) and negative EBITDA was reduced to -€27m32 [2].

Outlook

In 2022, primary nickel consumption is expected to remain sustained with a dynamic battery sector accounting for half of the consumption growth. However, the first quarter is expected to slow down compared with fourth-quarter 2021 with a decline in stainless steel production due to the Chinese New Year and the Beijing 2022 Winter Olympics.

In addition, primary nickel production is expected to strongly develop this year with significant growth in Indonesian NPI to the detriment of Chinese NPI, and a recovery in traditional supply, which should return to pre-Covid levels.

In Weda Bay in Indonesia, the marketable mine production target is approximately 15 Mwmt in 2022, subject to obtaining the authorisations required to increase capacity which are in the process of being finalised. Nickel ferroalloys production should amount to nearly 40 kt-Ni.

In New Caledonia, assuming normal functioning of operations, SLN's nickel ore exports target is more than 4 Mwmt in 2022 and ferronickel production for the Doniambo plant is expected to be more than 45 kt-Ni.

(1) See Financial Glossary in Chapter 9.

(2) Excluding Aubert & Duval, Sandouville, and Erasteel which, 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 2021 and 2020

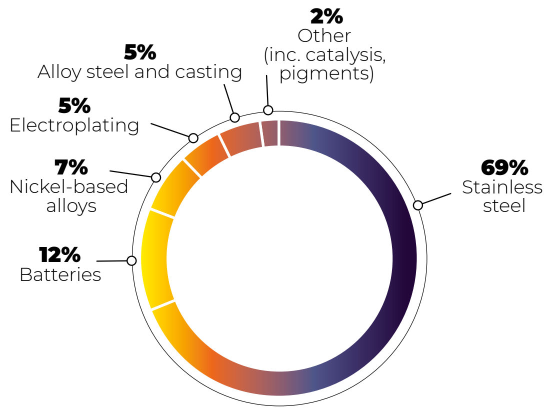
2.1.2.2 The nickel market

2.1.2.2.1 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 at least cost.

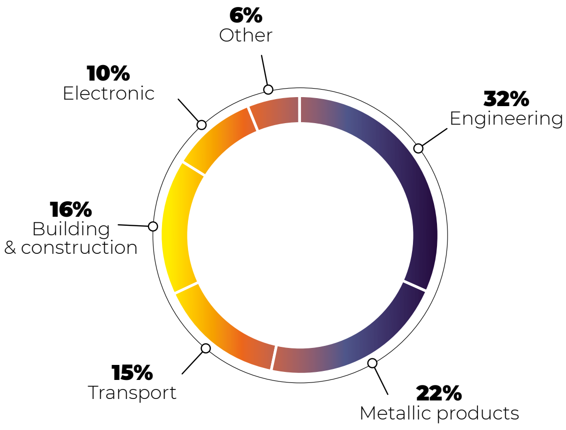
Main applications of primary nickel[(1)] in 2021



Source: Eramet, February 2022.

The primary uses for stainless steel are:

Main end applications of nickel



Sources: Roskill, 2020.

- **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 trucks, 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.

2.1.2.2.2 Nickel demand

In 2021, the stainless steel industry, which is the main outlet for nickel, registered record production of 57.7 million tonnes, an increase of 15% compared with 2020 (13% compared with 2019). China and Indonesia alone accounted for more than 60% of this growth, but the upturn in the stainless steel industry was experienced in all countries. Some regions that were hit hard by the crisis in 2020 even saw their production exceed pre-pandemic levels, including Europe (+13%) and South Korea (+11%). China grew by 7% over the year but was slowed down by the implementation of energy consumption restrictions that resulted in the temporary shutdown of some production units in the second half of the year. Thus, production contracted by 8% in the second half of 2021 compared with the first half, with a particularly marked decrease between August and September (-16%). Overall, primary nickel consumption in stainless steel was 1.92 million tonnes (around +16% compared with 2020), while secondary nickel consumption reached 1.13 million tonnes, up 20%, with half of the growth generated in China.

(1) See Technical Glossary in Chapter 9.

Among other applications, the aeronautics industry continued to be impacted by the slowdown in air traffic. Electroplating rebounded by 10% due to the recovery of the automotive market, although this market was penalised during the year by the shortage of electronic chips.

Lastly, nickel consumption soared in the battery sector (+64% compared with 2020) due to the boom in this market in China, and to a lesser extent, in Europe. China accounted for half of the electric vehicles sold in 2021 (approximately 3.5 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 856,000 tonnes of primary nickel (+21% compared with 2020). In total, global primary nickel consumption rebounded by 17% in 2021, representing growth of more than 400,000 tonnes of additional nickel units.

2.1.2.2.3 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%. In 2021, 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 2021, 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 iron content of around 15%, are adapted to pyrometallurgical processing to obtain ferronickel (or an intermediate product called nickel matte). Laterites (limonite), also present in the upper layers of deposits, are very well adapted to the hydrometallurgical process used for nickel and cobalt refining for batteries;
- sulphide ore primarily found in Russia, Canada, Australia and China and generally used to produce high-purity nickel.

Oxidised ore extraction currently represents more than 60% of global mining production.

After being overtaken by the Philippines, after a three-year ban on nickel ore exports (2014 to 2016), Indonesia regained its global leadership in nickel ore production in 2017. Indonesian production is stimulated by numerous NPI projects developed in the country. Since the reinstatement of the ban in January 2020, all extracted ore is sold on the domestic market. Meanwhile, in the Philippines, the nickel content of ore decreased and some sites were closed for environmental reasons.

PRODUCTION OF ORE *(THOUSANDS OF TONNES OF NICKEL CONTENT)*

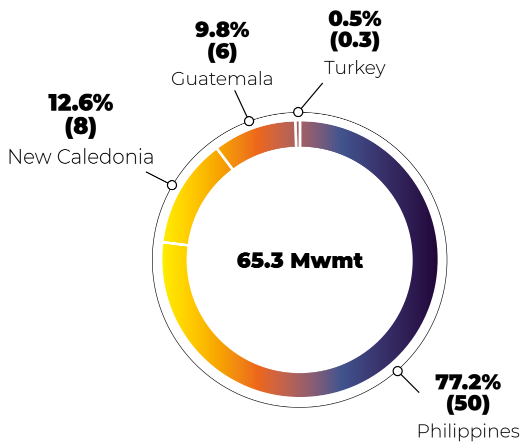
	2017	2018	2019	2020	2021
Indonesia	355.0	606.0	853.0	771.0	1,036.0
Philippines	339.4	345.0	323.3	334.0	391.8
Russia	221.0	218.0	223.2	237.3	196.5
New Caledonia	215.4	216.2	208.2	199.7	186.3
Australia	184.3	160.0	158.8	169.3	152.6
Canada	211.2	180.0	187.1	157.9	116.5
China	94.5	99.0	104.7	104.1	103.9
Brazil	76.8	73.8	60.4	73.6	82.9
Guatemala	53.7	39.2	36.3	50.3	61.6
Cuba	52.9	52.2	48.9	49.6	46.8
Other	326.7	333.5	322.6	291.8	314.4
WORLDWIDE	**2,130.9**	**2,322.9**	**2,526.5**	**2,438.6**	**2,689.3**

Source: INSG, February 2022.

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

Nickel ore exports come from several countries. New Caledonia accounted for around 13% of nickel ore exports but only 7% of global production. Although it lags behind the Philippines in terms of volume (this country alone represents three-quarters of exports), its share is set to grow in the coming years. It also benefits from a high-grade ore with lower humidity compared to its competitors. SLN represents one-third of New Caledonia's exports and nearly 5% of world exports.

Nickel ore exporting countries



Sources: INSG December 2021, Dimenc January 2022.

Primary nickel producers

For the first time since 2010, China surrendered its leading position in primary nickel production to Indonesia, which increased its production by more than 50% in one year. This change reflects both the decline in Chinese NPI production (-75,000 tonnes compared with 2020) and the huge surge in local NPI production, half of which is generated by Tsingshan, Eramet's partner at the Weda Bay site. About 900,000 tonnes of NPI were produced in the country in 2021 and nearly 1.15 million tonnes are expected from 2022. In 2021, the proportion of NPI in global primary nickel production will be 50% (from a total of 1.33 million) compared with 24% in 2014 when production started up in Indonesia.

In New Caledonia, production fell sharply in 2021 due to various incidences of industrial unrest that affected all operators, difficult weather conditions and disruption linked in particular to the explosion of Covid-19 cases. As a result, the country registered a decrease of more than 40% in its primary nickel production over the year.

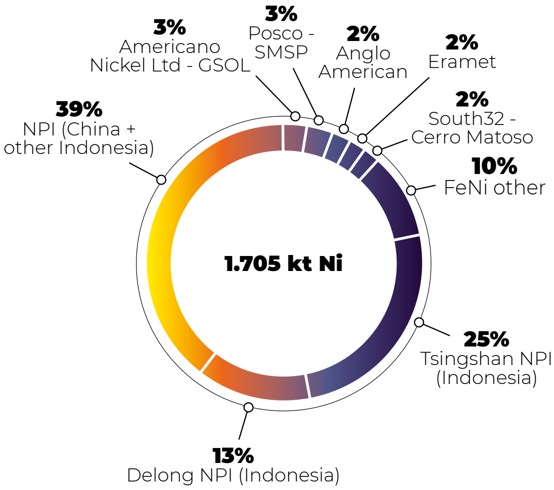
PRODUCTION OF FINISHED PRODUCTS
(FERRONICKEL, NICKEL PIG IRON, NICKEL METAL, BRIQUETTES, NICKEL SALTS, OTHER PRIMARY NICKEL PRODUCTS)
(THOUSANDS OF TONNES OF NICKEL)

	2017	2018	2019	2020	2021
Indonesia	195.1	273.1	369.9	606.2	934.3
China	614.9	655.0	801.2	709.8	662.4
Japan	188.4	154.2	151.1	136.6	139.2
Russia	161.1	150.2	155.3	156.4	123.1
Canada	140.9	140.7	123.5	119.5	117.4
Australia	112.2	113.5	106.7	115.6	115.8
Norway	86.5	90.8	92.1	91.1	91.2
Brazil	68.5	65.2	54.3	59.6	59.9
New Caledonia	105.1	108.5	94.5	95.8	55.9
Finland	59.7	60.8	62.4	63.4	47.2
Other	321.2	321.2	322.2	280.1	320.5
WORLDWIDE	**2,053.6**	**2,133.2**	**2,333.0**	**2,434.1**	**2,666.9**

Source: Eramet, February 2022.

Main producers of Class 2 nickel (ferronickel, NPI)

NPI represents nearly 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 close to 30%.



2.1.2.2.4 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).

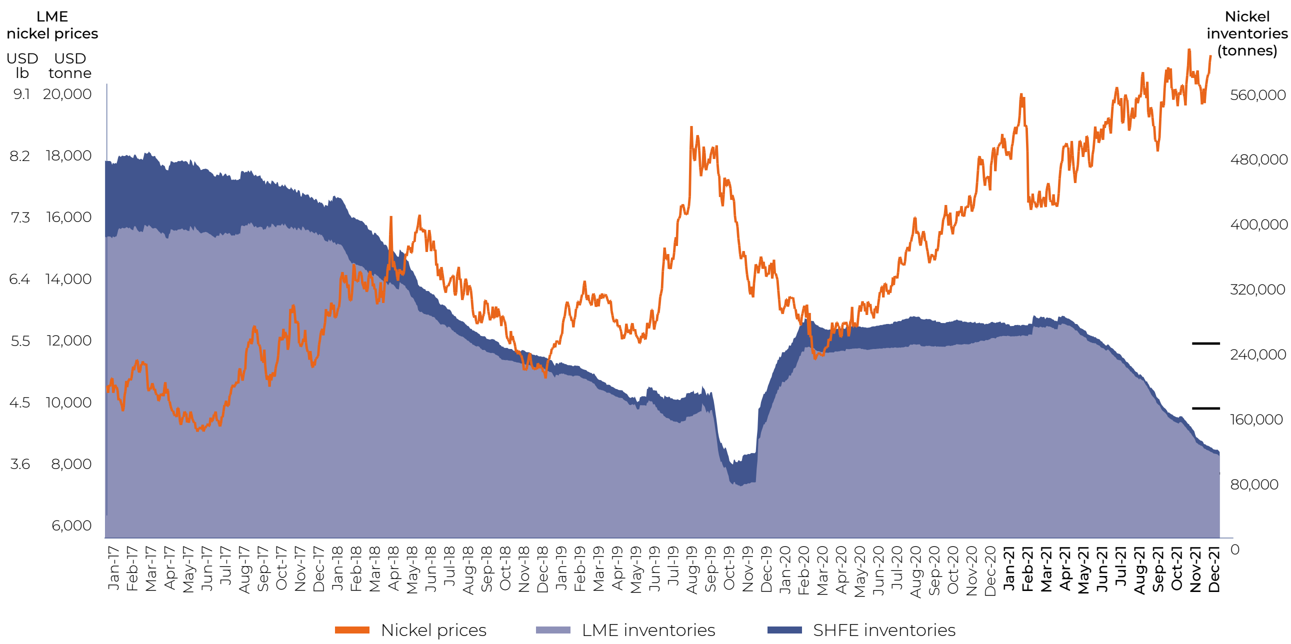
Premiums or discounts are applied to this base price according to the quality of the products, their degree of processing, their location and the equilibrium of the physical market at the time. Nickel prices are presented in the form of "cash seller and settlement" contracts.

After a sluggish 2020, the nickel market was once again in deficit in 2021, as a result of the strong global recovery of the stainless steel industry and the boom in batteries. Nickel prices appreciated by 40% in the first half compared with the first half of 2020, averaging USD 17,466/t (7.92 USD/lb).

Although the growth of Indonesian NPI and the slowdown in the stainless steel sector in China prompted fears in the market, the positive momentum in the stainless steel industry in other countries and the high level of enthusiasm around batteries for electric vehicles supported nickel prices. Prices thus reached an average of 19,466 USD/t (8.83 USD/lb) in the second half-year.

On average, nickel prices increased by 34% in 2021 compared with the previous year, to 18,489 USD/t (8.39 USD/lb).

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



Source: LME, SHFE.

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

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 continued to reach high levels throughout the year. The ore market remained tight in China due to the rainy season, which mainly affected supply from the Philippines, as well as reduced availability from New Caledonia. Thus, nickel ore 1.8% CIF China amounted to 105.4 USD/wmt in 2021, up 32% compared with 2020.

2.1.2.2.5 Recent trends and market outlook

The year 2021 was marked by the rebound in demand for primary nickel worldwide and an overall market deficit, although the end of the year was affected by the slowdown in Chinese stainless steel production, but, at the same time, by the continued growth of Indonesian NPI.

Galvanised by the intention of many economies to accelerate the energy transition, the Li-ion battery sector, particularly for electric and hybrid vehicles, should be the second growth driver for primary nickel demand in 2022, behind the stainless steel industry. More than 400,000 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 2022 compared with 2021, and by approximately 5% per year on average in the next 10 years.

On the supply side, low ore availability is expected to continue to weigh on Chinese NPI production, although this will be more than offset by the continued boom in Indonesian NPI production. Some traditional players, still weakened in 2021 by restrictions related to the health crisis or affected by technical or financial problems, should return to growth. Global production is therefore expected to grow by more than 10% in 2022.

2.1.2.3 Nickel BU overview

2.1.2.3.1 Structure and positioning

The Nickel BU 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.

In New Caledonia, the BU has implemented a strategy for the beneficiation of low-grade ore for export (1.6% to 1.8% of Ni) and local beneficiation through melting and processing of high-grade ores (2.2 to 2.6%) into ferronickel.

The BU 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 has been producing low-grade nickel ferroalloy (NPI) since May 2020; the mining production also supplies the 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 low-grade ore.

The Le Havre Sandouville nickel refinery, specialising in high value-added products (nickel salts, high-purity electrolytic nickel, cobalt salts), was sold in early February 2022 to Sibanye-Stillwater, a major precious metals player.

Thanks to its nickel activity, Eramet is the world's fourth largest producer of ferronickel.

The Nickel BU 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.

2.1.2.3.2 Activities and products

Mining operations and nickel processing (ferronickel and nickel ferroalloy)

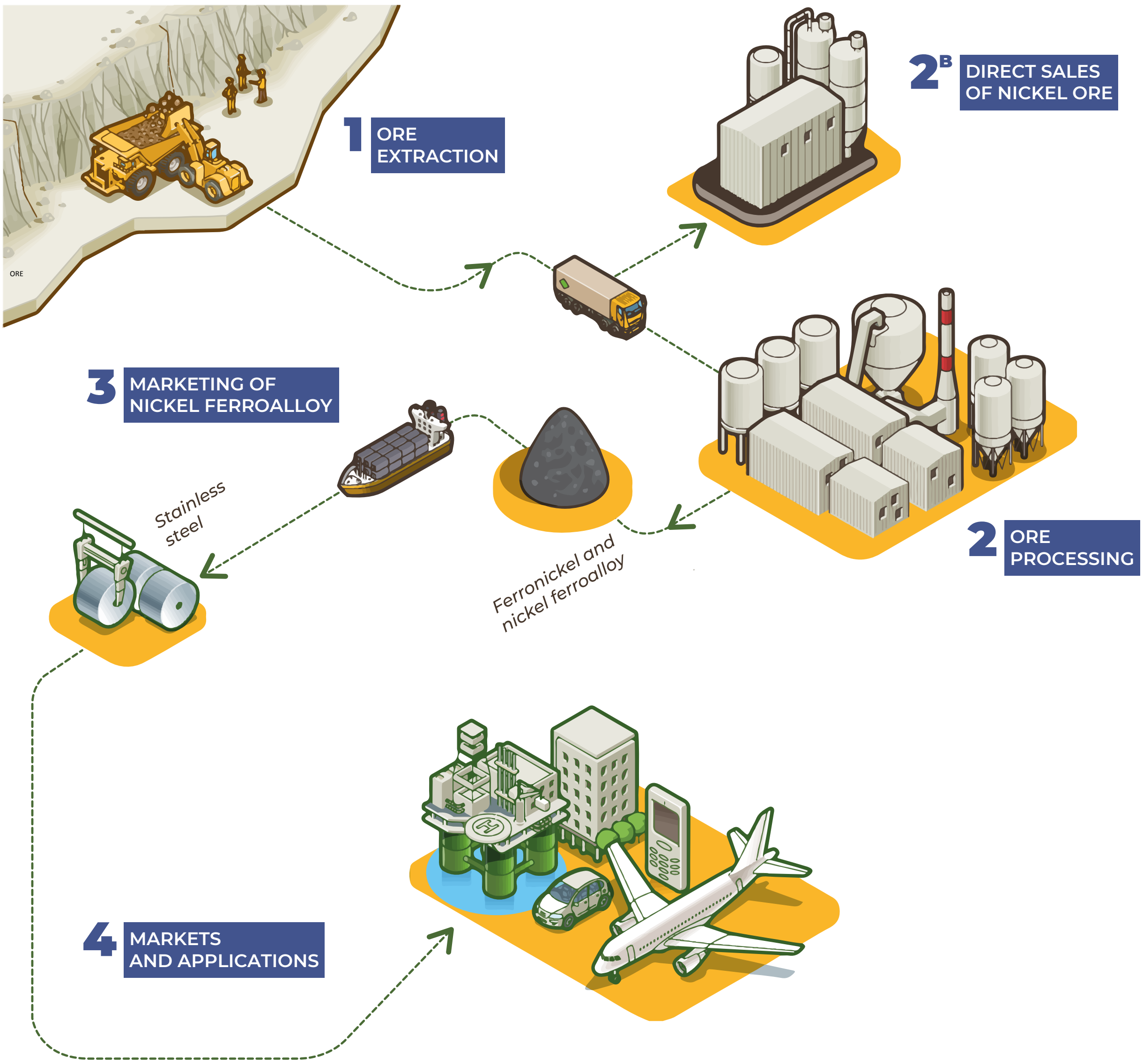


Illustration of the stages involved in nickel ore processing activities at Eramet. In parallel with direct mineral ore exports, the ferronickel process (high-grade nickel ferroalloy) / low-grade nickel ferroalloy (1-2-3-4) corresponds to pyrometallurgical processing done at SLN and Weda Bay.

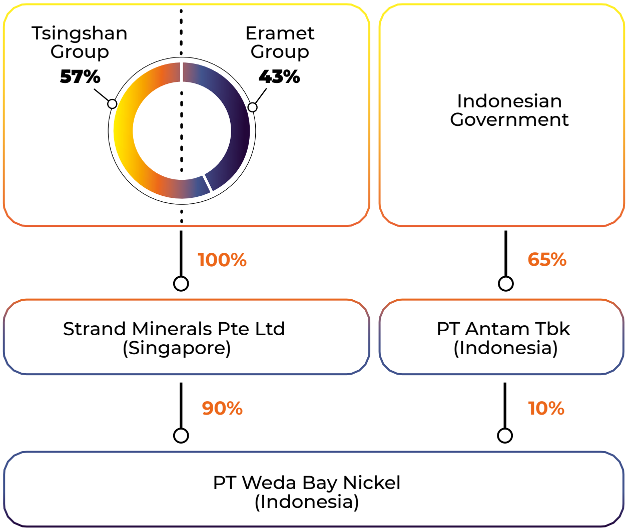
Weda Bay Nickel in Indonesia

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 low-grade nickel ferroalloy production plants also source their ore from PT Weda Bay Nickel.

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, revegetation, etc.

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 (six at end-2021), 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 LOW-GRADE NICKEL FERROALLOY

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

Société Le Nickel (SLN)

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 low-grade ore, which makes it possible to adapt to the changing nature of the deposits with their depleting ore content.

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 nearly 3 million tonnes of ore in 2021 and aims to export more than 4.0 million tonnes in 2022. Strengthening exports is absolutely necessary to make the SLN model competitive and sustainable;
- the reorganization 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 in 2021. Production at both the mine and the plant, after being severely limited due to the many disruptions that hit New Caledonia in 2021 (industrial, related to particularly difficult weather conditions in the first half of the year, but also to the deterioration of the health situation in the region in the second half-year).

This again underlines the need for SLN not only to be able to exploit its mines and operate its plant under normal conditions, but also to be able to fully implement all the aspects identified in the rescue plan which proved its relevance.

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)	2021	2020	2019	2018	2017
Exported ore	2.9	2.5	1.6	1.2	0.9
Ore transported to the Doniambo plant	2.1	2.9	3.0	3.0	3.2
TOTAL	**5.0**	**5.4**	**4.6**	**4.2**	**4.1**

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 kiln and melted 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)	2021	2020	2019	2018	2017
Production of ferronickel *(in tonnes of nickel content)*	39.0	47.8	47.4	54.25	56.71

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.

Sandouville refinery – operations sold in February 2022

The Havre-Sandouville refinery produces high-purity nickel cathodes and nickel salts through hydrometallurgical processing of a nickel matte. The process used was developed by the Eramet research centre. Nickel matte has been supplied since mid-2017 under a long-term contract with a European metallurgist. Previously the raw material was entirely supplied by the SLN metallurgical plant in Doniambo, New Caledonia.

(tonnes of nickel content)	2021	2020	2019	2018	2017
Nickel cathodes	6,730	6,032	4,946	1,913	546
Nickel salts	2,125	1,323	2,031	1,797	1,385
TOTAL NICKEL	**8,855**	**7,355**	**6,977**	**3,710**	**1,931**

2.1.2.3.3 Capital expenditure

(in millions of euros)	2021	2020	2019	2018	2017
SLN Mines and Plant – continuing operations	35	39	30	49	50
Sandouville – discontinued operations	6	5	5	8	30

SLN: Mines and factory

The main investments in the year 2021 in the mining sites related to the continuation of adaptations to increase SLN's mining capacity. Major maritime work was carried out on the Poum mine to allow for the loading of barges in order to secure the loading capacities of ore carriers. Infrastructure security work was also carried out at all the mining sites.

At the Doniambo plant, most investments concerned maintaining the industrial tool and making it safe. The power plant maintenance programme continued alongside technical and commercial discussions for a docked power plant, which will make it possible to secure the electricity supply in the short term.

Sandouville

The Sandouville refinery devoted its investments to maintaining and improving the industrial tool in order to make the operation more reliable and reduce its environmental impact.

2.1.3 Mineral Sands BU

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 very few clay particles, which is the case at the TiZir mine in Senegal (Grande Côte Operations – 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 TiZir Titanium and Iron (TTI) plant in Norway, before being used, mainly by pigment producers.

2.1.3.1 Highlights of the year

2.1.3.1.1 Key figures

(in millions of euros)	2021	2020
Turnover	349	276
EBITDA	137	91
Current operating income	94	44
Net cash flow generated by operating activities	129	60
Capital employed at start of year	667	720
Capital expenditure[1]	21	16

(1) Excluding right-of-use assets per IFRS 16 (€1 million in 2021, as in 2020).

OPERATIONAL PRODUCTION INDICATORS

		2021	2020
Production of heavy mineral concentrate	(kt)	804	762
Zircon production	(kt)	64	59
Zircon sales	(kt)	63	62
Production of titanium dioxide slag	(kt)	209	199
Sales of titanium dioxide slag	(kt)	220	195

2.1.3.1.2 Operating performance

The Mineral Sands BU reported turnover up to €349m. EBITDA increased by +51% to €137m, reflecting the very good operational performance as well as a favourable price environment, partially offset by the increase in the cost of energy, and an unfavourable currency effect.

Activities

In Senegal, mineral sands production continued to increase in 2021, reaching a record level of 804 kt (+6%), thanks to a good operational performance as well as more significant average content in the area mined over the year.

Zircon production was up +8% to 64 kt, and sales volumes grew by +2%, reaching 63 kt.

In Norway, titanium slag production stood at 209 kt in 2021, an increase of +5%, which reflects the best annual production performance for the plant since its start.

Sales volumes grew by +13% to 220 kt, with very substantial shipping at the very end of the year.

Outlook

Demand for zircon is expected to remain sustained in 2022, nonetheless with some uncertainties (logistics, energy prices in Europe, construction market in China). However, the market is expected to remain in deficit, which should enable prices to hold up well in 2022.

Demand for titanium-based products should continue to increase in 2022, particularly for high-grade products such as titanium dioxide slag and rutile. The market is also expected to remain in deficit in 2022, which should enable prices to be supported for the year.

In 2022, the annual production volume for mineral sands is expected to be in excess of 750 kt factoring in the expected decline in average content in the area mined of the deposit.

2.1.3.2 Markets of the Mineral Sands BU

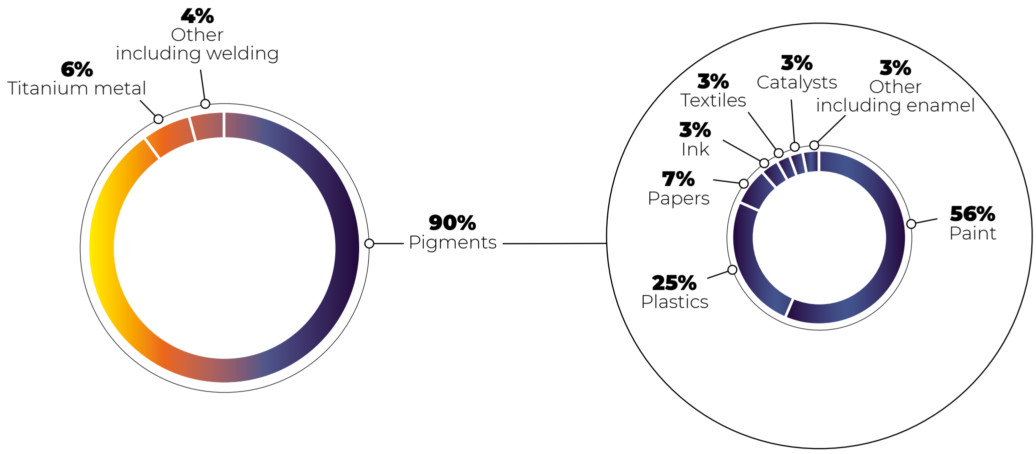
2.1.3.2.1 The titanium dioxide market

Main applications

While titanium metal is well known for aerospace uses, as is the case in the High Performance Alloys activities, it accounts for only 6% of the TiO_2 units sold in terms of consumption. The pigment industry alone accounts for 90% of the demand for titanium dioxide.

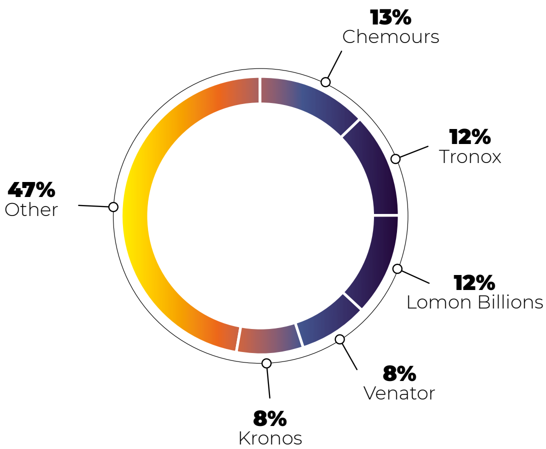
Pigment producers make extensive use of a raw material rich in TiO_2. TiO_2 gives the pigment two exceptional properties, which are essential: opacity and reflective power. It is widely used in paint, plastics, textiles and paper.

TiO_2 unit applications



Source: TZMI August 2021, Eramet November 2021

TiO_2 pigments production by player



Source: TZMI, December 2021.

The five leading producers of TiO_2-based pigments account for 53% of global production.

Demand and production of titanium products

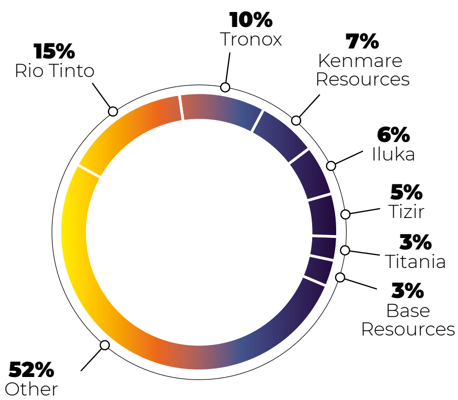
The vast majority of TiO_2 pigments are produced through two processes:

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

The chloride process requires high grade raw materials such as chloride ilmenite, slag and enriched slag, and natural or synthetic rutile. TiZir essentially produces and sells high grade TiO_2, used by the chloride process.

To date, demand for chloride quality raw materials accounts for around 46% of global demand compared to 55% for sulphate quality raw materials. However, it is expected to grow sharply in upcoming years to reach 55% in 2025. This trend is confirmed by the reduced capacities for TiO_2 pigments production by sulphate process in China, Japan and in Europe, and by the development of the chloride process in China.

Production of titaniferous raw materials by player



Source: TZMI December 2021, Eramet, February 2021.

The top seven producers of titaniferous raw materials outside China account for about 50% of the world's production of TiO_2 units.

Recent trend and outlook for 2022

Global demand for TiO_2 pigments, which is the main outlet for titanium products, rose sharply by 12% to 7.4 million tonnes in 2021. Demand is expected to remain relatively stable in 2022.

Having grown only very slightly in 2020 due to the health crisis, the recovery of the pigments sector drove demand for titanium-containing raw materials to a record level of 8.6 million units of TiO_2 in 2021, i.e. growth of 11% compared with 2020. However, energy consumption restrictions in China led to production cuts at some pigment producers.

The supply of titanium-containing products also increased, but not enough to meet demand. Several major players in Africa were forced to slow down their production due to operational and/or security problems, and also, in Asia, due to government-imposed energy restrictions. Thus, the supply reached 8.3 million units of TiO_2, an increase of 7% compared with 2020.

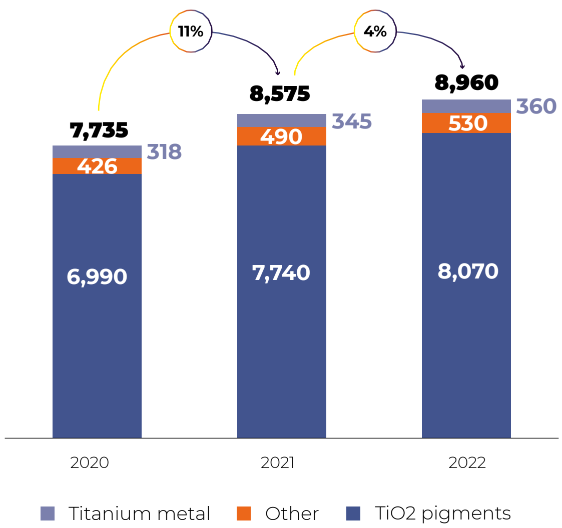
As a result, a marked shortage of supply resulted in tension on the market, mainly on products intended for transformation by the chloride process, such as the titanium slag produced by TiZir in Norway. The deficit is expected to decrease in 2022 due to an expected sustained increase in supply.

Prices of titanium-containing products

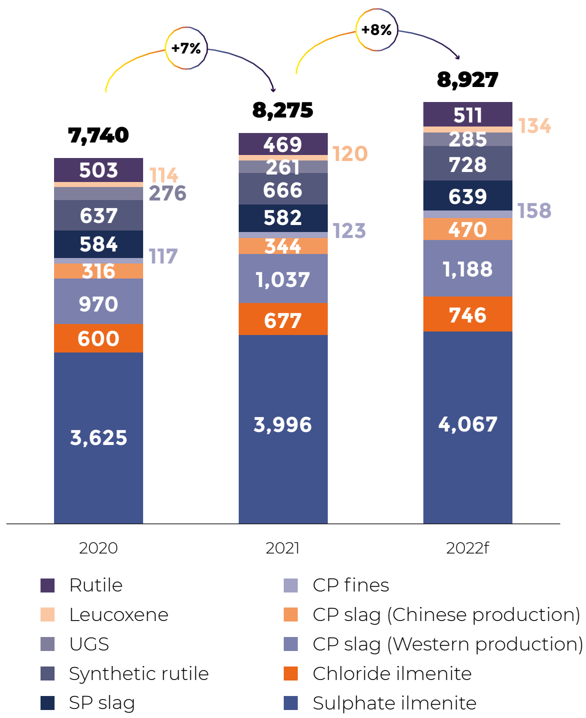
There is no market as such for titaniferous raw materials. Prices are negotiated directly between producers and customers. In the case of contracts, prices are generally negotiated quarterly. Some consulting companies, such as TZMI and Ferroalloynet, publish benchmarks based on transactions in China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

In 2021, the average price of CP (chloride process) grade titanium slag, a high value-added product, increased strongly in the second half of the year due to the low availability of product in the market from the middle of the year; however, with a first half down compared with the second half of 2020, the price of CP grade titanium slag fell slightly on average over the year to 781 USD/t[1] compared with 2020 (-1%).

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



Sources: TZMI, (November 2020 report), Eramet February 2021.



Sources: TZMI December 2021, Eramet February 2022.

(1) Source: Market consulting analysis.

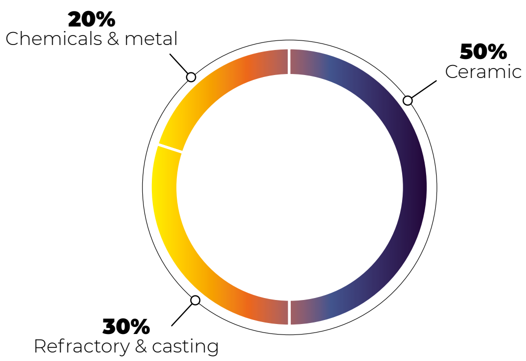
2.1.3.2.2 The zircon market

The main application for zircon (about 50% of global consumption) is for the ceramics industry, where its properties of whiteness in particular are unmatched, especially for tiles surfaces and bodies 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.

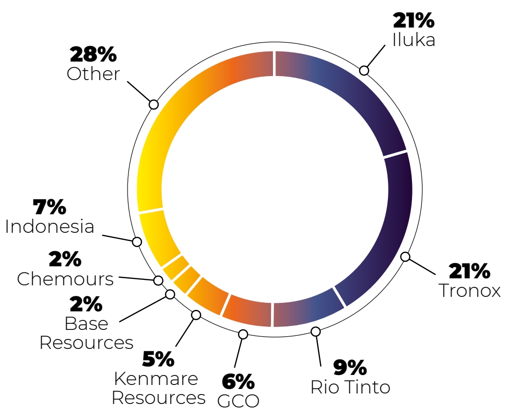
The chemical derivatives of zircon (accounting for about 20% of consumption) include many different applications, such as abrasive or abrasion-resistant materials, jewellery (zirconium dioxide), nuclear (zirconium metal), certain catalysts and dental prostheses.

Zircon applications



Source: Eramet.

Zircon producers



Sources: TZMI December 2021, Eramet February 2022.

The three leading zircon producers accounted for approximately 50% of global production in 2021.

Recent trend and outlook for 2022

Zircon demand rebounded by 18% in 2021 compared with 2020, due to the recovery of the global economy, which exceeded its pre-crisis level. This increase was mainly driven by the ceramics sector in China and Europe. Demand should remain strong in 2022.

At the same time, the supply of zircon increased, but at a slower pace, due to the operational and logistical difficulties encountered by several producers, particularly in South Africa. Thus, global supply amounted to 1.1 million tonnes in 2021, representing an annual increase of 12%.

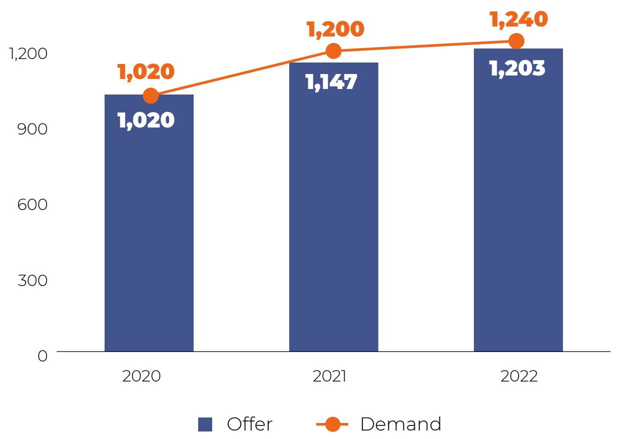
As a result, the market went into deficit, a situation that should persist in 2022 despite an expected increase in supply of 5%.

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 resulted in a price increase of 12% to an average of 1,496 USD/t in 2021 compared with 2020.

Zircon supply and demand *(in kt)*



Sources: TZMI December 2021, Eramet February 2022.

2.1.3.2.3 The high purity pig iron market

Pig iron 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: 1) the blast furnaces, before the oxygen converter stage, 2) the enrichment of ilmenite, which often produces better quality pig iron. This is the case with the pig iron of TTI, 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, TTI's pig iron, due to its high purity, is suitable for specialty 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 in the European casting market.

2.1.3.2.4 Market outlook for the Mineral Sands BU

The mineral sands markets are strongly correlated to global GDP. Indeed, the use of pigments and ceramics is linked to urbanisation and economic modernisation dynamics: paints, colourings, plastics, urbanisation coverings, renovation, new constructions, electronic materials, cars (interior, exterior). Therefore, after a year of rebound in 2021, the outlook is expected to remain favourable for demand for zircon and titanium products in 2022 and beyond.

2.1.3.3 Presentation of the Mineral Sands BU

2.1.3.3.1 Structure and positioning

TiZir was established in 2011 by Eramet and MDL[1]. Since the takeover of MDL 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 TiZir Titanium and Iron plant (TTI) in Tyssedal, Norway, which transforms ilmenite to produce titanium dioxide slag for the pigments industry and high-purity pig iron.

Site	Country	Income
GCO	Senegal	Mineral sands: titaniferous ore (ilmenite, rutile, leucoxene) and zircon
TTI	Norway	Titanium dioxide slag (pigment industry) High-purity pig iron (casting)

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

2.1.3.3.2 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 km north of Dakar and stretches north for more than 100 km.

The industrial facilities include:

- a dredge and a floating concentration unit that produces 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 1,900 people (including subcontractors), 98% of whom are Senegalese nationals.

TiZir Titanium & Iron Plant (TTI)

The TTI 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. TTI 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 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.

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

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 TTI, 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 zircon concentrate. GCO's zircon is of excellent quality and can be used in many applications, particularly in ceramics and the refractory industry.

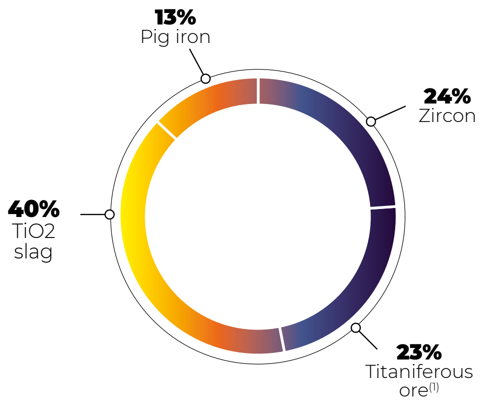
		2021	2020	2019	2018	2017
GCO – MINE						
Sand extracted	(Mt)	50.4	49.2	49.4	47.0	45.1
Heavy mineral concentrate	(kt)	804	762	735	774	725
GCO – FINISHED PRODUCTS						
Ilmenite	(kt)	543	521	492	507	492
Zircon	(kt)	63.7	59.2	58.4	64.3	61.6
Zircon concentrate	(kt)	27.0	25.8	22.3	29.3	20.2
Rutile and leucoxene	(kt)	11.4	9.5	10.1	9.6	10.0

In Norway, the TTI 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.

TTI also produces a variety of high-purity pig iron grades used in casting, including wind turbine production.

		2021	2020	2019	2018	2017
TTI						
Titanium dioxide slag	(kt)	209	199	189	189	181
High-purity pig iron	(kt)	85	81	74	78	74

Breakdown of the BU's 2021 turnover by product



(1) ilmenite, rutile, leucoxene

Outlook

The Group launched an organic growth programme for the production of mineral sands in Senegal. The aim is to optimize 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. The first stage, which represents a limited capex amount of approximately €30 million, aims to increase mineral sands production capacity by around 10%.

Furthermore, Eramet has mining exploration licences for the rutiliferous block of Akonolinga in Cameroon. The licences allow the Group to carry out work on the ground and feasibility studies. Two drilling campaigns were thus carried out in 2020 and 2021, while a third is in progress. In addition, a scoping study of an operating plan on a first portion of the concession was carried out in 2021. The favourable conclusions of this study resulted in the launch of a prefeasibility study which will be carried out in 2022. This project will diversify the Group's product offering on the particularly attractive rutile market, which is fully in line with its strategy.

2.1.3.4 Capital expenditure

(in millions of euros)	2017	2018	2019	2020	2021
Capital expenditure	51	12	12	16	21

Excluding IFRS 16.

As part of the organic growth programme for mineral sands in Senegal, initial, non-significant investments were made by GCO in 2021. These are expected to intensify in the next few years.

In 2021, TTI made investments that were limited to a few actions to optimise production and replace small pieces of equipment.

2.1.4 Lithium BU

2.1.4.1 Highlights of the year

2.1.4.1.1 Reminder: 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.

Eramet’s direct extraction process offers several advantages over the conventional 100% natural evaporation process used by most 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 with the Eramet process is much less exposed to changing weather conditions, because it does not include a natural evaporation stage.

The competitiveness of the process developed by Eramet places 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, should reach around $200 million per year [2] based on the last long-term price consensus [3].

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.

The training centre, an on-site reproduction of the industrial plant on a reduced scale was started in late 2019 and continues to operate, in real conditions, under very satisfactory technical conditions.

The project had been mothballed in April 2020 due to the health crisis.

2.1.4.1.2 Start-up of the project

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, through the signing of a partnership agreement with Chinese steel group Tsingshan. The Group has very successfully increased nickel production at Weda Bay in Indonesia with Tsingshan.

Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint. For its part, Tsingshan will contribute up to 375 million US dollars to the project by financing the construction of the plant, with an investment of 49.9% in the project. 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.

Construction of the plant will start in the first quarter of 2022, with production beginning in early 2024.

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.

The size of the deposit will allow for further expansion through the construction of other similar plants by both partners.

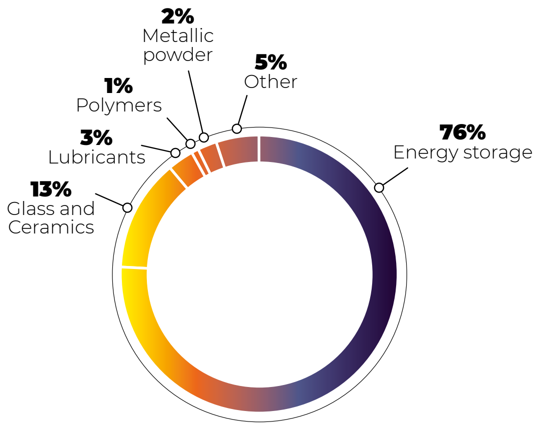
(1) EX-Works: Ex-factory costs, excluding taxes and royalties.
(2) Including royalties and logistics costs.
(3) CIF LT price consensus of $12,900/t LCE.

2.1.4.2 The lithium market

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.

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 double that of 2021 (see graph below).

Breakdown of lithium demand 2021



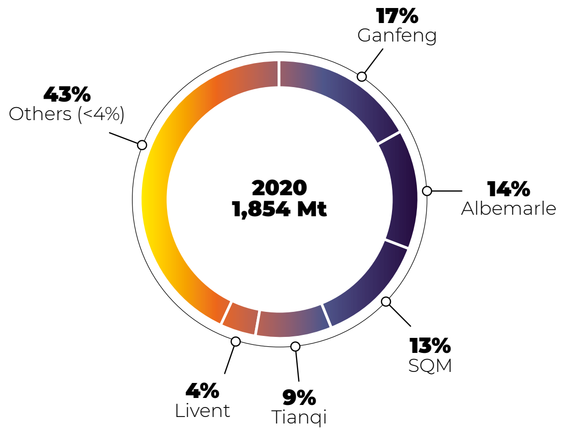
Source: Eramet analysis.

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

- *salar* flats, which are large salt lakes mostly located in the "Lithium Triangle" in Latin America (Chile, Argentina, Bolivia);
- lithiniferous minerals, mainly spodumene, mined in Australia and processed in China.

The world's five largest producers of lithium compounds (Ganfeng, Albemarle, SWM, Tianqi and Livent) represented 57% of lithium supply in 2021. The entry of new players, necessary to fuel future demand, should diversify the landscape of producers by 2025.

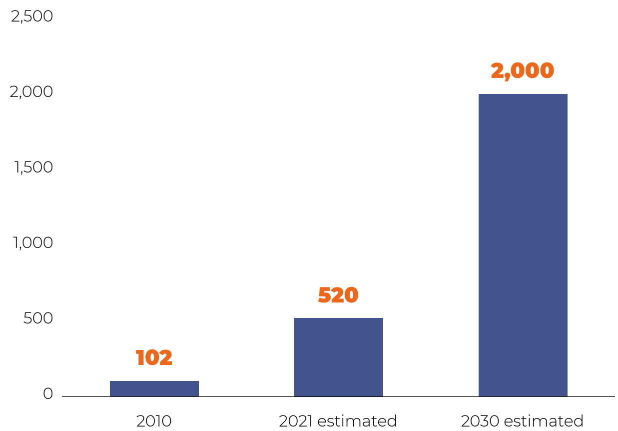
2021 production of lithium compounds by producer



Source: Eramet analysis.

Lithium carbonate prices increased sharply in 2021 and now reach more than 60,000 USD [(1)]. This price explosion was due to a strong acceleration in 2021 in the development of the electric car, which requires quantities of lithium that cannot be supplied by the existing production capacities. This context of lithium production under-capacity is expected to continue in 2022.

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



Source: Eramet Marketing

(1) Source: Fastmarkets – CIF Asia battery grade lithium carbonate price.

2.1.5 Exploration unit

The exploration unit, created in July 2019, now has around 15 employees and a budget of close to €10 million. It aims to bring new mining projects to the portfolio of the Eramet Group in order to sustain the level of mining resources and therefore the Group's industrial activity.

With the help of the BUs and the subsidiaries, the unit strengthens the local exploration teams in the countries where the Group is established, in particular in Gabon and Indonesia, respectively for the exploration of manganese and nickel/cobalt. These units will be fully operational from 2022.

Over the past two years, the exploration unit has participated in the development of the Akonolinga project in Cameroon by carrying out the drilling campaigns and the scoping study based on the certification of resources (see the reserves and resources section of this chapter). The Cameroon subsidiary has around 20 employees.

The exploration cell also participates in the development of the lithium activity in Europe (project to extract lithium from geothermal brine) and continues its work on generating targets in South America on this critical metal for the energy transition.

2.2 MINERAL RESERVES AND RESOURCES

2.2.1 General points

Definitions

Definition of exploration results

The *exploration results* come from data and information generated by the exploration programmes. 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 that part of a mineral resource of which the 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 that part of a mineral resource for which the 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 that part of a mineral resource for which the 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 certain 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 and the hydraulic parameters.

An *Inferred Drainable Mineral Resource* is that 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 that 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 that 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. At the current time, mining and processing are mainly concentrated on the saprolitic part of the weathering profile.

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 and rutile) and zircon.

In Argentina, Eramine S.A., carried out exploration work on several Argentine *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 from rocks eroded upstream. The prospecting work focuses on highlighting the rutiliferous potential of mining 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:** perpetual concessions expiring on 31 December 2048 (Article 7 of the Country Law of 16 April 2009) and rights conceded for a maximum period of 50 years, renewable in maximum and successive 25-year tranches;
- **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 (2007-1326 decree) for a term of 25 years and renewable, transferred to GCO in July 2008;
- **Argentina:** Eramine S.A. held 64 consolidated mining titles at the end of 2020, issued in perpetuity, subject to the submission of the required impact studies, payment of annual mining royalties and compliance with a development schedule;
- **Cameroon:** Eramet Cameroun S.A. has five exploration licences for a total surface area of 2,500 km^2. These permits expire on 28 November 2022 and an application for a permit to operate will be filed in 2022 to obtain a mining concession.

The ore reserves are recognised at historic cost in the accounts only in the case of titles purchased, while the granted concessions 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 stipulations 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 complete deposits. As they are explored and/or exploited, 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 2022.

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 the entire mining area. The results may also be compared to production levels, giving an indication of the remaining useful life of the mining operations;
- 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,
  - Wy: weight 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 2022. When ore reserves are declared, they are included in mineral resources.

2.2.2 Mineral resources and ore reserves of Comilog S.A.

Mineral Resources

The table below shows the figures for the mineral resources of the ore deposits of Comilog S.A., updated at 1 January 2022.

STATEMENT OF COMILOG S.A. MANGANESE ORE MINERAL RESOURCES AT 1 JANUARY 2022

Mineral Resources	1 January 2022				1 January 2021			
	Mdmt	% Wy	% Mn	Mt Mn	Mdmt	% Wy	% Mn	Mt Mn
Measured	125	64.1	45.2	36	98	64.5	44.7	28
Indicated	236	64.0	43.2	65	222	64.0	44.3	63
Inferred	57	62.0	43.1	15	64	56.3	42.9	15
TOTAL	**418**	**63.8**	**43.8**	**117**	**384**	**62.9**	**44.2**	**107**

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 weight yields (% Wy)
3. For the Bangombé, Okouma-Bafoula and Massengo deposits, the mineral resources are defined at an Mn cut-off grade of the lumpy fraction higher than or equal to 30%. No cut-off grade was applied for the Moulili deposit.
4. The mineral resources are validated by the following competent person:
   - Ms S. Rodrigues, EurGéol and permanent employee of Eramet Marketing Services.

Ore reserves

The table below shows the figures for the ore reserves of Comilog S.A., updated at 1 January 2022.

STATEMENT OF COMILOG S.A. MANGANESE ORE RESERVES AT 1 JANUARY 2022

	01/01/2022				01/01/2021			
Ore reserves	Mdmt	% Wy	% Mn	Mt Mn	Mdmt	% Wy	% Mn	Mt Mn
Proven	90	64.9	46.0	27	58	66.5	45.7	18
Probable	135	64.4	43.5	38	139	67.4	45.2	43
TOTAL	**225**	**64.6**	**44.5**	**65**	**198**	**67.1**	**45.4**	**60**

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 weight yields (% Wy).
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 23-year period from 1 January 2022.
6. The ore reserves are validated by the following competent person:
   - Mr R. Oliveira, AusIMM member and permanent employee of Eramet Marketing Services.

2.2.3 Mineral resources and ore reserves of Société Le Nickel-SLN

The mineral resources and ore reserves of Société Le Nickel-SLN are grouped according to the type of ore under consideration, i.e.: the saprolites which supplies the Doniambo pyrometallurgical plant; and the low-grade nickel saprolites and limonites, both of which supply an external market.

Mineral Resources

The table below shows the figures for the mineral resources of Société Le Nickel-SLN, updated at 1 January 2022.

STATEMENT OF SLN SAPROLITES MINERAL RESOURCES FOR DONIAMBO AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Mineral Resources	Mdmt	% Ni	ktNi	Mdmt	% Ni	kt Ni
Measured	57.2	2.41	1,377	57.8	2.40	1,388
Indicated	62.0	2.38	1,475	63.6	2.38	1,514
Inferred	103.9	2.39	2,481	106.2	2.40	2,545
TOTAL	**223.1**	**2.39**	**5,333**	**227.6**	**2.39**	**5,447**

STATEMENT OF SLN SAPROLITES MINERAL RESOURCES FOR EXPORT AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Mineral Resources	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
Measured	62.1	1.85	1,151	61.4	1.86	1,142
Indicated	107.6	1.84	1,978	110.1	1.83	2,011
Inferred	454.6	1.78	8,078	461.9	1.78	8,199
TOTAL	**624.4**	**1.79**	**11,207**	**633.4**	**1.79**	**11,352**

STATEMENT OF SLN LIMONITES MINERAL RESOURCES FOR EXPORT AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Mineral Resources	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
Measured	19.7	1.43	282	19.8	1.43	282
Indicated	28.6	1.46	417	29.7	1.46	433
Inferred	135.0	1.42	1,922	133.4	1.42	1,898
TOTAL	**183.3**	**1.43**	**2,621**	**182.9**	**1.43**	**2,613**

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. In accordance with the system for describing drill hole data, the tonnages and grades shown for Saprolites mineral resources correspond only to the altered phase of the saprolites, which entails mineralisation, and not to the entire saprolitic column.
3. The figures were established with cut-off grades applied to the altered fraction, and change according to the type of mineralurgical processing and economic conditions.
4. The mineral resources are validated by the following competent person:
   - Mr G. Lorilleux, AusIMM Fellow and permanent employee of Société Le Nickel-SLN.

Ore reserves

The table below shows the figures for the ore reserves of Société Le Nickel-SLN, updated at 1 January 2022.

STATEMENT OF SNL SAPROLITES ORE RESERVES FOR DONIAMBO AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Ore reserves	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
Proven	22.4	2.59	581	21.7	2.62	567
Probable	49.4	2.45	1,209	49.4	2.45	1,210
TOTAL	**71.8**	**2.49**	**1,790**	**71.1**	**2.50**	**1,777**

STATEMENT OF SLN SAPROLITES ORE RESERVES FOR EXPORT AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Ore reserves	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
Proven	19.3	1.8	348	20.4	1.81	370
Probable	57.8	1.77	1,022	57.2	1.75	1,004
TOTAL	**77.1**	**1.78**	**1,370**	**77.6**	**1.77**	**1,374**

STATEMENT OF SLN LIMONITES ORE RESERVES FOR EXPORT AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Ore reserves	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
Proven	12.2	1.47	180	12.5	1.47	184
Probable	18.4	1.49	274	19.0	1.49	282
TOTAL	**30.6**	**1.48**	**454**	**31.5**	**1.48**	**466**

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 mineralization, and not to the entire saprolitic column.
3. The figures were established with cut-off grades applied to the altered fraction, and change according to the type of mineralurgical processing and economic conditions.
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 25-year period from 1 January 2022.
6. The ore reserves are validated by the following competent person:
   - Mr P. Epinoux, AusIMM member and permanent employee of Société Le Nickel-SLN.

The beneficiation plants at the Thiebaghi and Nepoui sites produce by-products recovered for export. These co-products are estimated at 167 kt Ni, compared to 178 kt Ni at 1 January 2022.

2.2.4 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 2022.

STATEMENT OF PT WEDA BAY NICKEL ORE MINERAL RESOURCES AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Mineral Resources	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
LIMONITES						
Measured	41.5	1.26	522	41.8	1.27	531
Indicated	38.2	1.24	472	30.0	1.24	372
Inferred	88.8	1.23	1,095	77.3	1.23	951
Total Limonites	**168.5**	**1.24**	**2,089**	**149.1**	**1.24**	**1,854**
SAPROLITES						
Measured	144.1	1.65	2,377	137.4	1.69	2,322
Indicated	122.0	1.52	1,855	88.6	1.55	1,374
Inferred	266.4	1.52	4,038	250.6	1.51	3,784
Total saprolites	**532.6**	**1.55**	**8,270**	**476.7**	**1.57**	**7,480**
GRAND TOTAL	**701.0**	**1.48**	**10,360**	**625.7**	**1.49**	**9,334**

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. Mineral resources are estimated in a modelised envelope at a cut-off grade of 1% Ni, based on separate identification of laterite and saprolite products.
3. Tonnages and grades given for saprolites correspond to the entire saprolitic column.
4. The mineral resources are validated by the following competent persons:
   - Mr Ade Kadarusman, independent geologist, member of AusIMM and of the Indonesian Association of Geologists (IAGI), Indonesian Society of Economic Geologists (MGEI), and the Indonesian Competent Person (CPI).
   - Mr J. Michaud, EurGéol and permanent employee of Eramet Marketing Services.

Ore reserves

The table below shows the figures for the ore reserves of PT Weda Bay Nickel, updated at 1 January 2022.

STATEMENT OF PT WEDA BAY NICKEL ORE RESERVES AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Ore reserves	Mdmt	% Ni	ktNi	Mdmt	% Ni	ktNi
ORE FOR HYDROMETALLURGICAL PLANTS						
Proven	31.2	1.33	415	-	-	-
Probable	22.5	1.31	295	-	-	-
Total	**53.7**	**1.32**	**709**	**-**	**-**	**-**
ORE FOR PYROMETALLURGICAL PLANTS						
Proven	97.6	1.74	1702	30.7	1.84	566
Probable	66.1	1.67	1102	63.9	1.75	1125
Total	**163.7**	**1.71**	**2804**	**94.7**	**1.78**	**1691**
GRAND TOTAL	**217**	**1.62**	**3513**	**94.7**	**1.78**	**1691**

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 for a nickel cut-off grade ranging between 1.1 and 1.3% for ore destined for the pyrometallurgical plants and 1% Ni for ore destined for the hydrometallurgical plants.
4. The ore reserves figures are defined on the basis of a long-term mining sequence developed over a 25-year period from 1 January 2022.
5. The ore reserves are validated by the following competent person:

- Mr R. Oliveira, AusIMM member and permanent employee of Eramet Marketing Services.

2.2.5 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 2022.

STATEMENT OF GRANDE CÔTE OPERATIONS MINERAL RESOURCES AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Mineral Resources	Sands Mdmt	HM Mdmt	% HM	Sands Mdmt	HM Mdmt	% HM
Measured	2,240	26.7	1.19	1,861	22.4	1.20
Indicated	1,207	10.8	0.89	816	9.0	1.11
Inferred	95	0.9	0.98	66	0.7	1.08
TOTAL	**3,542**	**38.4**	**1.08**	**2,743**	**32.1**	**1.17**

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 the sum of the accumulations of sands under the topographic surface of the ground up to 6 metres below the level of the natural superficial 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 mineral resources are validated by the following competent person:
   - Mr J. Michaud, EurGéol and permanent employee of Eramet Marketing Services.

Ore reserves

The table below shows the figures for the ore reserves of Grande Côte Opérations, updated at 1 January 2022.

STATEMENT OF GRANDE CÔTE OPERATIONS ORE RESERVES AT 1 JANUARY 2022

	1 January 2022			1 January 2021		
Ore reserves	Sands Mdmt	HM Mdmt	% HM	Sands Mdmt	HM Mdmt	% HM
Proven	1,123	16.8	1.50	982	14.8	1.50
Probable	144	2.1	1.46	287	3.6	1.27
TOTAL	**1,267**	**18.9**	**1.49**	**1,269**	**18.4**	**1.45**

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 drymining 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 22-year period from 1 January 2022.
6. The ore reserves are validated by the following competent person:
   - Mr C. Nouel, AusIMM member and permanent employee of Eramet Marketing Services.

2.2.6 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 2022. The drainable mineral resources are defined on the Centenario and Ratones *salars*.

STATEMENT OF ERAMINE S.A. DRAINABLE MINERAL RESOURCES AT 1 JANUARY 2022

	1 January 2022				1 January 2021			
Drainable Resources	Brine volume *(millions of cubic metres)*	Average density	Li content *(in mg/l)*	LCE *(in kt)*	Brine volume *(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) drainable resource values for aquifer hydrogeological units. 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 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 2022. The ore reserves are only defined on the Ratones *salar*.

STATEMENT OF ERAMINE S.A. ORE RESERVES AT 1 JANUARY 2022

	1 January 2022					1 January 2021				
Ore reserves	Years	Brine volume pumped *(millions of cubic metres)*	Average Li content *(mg/l)*	Metal Li *(t)*	LCE *(t)*	Years	Brine volume pumped *(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.

2.2.7 Exploration results and mineral resources of Eramet Cameroun S.A.

Exploration results

The exploration results of Eramet Cameroun S.A. as of 1 January 2022 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 prospects recognised at 1 January 2022, i.e. a total surface area of 24 km^2, the exploration results are estimated at around 70 million dry metric tonnes of alluvium with a with a head rutile grade between 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 2022.

STATEMENT OF MINERAL RESOURCES OF ERAMET CAMEROUN S.A. AT 1 JANUARY 2022

	1 January 2022		
Mineral Resources	Alluvium Mdmt	Rutile kt	% Rutile
Measured	0	0	
Indicated	0	0	
Inferred	48	454	0.94
TOTAL	**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 following competent person:
   - Mr J. Michaud, EurGéol and permanent employee of Eramet Marketing Services.

2.3 HIGH PERFORMANCE ALLOYS ACTIVITIES (DISCONTINUED OPERATIONS)

2.3.1 Highlights of the year

2.3.1.1 Key figures

(in millions of euros)	2021[2]	Financial Year 2020 restated[2]
Turnover	677	658
EBITDA	(33)	(124)
Current operating income	(45)	(155)
Net cash flow generated by operating activities	(84)	(123)
Capital employed at start of year	182	481
Capital expenditure[1]	46	38

(1) Excluding right-of-use assets per IFRS 16 (€2 million in 2021 compared with €4 million in 2020).

(2) Excluding Aubert & Duval and Erasteel which, 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 2021 and 2020.

2.3.1.2 Operational performance

Activities

A&D (1) turnover ended at €493m [(2)] in 2021, declining –6%, with a decline of –22% for the aerospace industry which posted €287m. In particular, the fire that destroyed the surface treatment workshop at the Pamiers plant in September significantly disrupted production, and sales (by -€35m). Subcontracting solutions are currently being implemented and will continue until a new workshop is rebuilt. Conversely, turnover in the Energy and Defence sectors strongly increased (+43%) to €146m in 2021, mainly reflecting the continued ramp-up in volumes of deliveries of parts for land-based turbines.

The Work Organisation Adjustment Plan [(3)] was completed at end-September for an overall estimated cost of €27m and departures will mainly be staggered in 2022. This plan resulted in a provision of €23m at end-December.

Negative EBITDA was halved to –€44m [(2)], reflecting cost reductions and productivity improvements.

The impact of the fire at the Pamiers plant on A&D's Free cash-flow was limited to €28m in 2021. In total, the subsidiary's cash consumption amounted to €124m [(2)] over the year.

Erasteel's turnover increased +35 % versus 2020, totalling €184m (2) in 2021, notably with market share gains in Asia and the United States for products made from powder metallurgy. Growth in sold volumes was also supported by the positive effect of reinvoicing raw material price increases to customers. Recycling activity continued its ramp-up (+71% to €20m).

EBITDA came out at €13m [(2)], an increase of nearly €50m reflecting the very good momentum in sales as well as a productivity improvement..

Outlook

Passenger traffic is not expected to return to 2019 levels until 2023, with domestic flights recovering faster than long-range flights. After a sharp slowdown during the health crisis, passenger traffic has demonstrated resilience and is expected to return to annual growth of nearly 4%. Long-range flights, which are closely linked to international traffic, are not expected to return to their pre-crisis level before 2027.

In 2022, order intake should continue to benefit from robust demand in various industry segments, despite persistent difficulties in the automotive sector. The shortage in electronics components is likely to persist out to Q2 2022.

2.3.1.3 Review of quality processes continues

Scrutiny of quality processes continued in 2021, still working closely with customers. The review findings resulted in a far-reaching transformation of quality management at Aubert & Duval, which also helped to improve its performance.

2.3.2 Markets

2.3.2.1 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 (cutting tools, motor sports and 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.

2.3.2.2 Demand

Most sectors consuming high-performance steels and alloys continued to be impacted by the health crisis in 2021, despite signs of recovery in some areas.

2.3.2.2.1 Aerospace

While air transport resumed an upwards trajectory in 2021, global traffic is still a long way from its pre-crisis level. Demand (measured in revenue passenger kilometres or RPK) stood at 40% of 2019 levels, with total passenger numbers of 2.3 billion in 2021.

However, the situation remains very mixed: domestic markets overall are expected to reach 73% of 2019 demand in 2021, and 93% in 2022. Meanwhile, international travel remains seriously affected, with demand representing only 22% of that of 2019 in 2021, and 44% in 2022, according to the IATA.

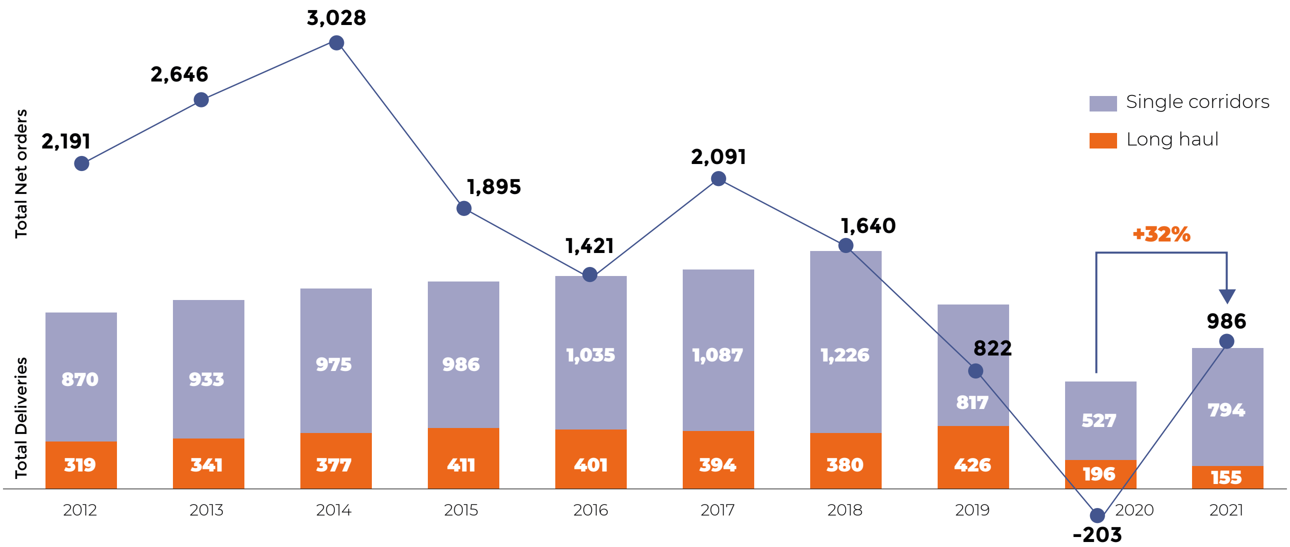
(1) Aubert & Duval and others, excluding EHA.

(2) Excluding Aubert & Duval, Sandouville, and Erasteel which, 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 2021 and 2020.

(3) This plan also includes the extension of the Long-Term Part-Time Work scheme (Activité Partielle Longue Durée, "APLD") until end-2022.

As a result, the market for single-aisle aircraft – the A220, A320 and B737 – has been the first to recover, driven by the upturn in traffic in the major regional markets, and orders and deliveries of Airbus and Boeing single-aisle aircraft began to increase again in 2021. However, the pandemic accelerated the decline of four-engine aircraft – the A380 and the Boeing 747 – and also resulted in a decrease in orders for long-haul aircraft. No improvement is yet in sight in this market.

Net aircraft orders and deliveries



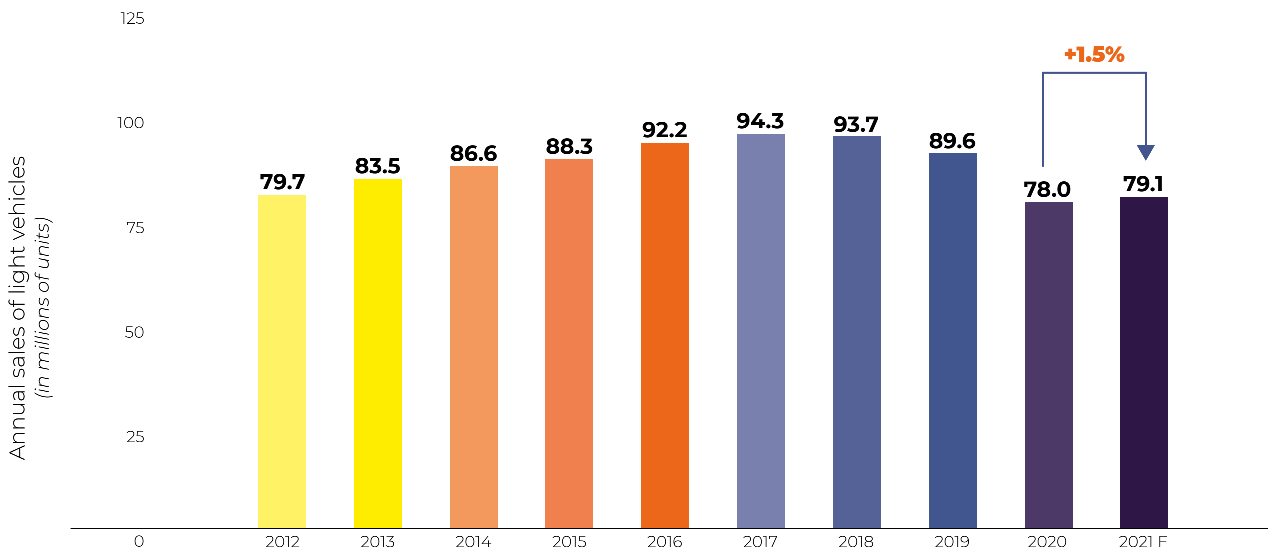
Source: Airbus, Boeing

Single-aisle aircraft production rates, which align with the outlook for domestic traffic growth, should return to their pre-Covid level as early as 2023, and reach historic levels in 2024.

2.3.2.2.2 Automotive

The recovery in automotive industry sales did not reach the level expected in 2021, as they were affected by the global shortage of semiconductors. The main countries have revised their estimates downwards from previous forecasts. China, the United States and Japan saw their sales increase by 0.7%, 3.3% and 0.9% respectively, a slight improvement compared with the previous year.

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



2.3.2.2.3 Other markets

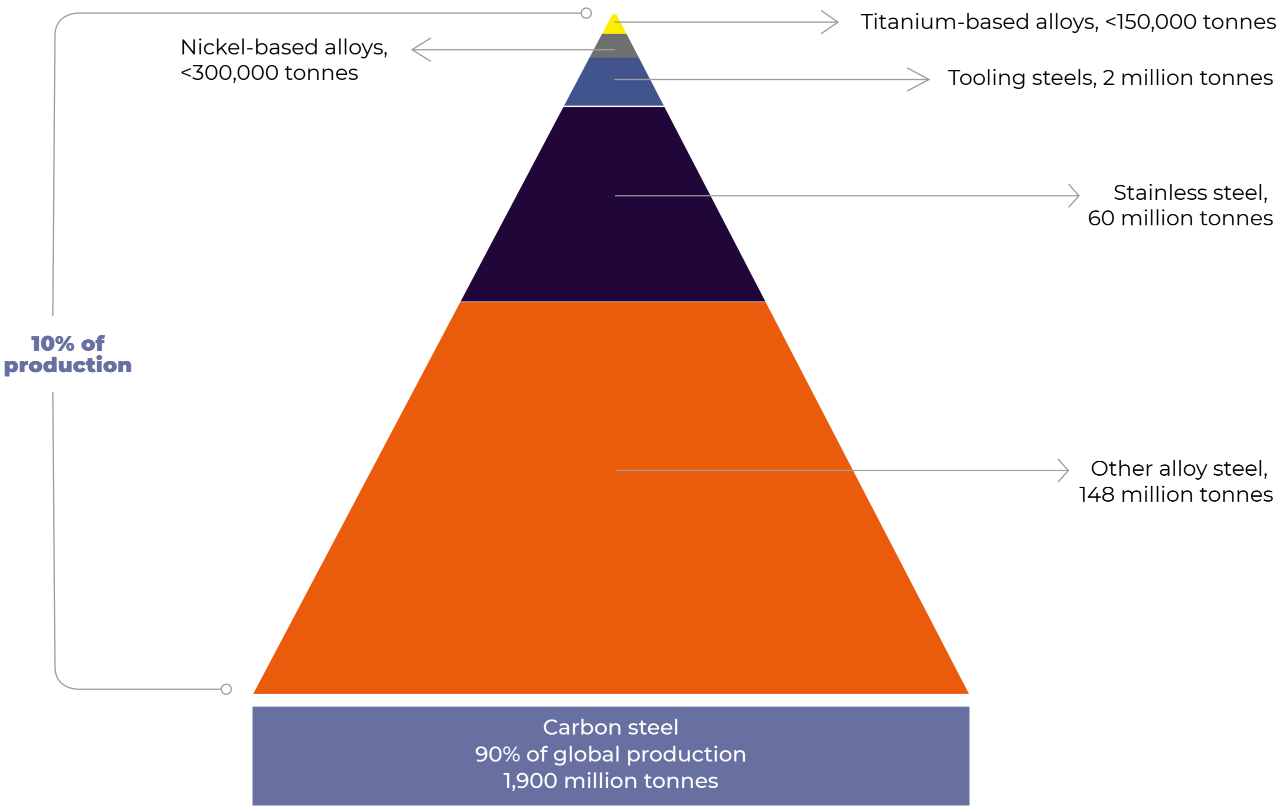
Thanks to government capital expenditure programmes, demand for high-performance special steels in the defence, energy and nuclear industries held up. Energy proved especially resilient to the pandemic with needs for high performance alloys maintained.

2.3.2.3 Supply

Global production of steel and alloys grew by around 3.8% in 2021, driven by the recovery in stainless steel demand.

High-performance steel and alloy production remains impacted by the Covid crisis, with a slow recovery in demand from the main consumer sectors, particularly for nickel-based and titanium-based alloys.

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



2.3.2.4 The 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.

2.3.2.5 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.

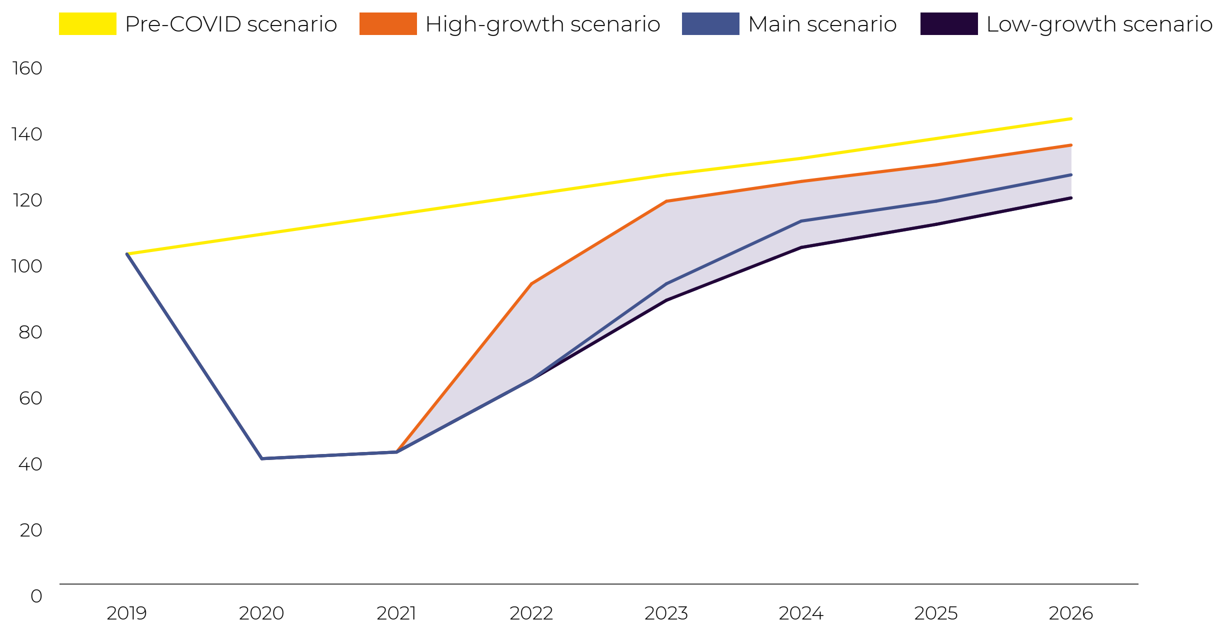
2.3.2.6 Market outlook

The pandemic has sent the aerospace and automotive markets reeling and aircraft deliveries are not expected to return to pre-pandemic 2019 levels until 2023. The energy and defence markets fared better and returned to growth in 2021.

Aerospace

Passenger traffic is not expected to return to 2019 levels before 2023, even through domestic travel is expected to recover faster 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.

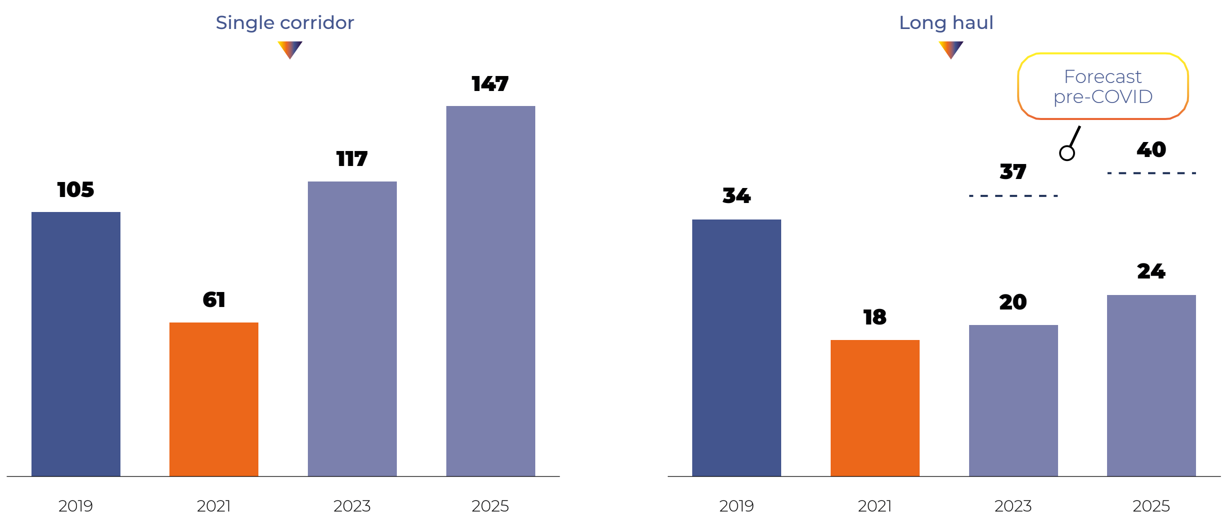
Traffic trend scenarios



Source: IATA, Airbus, Boeing and Eramet.

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 return to pre-health crisis levels (2019) in 2023 and reach a historic level in 2024.

Projected monthly production rates, number of aircraft – 2019-2026



Source: Aircraft manufacturers, internal estimates.

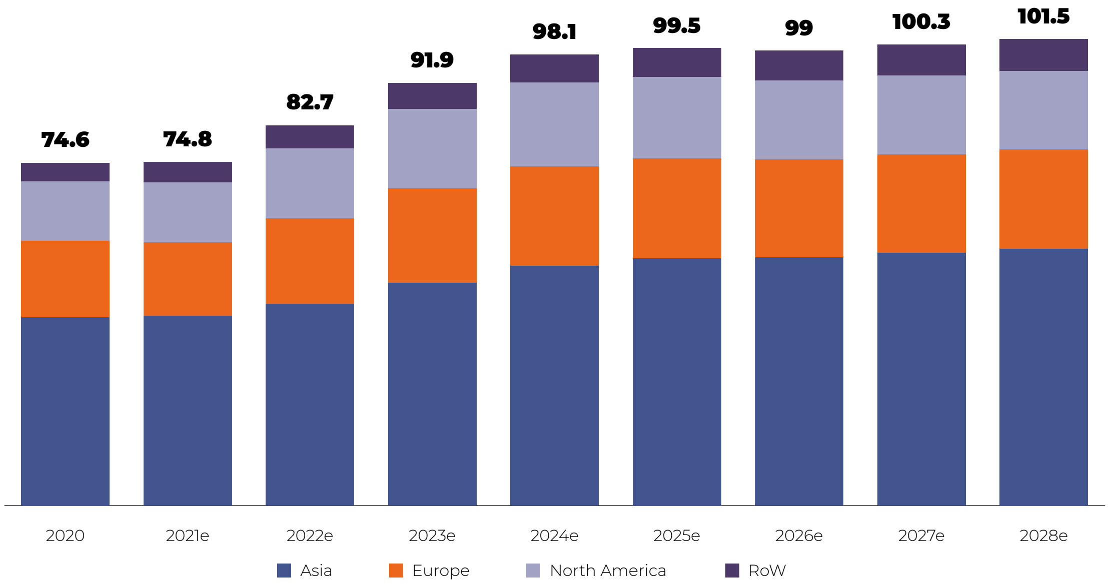
Long-haul flights, which are closely linked to international traffic, are expected to experience a deeper crisis, with no return to pre-crisis levels before 2027.

However, the major aircraft manufacturers still estimate that airlines will need nearly 40,000 new aircraft over the next 20 years. While the growth in air traffic might be less strong than expected, orders for fleet renewal, due in particular to environmental constraints, should offset orders for fleet development.

Automotive

Uncertainty clouds the prospects for a recovery in the automotive market, despite life returning to normal in China. Following multiple breaks in production chains due to supply shortages of electronic components, the forecast for global production of light vehicles has been revised downwards to 74.8 million units in 2021. The shortage is expected to persist until the second quarter of 2022, shifting the absorption of the order book to 2023.

Projected light vehicle production 2020-2028



Defence and energy

Growth should continue in the defence industry, fuelled by state investment programmes in the main countries involved in defence. This is the case in France, which has maintained the 2019-2025 Military Programming Law and took delivery of 50% of new tanks, together with new Barracuda submarines 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 was one of the sectors less affected by the health crisis. Government policy is expected to play a crucial role in coming years since investments in energy are driven by regulations or by public electricity procurement contracts.

The energy supply will have to be significantly increased in the coming years, particularly clean electricity.

2.3.3 Overview of the BU

2.3.3.1 Strategic positioning of the High Performance Alloys Activities

The High Performance Alloys Activities operates through two main subsidiaries: Aubert & Duval and Erasteel, two renowned experts in the design, development, transformation and manufacture of cutting-edge metallurgical solutions, upstream of strategic industries.

This positioning is based on:

- a unique industrial set-up in France and Europe;
- the capacity to secure the supply of critical materials such as special steels, superalloys and titanium to French and European industries;
- an integrated offer, from developing the materials to transforming them into finished products;
- R&D management, an essential part of meeting future challenges in materials' design and transformation, combined with historic metallurgical know-how recognised worldwide.

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

2.3.3.2 Activities

Melting

Melting activity is the manufacturing of special steels, high-speed steels, superalloys and titanium alloys, through various metal fusion techniques.

To give the materials the appropriate characteristics for the intended applications, development can rely on air fusion, vacuum or atomisation (powders) processes. Melting also extends to remelting processes, which can complete the primary process to improve the mechanical properties of the materials depending on the intended applications.

Processing

Whether developed in-house or by other steel-makers, the steel and alloy transformation is at the core of the Activities expertise and is done through various processes: the manufacture of critical parts by open-die or closed-die forging, the manufacture of semi-finished products (bars, billets, wire rods, etc.) by rolling or drawing.

Recycling

Since 2016, two new recycling activities have been developed in the High Performance Alloys Activities:

- a new business recovering industrial waste containing metals, particularly catalysts, has been installed at the Erasteel Commentry site. The non-ferrous metals recycled in this way are mainly molybdenum, nickel and cobalt;
- EcoTitanium is Europe's leading recycling business for aviation-grade titanium alloys, making use of massive titanium scrap and chips collected from major aircraft manufacturers and their subcontractors.

2.3.3.3 Detail of investments

(in millions of euros)	2017	2018	2019	2020	2021
Capital expenditure	59	63	53	38	46

Excluding IFRS 16.

The High Performance Alloys Activities has continued to make capital expenditures to strengthen its position as a strategic supplier to advanced sectors. The following major investment projects are noteworthy:

- development of the first independent European business producing superalloys for civil aeronautics at the Aubert & Duval site in Ancizes, including the upgrading of equipment and investment in the production activity;
- replacement of old-generation gas furnaces with furnaces incorporating energy efficiency technologies at Aubert & Duval's Pamiers site. This replacement is expected to cut final energy consumption fourfold and reduce CO_2 emissions by 1,800 tonnes each year;
- launch of the *EuroGreen High Speed Steel* project at Erasteel's Commentry site, which involves producing conventional high-speed steels from 100% recycled materials, with new investments in a recycling line.

The Activities is also pursuing its efforts to roll out its sustainable development policy in order to limit its impact and thus preserve the ecosystem and biodiversity.

2.4 INNOVATION AND DIGITAL TRANSFORMATION

2.4.1 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 who are completely dedicated to innovation, not counting the operational teams who participate in tests across all the industrial sites. 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. Due to the health crisis, the innovation teams were restructured so that resources could be detached on site in the short term while maintaining strong activity on the medium-term study portfolio, which is a priority for the innovation centre.

A STAR ("Situation - Task - Action - Results") approach was defined to guide the operational organisation of innovation. It includes:

- STAR GAIN projects, which are designed to contribute to the Group's performance in the short term, with very rapid cash generation (less than two years);
- STAR EDGE projects, which support Eramet's strategic transformation. They have been prioritised with the Business Units: the repositioning of the worst-performing assets, growth of energy transition metals The main three projects are the development of the lithium project, the increase in Comilog's capacity and the Sonic Bay project. STAR GREEN projects, which support the roll-out of the CSR roadmap. The ReLieVe lithium battery recycling project is the main circular economy project in the portfolio. Eramet Ideas is also very involved in projects to reduce CO_2 emissions from manganese and titanium oxide alloy plants and in projects to reduce atmospheric emissions. STAR BASE projects, which are benchmarking, knowledge management and technical engineering assistance projects or projects to improve mining and metallurgical processes. They create a preferential and regular link between the innovation teams and the operational staff on site. Thanks to these technical assistance missions, the innovation teams bring their expertise while maintaining an industrial anchoring essential to ensure the performance and industrial realism of the innovative solutions proposed.

In the longer term, the operational plan for innovation remains based on four main areas:

- growing geometallurgy and the digital transformation to drive the performance of the Group's mining assets;
- improving the performance of metallurgical and logistics assets for processing and transporting ore, ferroalloys, alloys and superalloys;
- contributing to implementing the Group's CSR roadmap;
- providing support for strategic development projects in energy transition metals.

The integrated positioning of innovation represents a strategic opportunity for the Eramet Group to industrialise value-creating solutions at every stage of production. This ability to innovate in multiple metals and alloys along the entire value chain contributes to Eramet's unique positioning.

2.4.2 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 key/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 few 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* 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.

2.4.3 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;
- the creation of an "Innovation Council" made up of recognised international academics in mining and metallurgy which audits and guides our portfolio of projects twice.
- 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 maximise 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.

2.4.4 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 maximizes the effectiveness of R&I programmes, from outlining programmes to implementing innovations on industrial sites, which may relate to products, improving the productivity of processes or reducing their environmental footprint. The following projects for 2021 are particularly noteworthy.

Development of battery-grade nickel and cobalt production

Nickel hydrometallurgy experts worked together on the design and necessary tests for the preliminary studies of a nickel and cobalt sulphate plant at Weda Bay to supply the lithium-ion battery market for electric vehicles.

Increase in manganese ore production

In 2020, the innovation teams supported the operating teams to design and start setting up the mining, mineralurgical and logistics equipment necessary for the 7 Mt target of manganese ore produced in Moanda, Gabon, by 2021.

Efficiency of the manganese alloy furnaces

We now have the convergence of a number of projects to develop an ultra-efficient ferromanganese and silicomanganese production metallurgy in terms of service life, process control and energy efficiency.

Decarbonation of metallurgical production processes

The innovation teams are fully incorporated into the launch of two pilot projects in Norway:

- Eramet Norway is preparing an industrial pilot to confirm the technical feasibility of the bio-reduction process developed by the R&D teams. This pilot is a first step towards the ultimate goal of producing manganese alloys without CO_2 emissions;
- TTI ("TiZir Titanium & Iron"), a subsidiary of TiZir, supported by the innovation teams, is preparing pilot tests to validate the option of replacing coal with hydrogen when reducing titanium ore.

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. As part of the European ReLieVe project, the final pilot tests in 2021 allowed a robust treatment process to be finalised. The year 2022 will be dedicated to a pre-feasibility study ("PFS") of a lithium battery recycling plant located in Europe.

Geothermal lithium production

Lithium extraction tests under industrial conditions and the management of the purification units of the solution obtained have enabled the production of 100% European battery-grade geothermal lithium for the first time. This success closes the development cycle within the framework of the European EuGéli project in partnership with Électricité de Strasbourg.

Centenario lithium

As the project was mothballed at the start of the year, the teams turned their attention to operating a scaled-back pilot plant at altitude under real-life conditions in the Argentine *salar*. Operated over nearly two years, the pilot plant corroborated the technical choices made for the project. It demonstrated that the direct extraction process is robust and the yield excellent (around 90% compared with around 50% for the conventional process used by competitors). It also confirmed the economic parameters for the technology. Following the announcement that construction work on the plant will recommence, the innovation teams are preparing to bring all their expertise to ensure the success of the project.

2.4.5 Digital transformation

Digital is at the heart of all of the Group's operations, supported by:

- **a *Data Factory* to accelerate the use of artificial intelligence:** optimisation of metallurgical processes in Norway and New Caledonia, predictive maintenance of the rail track in Gabon, optimisation of the lead-time at Erasteel, optimisation of the dredger path of GCO in Senegal;
- **the scaling up of numerous digital transformation projects at all of the Group's sites:** predictive maintenance in our plants, topography management by drone, safety solutions (anti-fatigue, anti-collision, control of coming on shift), etc.;
- **the business transformation of mining and metallurgy:** drone pilot certificates for mine topographers and Setrag's engineering structure control teams in Gabon, training for certificates in data science for metallurgists and geologists from SLN in New Caledonia and data training programmes for managers.

The teams in charge of digital transformation are closely involved in improving Eramet's CSR performance: installation of remote medicine stations in Gabon, the roll-out of connected tyres and drone monitoring to improve safety and environmental preservation at the mines, water management using connected sensors, optimisation of databases, organisation of "digital classes" for acculturation in Gabon, and investments in and partnerships with start-up incubators, wherever Eramet operates.

2.5 HOLDING

The company Eramet S.A., the consolidating parent company, has 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 Sustainable Development and Corporate Commitment Department, the Legal Department, the Information Systems Department and the Strategy and Innovation Department;
- the activity of the Nickel BU, 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).

2.6 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.

2017

- 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.

2020

- The first casting of low-grade nickel ferroalloy took place in late April 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.

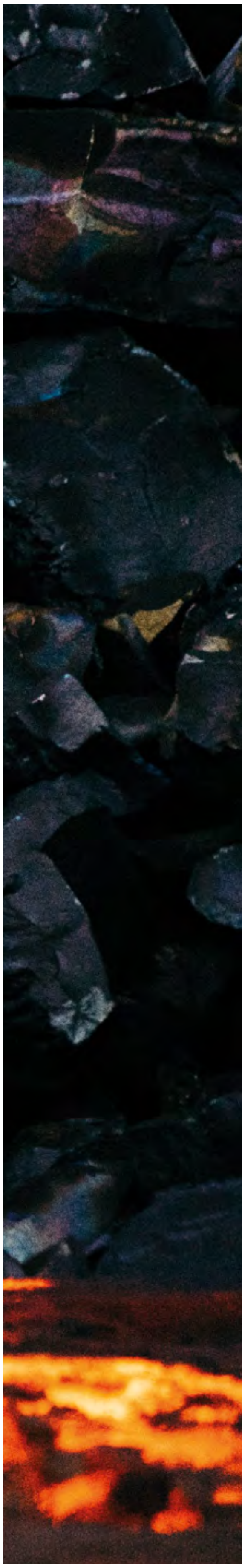
2021

- The signing of the contract for the sale of the hydrometallurgical plant in Sandouville (France) to Sibanye-Stillwater, a major precious metals player.
- 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.
- The signing of a partnership with Tsingshan, the Chinese steel group, to recommence construction of the lithium plant in Argentina.

→ Ferromanganese production, Porsgrunn plant, Eramet Norway

CONSOLIDATED FINANCIAL STATEMENTS AND INDIVIDUAL FINANCIAL STATEMENTS

3



3.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR

Income statement

(in millions of euros)	Notes	FY 2021	FY 2020
Turnover	**5**	**3,668**	**2,792**
Other income	5	42	22
Raw materials and purchases consumed	5	(962)	(867)
External expenses	5	(1,149)	(945)
Personnel cost	5	(536)	(475)
Taxes	5	(11)	(12)
Operating amortisation expense	5	(259)	(250)
Net change in operating provisions and impairment allowances	5	(9)	(8)
Current operating income	**5**	**784**	**257**
Other operating income and expenses	6	95	(233)
Operating income	**6**	**879**	**24**
Net debt cost	7	(116)	(119)
Other financial income and expenses	7	5	(33)
Financial income	**7**	**(111)**	**(152)**
Share of income from joint ventures and associates:	10	121	79
Income taxes	11	(98)	(111)
Net income from continuing operations		**791**	**(160)**
Net income from discontinued operations[1]	3	(426)	(516)
Net income for the period		**365**	**(676)**
Attributable to non-controlling interests	6	67	(1)
o/w continuing operations attributable to non-controlling interests		67	(1)
o/w discontinued operations attributable to non-controlling interests		0	0
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**298**	**(675)**
o/w continuing operations attributable to equity holders of the parent company		*724*	*(159)*
o/w discontinued operations attributable to equity holders of the parent company		*(426)*	*(516)*
Basic earnings per share of continuing operations *(in euros)*		25.35	(5.99)
Basic earnings per share of discontinued operations *(in euros)*		(14.90)	(19.47)
Basic earnings per share *(in euros)*		10.42	(25.46)
Diluted earnings per share of continuing operations *(in euros)*		25.24	(5.99)
Diluted earnings per share of discontinued operations *(in euros)*		(14.90)	(19.47)
Diluted earnings per share *(in euros)* [2]		10.37	(25.46)

(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 2021	FY 2020
Net income for the period		**365**	**(676)**
Translation differences for subsidiaries' financial statements in foreign currency		(14)	(36)
Change in the fair value reserve for bonds	8	(4)	6
Change in revaluation reserve for hedging instruments	8	(19)	19
Income taxes		4	-
Items recyclable to profit or loss		**(33)**	**(11)**
Revaluation of net defined benefit plan liabilities	13	(1)	1
Income taxes		(1)	(3)
Items not recyclable to profit or loss		**(2)**	**(2)**
Other comprehensive income		**(35)**	**(13)**
• Attributable to non-controlling interests		0	1
• **Attributable to equity holders of the parent company**		**(35)**	**(14)**
TOTAL COMPREHENSIVE INCOME		**330**	**(689)**
• Attributable to non-controlling interests		67	(0)
• **Attributable to equity holders of the parent company**		**263**	**(689)**

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 2021	FY 2020
OPERATING ACTIVITIES			
Net income for the period		365	(676)
Reincorporation of net income from discontinued operations		426	516
Non-cash income and expenses	7	2	354
Cash flow from operations		**793**	**194**
Net change in working capital requirement (WCR)	9	(80)	204
Net cash flow from continuing operating activities[1]		**713**	**398**
Net cash flow from discontinued operating activities[3]	3	(70)	(89)
Net cash flow from operating activities[1]		**643**	**309**
INVESTING ACTIVITIES			
Acquisition of non-current assets[2]	10	(312)	(313)
Net change in other non-current financial assets	10	(12)	29
Disposal of non-current assets	10	2	1
Net change in current financial assets	7	(37)	(30)
Dividends received from equity-accounted companies	10	130	-
Impact of changes in consolidation scope	7	6	-
Net investment cash flow relating to continuing operations		**(223)**	**(313)**
Net investment cash flow relating to discontinued operations[3]	3	(55)	(62)
Net cash used in investing activities		**(278)**	**(375)**
FINANCING ACTIVITIES			
Capital increase subscribed by non-controlling interests		31	-
Dividends paid to non-controlling interests		(7)	(8)
Payment of dividends and ODIRNAN		(4)	(4)
Buyback of equity shares		(8)	(4)
Issue of new debt	7	120	1,458
Loan repayments	7	(1,185)	(444)
Change in lease commitments[2]	7	(17)	(15)
Change in bank overdrafts	7	57	(3)
Other changes		(28)	17
Net financing cash flow relating to continuing operations		**(1,041)**	**997**
Net financing cash flow relating to discontinued operations[3]	3	14	(28)
Net cash used in financing activities		**(1,027)**	**969**
Impact of fluctuations in exchange rates of continuing operations		3	2
Impact of fluctuations in exchange rates of discontinued operations[3]	3	0	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(659)**	**905**
Cash and cash equivalents of assets held for sale[3]	3	(13)	-
Opening cash and cash equivalents	**7**	**1,461**	**556**
Closing cash and cash equivalents	**7**	**789**	**1,461**

(1) Including under operating activities		
Interest income	*9*	*10*
Interest paid (including IFRS 16 charge)	*(114)*	*(118)*
Tax paid	*(117)*	*(72)*

(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.

Balance sheet

Assets

(in millions of euros)	Notes	31/12/2021	31/12/2020 restated[(2)]
Intangible assets and goodwill	10	477	480
Property, plant and equipment	10	2,253	2,127
Lease rights of use	10	68	80
Investments in joint ventures and associates	10	97	99
Other non-current financial assets	10	188	216
Deferred tax assets	11	41	8
Other non-current assets	9	3	2
Non-current assets		**3,127**	**3,012**
Inventories	9	577	906
Customers	9	375	348
Other current assets	9	286	294
Current tax receivables	11	13	14
Derivatives – assets	8	38	58
Current financial assets	7	387	350
Cash and cash equivalents	7	789	1,461
Assets held for sale[(1)]	3	**651**	
Current assets		3,116	3,431
TOTAL ASSETS		**6,243**	**6,443**

(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval, Erasteel and Eramet Sandouville CGUs are shown in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

(2) See Note 3.3 "Restatement of comparative information".

Liabilities

(in millions of euros)	Notes	31/12/2021	31/12/2020 restated[(2)]
Capital	7	88	81
Share premiums	7	466	377
Revaluation reserve for available-for-sale assets	7	7	11
Revaluation reserve for hedging instruments	7	(11)	5
Revaluation reserve for defined benefit plan liabilities	7	(92)	(90)
Translation adjustments	7	(141)	(128)
Other reserves	7	695	469
Attributable to equity holders of the parent company		**1,012**	**725**
Attributable to non-controlling interests	6	323	233
Shareholders' equity		**1,335**	**958**
Employee-related liabilities	12	103	200
Provisions – due in more than one year	13	786	649
Deferred tax liabilities	11	225	221
Non-current borrowings – due in more than one year	7	1,578	2,830
Lease commitment – more than one year	7	66	76
Other non-current liabilities	9	1	-
Non-current liabilities		**2,759**	**3,976**
Current provisions – due in less than one year	13	10	87
Current borrowings – due in less than one year	7	455	268
Lease commitment – less than one year	7	13	15
Suppliers	9	403	541
Other current liabilities	9	399	467
Current tax payables	11	110	92
Derivatives – liabilities	8	74	39
Liabilities associated with assets held for sale[(1)]	3	685	
Current liabilities		**2,149**	**1,509**
TOTAL LIABILITIES		**6,243**	**6,443**

(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval, Erasteel and Eramet Sandouville CGUs are shown in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

(2) See Note 3.3 "Restatement of comparative information".

Statement of changes in equity

(in millions of euros)	Number of shares	Capital	Share premiums	Revaluation reserve for available-for-sale assets	Revaluation reserve for hedging instruments	Revaluation reserve for defined benefit plan liabilities	Translation adjustments	Other reserves	Attributable to equity holders of the parent company	Attributable to non-controlling interests	Shareholders' equity
Shareholders' equity restated at 1 January 2020 [1]	**26,636,000**	**81**	**377**	**5**	**(13)**	**(88)**	**(92)**	**1,089**	**1,359**	**241**	**1,600**
Net income for the period 2020								**(675)**	**(675)**	**(1)**	**(676)**
Other comprehensive income				6	18	(2)	(36)	-	(14)	1	(13)
Total comprehensive income		**-**	**-**	**6**	**18**	**(2)**	**(36)**	**(675)**	**(689)**	**-**	**(689)**
Share capital increase	5										
Distribution of dividends										(8)	(8)
Interest on equity instruments (ODIRNAN)								(4)	(4)		(4)
Share-based payment								6	6		6
Buyback of equity shares								(2)	(2)		(2)
Other movements								55	55		55
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**-**	**55**	**55**	**(8)**	**47**
Shareholders' equity restated at 31 December 2020 [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)	0	(35)
Total comprehensive income		**-**	**-**	**(4)**	**(16)**	**(2)**	**(13)**	**298**	**263**	**67**	**330**
Share capital increase	105,371	7	89					(96)	-	0	0
Distribution of dividends								0	0	(7)	(7)
Interest on equity instruments (ODIRNAN)								(4)	(4)		(4)
Share-based payment								6	6		6
Buyback of equity shares								(8)	(8)		(8)
Setrag capital increase								(1)	(1)	32	31
Other movements[2]								31	31	(2)	28
Total transactions with shareholders	**105,371**	**7**	**89**	**-**	**-**	**-**	**-**	**(72)**	**24**	**23**	**47**
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2021	**26,741,376**	**88**	**466**	**7**	**(11)**	**(92)**	**(141)**	**695**	**1,012**	**323**	**1,335**

(1) See Note 3.3 "Restatement of comparative information".

(2)Other movements consist mainly in the effects of hyperinflation in Argentina.

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.

Fair-value reserves on financial assets include changes in the fair value of bonds classified as "Other current financial assets".

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 2021 were approved by the Eramet Board of Directors on 23 February 2022.

The accompanying notes are an integral part of the consolidated financial statements.

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 Mining and Metals Division encompasses the following:

- 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 43% 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, through the company TiZir, extracts and develops mineral sands, mainly Zircon and titanium dioxide slag:
  - TiZir owns a mine in Senegal through the company Grande Côte (GCO) and the TiZir Titanium & Iron (TTI) metallurgical conversion plant in Norway.
  - Grande Côte (GCO) mines a deposit of mineral sands: titaniferous ore (ilmenite, rutile, leucoxene) and zircon.
  - The ilmenite is then transformed into titanium dioxide slag and high-purity pig iron at the TTI plant.
- **The Lithium Business Unit** was set up to mine and process the lithium deposit in Argentina through the company Eramine Sudamerica. This project, which was mothballed in 2020, was relaunched in 2021 with a project to build a lithium plant in partnership with Tsingshan.

Discontinued operations

- **Eramet Sandouville** is a refinery that produces pure nickel, nickel chloride, nickel carbonate and cobalt chloride.
- 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 and New Caledonia, 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 2021, the Group employed 8,523 people in continuing operations and 4,850 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. The Group therefore decided to start the process of disposing of some of its assets. The disposal of Eramet Sandouville in the Nickel Business Unit was finalised on 4 February 2022 and Eramet announced the beginning of exclusive discussions and the signing of a memorandum of understanding with a view to the potential sale of Aubert & Duval on 22 February 2022. The disposal process for Erasteel, the subsidiary specialising in high-speed steel, has also begun. In the circumstances, these three assets have been classified according to IFRS 5 as non-current assets held for sale.

2.1.1 Sale of the Sandouville hydrometallurgical plant to Sibanye-Stillwater

In July 2021, Eramet finalised a put option agreement with Sibanye-Stillwater for 100% of shares of its subsidiary, Eramet Sandouville, a hydrometallurgical plant in France. Eramet announced in November that it had exercised its put option on the shares of the subsidiary. The Group then signed the share disposal agreement with Sibanye-Stillwater. The transaction was finalised on 4 February 2022.

2.1.2 Signature of a memorandum of understanding with the Airbus, Safran and ACE consortium

As part of the process of disposal of some of the assets of the High Performance Alloys Division, on 22 February, Eramet signed a memorandum of understanding to sell Aubert & Duval to a consortium comprising Airbus, Safran and Tikehau Ace Capital. The transaction is expected to be finalised by the end of 2022. Under the terms envisaged, the sale of Aubert & Duval will take place on the basis of an enterprise value of €95 million, subject to price adjustments, and will be accompanied by a series of specific guarantees in addition to the usual guarantees. The accounting effect of the transaction, estimated at approximately -€340 million, was recognised in the net result of discontinued operations and includes asset write-downs as well as all exit costs and specific guarantees under the MoU.

2.2 Financial fraud and application of IAS 8 "Accounting Policies"

On 21 December 2021, Eramet announced that it had identified a financial fraud within treasury management at the Group's head office. This fraud entailed the falsification of the real characteristics of an investment an in unauthorised placement, followed by the concealment of the financial loss caused by the decrease in value of this placement. These irregularities amounted to a cumulative €45 million before the 2020 financial year. Eramet restated its consolidated financial statements pursuant to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The restatements reduced opening equity by €39 million, cash by €45 million, and increased deferred tax assets by €6 million.

2.3 Continuation of the recovery plan and new economic model of Société Le Nickel-SLN ("SLN")

In New Caledonia, SLN's mining production was unchanged at 5.4 Mwmt. Nickel ore exports increased by 17% to 3 Mwmt. Ferronickel production, by contrast, was particularly adversely affected, with volumes produced decreasing by 18% (39 kt) in 2021. Activities at the Doniambo mine and plant were affected by serious industrial unrest and a very unfavourable rainy season, as well as the health crisis. In these circumstances, the cash cost deteriorated, increasing to $7/lb from $5.35/lb on average in 2020. These factors meant that the full benefit of the marked rise in nickel prices was not felt.

To recap, SLN's rescue 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. Given the circumstances, SLN applied to the president of the Nouméa mixed commercial court for another conciliation procedure. with the aim of bringing together all stakeholders as soon as possible and allowing the continued smooth implementation of the rescue plan. This conciliation procedure is in progress. An initial milestone was passed in early 2022 with the authorisation to export an additional 2 Mwmt, to reach 6 Mwmt.

At end December 2021, as at 31 December 2020, €73 million of the €525 million in loans from Eramet and the French government granted in December 2015 remained undrawn. Under these market conditions, driven by nickel prices and provided the local situation improves, the financing package put in place by Eramet and the French State will enable SLN to honour its commitments for the next 12 months.

2.4 Review of the quality process within the High Performance Alloys Division and adaptation plan

Steps to ensure the compliance of quality processes continued with all customers concerned. Joint expert appraisals and comprehensive work in close collaboration with customers were carried out throughout the 2021 financial year. Complaints were received and were mainly resolved by means of settlement agreements. The provision amounted to €52 million at 31 December (€44 million at 31 December 2020). There were no legal developments at Aubert & Duval in connection with the compliance of its quality processes.

In the first half of 2021, Aubert & Duval signed a voluntary redundancy plan with the social partners. The provision recognised at 31 December 2021 was €23 million (part of an overall cost of €27 million) in order to cover the residual departures, which will be staggered through 2022 and 2023.

2.5 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

Comilog, a subsidiary of the Eramet Group, has signed a letter of intent with Meridiam (a private investor specialising in long-term management of sustainable public infrastructure) relating to Meridiam's entry into the capital of Eramet's subsidiary, Setrag, in January 2021. The main terms of an agreement with the State for its entry into Setrag's capital were enacted in a term sheet entitled "Guiding principles of the planned sale of an interest in the capital of Setrag by Comilog to the Gabonese State", signed between the two parties on 25 June 2021, enabling the Gabonese State to acquire an interest of 9%. On 8 September 2021, the third amendment to the railway concession, which provides for the extension of the concession until 2045, was signed between Setrag and the Gabonese State. The signing of this agreement finalised Meridiam's entry into Setrag's capital in November 2021 through a capital increase of €31 million. Meridiam thus became a minority shareholder of Setrag with an interest of 40%. Meanwhile, the State's entry into Setrag's capital should be finalised in 2022.

2.6 Construction of the lithium plant in Argentina resumes

Eramet has decided to resume construction of its lithium plant in Argentina in the first quarter of 2022, with production scheduled to begin at the start of 2024. Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint. Its partner, Tsingshan, will finance the construction and take a 49.9% stake in the project. Production volumes will be marketed by each partner based on their respective shareholding.

2.7 Financing

Early redemption of the TiZir bond

In July, Eramet redeemed the bonds issued by Group subsidiary TiZir, amounting to $225 million, ahead of maturity.

Repayment of the RCF

In July and December 2021, the drawn line of credit of the revolving credit facility, amounting to €900 million, was also repaid. The balance of €81 million was repaid in January 2022.

Early redemption of net share settled undated bonds convertible into new shares (ODIRNAN)

As announced in the 4 October 2021 press release, Eramet proceeded with the early redemption of outstanding ODIRNANs. Since the issue, and at the end of the period of exercise of the conversion rights, set at 25 October 2021, Eramet has received conversion requests relating to 2,156,142 ODIRNANs, resulting in the issue of 2,211,829 new shares. The remaining ODIRNANs in issue, i.e. 2,286 ODIRNANs, were redeemed in cash to the bearers for around €100,000.

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 2021 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 2021.

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 2021 and available on the website: http://ec.europa.eu/finance/accounting/ias/index_fr.htm.

The accounting principles and methods applied for the consolidated financial statements at 31 December 2021 are identical to those used for the consolidated financial statements at 31 December 2020.

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 2021 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 2021

(in millions of euros)	2021 before IFRS 5	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total IFRS 5	2021 reported
Turnover	**4,499**	**493**	**184**	**154**		**831**	**3,668**
Other income	60	16	3	(0)		18	42
Raw materials and purchases consumed	(1,390)	(205)	(80)	(144)		(428)	(962)
External expenses	(1,305)	(104)	(36)	(16)		(156)	(1,149)
Personnel cost	(816)	(209)	(55)	(16)		(280)	(536)
Taxes	(15)	(3)	(0)	(0)		(4)	(11)
Operating amortisation expense	(273)	(11)	(1)	(1)		(13)	(259)
Net change in operating provisions and impairment allowances	(9)	0	(0)	0		0	(10)
Intra-group operating activities	(0)	(33)	(3)	(4)	40	-	(0)
Current operating income	**751**	**(57)**	**12**	**(27)**	**40**	**(32)**	**784**
Other operating income and expenses	(206)	(351)	5	46		(300)	95
Other intra-group income and expenses	0	14	(0)	-	(14)	-	0
Operating income	**545**	**(394)**	**17**	**19**	**26**	**(332)**	**879**
Net debt cost	(119)	(1)	(1)	(0)		(3)	(116)
Other financial income and expenses	(43)	(47)	(1)	(0)		(48)	5
Intra-group financial operations		(2)	(1)	(10)	13	-	-
Financial income	(162)	(50)	(4)	(10)	13	(50)	(111)
Share of income from joint ventures and associates	121	(0)	-	-		(0)	121
Income taxes	(141)	(45)	2	0		(43)	(98)
Net income from continuing operations	**365**	**(488)**	**15**	**9**	**39**	**(426)**	**791**
Net income from discontinued operations						426	(426)
NET INCOME FOR THE PERIOD	**365**	**(488)**	**15**	**9**	**39**	**-**	**365**

Net income from discontinued operations 2020

(in millions of euros)	2020 reported	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total IFRS 5	2020 restated
Turnover	**3,553**	**523**	**136**	**103**		**761**	**2,792**
Other income	37	15	1	1		16	22
Raw materials and purchases consumed	(1,306)	(258)	(81)	(100)		(439)	(867)
External expenses	(1,110)	(119)	(30)	(16)		(165)	(945)
Personnel cost	(757)	(217)	(52)	(14)		(283)	(475)
Taxes	(19)	(6)	(0)	(1)		(8)	(12)
Operating amortisation expense	(281)	(25)	(4)	(2)		(31)	(250)
Net change in operating provisions and impairment allowances	(11)	(4)	(0)	(0)		(4)	(8)
Intra-group operating activities		(27)	(6)	(4)	37	-	-
Current operating income	**106**	**(119)**	**(36)**	**(33)**	**37**	**(152)**	**257**
Other operating income and expenses	(561)	(225)	(49)	(55)		(328)	(233)
Operating income	(455)	(344)	(85)	(88)	37	(480)	24
Net debt cost	**(120)**	**0**	**(0)**	**(0)**		**(0)**	**(119)**
Other financial income and expenses	(66)	(32)	(1)	(0)		(33)	(33)
Intra-group financial operations		(11)	(7)	(8)	26	-	-
Financial income	(186)	(43)	(8)	(9)	26	(33)	(152)
Share of income from joint ventures and associates:	86	7	-	-		7	79
Income taxes	(121)	(9)	(1)	(0)		(10)	(111)
Net income from continuing operations	**(676)**	**(389)**	**(93)**	**(97)**	**63**	**(516)**	**(160)**
Net income from discontinued operations						516	(516)
NET INCOME FOR THE PERIOD	**(676)**	**(389)**	**(93)**	**(97)**	**63**	**-**	**(676)**

Cash flows from discontinued operations 2021

(in millions of euros)	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total
OPERATING ACTIVITIES					
Net income for the period	(485)	14	9	39	(423)
Non-cash income and expenses	361	(10)	(44)		307
Cash flow from operations	**(124)**	**4**	**(35)**	**39**	**(116)**
Net change in working capital requirement (WCR)	49	(14)	(6)	18	47
Net cash flow from operating activities	**(75)**	**(10)**	**(41)**	**57**	**(69)**
INVESTING ACTIVITIES					
Acquisition of non-current assets	(37)	(8)	(6)	-	(51)
Net change in other non-current financial assets	(20)	-	-	-	(20)
Disposal of non-current assets	6	7	-	-	13
Impact of changes in consolidation scope	3	-	-	-	3
Net cash used in investing activities	**(48)**	**(1)**	**(6)**	**-**	**(55)**
FINANCING ACTIVITIES					
Issue of new debt	1	-	-	-	1
Intra-group loans	107	13	51	(171)	-
Loan repayments	(3)	(1)	(3)	-	(7)
Change in lease commitments	(2)	-	-	-	(2)
Change in bank overdrafts	23	(1)	-	-	22
Net cash used in financing activities	**126**	**11**	**48**	**(171)**	**14**

Cash flows from discontinued operations 2020

(in millions of euros)	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total
OPERATING ACTIVITIES					
Net income for the period	(389)	(93)	(97)	63	(516)
Non-cash income and expenses	237	47	53		337
Cash flow from operations	**(152)**	**(46)**	**(44)**	**63**	**(179)**
Net change in working capital requirement (WCR)	44	31	8	7	90
Net cash flow from operating activities	**(108)**	**(15)**	**(36)**	**70**	**(89)**
INVESTING ACTIVITIES					
Acquisition of non-current assets	(36)	(6)	(5)	-	(47)
Net change in other non-current financial assets	(15)	-	-	-	(15)
Net cash used in investing activities	(51)	(6)	(5)	-	(62)
Financing activities					
Issue of new debt	**1**	**-**	**-**	**-**	**1**
INTRA-GROUP LOANS	168	35	42	(245)	-
Loan repayments	(3)	(17)	(1)	-	(21)
Change in lease commitments	(2)	-	-	-	(2)
Change in bank overdrafts	(5)	(1)	-	-	(6)
Net cash used in financing activities	**159**	**17**	**41**	**(245)**	**(28)**

Assets held for sale and associated liabilities at 31 December 2021

(in millions of euros)	Aubert & Duval	Erasteel	Sandouville	Total
Intangible assets and goodwill	-	(0)	(0)	(1)
Property, plant and equipment	-	(9)	(50)	(59)
Lease rights of use	0	(2)	(3)	(5)
Investments in joint ventures and associates	0	-	-	0
Other non-current financial assets	0	(4)	(0)	(4)
Deferred tax assets	(0)	(11)	(0)	(11)
Other non-current assets	-	(0)	-	(0)
Non-current assets	**0**	**(26)**	**(53)**	**(80)**
Inventories	(297)	(98)	(28)	(423)
Customers	(61)	(20)	(2)	(82)
Other current assets	(30)	(10)	(4)	(44)
Current tax receivables	(4)	-	-	(4)
Derivatives – assets	(3)	(2)	-	(4)
Cash and cash equivalents	(4)	(9)	(0)	(13)
Current assets	**(398)**	**(139)**	**(34)**	**(571)**
ASSETS HELD FOR SALE	**398**	**165**	**87**	**651**

(in millions of euros)	Aubert & Duval	Erasteel	Sandouville	Total
Employee-related liabilities	(63)	(5)	(9)	(76)
Provisions – due in more than one year	(19)	(4)	(0)	(23)
Deferred tax liabilities	(45)	(8)	(0)	(54)
Non-current borrowings – due in more than one year	(7)	-	(0)	(8)
Lease commitment – more than one year	(7)	(2)	(4)	(14)
Non-current liabilities	**(141)**	**(19)**	**(13)**	**(175)**
Current provisions – due in less than one year	(95)	(1)	-	(96)
Current borrowings – due in less than one year	(35)	(5)	(0)	(41)
Lease commitment – less than one year	(5)	(0)	(1)	(6)
Suppliers	(168)	(33)	(22)	(223)
Other current liabilities	(105)	(25)	(7)	(137)
Derivatives – liabilities	(3)	(4)	-	(7)
Current liabilities	**(411)**	**(68)**	**(30)**	**(510)**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE	**552**	**87**	**43**	**685**

3.3 Restatement of comparative information

As indicated in Note 2 “Key events in the reporting period”, on 21 December 2021, Eramet announced that it had detected a financial fraud within its treasury management at the Group’s head office. This fraud entailed the falsification of the real characteristics of an investment an in unauthorised placement, followed by the concealment of the financial loss caused by the decrease in value of this placement. These irregularities amounted to a cumulative €45 million before the 2020 financial year.

Eramet restated its consolidated financial statements pursuant to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The restatements, which were made on 1 January 2020, reduced opening equity by €39 million and current financial assets by €45 million, and increased deferred tax assets by €6 million, as shown in the table below.

(in millions of euros)	31/12/2020 published	31/12/2020 restated	IAS 8 correction
Deferred tax assets	2	8	6
Non-current assets	**3,006**	**3,012**	**6**
Current financial assets	395	350	(45)
Current assets	**3,476**	**3,431**	**(45)**
TOTAL ASSETS	**6,482**	**6,443**	**(39)**

(in millions of euros)	31/12/2020 published	31/12/2020 restated	IAS 8 correction
Other reserves	508	469	(39)
Shareholders’ equity	**997**	**958**	**(39)**
TOTAL LIABILITIES	**6,482**	**6,443**	**(39)**

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 Mining and Metals Division includes the Nickel, Manganese, Mineral Sands and Lithium BUs (since 1 January 2019). 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.

<table>
<tr><th>Accounting method</th><th>Estimates, assumptions and judgements</th></tr>
<tr><td>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.
Group financial reporting data are monitored in the same way as its reported data (scope and principles).</td><td>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);
• 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);
• industrial investments, 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, representing the 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).</td></tr>
</table>

4.1 Reconciling EBITDA of reported financial indicators

(in millions of euros)	FY 2021	FY 2020
Turnover	**3,668**	**2,792**
Other income	42	22
Raw materials and purchases consumed	(962)	(867)
External expenses	(1,149)	(945)
Personnel cost	(536)	(475)
Taxes	(11)	(12)
Net change in impairment of current assets	(1)	
EBITDA	1,051	516
Operating amortisation expense	(259)	(250)
Net change in operating provisions and impairment allowances (excluding current assets)	(8)	(8)
Current operating income	**784**	**257**
Other operating income and expenses	95	(233)
Operating income	**879**	**24**
Net debt cost	(116)	(119)
Other financial income and expenses	5	(33)
Financial income	(111)	(153)
Share of income from joint ventures and associates	121	79
Income taxes	(98)	(111)
Net income from continuing operations	**791**	**(160)**
Net income from discontinued operations[1]	(426)	(516)
NET INCOME FOR THE PERIOD	**365**	**(676)**
• Attributable to non-controlling interests	67	(1)
• **Attributable to the Group**	**298**	**(675)**

(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.

4.2 Performance indicators by Division

(in millions of euros)	Mining and metals				Holding and eliminations and other	Total continuing operations	High Performance Alloys	Sandouville	Eliminations	Total continuing and discontinued operations
	Manganese	Nickel	Mineral sands	Lithium						
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
FY 2020										
Turnover	1,699	802	276	-	15	2,792	658	103		3,553
EBITDA	442	52	91	(5)	(64)	516	(124)	(31)	37	398
Current operating income	339	(46)	44	(5)	(75)	257	(155)	(33)	37	106
Net cash flow generated by operating activities	472	53	60	(52)	(135)	398	(123)	(36)	70	309
Industrial investments (intangible assets and property plant & equipment)	195	39	16	34	15	299	38	5		342

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 2021	253	966	657	604	985	57	115	31	3,668
FY 2020	26	560	562	834	654	24	102	30	2,792
INDUSTRIAL INVESTMENTS (INTANGIBLE ASSETS AND PROPERTY PLANT & EQUIPMENT)									
FY 2021	9	42	2	-	-	35	219	5	312
FY 2020	16	28	2	-	-	39	180	34	299
NON-CURRENT ASSETS (EXCLUDING DEFERRED TAX)									
31 December 2021	217	458	245	2	97	562	1,506	-	3,087
31 December 2020	367	432	54	1	100	577	1,421	53	3,005

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 2021	FY 2020
Turnover	**3,668**	**2,792**
EBITDA	**1,051**	**516**
Amortisation and depreciation of non-current assets	(259)	(250)
Provisions for liabilities and charges	(8)	(8)
Current operating income	**784**	**257**
Impairment of assets	117	(209)
Other operating income and expenses	(22)	(24)
Operating income	**879**	**24**
Financial income	(111)	(152)
Share of income from associates	121	79
Income taxes	(98)	(111)
Net income from continuing operations	**791**	**(160)**
Net income from discontinued operations(1)	(426)	(516)
NET INCOME FOR THE PERIOD	**365**	**(676)**
• Attributable to non-controlling interests	67	(1)
• **Attributable to the Group**	**298**	**(675)**
Basic earnings per share *(in euros)*	10.42	(25.46)

(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 2021	FY 2020
OPERATING ACTIVITIES		
EBITDA	1,051	516
Cash impact of items in EBITDA	(258)	(322)
Cash flow from operations	**793**	**194**
Change in WCR	(80)	204
Net cash generated by operating activities (A)	**713**	**398**
INVESTING ACTIVITIES		
Industrial investments	(312)	(299)
Other investment flows	125	17
Net cash used in investing activities (B)	**(187)**	**(282)**
Net cash used in financing activities	**21**	**(15)**
Impact of fluctuations in exchange rates and other	(25)	29
Acquisition of IFRS 16 rights of use	(10)	(8)
Change in net financial debt of assets held for sale(1)	(125)	(151)
(INCREASE)/DECREASE IN NET FINANCIAL DEBT	**388**	**(29)**
Opening (net financial debt)	**(1,378)**	**(1,349)**
Closing (net financial debt) of continuing operations	**(936)**	**(1,378)**
(Net financial debt) of discontinued operations	**(54)**	
Free cash flow (A) + (B)	**526**	**116**

(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.

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)	31/12/2021	31/12/2020 restated
Cash and cash equivalents	**789**	**1,461**
Other current financial assets	387	350
Loans	(2,033)	(3,098)
Lease liabilities (IFRS 16)	(79)	(91)
NET FINANCIAL DEBT – REPORTING	**(936)**	**(1,378)**

4.4.3 Economic balance sheet

(in millions of euros)	31/12/2021	31/12/2020 restated
Non-current assets	**3,083**	**3,003**
Inventories	577	906
Customers	375	348
Suppliers	(403)	(541)
Simplified WCR	**549**	**713**
Other items of WCR	(233)	(238)
Total WCR	**316**	**475**
Derivatives	-	7
Assets held for sale[1]	**651**	**-**
TOTAL ASSETS	**4,050**	**3,485**

(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval, Erasteel and Eramet Sandouville CGUs are shown in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

(in millions of euros)	31/12/2021	31/12/2020 restated
Shareholders' equity – Group share	1,012	725
Non-controlling interests	323	233
Shareholders' equity	**1,335**	**958**
Cash and cash equivalents and other current financial assets	(1,176)	(1,811)
Loans	2,112	3,189
Net financial debt	**936**	**1,378**
Net financial debt/shareholders' equity (gearing)	70%	144%
Employee-related liabilities and provisions	899	936
Net deferred tax	**184**	**213**
Derivatives	**11**	**-**
Liabilities associated with assets held for sale[1]	**685**	**-**
TOTAL LIABILITIES	**4,050**	**3,485**

(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval, Erasteel and Eramet Sandouville CGUs are shown in the consolidated balance sheet at 31 December 2021 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 2021 was €3,668 million, compared with €2,792 million in 2020, an increase of 31.4% (+€876 million).

Note 4 gives the breakdown by BU.

5.2 Other income, raw materials and purchases consumed, external expenses and taxes

Accounting method	Estimates, assumptions and judgements
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.	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 value in use 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 31 December 2021:

- 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 and Mineral Sands 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 millions of euros)	FY 2021	FY 2020
Intangible assets	(24)	(16)
Property, plant and equipment	(235)	(235)
Total	**(259)**	**(250)**
Net impairment of trade receivables	(2)	(1)
Net allowances for stock depreciation	1	1
Net provisions for liabilities and charges	(8)	(8)
TOTAL	**(268)**	**(258)**

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 2021	FY 2020
Impairment of assets and impairment losses	117	(209)
Other operating income and expenses excluding impairment	(22)	(24)
OTHER OPERATING INCOME AND EXPENSES	**95**	**(233)**

(in millions of euros)	FY 2021	FY 2020
Niobium project		(1)
Lithium project	(11)	(31)
Weda Bay development project	(3)	4
Other projects	(7)	(3)
Development projects	**(21)**	**(31)**
Restructuring and redundancy plans	-	(2)
Provisions for site restoration – SLN		(1)
Environmental provisions – ENO		4
Gains and losses on disposals	(1)	(4)
Other items	(0)	10
Other income and expenses	**(1)**	**7**
TOTAL – OTHER OPERATING INCOME AND EXPENSES EXCLUDING IMPAIRMENT	**(22)**	**(24)**

Expenditure on the Lithium project in Argentina essentially comprises the expenses for the period (see Note 2.2).

6.1.2 Impairment of assets and impairment losses

(in millions of euros)	FY 2021	FY 2020
Losses on impairment tests – Property, plant & equipment	-	(209)
Impairment loss reversals – Property, plant & equipment	117	
TOTAL – IMPAIRMENT OF ASSETS AND IMPAIRMENT LOSSES	**117**	**(209)**

(in millions of euros)	FY 2021	FY 2020
Manganese BU		(83)
Lithium BU	117	(113)
Holding		(13)
TOTAL – IMPAIRMENT OF ASSETS AND IMPAIRMENT LOSSES NET OF REVERSALS	**117**	**(209)**

The resumption of depreciation on the Lithium BU is related to the resumption of the extraction project in Argentina (See Note 2.6 “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 2021			FY 2020		
	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	723	28,571,634	25.33	(159)	26,506,323	(5.99)
Basic earnings per share of discontinued operations	(426)	28,571,634	(14.90)	(516)	26,506,323	(19.47)
Basic earnings per share	298	28,571,634	10.42	(675)	26,506,323	(25.46)
Diluted earnings per share of continuing operations(1)	**723**	**28,692,070**	**25.21**			**(5.99)**
Diluted earnings per share of discontinued operations(1)	(426)	28,692,070	(14.84)			(19.47)
DILUTED EARNINGS PER SHARE(1)	**298**	**28,692,070**	**10.37**			**(25.46)**

(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

(in millions of euros)	% of non-controlling interests	Share of Results FY 2021	Share of Shareholders' equity 31/12/2021	Share of Results FY 2020	Share of Shareholders' equity 31/12/2020
At beginning of period			**233**		**241**
Profit (loss) for the period			67		(1)
Change in revaluation reserve for financial instruments			0		1
Translation adjustments			(0)		0
Sub-total Other comprehensive income			**67**		**1**
Distributions of dividends			(7)		
Setrag capital increase			32		
Other movements			(2)		(8)
AT PERIOD CLOSE		**67**	**323**	**(1)**	**233**
Société Le Nickel-SLN	44.00%	(14)	(154)	(38)	(141)
Comilog S.A.	36.29%	76	478	35	379
Grande Côte Operations	10.00%	7	(1)	2	(7)
Interforge	4.30%	(2)	0	(0)	1

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 11.4% at 31 December 2021 (from 10.7% at 31 December 2020).

(in millions of euros)	31/12/2021	31/12/2020 restated
Loans	**(2,033)**	**(3,098)**
Borrowings on capital markets	(905)	(1,127)
Borrowings from credit institutions	(770)	(1,699)
Bank overdrafts and creditor banks	(101)	(61)
Finance lease liabilities	(5)	(22)
Other borrowings and financial liabilities	(253)	(189)
Lease liabilities	**(79)**	**(91)**
Other current financial assets	**387**	**350**
Cash and cash equivalents	**789**	**1,461**
Cash equivalents	212	823
Cash	577	638
NET FINANCIAL DEBT	**(936)**	**(1,378)**
Net financial debt – due in more than one year	(1,644)	(2,906)
Net financial debt – due in less than one year	708	1,528

7.2 Borrowings

7.2.1 Borrowings and lease commitments by type

(in millions of euros)	31/12/2021	31/12/2020
Loans		
Borrowings on capital markets	905	1,127
Borrowings from credit institutions	770	1,699
Bank overdrafts and creditor banks	101	61
Finance lease liabilities	5	22
Other borrowings and financial liabilities	253	189
Lease liabilities	**79**	**91**
TOTAL	**2,112**	**3,189**
• Long-term portion	1,644	2,906
• Short-term portion	469	283

7.2.2 Borrowings on capital markets and bank loans

(in millions of euros)	Nominal amount *(currency unit million)*	Interest rate	Maturity	31/12/2021	31/12/2020
Bond issue – Eramet S.A.	€525 million	4.50%	2020		-
Bond issue – Eramet S.A.	€500 million	4.196%	2024	516	516
Bond issue – TiZir Ltd(1)	$300 million	9.500%	2022	-	223
Bond issue – Eramet S.A. (2)	€300 million	5.875%	2025	308	308
Euro private placement – Eramet S.A. (3)	€50 million	5.29%	2026	29	29
Euro private placement – Eramet S.A. (3)	€50 million	5.10%	2026	51	51
BORROWINGS ON MARKETS				**905**	**1,127**
ICBC/BNP Paribas/BGFI loans – Comilog S.A.	$217 million	6-month Libor +4.3%/+2.1%	2018/2022	29	21
Borrowing Base – Eramet S.A. (4)	€65 million	1-month Euribor 1.5%	2022	50	50
European Investment Bank – Eramet S.A.	€80 million	1.736%	2025	36	45
European Investment Bank – Eramet S.A.	€30 million	2.72%	2029	24	27
European Investment Bank – Eramet S.A.	€60 million	1.58%	2030	61	61
European Investment Bank – Eramet S.A.	$67 million	3.55%	2030	61	56
IFC/Proparco – Setrag	€85 million	Euribor 4%/5%	2031	73	82
Syndicated credit facility (5)	€981 million	6-month Euribor 1.7%	2024	80	985
Term Loan (Multi-currency Term Loan Facility Agreement)(6)	€350 million	6-month Euribor 2.00%	2024	348	349
Other borrowings from credit institutions				9	23
BORROWINGS FROM CREDIT INSTITUTIONS				**770**	**1,699**

(1) Repayment in July 2021.
(2) 14 November 2019 bond issue.
(3) With investor put *options that may be exercised after the seventh year, i.e. in 2021.*
(4) Renewed in June 2019. Three-year maturity.
(5) The credit facility was repaid in 2021 in the amount of €901 million.
(6) 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 (IFRS 16 borrowings and lease liabilities)

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**3,098**	**2,225**
New borrowings of continuing operations	120	1,458
New borrowings of discontinued operations	-	1
Loan repayments of continuing operations	(1,185)	(444)
Loan repayments of discontinued operations	(7)	(21)
Change in bank overdrafts of continuing operations	57	(3)
Change in bank overdrafts of discontinued operations	22	(6)
Change in accrued interest not yet due	(16)	-
Changes to consolidation scope	(7)	-
Reclassification under IFRS 5	(56)	-
Translation adjustments and other movements	7	(15)
AT END OF PERIOD – BORROWINGS	**2,033**	**3,098**

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**91**	**97**
Change in lease liabilities (IFRS 16)	(2)	(1)
Changes to consolidation scope	(1)	-
Reclassification under IFRS 5	(12)	-
Translation adjustments and other movements	3	(5)
AT PERIOD CLOSE - LEASE COMMITMENTS	**79**	**91**

New borrowings mainly concern:

- maturity of the repo transaction for €65 million (see Note 15.1 “Off-balance sheet commitments”);
- the CAT Finance loan to Comilog of €33 million;
- commercial paper subscribed for €5 million.

Loan repayments mainly concern:

- repayment of the revolving credit facility for €901 million;
- redemption of the TiZir bond for €212 million ($240 million);
- repayment of the CMM loan for €24 million;
- partial repayment of the IFC/Proparco loan at Setrag for €8 million;
- repayment of the SGBS credit facility at Grande-Côte for €8 million.

7.2.4 Borrowings and lease liabilities by currency

(in millions of euros)	31/12/2021	31/12/2020
Euro	1,957	2,793
US dollar	147	302
CFA franc	0	84
Pound sterling	0	0
Norwegian krone	3	3
Other currencies	4	7
TOTAL	**2,112**	**3,189**

7.2.5 Confirmed credit facilities

(in millions of euros)	31/12/2021	31/12/2020
Unused confirmed credit facilities[1]	**901**	**-**
Revolving Credit Facility (RCF)	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)	31/12/2021	31/12/2020
Interest-free	69	5
Fixed interest rates	1,736	1,974
• below 5%	1,280	1,292
• between 5% and 10%	456	682
• above 10%	-	-
Variable interest rates	307	1,210
• below 5%	210	1,062
• between 5% and 10%	97	148
• above 10%	-	-
TOTAL	**2,112**	**3,189**

7.2.7 Borrowings and lease liabilities by maturity

Borrowing maturity (excluding lease commitments, including lease purchase commitments)

(in millions of euros)	31/12/2021	31/12/2020
Less than one year	456	268
One to five years	1,473	2,690
More than five years	104	140
TOTAL	**2,033**	**3,098**

Finance lease liabilities and lease liabilities by maturity

	31/12/2021		31/12/2020	
(in millions of euros)	Nominal value	Present value	Nominal value	Present value
LEASE-PURCHASE COMMITMENTS				
Less than one year	3	3	9	8
One to five years	2	2	15	13
More than five years			1	1
Total before interest expense	**5**	**5**	**25**	**22**
Future Interest expense		0		3
LEASE COMMITMENTS				
Less than one year	21	13	25	15
One to five years	64	42	70	43
More than five years	48	24	52	33
Total before interest expense	**133**	**79**	**147**	**91**
Future Interest expense		54		56
TOTAL	**138**	**138**	**172**	**172**

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)	**31/12/2021**	31/12/2020
Cash	577	823
Cash equivalents	212	638
TOTAL	**789**	**1,461**

7.3.2 Breakdown by currency

(in millions of euros)	**31/12/2021**	31/12/2020
Euro	437	1,175
US dollar	251	151
Yuan Ren-Min-Bi (China)	1	1
Norwegian krone	24	106
Other currencies	76	28
TOTAL	**789**	**1,461**

7.3.3 Breakdown by interest rate type

(in millions of euros)	**31/12/2021**	31/12/2020
Interest-free	577	823
Fixed interest rates	0	3
Variable interest rates	212	655
TOTAL	**789**	**1,461**

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)	**31/12/2021**	31/12/2020
Money market fund shares/units	110	236
Negotiable debt securities	75	284
Interest-bearing bank accounts	11	99
Other investments	16	19
Cash equivalents	**212**	**638**
Cash	577	823
CASH AND CASH EQUIVALENTS	**789**	**1,461**

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 2021	FY 2020
Depreciation, amortisation, impairment and provisions	142	419
Accretion expenses	13	9
Financial instruments	(25)	(3)
Deferred tax	1	(6)
Proceeds from asset disposals		4
Deconsolidation effect on the income statement	(12)	2
Effect on hyperinflation adjustments on the income statement	4	8
Unrealised translation differences	3	0
Share of income from joint ventures and associates	(121)	(79)
NON-CASH INCOME AND EXPENSES	**5**	**354**

7.5 Current financial assets

Accounting method

These assets mainly consist of 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).

The credit risk component, corresponding to the estimate of expected losses measured per bond, is measured according to their categorisation into buckets, defined on the basis of a credit risk rating measured on the basis of the spread, and is recognised in the income statement.

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 investments are recognised in transferable equity under the item Change in fair value of current financial assets or in profit or loss.

The net change of €37 million in current financial assets between 2020 and 2021 (€30 million between 2019 and 2020) is shown in net cash flow used in investing activities.

7.6 Financial income

(in millions of euros)	FY 2021	FY 2020
Net debt cost	(116)	(119)
Other financial income and expenses	5	(33)
FINANCIAL INCOME	**(111)**	**(152)**

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 2021	FY 2020
Interest income	9	9
Interest expense	(107)	(123)
Amortised cost on borrowings	(7)	(8)
Net income on marketable securities	(1)	13
Change in fair value of investment securities	(0)	(8)
Net translation differences	(10)	(4)
NET DEBT COST	**(116)**	**(119)**

Interest expenses decreased from €123 million to €107 million. This decrease included €10 million related to the full redemption of the TiZir bond in July 2021.

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 2021	FY 2020
Investment and dividend income	0	1
Employee benefits – net interest		
Profit (loss) on disposal of equity investments	(1)	0
Accretion expenses	(9)	(9)
Financial instruments ineligible as hedges – currency	(4)	3
Securitisation financial expense	(2)	(1)
Impairment of securities and current accounts	(5)	4
Net translation differences	26	(26)
Impact of hyperinflationary economies	(1)	(4)
Other	(0)	(1)
OTHER FINANCIAL INCOME AND EXPENSES	**5**	**(33)**

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 (€81,239,815 at 31 December 2020) comprises 28,755,047 fully paid up shares (26,636,005 shares at 31 December 2020) with a par value of €3.05 each.

	31/12/2021				31/12/2020			
	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	43.49	20,501,705	36.94	9,840,143	43.78	19,675,977
FSI Equation (a subsidiary of Bpifrance) and the French State (Caisse des Dépôts et Consignations)	27.13	7,800,993	30.99	14,611,510	25.57	6,810,317	30.31	13,620,634
S.T.C.P.I.	4.03	1,159,994	4.73	2,230,581	4.02	1,070,587	4.76	2,141,174
Eramet S.A.	0.64	183,413	-		0.62	165,188	-	
Eramet S.A. share fund	0.71	203,500	0.67	316,158	0.73	195,311	0.69	307,969
Other	30.41	8,745,585	20.12	9,484,524	32.12	8,554,459	20.46	9,195,583
TOTAL NUMBER OF SHARES	**100.00**	**28,755,047**	**100.00**	**47,144,478**	**100.00**	**26,636,005**	**100.00**	**44,941,337**
of which registered shares	*72.34*	*20,802,646*	*83.24*	*39,242,236*	*70.68*	*18,825,153*	*82.74*	*37,186,116*
of which bearer shares	*27.66*	*7,952,401*	*16.76*	*7,902,242*	*29.32*	*7,810,852*	*17.26*	*7,755,221*

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 General 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).

This issue has strengthened the balance sheet structure of the Eramet Group.

ODIRNAN is a perpetual bond with no maturity date. Holders do not have the option to redeem the instrument for cash in hand. The instrument can be redeemed in the event of liquidation of the Company with the payment of accrued and deferred coupons, as applicable. The organisation of the coupon payments is left up to Eramet and may be delayed, as Eramet has not decided on a dividend distribution since the penultimate interest payment date (or since the issue date for the first two payment dates). In case of non-payment of coupons, they will remain due and will constitute arrears which will bear interest at the applicable rate for bond coupons.

The coupon is fixed at an annual nominal rate of 4% until October 2022. It will then switch to a variable rate from 5 October 2022, calculated at the 6-month Euribor rate plus a margin of 1,000 basis points ("step-up" clause). In the event of a change of control of Eramet, the annual interest rate will be increased by 500 basis points unless the Company opts for early redemption within 45 days of the change of control.

Bond holders will receive an equity conversion right. The issuer may choose to deliver one of the following to bondholders exercising their right to receive shares:

- cash only;
- new shares only;
- or a combination of new shares and cash.

The characteristics of ODIRNAN shares led the Eramet Group to classify them as an equity instrument because:

- there is no contractual obligation to repay the nominal value except in the event of liquidation of the issuer. The regulatory framework stipulating redemption in case of liquidation does not affect the classification as an equity instrument;
- the payment of coupons to bond holders is:
  - either dependent on the liquidation of the issuer. As noted above, an obligation for the issuer to proceed with payment in case of liquidation does not establish the existence of a debt,
  - or under the control of the issuer (dividends, share buy-back or equivalent, early redemption decided by the issuer, decision to pay the next bond coupon, etc.).

Finally, the default interest clause (capitalised at the same rate as the bonds) and the "step-up" clause, which significantly increases the amount of coupons beyond a certain date if the instrument has not been previously redeemed by the issuer, constitute economic constraints, not contractual obligations. Therefore, given the characteristics of the instruments and elements mentioned above, Eramet has no contractual obligation to pay compensation on perpetual debt instruments. Finally, the different options mentioned above do not call into question the classification of equity instruments.

At 31 December 2020, the number of bonds in issue was 2,065,640 and the par value of the bonds was €95.7 million.

Between January and September 2021, requests were made for the conversion of 993,107 bonds to shares, resulting in the issue of 1,019,905 new shares.

In early October 2021, the Group announced the early redemption of the remaining ODIRNANs outstanding. At the end of the period of exercise of the conversion rights, set at 25 October 2021, the Group received conversion requests relating to 1,070,249 ODIRNANs, resulting in the issue of 1,026,606 new shares. The remaining ODIRNANs outstanding, i.e. 2,286 ODIRNANs, were redeemed on 19 November 2021, resulting in a cash payment to bearers of around €100,000.

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 2020		**79,433**	**97,129**	**176,562**
As a percentage of capital	*26,636,000*	*0.30%*	*0.36%*	*0.66%*
Buyback mandate			131,625	131,625
Final allocation of bonus shares			(119,197)	(119,197)
Purchases/sales		(23,802)		(23,802)
Position at 31 December 2020		**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%*

(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 €18.9 million at 31 December 2021 (€14 million at 31 December 2020). 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, to a lesser extent, 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. 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 operations

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 cumulative amounts in shareholders' equity are recognised in income for the period when income is affected by the hedged item. The ineffective portion is retained in income for the period under Other financial income and expenses.
- 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

	31/12/2021	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	Liabilities at cost amortised	Derivatives
Non-consolidated equity investments	6	6				
Other 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**

	31/12/2020 Restated	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	Liabilities at cost amortised	Derivatives
Non-consolidated equity investments	18	18				
Other current/non-current financial assets	198			198		
Other non-current assets	2			2		
Trade receivables	348			348		
Other current assets	294			294		
Derivatives	58					58
Current financial assets	350	159	191			
Cash and cash equivalents	1,461	1,461				
ASSETS	**2,729**	**1,638**	**191**	**842**	**-**	**58**
Non-current borrowings – due in more than one year (incl. lease commitments)	2,906				2,906	
Other non-current liabilities	-					
Current borrowings – due in less than one year (incl. lease commitments)	283				283	
Trade payables	541			541		
Other current liabilities	467			467		
Derivatives	39					39
LIABILITIES	**4,236**	**-**	**-**	**1,008**	**3,189**	**39**

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 2021)	Forward and currency option	359		(8)
Commodity risk				
Cash Flow Hedge (CFH)				
Interest rate risk				
Trading	Interest rate swap	9		
Setrag EUR borrowing	Interest rate swap	63		(2)
Currency risk				
Group future revenue foreign exchange hedge	Forward and currency option	637	6	(13)
Commodity risk				
Electricity supply	Future on electricity	6		

The fair value of financial instruments broken down by fair value hierarchy is as follows:

	31/12/2021	**Breakdown by fair value category**		31/12/2020	Breakdown by fair value category	
(in millions of euros)	**Value on balance sheet**	**Level 1**	**Level 2**	Value on balance sheet	Level 1	Level 2
Current financial assets	387	387		350	350	
Cash and cash equivalents	789	789		1,461	1,461	
Derivatives	38		38	58		58
ASSETS	**1,214**	**1,176**	**38**	**1,914**	**1,856**	**58**
Derivatives	74		74	39		39
LIABILITIES	**74**	**-**	**74**	**39**	**-**	**39**

8.2 Effects of financial instruments on the income statement

(in millions of euros)	FY 2021 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)**

(in millions of euros)	FY 2020 Effects in profit (loss)	Income and (expense) financial	Cost amortised	Fair value	Conversion monetary	Profit (loss) on disposal	Impairment net
Equity investments	(3)						(3)
Other current/non-current financial assets	(58)	(9)			(25)		(24)
Derivatives	1			2			(1)
(Net debt)/Net cash	(120)	(101)	(8)	(8)	(3)		
TOTAL	**(180)**	**(110)**	**(8)**	**(6)**	**(28)**	**-**	**(28)**

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 Effects of financial instruments on the income statement

	31/12/2021		31/12/2020	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
At beginning of period	**58**	**39**	**25**	**52**
Change in hedging instruments for the period – shareholders' equity[1]	(20)	(3)	17	(8)
Change in hedging instruments for the period – financial income[2]	(4)	1	0	(3)
Net change in hedging derivatives[3]	(11)	21	16	(1)
Reclassification under IFRS 5	(4)	(7)		
Other movements	19	23		
AT PERIOD CLOSE	**38**	**74**	**58**	**39**
Net position in hedging derivatives[3]	20	45	24	20
Financial instruments – currency hedges	16	28	29	14
Financial instruments – interest-rate hedges	-	1	-	4
Financial instruments – commodity hedges	2	-	5	1

(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' currency 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. 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 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							

As at 31 December 2021	2020 sales			2021 sales			2022 sales and beyond		
(foreign currency unit million)	Amount	Currency	Price	**Amount**	**Currency**	**Price**	Amount	Currency	Price
COMMERCIAL HEDGES									
• EUR/USD	235	USD	1.19	461	USD	1.20		USD	
• EUR/NOK	275	NOK	10.85	895	NOK	10.80	590	NOK	11.10
OTHER HEDGES – TOTAL AMOUNT NOT DETAILED BY YEAR									
• EUR/USD	91	USD	1.17						
• 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 2021, the fair value of currency hedges covering transactional risks represented a net liability of €16 million (31 December 2020: net asset of €21 million).

For hedges of 2021 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 2021 of +€52 million should exchange rates rise (31 December 2020: +€37 million) and approximately -€66 million should those rates fall (31 December 2020: -€36 million).

The notional amount of currency hedging contracts breaks down as follows:

	31/12/2021				31/12/2020			
(foreign currency unit million)	**Forward sales**	**Forward purchase**	**Call options**	**Put options**	Forward sales	Forward purchase	Call options	Put options
CURRENCY AGAINST EUR								
• USD	942	125	370	550	475	29	459	341
• JPY		46						
• GBP	49							
• NOK		740	740	1,110		1,055	705	1,025
CURRENCY AGAINST SEK								
• USD	4							
• JPY								
• GBP								
• NOK					4			

The pre-tax impact on shareholders' equity and profits of financial instruments hedging currency risks is shown below:

	Foreign exchange hedges			
	31/12/2021		31/12/2020	
(in millions of euros)	Transactional risks	Balance sheet risks	Transactional risks	Balance sheet risks
At beginning of period	**(7)**	**(128)**	**(20)**	**(92)**
Change in unexpired hedging portion(1)	(1)		14	
Change in ineffective portion via income(2)	-		-	
Change in effective portion via income(3)	1		(1)	
Reclassification under IFRS 5				
Translation adjustments and other movements		(12)		(36)
AT PERIOD CLOSE	**(7)**	**(140)**	**(7)**	**(128)**
Changes recognised in shareholders' equity:				
• hedging reserve	-		13	
• translation reserve		(12)		(36)
Total	**-**	**(12)**	**13**	**(36)**
Changes recognised via income:				
• current operating income	(1)		1	
• financial income	-		-	
Total	**(1)**	**-**	**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 EONIA (Euro OverNight Index Average) or Euribor (Euro InterBank Offered Rate) rates;
- fixed-rate instruments swapped against the Euribor.

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 2021, the fair value of these various hedges was not material (31 December 2020: +€5.2 million net).

The main commodities contracts outstanding are set out below:

	31/12/2021			31/12/2020		
(tonnes)	**Swaps**	**Call options**	**Put options**	Swaps	Call options	Put options
Nickel	110			436		3,000
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 (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 2021 was €1,176 million (31 December 2020: €1,811 million (restated)), of which €789 million is classified as cash and cash equivalents (31 December 2020: €1,461 million). These 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 February 2019 for an amount of €981 million and for a five-year term, with a new maturity in January 2024. During the year, the facility was partially repaid (in the amount of €901 million). The amount available under this revolving credit facility is therefore €901 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 December 2021	Less than one year	One to five years	More than five years	Total
Borrowings on capital markets	905	108	800		908
Borrowings from credit institutions	770	175	497	105	777
Bank overdrafts and creditor banks	101	101			101
Finance lease liabilities	5	3	2		5
Other borrowings and financial liabilities	253	74	178		252
IFRS 16 lease liabilities	79	13	42	24	79
Total borrowings	**2,112**	**474**	**1,519**	**129**	**2,122**
Derivatives	74	74			74
Trade and other payables	803	803			803
Total other financial liabilities	**875**	**877**	**-**	**-**	**877**

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 December 2021	Less than one year	One to five years	More than five years	Total
Cash and cash equivalents	789	789			789
Total cash and cash equivalents	**789**	**789**	**-**	**-**	**789**
Other non-current financial assets	188		188		188
Current financial assets	387	387			387
Derivatives	38	38			38
Trade and other receivables	665	661	3		665
Total other financial assets	**1,275**	**1,086**	**191**	**-**	**1,278**

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	€981 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	€65 million
	European Investment Bank	Net debt, excluding SLN's loan from the French government and IFRS 16 lease liabilities/shareholders' equity	< 1	€178 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	€85 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	€9 million
	CACIB – Securitisation	Net Financial Debt/Equity	< 1.1	N/A
		EBITDA/Net Financial Interest	> 4.5	

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 2021, the covenants showed no circumstances of accelerated maturity. Moreover, at 31 December 2021, 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:

(in millions of euros)	31/12/2021 Gross amount	31/12/2021 Impairment	31/12/2021 Net amount	31/12/2020 Gross amount	31/12/2020 Impairment	31/12/2020 Net amount
On time or not due	272	(4)	268	303	(5)	298
Delays:						
• less than one month	97	(0)	97	33	-	33
• one to three months	5	-	5	4	-	4
• three to six months	3	(1)	2	3	-	3
• six to nine months	2	(1)	1	9	(1)	8
• nine to twelve months	1	(1)	0	2	-	2
• over one year	5	(3)	3	5	(5)	(0)
TOTAL TRADE RECEIVABLES	**384**	**(9)**	**375**	**359**	**(11)**	**348**

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 bond risk, recognised in "Other current financial assets".

Note 9 Working capital requirement

(in millions of euros)	31/12/2020	Change in WCR Statement of flows	Change in trade payables on non-current assets	Reclassification under IFRS 5	Translation adjustments and other movements	31/12/2021
Inventories	906	124	-	(477)	24	577
Customers	348	107	-	(82)	2	375
Suppliers	(541)	(71)	-	223	(14)	(403)
Simplified WCR	**713**	**161**	**-**	**(283)**	**12**	**549**
Other elements of WCR[1]	(238)	(79)	(2)	90	(2)	(232)
TOTAL WCR	**475**	**82**	**(2)**	**(248)**	**10**	**317**

(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 and Manganese BUs at different stages of the production process, and are recorded at the lower of cost and net liquidation value.

Accounting method	Judgements and estimates
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).	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)	31/12/2021	31/12/2020
At beginning of period	**906**	**1,098**
Change in gross inventories	147	(174)
(Impairment)/net reversals for the period	0	(3)
Increase/(decrease) in net inventories – cash flows	147	(177)
Reclassification under IFRS 5	(423)	
Translation adjustments and other movements	(53)	(15)
AT PERIOD CLOSE	**577**	**906**
Raw materials	232	224
Merchandise and finished products	206	185
Work-in-progress and semi-finished goods	38	359
Consumables and spare parts	102	132
CO_2 quotas	0	6
BREAKDOWN OF IMPAIRMENT LOSSES:		
At beginning of period	**(157)**	**(154)**
• (Impairment)/Net reversals for the period of continuing operations	0	(3)
• (Impairment)/Net reversals for the period of discontinued operations	(53)	
• Reclassification under IFRS 5	112	-
• Translation adjustments and other movements	(0)	-
At period close	**(99)**	**(157)**

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	Judgements and estimates
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.	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.

(in millions of euros)	Gross amount	Impairment	Net amount 31/12/2021	Net amount 31/12/2020
At beginning of period	**830**	**(186)**	**644**	**621**
Change in gross amount	120		120	49
Impairment losses for the period		-	-	(8)
Changes in working capital requirement – cash flows			120	41
Reclassification under IFRS 5	(85)	2	(82)	
Translation adjustments and other movements	(11)	(6)	(17)	(18)
AT PERIOD CLOSE	**854**	**(189)**	**665**	**644**
Trade receivables	**384**	**(9)**	**375**	**348**
Tax and payroll receivables	141	(3)	139	143
Security deposit – securitisation agreement	5	-	5	15
Other operating receivables	319	(177)	142	136
Other current assets	**466**	**(180)**	**286**	**294**
Other receivables	4	(0)	3	2
Other non-current assets	**4**	**(0)**	**3**	**2**
TOTAL	**854**	**(189)**	**665**	**644**

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 €66.6 million at 31 December 2021 (€61 million at 31 December 2020). Under a memorandum of understanding signed with the Gabonese State on 5 July 2021, €50 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 €148 million at 31 December 2021 (€131 million at 31 December 2020). 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 credit risk, delayed payment risk and dilution risk. This deposit amounted to €5 million at 31 December 2021 (31 December 2020: €15 million).

(in millions of euros)	**31/12/2021**	31/12/2020
Trade receivables – Invoices assigned	(148)	(131)
Trade receivables – Invoices not deconsolidated	-	-
Other operating receivables – Security deposit	5	15

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)	**31/12/2021**	31/12/2020
At beginning of period	**1,008**	**915**
Changes in working capital requirement	179	151
Change in payables on non-current assets	7	(36)
Reclassification under IFRS 5	(137)	-
Translation adjustments and other movements	(253)	(22)
AT PERIOD CLOSE	**803**	**1,008**
Trade payables	**403**	**541**
Tax and payroll payables	250	336
Payables on non-current assets	25	24
Deferred income	5	31
Other operating payables	118	76
Other current liabilities	**399**	**467**
Other non-current liabilities	1	-
Other non-current liabilities	**1**	**-**
TOTAL	**803**	**1,008**

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 2021	FY 2020
Capital expenditure on property, plant & equipment for the period	269	51
Capital expenditure on intangible assets for the period	43	248
Total industrial capital expenditure	**312**	**299**
Change in payables for the acquisition of non-current assets(1)	0	14
TOTAL ACQUISITION OF NON-CURRENT ASSETS – STATEMENT OF CASH FLOWS	**312**	**313**

(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).

3

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 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. To determine whether these conditions are met, a review must be carried out of the considerations 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

(in millions of euros)	Gross amount	Depreciation & amortisation	Impairment losses	Net amount 31/12/2021	Net amount 31/12/2020
Land and buildings[1]	910	(641)	(54)	214	206
Industrial and mining facilities[2]	3,159	(1,918)	(23)	1,219	1,282
Other property, plant and equipment[3]	929	(619)	(9)	301	289
Work-in-progress, down-payments	536	-	(18)	518	350
TOTAL	**5,535**	**(3,178)**	**(104)**	**2,253**	**2,127**
(1) Including:					
IFRS 16 lease assets	*1*	*-*	*-*	*1*	*1*
(2) Including:					
IFRS 16 lease assets	*27*	*(27)*	*-*	*-*	*2*
decommissioned assets – site restoration	*357*	*(142)*	*-*	*215*	*215*
(3) Including:					
IFRS 16 lease assets	*56*	*(52)*		*4*	*-*

10.2.2 Lease rights of use (type of property, plant and equipment)

(in millions of euros)	Gross amount	Depreciation & amortisation	Impairment losses	Net amount 31/12/2021	Net amount 31/12/2020
Rights of use relating to land and buildings	26	(10)	(0)	15	21
Rights of use relating to industrial and mining facilities	11	(3)	-	8	10
Rights of use relating to land and buildings	70	(25)	(0)	45	49
TOTAL	**107**	**(38)**	**(0)**	**68**	**80**

10.2.3 Change over the period

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**2,127**	**2,462**
Investments for the period	269	248
Investments in the period relating to assets held for sale	50	41
Disposals for the period	(3)	(6)
Disposals in the period relating to assets held for sale	(3)	-
Depreciation and amortisation for the period	(221)	(235)
Depreciation and amortisation in the period of assets held for sale	(8)	(9)
Impairment losses for the period	(0)	(209)
Impairment in the period of assets held for sale	(100)	(278)
Reversals in the period	117	-
Reversals in the period relating to assets held for sale	42	-
Change in the gross amount of decommissioned assets	-	84
Change in lease non-current assets	2	-
Changes to consolidation scope	(12)	-
Reclassification under IFRS 5	(58)	-
Hyperinflation	25	39
Translation adjustments and other movements	27	(10)
AT PERIOD CLOSE	**2,254**	**2,127**
• Gross amount	5,535	6,873
• Depreciation & amortisation	(3,178)	(4,080)
• Impairment losses	(104)	(666)

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**80**	**92**
Change in rights of use	13	12
Depreciation and amortisation for the period	(17)	(19)
Impairment losses for the period	(2)	(5)
Reclassification under IFRS 5	(6)	-
Translation adjustments and other movements	1	-
AT PERIOD CLOSE	**69**	**80**
• Gross amount	107	116
• Depreciation & amortisation	(38)	(31)
• Impairment losses	(0)	(5)

10.3 Intangible assets

Accounting method	Estimates, assumptions and judgements
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 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.	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 from where it arose, for the purposes of impairment testing.

At 31 December 2021, as at 31 December 2020, 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

(in millions of euros)	Gross amount	Depreciation & amortisation	Impairment losses	Net amount 31/12/2021	Net amount 31/12/2020
Goodwill	209	-	(3)	206	201
Gabon mining reserves	208	(92)	-	116	20
Senegal mining reserves			-	-	93
New Caledonia mining reserves			-	-	10
Other geology, prospecting and research expenses	92	(31)	-	62	36
Software	78	(69)	(0)	9	12
Other intangible assets	36	(33)	-	4	12
Work-in-progress, down-payments	99	-	(19)	80	96
TOTAL	**723**	**(224)**	**(22)**	**477**	**480**

Net goodwill of €206 million at 31 December 2021 (€201 million at 31 December 2020) mainly results from:

- the acquisition of the Norwegian company Eralloys Holding A/S in 2008 for €150 million (31 December 2020: €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 €55 million (31 December 2020: €51 million) allocated to the Mineral Sands CGU.

10.3.2 Change over the period

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**480**	**461**
Investments for the period	46	53
Disposals for the period	1	-
Depreciation and amortisation for the period	(27)	(18)
Impairment losses for the period	(1)	(3)
Changes to consolidation scope	(0)	-
Reclassification under IFRS 5	(6)	-
Hyperinflation	2	1
Translation adjustments and other movements	(18)	(14)
AT PERIOD CLOSE	**477**	**480**
• Gross amount	723	777
• Depreciation & amortisation	(224)	(261)
• Impairment losses	(22)	(36)

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 and Mineral Sands 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 2021, 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.
- three CGUs in discontinued operations:
  - two CGUs in the High Performance Alloys Division;
  - one CGU in the Nickel Division.

At 31 December 2020, the Group had four CGUs in the Manganese BU, and this BU was reorganised into two separate BUs: Manganese Ore and Manganese Alloys. 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:

- 10.0% for mining activities (excluding lithium) (also 10.0% in 2020);
- 8.9% for alloy activities (also 8.9% in 2020);
- 11% for the lithium activity.

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)	31/12/2020	2021 impairment losses and reversals	Translation and other movements	31/12/2021
Nickel BU (excl. Sandouville)	(21)		(1)	(22)
Manganese BU	(99)		12	(87)
Lithium BU	(89)	117	(30)	(2)
Holding and others	(16)		-	(16)
Total continuing operations	**(225)**	**117**	**(19)**	**(127)**
High Performance Alloys Division	(432)	(110)	50	(492)
Nickel BU (Sandouville)	(50)	48	2	-
Total discontinued operations	**(482)**	**(62)**	**52**	**(492)**
TOTAL	**(707)**	**55**	**33**	**(619)**
Goodwill	(15)		12	(3)
Intangibles	(21)		2	(19)
Property, plant and equipment	(666)	117	445	(104)
IFRS 16 rights of use	(5)		5	-
Assets held for sale	-	(62)	(430)	(492)

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 that of ores (nickel, manganese, zircon, etc.), on euro-dollar parity, 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 price of nickel – the main hypothesis of the impairment test for this CGU.

This commodity is traded on the London Metal Exchange (LME). Directly observable forward prices do not reflect the long-term price. The values used are determined by reference to the average sector values and are more conservative than this average.

The 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 price of nickel, which generally do not impact the test in the same way.

A decrease of $0.5/lb in the target nickel price, a 0.5% increase in the discount rate, or a decrease of 0.5% in the long-term growth rate under identical operating conditions would not result in recognition of an impairment loss, however, would reduce the margin of comfort on SLN. On the other hand, if the long-term price levels were to be revised downwards substantially and/or the economic conditions required for the rescue plan (see Note 2.3) were not fulfilled, the test could result in an impairment loss.

Assuming prices and interest rates remained unchanged, ore production that is 10% under the figure in the BU plan would not result in impairment.

Gabon and manganese alloys CGUs – 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 Gabon 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 Gabon 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 2.6, Eramet has decided to relaunch construction of its lithium plant in Argentina with its partner, Tsingshan, under an agreement signed in 2021. This agreement enabled the recovery of the partial asset write-down in the amount of €117 million. As a reminder, this project had been mothballed in 2020.

CGUs of discontinued operations

Aubert & Duval CGU – High Performance Alloys Division

As indicated in Note 2.1.2., on 22 February, Eramet signed a memorandum of understanding for the sale of Aubert & Duval to a consortium comprising Airbus, Safran and Tikehau Ace Capital. This transaction is expected to be finalised by the end of 2022. In order to take into account the conditions resulting from this agreement, a write-down of €110 million has been recognised.

Erasteel CGU – High Performance Alloys division

As indicated in Note 2.1, the process of the disposal of Erasteel has begun. A write-down was recorded in 2020 and 2019 to take the deterioration in market conditions into account, which amounted to €49 million at 31 December 2021. The situation on the markets and the intrinsic results of the Erasteel CGU are improving but remain fragile and conditional upon the automotive and electronics markets. Given these circumstances, the write-downs recorded have been retained.

Sandouville CGU – Nickel BU

As indicated in Note 2.1.1, Eramet signed the agreement to sell the Sandouville hydrometallurgical plant to Sibanye-Stillwater for €85 million. In order to take into account the conditions resulting from this agreement, a provision reversal of €46 million was recognised at 31 December 2021.

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)	31/12/2021	31/12/2020
NICKEL BU – EXCL. SANDOUVILLE		
Net intangible assets and property, plant & equipment[1]	550	569
Working capital requirement	90	55
Total	**640**	**624**
MANGANESE BU		
Net intangible assets and property, plant & equipment[1]	1,374	1,257
Working capital requirement	294	180
Total	**1,668**	**1,437**
MINERAL SANDS BU		
Net intangible assets and property, plant & equipment[1]	642	660
Working capital requirement	0	15
Total	**642**	**675**
LITHIUM BU		
Net intangible assets and property, plant & equipment[1]	188	50
Working capital requirement	(21)	(13)
Total	**167**	**37**
HOLDING AND OTHERS		
Net intangible assets and property, plant & equipment[1]	(11)	47
Working capital requirement	(198)	(11)
Total	**(209)**	**36**
CONTINUING OPERATIONS		
Net intangible assets and property, plant & equipment[1]	2,754	2,687
Working capital requirement	363	475
TOTAL CONTINUING OPERATIONS	**3,117**	**2,809**

(in millions of euros)	31/12/2021	31/12/2020
HIGH PERFORMANCE ALLOYS DIVISION		
Net intangible assets and property, plant & equipment(1)	11	101
Working capital requirement	198	238
Total	**209**	**338**
NICKEL BU – SANDOUVILLE		
Net intangible assets and property, plant & equipment(1)	54	3
Working capital requirement	17	12
Total	**71**	**15**
DISCONTINUED OPERATIONS		
Net intangible assets and property, plant & equipment(1)	65	104
Working capital requirement	215	250
TOTAL DISCONTINUED OPERATIONS	**280**	**353**

(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	Estimates, assumptions and judgements
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).	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

(in millions of euros) Company	Country	% holding	Share of Results FY 2021	Share of Shareholders' equity 31/12/2021	Share of Results FY 2020	Share of Shareholders' equity 31/12/2020
Strand Minerals – Weda Bay	Indonesia	43%	121	97	79	99
Total associates			**121**	**97**	**79**	**-**
TOTAL INVESTMENTS IN JOINT VENTURES AND ASSOCIATES			**121**	**97**	**79**	**99**

The decrease in the value of the equity-accounted investments in Strand Mineral – Weda Bay of €2 million is primarily related to the portion of income attributable to the Group of €121 million and the increase in the translation reserves attributable to the Group of €13 million, less €136 million in dividends.

The equity-accounted investments in UKAD and EcoTitanium have been classed as assets held for sale since 31 December 2021 as these companies are subsidiaries of Aubert & Duval.

10.6 Other non-current financial assets

Accounting method	Estimates, assumptions and judgements
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.	The Eramet Group has divided its non-consolidated subsidiaries into two categories: • controlled companies that are not consolidated owing to their low 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.

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10.6.1 By category

(in millions of euros)	Gross amount	Impairment	Net amount 31/12/2021	Net amount 31/12/2020
Deposits and guarantees	13	(0)	13	16
Other financial assets	278	(109)	169	182
Other non-current financial assets	291	(109)	182	198
Non-consolidated equity investments	139	(133)	6	18
TOTAL OTHER FINANCIAL ASSETS	**430**	**(242)**	**188**	**216**

Other non-current financial assets chiefly relate to financial current accounts or loans granted to non-consolidated companies or equity-accounted companies (Weda Bay), due in more than one year.

10.6.2 Change

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**219**	**257**
Net change in current financial assets (statement of cash flows)	12	(29)
Net change in financial assets of discontinued operations	20	15
Impairment losses for the period	(54)	(25)
Changes to consolidation scope	(2)	-
Reclassification under IFRS 5	(4)	-
Translation adjustments and other movements	(4)	1
AT PERIOD CLOSE	**188**	**219**

10.6.3 By currency (excluding consolidated equity investments)

(in millions of euros)	FY 2021	FY 2020
Euro	12	45
US dollar	158	145
CFP franc	8	8
Other currencies	4	3
TOTAL	**182**	**201**

10.6.4 By interest rate type (excluding consolidated equity investments)

(in millions of euros)	FY 2021	FY 2020
Interest-free	(39)	8
Fixed interest rates	20	55
Variable interest rates	200	138
TOTAL	**182**	**201**

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) Company	Country	% holding	Gross amount	Impairment	Net amount 31/12/2021	Net amount 31/12/2020
MAIN CONTROLLED COMPANIES:						
• Eramet Alloys GmbH	Germany	100%	3		3	3
• Eramet Alloys UK Ltd	United Kingdom	100%	3	(1)	2	2
• Sodépal	Gabon	100%	13	(13)	-	-
• GCM Liquidation Co. (formerly GCMC)	Gabon	100%	92	(92)	-	-
• Maboumine	Gabon	76.14%	26	(26)	-	-
MAIN NON-CONTROLLED COMPANIES:						
Other companies			2	(2)	-	7
TOTAL			**139**	**(134)**	**5**	**18**

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	Estimates, assumptions and judgements
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, as it does when accounting for finance leases under IAS 17.	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 2021	FY 2020
Current tax	(123)	(115)
Deferred tax	25	4
INCOME TAX INCOME (EXPENSE)	**(98)**	**(111)**

11.2 Effective tax rate

(in millions of euros)	FY 2021	FY 2020
Operating income	879	24
Financial income	(111)	(152)
Pre-tax profit (loss) of consolidated companies	**768**	**(128)**
Standard tax rate in France *(in percent)*	28.41%	32.02%
Theoretical tax income/(expense)	**(218)**	**41**
Impact on theoretical tax of:		
• permanent differences between accounting and taxable profit	39	(34)
of which related to changes in consolidation scope	*5*	-
• taxes on dividend distribution (withholding tax)	(3)	(1)
• standard rate differences in foreign countries	8	(7)
• changes in the tax rate	1	(30)
• tax credits	2	2
• unrecognised or limited deferred tax assets	(8)	(67)
• use or activation of deferred tax assets previously not recognised	75	
• use of tax losses recognised in net income from discontinued operations	13	
• miscellaneous items	(7)	(15)
ACTUAL TAX INCOME/(EXPENSE)	**(98)**	**(111)**
TAX RATE	**13%**	**-13%**

FY 2021

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 2021, in view of the provisional tax results in France, €32 million in deferred tax assets of the tax consolidation group were recognised.

The impact of changes in the tax rate boils down to the difference between the current rate (28.41%) and the deferred rate (25.83%) on the main bases of deferred tax assets in France.

FY 2020

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.

The impact of changes in the tax rate boils down to the difference between the current rate (32.02%) and the deferred rate (25.83%) on the main bases of deferred tax assets in France.

11.3 Main standard tax rates in foreign countries

(in millions of euros)	FY 2021	FY 2020
China	25.0%	25.0%
United States	22.25%	22.25%
Gabon	35.0%	35.0%
Norway	22.0%	22.0%
New Caledonia	35.0%	35.0%
Sweden	21.4%	21.4%

11.4 Change in tax receivables and tax payables

(in millions of euros)	FY 2021	FY 2020
At beginning of period	**(78)**	**(35)**
Current tax (income)	(123)	(119)
Tax paid	105	72
Reclassification under IFRS 5	4	-
Changes to consolidation scope	-	-
Translation adjustments and other movements	(5)	4
AT PERIOD CLOSE	**(97)**	**(78)**
• Current tax receivables	13	14
• Current tax payables	(110)	(92)

11.5 Deferred taxes in the balance sheet

11.5.1 Breakdown by category

(in millions of euros)	31/12/2021	31/12/2020 Restated
Tax loss carry-forwards[1]	3	5
Intangible assets and property, plant & equipment	6	22
Inventory measurement	38	35
Financial instruments	9	8
Employee-related liabilities	21	48
Other provisions for liabilities and charges	43	42
Other items	30	29
Deferred tax assets before netting	**150**	**189**
Deferred tax netting by tax entity	(109)	(179)
Deferred tax assets	**41**	**8**
Regulated provisions and special amortisation and depreciation	(223)	(294)
Intangible assets and property, plant & equipment	(66)	(64)
Inventory measurement	(10)	(14)
Financial instruments	-	(5)
Employee-related liabilities	-	-
Other provisions for liabilities and charges	(8)	(12)
Distribution of dividends	(4)	(3)
Other items	(23)	(9)
Deferred tax liabilities before netting	**(334)**	**(401)**
Deferred tax netting by tax entity	109	179
Deferred tax liabilities	**(225)**	**(221)**
NET DEFERRED TAX LIABILITIES	**(184)**	**(213)**
(1) Limited deferred tax assets for tax loss carry-forwards	*673*	*729*

11.5.2 Change in deferred taxes in the balance sheet

(in millions of euros)	Assets	Liabilities	Net FY 2021	Net FY 2020
At beginning of period	**8**	**(221)**	**(213)**	**(209)**
Deferred tax offset in shareholders' equity	(10)	(7)	(17)	(3)
Deferred tax on profit (loss)	(13)	(15)	(28)	(2)
Deferred tax netting by tax entity	76	76	152	-
Other movements	(10)	(2)	(12)	-
Reclassification under IFRS 5	(11)	(54)	(65)	-
Translation adjustments	1	(2)	(1)	1
AT PERIOD CLOSE	**41**	**(225)**	**(184)**	**(213)**

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 2021	31/12/2021	FY 2020	31/12/2020
	Average workforce	Workforce at period end	Average workforce	Workforce at period end
Workers	1,476	1,520	1,371	1,423
Administrative, Technical and Supervisory staff	551	563	549	558
Management	154	170	178	180
Nickel BU (excl. Sandouville)	**2,181**	**2,253**	**2,098**	**2,161**
Workers	2,232	2,272	2,110	2,125
Administrative, Technical and Supervisory staff	1,489	1,541	1,436	1,478
Management	639	660	652	671
Manganese BU	**4,360**	**4,473**	**4,198**	**4,274**
Workers	404	401	438	411
Administrative, Technical and Supervisory staff	372	373	349	358
Management	200	209	192	196
Mineral Sands BU	**976**	**983**	**978**	**965**
Workers	0	0	20	10
Administrative, Technical and Supervisory staff	32	31	82	57
Management	115	125	23	16
Lithium BU	**147**	**156**	**124**	**83**
Workers	0	0	0	0
Administrative, Technical and Supervisory staff	208	206	177	176
Management	410	422	296	297
Holding and others	**618**	**628**	**473**	**473**
Workers	4,112	4,193	3,939	3,969
Administrative, Technical and Supervisory staff	2,652	2,714	2,592	2,627
Management	1,518	1,586	1,340	1,360
TOTAL CONTINUING OPERATIONS	**8,282**	**8,493**	**7,871**	**7,956**

	FY 2021	31/12/2021	FY 2020	31/12/2020
Workers	2,303	2,238	2,513	2,391
Administrative, Technical and Supervisory staff	1,556	1,551	1,578	1,560
Management	583	575	603	599
High Performance Alloys Division	**4,442**	**4,364**	**4,694**	**4,550**
Workers	57	54	56	59
Administrative, Technical and Supervisory staff	112	113	106	109
Management	22	24	19	22
Nickel BU (Sandouville)	**191**	**191**	**181**	**190**
Workers	6,472	6,485	6,508	6,419
Administrative, Technical and Supervisory staff	4,320	4,378	4,276	4,296
Management	2,123	2,185	1,962	1,981
TOTAL	**12,915**	**13,048**	**12,746**	**12,696**

The total workforce managed in the HR reporting system implemented by the Group, which includes non-consolidated companies and companies accounted for using the equity method (excluding Weda Bay), totalled 13,373 employees at 31 December 2021 (13,129 employees at 31 December 2020).

12.1.2 Personnel costs by category

(in millions of euros)	FY 2021	FY 2020
Wages and salaries	(367)	(333)
Social security contributions and other personnel costs	(137)	(118)
Profit sharing	(10)	(3)
Share-based payment	(6)	(6)
Personnel costs sub-total	**(520)**	**(461)**
Personnel costs – temporary staff	(16)	(14)
TOTAL PERSONNEL COSTS INCLUDING TEMPORARY STAFF	**(536)**	**(475)**

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	Estimates, assumptions and judgements
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.	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:

	31/12/2021		31/12/2020	
	Rate		Rate	
	Discount	Inflation	Discount	Inflation
Eurozone	1.00%	1.80%	0.80%	1.80%
United States	2.60%	2.25%	2.30%	2.00%
Norway	2.30%	2.10%	1.70%	1.75%
New Caledonia	1.70%	1.50%	1.70%	1.50%
Gabon	6.00%	3.00%	5.00%	3.00%
Senegal	4.00%	2.40%	4.00%	2.00%

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:

	Discount rate				Inflation 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	(5)	-5%	7	7%	2	1%	2	1%
United States	(2)	-6%	2	6%	-	0%	-	0%
Norway	(1)	-10%	1	10%	-	0%	-	0%
New Caledonia	(2)	-4%	2	4%	-	0%	-	0%
Gabon	(1)	-3%	1	3%	-	0%	-	0%
Senegal	-	0%	-	0%	-	0%	-	0%
Other countries	(1)	-15%	-	0%	-	0%	-	0%
TOTAL	**(12)**	**-6%**	**13**	**7%**	**2**	**1%**	**2**	**1%**

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)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Service cost		1	5	4	2	2	7	7
Past service cost[1]	(19)	-	-	-	-	-	(19)	-
Net interest expense	-	1	2	3	1	1	3	5
Other adjustments	-		-		-	(1)	-	(1)
Cost recognised in net income from continuing operations	**(19)**	**2**	**7**	**7**	**3**	**2**	**(9)**	**11**
Cost recognised in net income from discontinued operations	**1**	**1**	**-**	**3**	**-**	**-**	**1**	**4**
Impact of revaluation on commitments	8	7	-	(1)	(1)	(1)	7	5
• experience	9	3	2	-	(1)		10	3
• demographic assumptions	-	-	-	-	-		-	-
• financial assumptions	(1)	4	(2)	(1)	-	(1)	(3)	2
Impact of revaluation on pension plan assets	(3)	(2)	-	-			(3)	(2)
Cost recognised in other comprehensive income from continuing operations	**5**	**5**	**-**	**(1)**	**(1)**	**(1)**	**4**	**3**
Cost recognised in other comprehensive income from discontinued operations	**1**	**(4)**	**(2)**	**(4)**	**(1)**	**-**	**(2)**	**(8)**
TOTAL COST RECOGNISED IN COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS	**(14)**	**7**	**7**	**6**	**2**	**1**	**(5)**	**14**
TOTAL COST RECOGNISED IN COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS	**2**	**(3)**	**(2)**	**(1)**	**(1)**	**-**	**(1)**	**(4)**

(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).

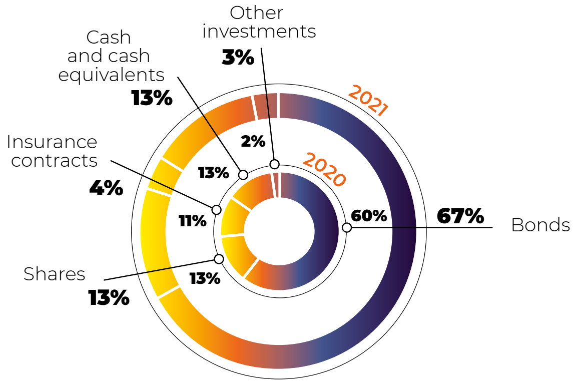
	Pension plans		Retirement package		Other benefits		Total employee-related liabilities	
(in millions of euros)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
CHANGE IN OBLIGATION								
Obligation at beginning of period	**176**	**183**	**117**	**117**	**50**	**50**	**342**	**350**
Cost recognised in income	(17)	4	7	10	3	3	(7)	17
Impact of revaluation	9	2	(2)	(5)	(2)	(1)	5	(4)
Contributions and benefits paid	(6)	(6)	(3)	(5)	(1)	(3)	(10)	(14)
Change to consolidation scope	(9)	-	(1)	-	-	-	(10)	-
Reclassification under IFRS 5	(35)	-	(39)	-	(17)	-	(91)	-
Translation differences and other movements	3	(7)	(6)	-	-	1	(2)	(7)
Obligation at period close (I)	**121**	**176**	**73**	**117**	**33**	**50**	**227**	**342**
Obligation attributable to								
• *working beneficiaries*	*15*	*43*	*73*	*117*	*30*	*43*	*118*	*203*
• *beneficiaries entitled to deferred benefits*	*5*	*17*	-	-	-	-	*5*	*17*
• *pensioners*	*101*	*116*	-	-	*3*	*7*	*104*	*122*
	121	***176***	***73***	***117***	***33***	***50***	***227***	***342***
Commitments								
• *prefinanced*	*116 96%*	*147 84%*	*34 46%*	*51 44%*	- -	- -	*150 66%*	*198 56%*
• *not financed*	*5 4%*	*29 16%*	*39 53%*	*66 56%*	*33 100%*	*50 100%*	*77 34%*	*144 44%*
	121	***176***	***73***	***117***	***33***	***50***	***227***	***342***
CHANGE IN PLAN ASSETS								
Fair value of plan assets at beginning of period	**118**	**110**	**25**	**25**	**-**	**-**	**142**	**135**
Interest income recognised in income	1	2	-	-	-	-	1	2
Impact of revaluation	3	1	-	-	-	-	3	1
Contributions paid	-	16	-	-	1	1	1	17
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	3	(6)	-	-	-	-	3	(7)
Fair value of plan assets at period close (II)	**109**	**118**	**15**	**25**	**-**	**-**	**124**	**142**
Plan assets								
• *listed on an active market*	*106 97%*	*116 98%*	*15 100%*	*25 100%*	- -	-	*121 98%*	*141 95%*
• *unlisted*	*3 3%*	*2 2%*	- -	-	- -	-	*3 2%*	*2 1%*
	109	***118***	***15***	***25***	***-***	***-***	***124***	***143***
NET LIABILITIES IN THE BALANCE SHEET (I) - (II)	**12**	**58**	**58**	**92**	**33**	**50**	**103**	**200**

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 December 2021				31 December 2020			
(in millions of euros)	Current value of bonds (a)	Fair value of plan assets (b)	Net liabilities on the balance sheet (a) + (b)	Financial cover ratio (b)/(a)	Current value of bonds (a)	Fair value of plan assets (b)	Net liabilities on the balance sheet (a) + (b)	Financial cover ratio (b)/(a)
France	99	(85)	14	85.9%	210	(97)	113	46.2%
United States	31	(24)	7	77.4%	36	(25)	11	69.4%
Norway	10	(3)	7	30.0%	8	(2)	6	25.0%
New Caledonia	49	(12)	37	24.5%	45	(12)	33	26.7%
Gabon	37	-	37	-	35	-	35	-
Senegal	1	-	1	-	-	-	-	-
Other countries	-	-	-	-	9	(7)	2	77.8%
TOTAL	**227**	**(124)**	**103**	**54.6%**	**343**	**(143)**	**200**	**41.7%**

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 12 years at 31 December 2021 (31 December 2020: 12 years).

In 2021, contributions for employee-related liabilities are estimated at €10 million. Future benefits, whether paid by levies on investments or directly by the Eramet Group, are estimated at €16 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 €6 million for the 2021 financial year (€6 million for the 2020 reporting period).

Two new bonus share plans were granted in March and May 2021. 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 two indicators (EBITDA and ROCE) covers 50%, and an external condition, covering 30%, yields an initial total of 202,420 shares; and
- part of the shares are not subject to performance conditions, for an initial total of 14,893 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 2021 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)
	France/ Italy	-	free	-	-	-	-
Plan open to all employees	Worldwide	-	free	-	-	-	-
	France/ Italy	146,298	free	3 + 0	-0.61%	0.50%	56.92/42.95
	France	20,089	free	3 + 0	-0.57%	0.50%	58.32/43.78
Plan open to certain employees and corporate officers	Worldwide	50,926	free	3 + 0	-0.61%	0.50%	56.92/42.95

(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 2020 and 2021 reporting periods was as follows:

Number of bonus shares	31/12/2021	31/12/2020
At beginning of period	**412,162**	**469,544**
New plans 2020/2021	217,313	129,043
Definitive allocations	(89,303)	(119,197)
Prescribed shares	(8,732)	(5,500)
Lapsed shares	(39,788)	(61,728)
AT PERIOD CLOSE	**491,652**	**412,162**
DISTRIBUTION BY YEAR OF ALLOCATION		
2021		120,940
2022	110,850	122,642
2023	136,695	137,960
2024	244,107	30,620
2025		

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 2021	FY 2020
At beginning of period	**736**	**662**
Allocations (reversals) for the period	160	(13)
• allocations for the period relating to continuing operations	108	52
• allocations for the period relating to discontinued operations	120	
• used (reversals) for the period	(62)	(36)
• unused (reversals) for the period	(6)	(29)
Accretion expenses	9	9
Decommissioned assets	7	80
Changes to consolidation scope	(1)	-
Reclassification under IFRS 5	(119)	-
Translation adjustments and other movements	4	(2)
AT PERIOD CLOSE	**796**	**736**
• Long-term portion	786	649
• Short-term portion	10	87
Environmental contingencies and site restoration	623	615
Personnel	8	11
Other liabilities and charges	166	110

13.1 Site restoration, decommissioning and environmental risks

(in millions of euros)	31/12/2021	31/12/2020
Site restoration[1]	593	555
Environmental risks	30	60
TOTAL	**623**	**615**
(1) Of which provisions offsetting a decommissioned asset	*501*	*501*
• Long-term portion	623	609
• Short-term portion	0	6

13.1.1 Site restoration and decommissioning

(in millions of euros)	FY 2021		FY 2020	
At beginning of period		**555**		**474**
Allocations (reversals) for the period		(4)		(1)
• allocations for the period	2		6	
• used (reversals) for the period			-	
• unused (reversals) for the period	(6)		(7)	
Accretion expenses		9		9
Decommissioned assets		7		80
Reclassification under IFRS 5				-
Translation adjustments and other movements		1		(7)
AT PERIOD CLOSE		**568**		**555**
Société Le Nickel-SLN (New Caledonia) – Nickel BU		465		445
Comilog (Gabon) – Manganese BU		44		55
Eramet Marietta (United States) – Manganese BU		41		37
Comilog France – Manganese BU		12		13
Other companies		6		5

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:

	31/12/2021		31/12/2020	
(€ millions)	Discount rate	Inflation rate	Discount rate	Inflation rate
United States	2.60%	2.25%	2.30%	2.00%
New Caledonia	1.70%	1.5%	1.70%	1.50%
Gabon	6.00%	3.00%	5.00%	3.00%

An increase or decrease of 0.25% in the discount rate would result in an increase or decrease of around €41 million in provisions at 31 December 2021 (31 December 2020: €40 million), mainly affecting Société Le Nickel-SLN in New Caledonia.

Estimated expenditure is allocated as follows in percentage terms:

(in millions of euros)	31/12/2021	31/12/2020
2022-2026/2021-2025	4%	10%
2027-2031/2026-2030	1%	3%
2032 and beyond/2031 and beyond	95%	87%

13.2 Personnel

(in millions of euros)	31/12/2021	31/12/2020
High Performance Alloys Division	-	5
Restructuring and redundancy plans	**-**	**5**
Other labour liabilities and charges	8	6
TOTAL	**8**	**11**

13.3 Other liabilities and charges

(in millions of euros)	FY 2021		FY 2020	
At beginning of period		**110**		**111**
Allocations (reversals) for the period		164		(2)
• allocations for the period relating to continuing operations	106		34	
• allocations for the period relating to discontinued operations	120			
• used (reversals) for the period	(62)		(24)	
• unused (reversals) for the period	-		(12)	
Accretion expenses		-		-
Decommissioned assets		-		-
Reclassification under IFRS 5		(119)		-
Translation adjustments and other movements		11		1
AT PERIOD CLOSE		**166**		**110**
Tax risks		2		-
Commercial disputes		(0)		73
Other provisions for liabilities and charges		164		37

The Commercial disputes line includes the provision for quality risk at Aubert & Duval (see Note 2).

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 2021	FY 2020
TURNOVER		
• Non-consolidated controlled subsidiaries	4	8
• Associates and joint ventures	3	4
EXPENSES INCLUDED IN CURRENT OPERATING INCOME		
• Non-consolidated controlled subsidiaries	(8)	(6)
• Associates and joint ventures	(220)	(85)
NET DEBT COST		
• Non-consolidated controlled subsidiaries	-	-
• Associates and joint ventures	1	1

The above figures include continuing and discontinued operations.

Costs primarily relate to €211 million in ore purchases from Weda Bay entities (€70 million in 2020) (equity-accounted companies) and €8 million in Aubert & Duval's purchases from UKAD (€12 million in 2020) (equity-accounted companies).

14.1.2 Balance sheet

(in millions of euros)	31/12/2021	31/12/2020
TRADE AND OTHER RECEIVABLES		
• Non-consolidated controlled subsidiaries	4	3
• Associates and joint ventures	24	29
TRADE AND OTHER PAYABLES		
• Non-consolidated controlled subsidiaries	5	4
• Associates and joint ventures	50	39
NET FINANCIAL ASSETS (LIABILITIES)		
• Non-consolidated controlled subsidiaries	8	8
• Associates and joint ventures	213	188

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 2021	FY 2020
SHORT-TERM BENEFITS		
• Fixed compensation	4,271	3,449
• Variable compensation	2,395	2,335
• Directors' fees	890	855
OTHER BENEFITS		
• Post-employment benefits	5,850	1,353
• Retirement package		-
• Compensation paid in shares	1,130	1,274
TOTAL	**14,536**	**9,266**

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)	31/12/2021	31/12/2020
Commitments made:	**118**	**84**
• Operating activities	82	78
• Financing activities	36	6
Commitments received	**44**	**47**
• Operating activities	44	47
• 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.

Repurchase transaction on bonds held by MSEC to CIC

Under the framework agreement signed with CIC, MSEC carried out a repurchase agreement for bonds. The transaction is for the repo of €65 million of bonds in exchange for €65 million in funding. The transaction was signed in December 2021.

Existing call options on EcoTitanium (equity consolidated) by UKAD (equity consolidated)

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 2021, as at 31 December 2020, 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 €23.2 million at 31 December 2021 (31 December 2020: €25.5 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.

Other commitments received

Société Le Nickel-SLN has available financing of €20 million from the French government out of a total of €200 million maturing on 30 June 2024.

The amount drawn down at the end of 2021 was €180 million (from €180 million at 31 December 2020).

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 State, commenced in 2018 and continued in 2021. 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. 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. Setrag thus benefited from a capital increase of €31 million on the part of Meridiam on 10 November 2021, as the sale to the State of the 9% of the capital is expected to take place in the first quarter of 2022.

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

As indicated in Note 2 “Key events in the reporting period”, a provision of €52 million was maintained to take into account the estimated cost to date of completing the in-depth residual review of the quality processes (€44 million at 31 December 2020).

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

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.

Without a new plant, 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.

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/ Ernst & Young[1]		KPMG		Other		TOTAL	
(in thousands of euros)	2021	2020	2021	2020	2021	2020	2021	2020
STATUTORY AUDIT, CERTIFICATION, EXAMINATION OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS								
Eramet S.A.	214	196	188	188	-	-	402	384
Fully consolidated companies	792	903	940	694	92	258	1,824	1,855
Sub-total	**1,006**	**1,099**	**1,128**	**882**	**92**	**258**	**2,226**	**2,239**
	96%	*72%*	*99%*	*88%*	*60%*	*36%*	*93%*	*69%*
OTHER WORK AND SERVICES DIRECTLY RELATING TO THE STATUTORY AUDIT								
Eramet S.A.	38	304	-	68	-	-	72	372
Fully consolidated companies	9	82	13	20	-	81	22	182
Sub-total	**47**	**386**	**13**	**88**	**-**	**81**	**94**	**554**
	4%	*25%*	*1%*	*9%*	*0%*	*11%*	*4%*	*17%*
OTHER SERVICES PROVIDED BY THE STATUTORY AUDITOR FIRMS TO THE FULLY CONSOLIDATED COMPANIES								
Legal, tax and employee-related	-	39	-	-	62	135	62	174
Other	-	9	-	37	-	242	-	288
Sub-total	**-**	**48**	**-**	**37**	**62**	**377**	**62**	**462**
	0%	*3%*	*0%*	*4%*	*40%*	*53%*	*3%*	*14%*
TOTAL	**1,053**	**1,533**	**1,141**	**1,007**	**154**	**716**	**2,382**	**3,256**

(1) Grant Thornton in 2021 and Ernst & Young in 2020.

Note 17 Events after the reporting date

As indicated in Note 2 “Key events in the reporting period”, Eramet finalised the sale of the Sandouville hydrometallurgical plant to Sibanye-Stillwater on 4 February 2022 and, on 22 February 2022, signed a memorandum of understanding with the consortium comprising Airbus, Safran and Tikehau ACE Capital for the sale of Aubert & Duval.

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 2021 for balance sheet items, except for shareholders' equity, for which historical rates were applied. 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 2020 and 2021 reporting periods are as follows (conversion into euro):

	FY 2021		FY 2020	
Currency/conversion rate for €1	closing	average	closing	average
US dollar	1.1326	1.18418	1.2271	1.13997
Norwegian krone	9.9888	10.1711	10.4703	10.71691
Yuan Renminbi	7.1947	7.64211	8.0225	7.86664
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

(number of companies)	31/12/2021	31/12/2020
Fully consolidated companies	40	45
Equity method companies	4	4
NUMBER OF CONSOLIDATED COMPANIES	**44**	**49**

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.

FY 2020

There were no changes to the scope of consolidation at 31 December 2020 compared to 31 December 2019, with the exception of:

- Transfer of all assets and liabilities (merger) of Valdi to Erasteel SAS.

18.4 List of companies within the scope of consolidation as at 31 December 2021

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 Bay Nickel Ltd	Indonesia	Jakarta	Equity method	38.7	38.7
Eramet Holding Nickel	France	Paris	Fully consolidated	100	100
Manganese					
Eramet Holding Manganèse	France	Paris	Fully consolidated	100	100
Eramet Comilog Manganese	France	Paris	Fully consolidated	100	81.86
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	60	38.23
Comilog Holding	France	Paris	Fully consolidated	100	63.71
Comilog International	France	Paris	Deconsolidated	N/A	N/A
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
Comilog Asia Ltd	Hong Kong	Hong Kong	Deconsolidated	N/A	N/A
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
TiZir Titanium & Iron A/S	Norway	Tyssedal	Fully consolidated	100	100
TiZir Mauritius Ltd	Mauritius	Mauritius	Fully consolidated	100	100
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	100	100
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 SAS	France	Paris	Fully consolidated	100	100
Erasteel Champagnole	France	Champagnole	Fully consolidated	100	100
Erasteel Kloster AB	Sweden	Söderfors	Fully consolidated	100	100
Erasteel Stubs Ltd	United Kingdom	Warrington	Deconsolidated	N/A	N/A
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
Brown Europe	France	Laval-de-Cère	Deconsolidated	N/A	N/A
EcoTitanium	France	Paris	Equity method	22.40	22.40
UKAD	France	Paris	Equity method	50	50
Nickel					
Eramet Sandouville	France	Sandouville	Fully consolidated	100	100

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.

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.

Industrial investments

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 31 December 2021

To the Shareholders,

In compliance with the engagement entrusted to us by the Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Eramet S.A., for the year ended December 31, 2021.

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, 2021 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 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 1st, 2021 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.

Observations

Without qualifying our conclusion, we draw your attention to the following matter set out in the notes to the consolidated financial statements:

- 2.2 "Financial fraud and IAS 8 application", which presents an instance of financial fraud found in the Group's cash flow management and sets forth the impacts of restatements correcting this error on opening equity, cash flow and deferred tax;
- 2.3 "Continuation of the rescue plan and new business model of Société Le Nickel-SLN (SLN)", which sets out the continuation of the plan together with the framework for assessing going concern matters of SLN.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken to address the public health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is against this complex, changing backdrop that, 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, 2021, fixed assets amounted to €2,798 million.

As indicated in Note 10.4 of the Notes to the consolidated financial statements, the Group regularly performs impairment tests, systematically at least once a year when it issues its annual report on goodwill and intangible assets with indefinite useful lives, or 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.

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;
  - 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 into account reasonably possible variation in the main assumptions used;
- verifying the mathematical accuracy of the calculations.

Lastly, we checked that Note 10.4 to the consolidated financial statements provided appropriate information on this subject.

Provisions for site decommissioning and restoration

Risks identified

As mentioned in Note 13 to the consolidated financial statements, the Group recognises provisions for site decommissioning and restoration to cover its environmental obligations, mainly in New Caledonia. At December 31, 2021, these provisions stood at €623 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 recognised 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 level of management judgement required 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 permanence of the methods applied;
- obtaining an understanding of the Group's analysis and of the corresponding documentation, including consultations with external advisors;
- analysing 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, 2.1.1, 2.1.2 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 finalised on February 4, 2022 and Eramet announced that it had entered exclusive negotiations and signed an agreement protocol for the potential sale of Aubert & Duval on February 22, 2022. The disposal process was also launched for Erasteel, a subsidiary specialising in high speed steel. 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 determined fair value during the disposal. This particularly concerned the Aubert & Duval CGU, for which the accounting impact of the transaction was estimated at -€340 million and recognised in net income (expense) of the businesses being sold, encompassing impairment of assets and all cancellation costs and probable expenses for specific guarantees covered in the protocol.

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's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement 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 the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirementss

Format of presentation of the consolidated 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 consolidated 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 Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 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 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 consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

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, 2021 for Grant Thornton.

As at December 31, 2021, KPMG Audit was in its seventh year of total uninterrupted engagement and Grant Thornton, in its first year

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, Risks and Ethic 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 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 these consolidated financial statements.

Report to the Audit, Risks and Ethic Committee

We submit a report to the Audit, Risks and Ethic Committee 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Ethic 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, Risks and Ethic 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 in particular by 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, Risks and Ethic Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

At Paris La Défense and Neuilly-sur-Seine, 24 March 2022

The statutory auditors

KPMG Audit		Grant Thornton
A division of KPMG S.A.		French member of Grant Thornton International
Michel Piette	Jérémie Lerondeau	Jean-François Baloteaud
Partner	Partner	Partner

3.2 INDIVIDUAL FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

Income statement

(in thousands of euros)	Notes	FY 2021	FY 2020
Sales of goods and merchandise		948,312	727,709
Income from ancillary activities		121,192	114,604
Turnover	**5.1**	**1,069,505**	**842,313**
Capitalised production		0	810
Operating subsidies		521	9
Reversals of provisions and amortisation, transfer of charges		6,278	27,325
Other income		128	0
Other income		**6,927**	**28,144**
Total operating income		**1,076,432**	**870,457**
Purchase of goods		(608,085)	(521,557)
Changes in inventories (goods)		(137,064)	(68,503)
Purchase of raw materials and other supplies		(179,888)	(102,360)
External purchases and expenses		(100,160)	(122,233)
Taxes, duties, and other levies		(3,011)	(2,825)
Wages and salaries		(42,423)	(39,261)
Social security contributions		(15,709)	(12,165)
Depreciation and amortisation		(8,033)	(7,300)
Provisions for current assets		(5)	(739)
Provisions for liabilities and charges		(27,127)	(11,992)
Other expenses		(5,827)	(4,825)
Total operating expenses		**(1,127,331)**	**(893,761)**
Operating revenue		**(50,900)**	**(23,304)**
Financial income	**5.2**	**382,160**	**(864,730)**
Current income before taxes		**331,261**	**(888,034)**
Extraordinary income	**5.3**	**(72,917)**	**(21,575)**
Employee shareholding		**(2,067)**	**0**
Income taxes		74,646	2,253
NET INCOME		**330,923**	**(907,356)**

Balance sheet – Assets

(in thousands of euros)	Notes	Gross amount	Depreciation, amortisation and provisions	31/12/2021 Net amount	31/12/2020 Net amount
Patents, licences, rights and similar assets		26,171	20,310	5,860	4,230
Goodwill		64		64	64
Intangible assets in progress		18,555	18,555	0	0
Intangible assets		**44,789**	**38,865**	**5,924**	**4,293**
Technical installations, industrial machinery and equipment		496	496	0	0
Other property, plant and equipment		9,566	4,623	4,943	5,212
Property, plant and equipment in progress		27,277	16,158	11,119	10,307
Property, plant and equipment		**37,339**	**21,277**	**16,062**	**15,519**
Equity investments		3,188,889	1,605,366	1,583,523	1,184,904
Receivables from equity investments	4.2	1,256,187	193,679	1,062,507	1,466,665
Other long-term investments		18,884	15,295	3,589	2,271
Other non-current financial assets	4.2	12,820		12,820	26,528
Non-current financial assets		**4,476,780**	**1,814,341**	**2,662,440**	**2,680,368**
Non-current assets	**4.1**	**4,558,908**	**1,874,482**	**2,684,426**	**2,700,180**
Goods		23,641	0	23,641	7,482
Inventories and work in progress	**4.7**	**23,643**	**2**	**23,641**	**7,482**
Advances and down payments on orders		**8,283**		**8,283**	**295**
Trade receivables		148,944	5	148,939	108,457
Other receivables		106,353	67,136	39,217	29,330
Operating receivables	**4.2 & 4.7**	**255,297**	**67,142**	**188,155**	**137,787**
Cash and cash equivalents	**4.3**	**91,047**		**91,047**	**110,383**
Prepaid expenses		3,791		3,791	3,014
Loan issue costs to be deferred		6,994		6,994	9,052
Bond redemption premiums		979		979	1,267
Adjustment accounts	**4.4**	**11,764**		**11,764**	**13,334**
Current assets		**390,035**	**67,144**	**322,891**	**269,281**
TOTAL ASSETS		**4,948,943**	**1,941,626**	**3,007,317**	**2,969,461**

Balance sheet – Liabilities

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Capital		87,703	81,240
Issue, merger and contribution premiums		466,485	377,353
Legal reserve		8,124	8,124
Other reserves		253,839	253,839
Retained earnings		(614,690)	292,591
Result for the financial year		330,923	(907,356)
Net position	**4.5**	**532,384**	**105,790**
Regulated provisions	4.8	7,608	7,608
Shareholders' equity		**539,992**	**113,398**
Proceeds from equity issues		0	95,701
Other equity	**4.9**	**0**	**95,701**
Provisions for liabilities		300,544	17,615
Provisions for charges		2,321	2,151
Provisions for liabilities and charges	**4.8**	**302,865**	**19,766**
Bond issues		908,432	908,705
Borrowings and debt with credit institutions		685,882	1,576,253
Current account liabilities with the Group		337,826	67,408
Financial debts	**4.10**	**1,932,141**	**2,552,366**
Advances and deposits received on current orders		2,636	4,234
Trade payables and related accounts		162,689	132,310
Tax and payroll payables		26,345	24,555
Operating debts	**4.10 & 4.11**	**189,035**	**156,864**
Liabilities on non-current assets and related accounts		46	1,208
Other liabilities		39,704	25,434
Miscellaneous liabilities	**4.10 & 4.11**	**39,751**	**26,642**
Adjustment accounts	**4.11**	**898**	**490**
Liabilities		2,164,460	2,740,596
TOTAL LIABILITIES		**3,007,317**	**2,969,461**

Net debt table

(in thousands of euros)	FY 2021	FY 2020
OPERATING ACTIVITIES		
Net income	330,923	(907,356)
Elimination of income and expenses with no impact on cash flow or not related to operating activities	(168,291)	883,130
Cash flow from operations	**162,632**	**(24,226)**
Change in operating working capital requirement	(30,679)	46,646
Net cash flow generated by operating activities	**131,954**	**22,420**
INVESTING ACTIVITIES		
Net payments for non-current financial assets	(139,557)	(434,291)
Payments for intangible assets and PP&E	(6,658)	(13,004)
Disposal of non-current assets	0	60
Change in other receivables and payables	208	3,133
Net cash used in investing activities	**(146,008)**	**(444,103)**
EQUITY TRANSACTIONS		
Share capital increases	95,595	0
Net cash used in financing activities	**95,595**	**0**
INCREASE (DECREASE) IN NET CASH	**81,542**	**(421,683)**
Net cash (borrowings) at beginning of period	**(666,449)**	**(243,356)**
Net cash (borrowings) at period end	**(584,907)**	**(666,449)**

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 Group activities: Mining and Metals and High Performance Alloys.

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 Marketing Services: a company which brings together the personnel of the support functions of the Mining and Metals Division (General Management, Sales Department and Industrial Department);
- 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 three 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;
- Eramet Lithium: the company in charge of developments in lithium.

Note 2 Key events in the reporting period

Financial fraud

On 21 December 2021, Eramet announced that it had identified a financial fraud within treasury management at the Group's head office. This fraud entailed the falsification of the real characteristics of an investment an in unauthorised placement, followed by the concealment of the financial loss caused by the decrease in value of this placement. These irregularities amounted to a cumulative €45 million, the impact of which has been recognised in extraordinary income for the financial year in execution of the guarantee given to Metal Securities.

Signing of the agreement to sell the Sandouville hydrometallurgical plant (France) to Sibanye-Stillwater

In July 2021, Eramet received a put option agreement from Sibanye-Stillwater to purchase 100% of shares of its subsidiary, Eramet Sandouville, a hydrometallurgical plant in France owned by Eramet Holding Nickel, a subsidiary of Eramet. Eramet announced in November that it had exercised its put option on the shares of the subsidiary. Eramet then signed the share disposal agreement with Sibanye-Stillwater. The transaction was finalised on 4 February 2022.

Signature of a memorandum of understanding with the Airbus, Safran and ACE consortium

As part of the process of disposal of some of the assets of the High Performance Alloys Division, on 22 February 2022, Eramet signed a memorandum of understanding to sell Aubert & Duval to a consortium comprising Airbus, Safran and Tikehau Ace Capital. This transaction is expected to be finalised by the end of 2022. Under the terms envisaged, the sale of Aubert & Duval will take place on the basis of an enterprise value of €95 million, subject to price adjustments, and will be accompanied by a series of specific guarantees in addition to the usual guarantees. The accounting effects of the transaction were recognised in Eramet's income and include in particular an additional provision for impairment of the shares of Eramet Holding Alliages, a subsidiary of Eramet that holds 100% of the shares of Aubert & Duval, and the recording of a provision to cover all the exit costs and guarantees arising from this agreement.

Construction of the lithium plant in Argentina resumes

Eramet has decided to resume construction of its lithium plant in Argentina in the first quarter of 2022, with production scheduled to begin at the start of 2024. Eramet will have a majority share of 50.1% in the project and will manage it from an operational standpoint. Its partner, Tsingshan, will finance the construction and take a 49.9% stake in the project. Production volumes will be marketed by each partner based on their respective shareholding. The signing of this partnership resulted in the reversal of the entire provision on Eramet Lithium shares, for €40 million, and on the associated receivable, for €165 million.

Continuation of the recovery plan and new economic model of Société Le Nickel-SLN (SLN)

In New Caledonia, SLN's mining production was unchanged at 5.4 Mwmt. Nickel ore exports increased by 17% to 3 Mwmt. Ferronickel production, by contrast, was particularly adversely affected, with volumes produced decreasing by 18% (39 kt) in 2021. Activities at the Doniambo mine and plant were affected by serious industrial unrest and a very unfavourable rainy season, as well as the health crisis. In these circumstances, the cash cost deteriorated, increasing to $7/lb from $5.35/lb on average in 2020. These factors meant that the full benefit of the marked rise in nickel prices was not felt.

To recap, SLN's rescue 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. Given the circumstances, SLN applied to the president of the Nouméa mixed commercial court for another conciliation procedure. with the aim of bringing together all stakeholders as soon as possible and allowing the continued smooth implementation of the rescue plan. This conciliation procedure is in progress. An initial milestone was passed in early 2022 with the authorisation to export an additional 2 Mwmt, to reach 6 Mwmt.

At end December 2021, as at 31 December 2020, €73 million of the €525 million in loans from Eramet and the French government granted in December 2015 remained undrawn. Under these market conditions, driven by nickel prices and provided the local situation improves, the financing package put in place by Eramet and the French State will enable SLN to honour its commitments for the next 12 months.

Review of the quality process within the High Performance Alloys Division and adaptation plan

Steps to ensure the compliance of quality processes continued with all customers concerned. Joint expert appraisals and comprehensive work in close collaboration with customers continued throughout 2021. Complaints were received and were mainly resolved by means of settlement agreements. The provision recognised in Aubert & Duval's accounts is €52 million as at 31 December 2021 (€44 million at 31 December 2020). There were no legal developments at Aubert & Duval in connection with the compliance of its quality processes.

Aubert & Duval has also implemented an adaptation plan. In the first half of 2021, a voluntary redundancy plan was signed with the social partners and is currently being implemented. The provision amounted to €23 million at 31 December (part of an overall allocation of €27 million) in order to cover the departures, which will be staggered through 2022 and 2023.

Financing

In July and December 2021, the drawn line of credit of the revolving credit facility, amounting to €900 million, was also repaid. The balance of €81 million was repaid in January 2022.

As announced in the 4 October 2021 press release, Eramet proceeded with the early redemption of outstanding ODIRNANs. Since the issue, and at the end of the period of exercise of the conversion rights, set at 25 October 2021, Eramet has received conversion requests relating to 2,156,142 ODIRNANs, resulting in the issue of 2,211,829 new shares. The remaining ODIRNANs in issue, i.e. 2,286 ODIRNANs, were redeemed in cash to the bearers for around €100,000 in October and November 2021.

In July 2021, Eramet financed the early redemption of the bonds issued by the subsidiary TiZir, for $225 million.

Note 3 Accounting principles, rules and methods

The financial statements of Eramet S.A. as at 31 December 2021 were approved by the Board of Directors on 23 February 2022.

Review of principles

The annual financial statements for the year ended 31 December 2021 have been prepared in accordance with French Accounting Standards Authority (ANC) Regulation No. 2015-06 of 23 November 2015 and Regulation No. 2016-7, 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 relating to forward financial instruments and hedging transactions.

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

Eramet has applied the update to ANC Recommendation No. 2013-02 of 7 November 2013, as amended on 5 November 2021, on the rules for the valuation and recognition of pension commitments and similar benefits in annual financial statements, which follows a position taken by the IFRS Interpretation Committee in May 2021.

This recommendation specifies that the date from which each year of service counts for the obtention of rights to benefits corresponds to the start of the obligation to provide post-employment benefits, since prior years of service have no impact on the bond and its valuation.

The application of this new recommendation constitutes a change in accounting method that resulted in the opening equity for the 2021 financial year being adjusted by €75 thousand.

There was no other change in method compared with 31 December 2020.

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

Since 1 January 2006, the gross value of non-current financial assets has been increased by 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 set aside for 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. These costs are included in the value of the securities during acquisitions.

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 corresponding to this difference is made.

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 2021.

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);
- 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 31/12/2020	Acquisitions	Outflows[1]	Acquisition values 31/12/2021
Concessions, patents, licences, trademarks, processes, rights and similar assets	21,702	4,477	(9)	26,170
Goodwill	64	-	-	64
Intangible assets in progress	18,555	-	-	18,555
TOTAL	**40,321**	**4,477**	**(9)**	**44,789**

(1) Disposals, retirements and adjustments.

Acquisitions in the financial year mainly include the creation of a digital cloud platform and the transformation of the Group Datacenter, the implementation of standard practices and tools configured to manage the Group's information in complete security, the supplier relations management tool, the new budget simulation tool, the transfer of responsibility for the operation and administration of the 60 servers of the Alloys Division to GFI and the securing of authentication (MFA, eramet.com, WAN).

(in thousands of euros)	Depreciation, amortisation and provisions at 31/12/2020	Allocations	Reversals	Outflows[1]	Depreciation, amortisation and provisions at 31/12/2021
Concessions, patents, licences, trademarks, processes, rights and similar assets	17,473	2,838		-	20,310
Non-current assets under construction	18,555	-		-	18,555
TOTAL	**36,027**	**2,838**	**0**	**0**	**38,865**

(1) Disposals, retirements and adjustments.

Depreciation and amortisation expenses essentially relate to the new budget simulation tool, cybersecurity software, the overhaul of Eramet, the document management and archiving system and updates to the messaging system – all for the most part acquired in 2020. In 2021, depreciation related to the creation of the digital cloud platform and the transformation of the Group Datacenter were added, as well as depreciation linked to the implementation of standard practices and tools configured to manage the Group's information in complete security.

As a reminder, the non-current assets under construction related to the development of hydro-metallurgical technology were written off in 2015 for €18.5 million following the decision to suspend the hydro-metallurgical process.

Property, plant and equipment

(in thousands of euros)	Acquisition values 31/12/2020	Acquisitions	Outflows(1)	Acquisition values 31/12/2021
Technical installations, industrial machinery and equipment	496	-	-	496
Other property, plant and equipment	8,196	1,370	-	9,566
Property, plant and equipment in progress	26,465	811	-	27,277
TOTAL	**35,158**	**2,182**	**0**	**37,339**

(1) Disposals, retirements and adjustments.

Acquisitions for the year mainly include investments in fixtures and fittings for the 10 G and Trappes offices and new computers.

(in thousands of euros)	Depreciation, amortisation and provisions at 31/12/2020	Allocations	Reversals	Outflows(1)	Depreciation, amortisation and provisions at 31/12/2021
Technical installations, industrial machinery and equipment	496	-		-	496
Other	2,984	1,638		-	4,623
Non-current assets under construction	16,158	-		-	16,158
TOTAL	**19,638**	**1,638**	**0**	**0**	**21,277**

(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 31/12/2020	Acquisitions	Outflows(1)	Acquisition values 31/12/2021
Equity investments	3,060,794	131,711	(3,616)	3,188,889
Receivables from equity investments	1,871,235	438,754	(1,053,803)	1,256,186
Other long-term investments	13,980	7,880	(2,976)	18,884
Other	26,528	758	(14,466)	12,820
TOTAL	**4,972,538**	**579,103**	**(1,074,861)**	**4,476,780**

(1) Disposals, retirements and adjustments.

Changes to the "Equity investments" line come about as a result of the capital increase for Eramet Holding Alliages in return for the reduction in the loan granted to its subsidiary Aubert & Duval for €131.7 million and the dissolution of Weda Bay Mineral Inc., which resulted in a decrease of €3.6 million in equity investments.

The increase in "Receivables from equity investments" mainly reflect the €133 million increase in the loan to TiZir, to enable it to finance part of the early redemption of the bond carried out in July 2021 for $225 million, the €132 million increase in the Aubert & Duval loan, the €53 million increase in the Eramet Sandouville loan, the €23 million increase in the Erasteel loan and the €10 million increase in the Eramet Lithium loan.

The reductions in "Receivables from equity investments" mainly reflect the transition to an MSEC current account credit balance in euros, the balance of which amounted to €806 million at 31 December 2021, in connection with the repayment of the RCF for €900 million, the transaction on the capital of Eramet Holding Alliages mentioned above totalling €132 million, the partial repayment of the TiZir loan for an amount of €64 million and the recognition in losses of the CFED and Weda Bay Mineral Inc. loans, fully provisioned, following their liquidation in 2021, for amounts of €34 million and €15 million, respectively.

The line "Other long-term investments" concerns treasury shares. Movements in this item are attributable to repurchases of Eramet shares for €8 million, outflows of shares, mainly due to the delivery to employees of French and foreign companies of selective bonus share plans for 2017 and 2018, and democratic bonus share plans for 2017 and 2019, amounting to €2.2 million, as well as the net balance of the liquidity agreement.

The shares from the buyback mandates (balance of 133,254 shares as of 31 December 2021) are to be distributed as part of the bonus share plans.

(in thousands of euros)	Depreciation, amortisation and provisions at 31/12/2020	Allocations	Reversals	Outflows[1]	**Depreciation, amortisation and provisions at 31/12/2021**
Equity investments	1,875,891	207,618	(478,142)		1,605,366
Receivables from equity investments	404,570	2,682	(213,572)		193,679
Other long-term investments	11,710		(2,073)	5,659	15,295
TOTAL	**2,292,170**	**210,300**	**(693,787)**	**5,659**	**1,814,341**

(1) Disposals, retirements and adjustments.

A provision for impairment of equity investments of €208 million was recorded during the year on the Eramet Holding Alliages subsidiary and reversals of provisions for impairment were recognised during the year for an amount of €383 million on subsidiary Strand (the holding company of Weda Bay), €40 million on subsidiary Eramet Lithium (Eramine) and €4 million on subsidiary Weda Bay Mineral Inc.

A provision for impairment of receivables from equity investments of €3 million was recorded on the Eramet Cameroun loan. Reversals of provisions for impairment were made for an amount of €165 million on the Eramet Lithium (Eramine) loan, €34 million on the CFED loan and €15 million on the Weda Bay Mineral Inc. loan.

Breakdown of equity investments

(in thousands of euros)	31/12/2021 Gross amount	Net	Net amount	31/12/2020 Gross amount	Net	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	914,150	(838,243)	75,907
Eramet Holding Manganèse	310,156		310,156	310,156		310,156
Eramet Holding Nickel	229,652	(20,722)	208,930	229,652	(20,722)	208,930
Eramet Mineral Sands	50		50	50		50
Enercal	305	(260)	45	305	(260)	45
Eralloys Holding	419,445	(200,638)	218,807	419,445	(200,638)	218,807
Eramet Cameroun	15		15	15		15
Eramet Ideas	1,161		1,161	1,161		1,161
Eramet International	892		892	892		892
Eramet Services	1,540		1,540	1,540		1,540
Eramet Lithium (Eramine SAS)	40,040		40,040	40,040	(40,040)	0
Eras	1,986		1,986	1,986		1,986
Erasteel	444,169	(388,886)	55,283	444,169	(388,886)	55,283
Metal Currencies	1		1	1		1
Metal Securities	66		66	66		66
Société Le Nickel	0		0	0		0
Strand	421,186		421,186	421,186	(383,486)	37,700
TiZir	218,807		218,807	218,807		218,807
Weda Bay Minerals Inc.	-		-	3,616	(3,616)	0
TOTAL	**3,188,889**	**(1,605,366)**	**1,583,523**	**3,060,794**	**(1,875,891)**	**1,184,904**

Breakdown of receivables from equity investments

(in thousands of euros)	31/12/2021 Gross amount	Net	Net amount	31/12/2020 Gross amount	Net	Net amount
Strand Minerals Ltd/Weda Bay Minerals Singapore	157,667	-	157,667	145,525		145,525
Aubert & Duval	-	-	-	1		1
Erasteel SAS	37,414	-	37,414	16,023	-	16,023
CFED	-	-	-	34,263	(34,263)	-
Eramet Lithium (Eramine SAS)	225,166	-	225,166	214,684	(164,684)	50,000
Metal Securities	-	-	-	806,303		806,303
TiZir	254,258	-	254,258	120,998		120,998
SLN	273,732	-	273,732	273,732		273,732
Sandouville	242,185	(189,506)	52,679	189,506	(189,506)	-
Eralloys Holding	61,370	-	61,370	53,861		53,861
Mineral Deposit Ltd	222	-	222	222		222
Eramet Cameroun	4,173	(4,173)	-	1,492	(1,492)	-
Weda Bay Minerals Inc.	-	-	-	14,625	(14,625)	-
TOTAL	**1,256,187**	**(193,679)**	**1,062,507**	**1,871,235**	**(404,570)**	**1,466,665**

4.2 Schedule of receivables

(in thousands of euros)	Gross amount 31/12/2021	1 year or less	Over 1 year	Reminder 31/12/2020
Receivables from equity investments(1)	1,256,187	404,219	851,967	1,871,235
Other non-current financial assets(2)	12,820	12,820		26,528
Trade receivables and related accounts	148,944	147,904	1,040	108,457
Other receivables(3)	106,353	106,353		92,475
TOTAL	**1,524,304**	**671,297**	**853,007**	**2,098,695**

(1) Receivables from equity investments: loans to Group companies.

(2) Of which excess €3 million contribution to the supplementary defined benefit pension plan.

(3) Other receivables include, among other things, a €14 million net corporate tax receivable as part of the tax consolidation and fully provisioned costs of €68 million related to the Lithium project (see Note 4.7).

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)	31/12/2021	31/12/2020
Prepaid expenses(1)	3,791	3,014
Loan issue costs to be deferred(2)	6,994	9,052
Bond redemption premiums(3)	979	1,267
TOTAL	**11,764**	**13,334**

(1) Prepaid expenses relate to prepaid insurance premiums in the amount of €0.9 million (€0.9 million at 31 December 2020), rents and charges for Q1 2022 for €1 million, software maintenance charges for €0.7 million, licence costs amounting to €0.8 million and interest on drawing down the CIR and CICE tax credits with banks for €0.2 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:

	31/12/2021				31/12/2020			
	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	43.49	20,501,705	36.94	9,840,143	43.78	19,675,977
FSI Equation (a subsidiary of Bpifrance) and the French State (Caisse des Dépôts et Consignations)	27.13	7,801,093	30.99	14,611,510	25.57	6,810,317	30.31	13,620,634
S.T.C.P.I.	4.03	1,159,994	4.73	2,230,581	4.02	1,070,587	4.76	2,141,174
Eramet S.A.	0.64	183,413	-	-	0.62	165,188	-	-
Eramet S.A. share fund	0.71	203,500	0.67	316,158	0.73	195,311	0.69	307,969
Other	30.41	8,745,485	20.12	9,484,524	32.12	8,554,459	20.46	9,195,583
TOTAL NUMBER OF SHARES	**100.00**	**28,755,047**	**100.00**	**47,144,478**	**100.00**	**26,636,005**	**100.00**	**44,941,337**
• of which registered shares	72.34	20,802,646	83.24	39,242,236	70.68	18,825,153	82.74	37,186,116
• of which bearer shares	27.66	7,952,401	16.76	7,902,242	29.32	7,810,852	17.26	7,755,221

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 Director's 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 General 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 2019	**26,636,000**	**81,240**	**927,209**	**4,697**	**1,013,146**
Appropriation of 2019 result			4,697	(4,697)	-
Result for 2020 financial year				(907,356)	(907,356)
Dividend					-
Premium for conversion of bonds into shares as at 31 December 2020	5		1		1
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**

The share capital of €87,702,893.35 (31 December 2020: €81,239,815.25) is composed of 28,755,047 fully paid-up shares (31 December 2020: 26,636,005 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 2020	**26,636,000**	**79,433**	**97,129**	**176,562**
As a percentage of capital		*0.30%*	*0.36%*	*0.66%*
Buyback mandate			131,625	131,625
Final allocation of bonus shares			(119,197)	(119,197)
Purchases/sales		(23,802)		(23,802)
Position at 31 December 2020	**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%*

(1) Liquidity agreement signed with Exane BNP Paribas.

The balance of 183,413 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)	31/12/2020	Allocations	Reversals	31/12/2021
Goods	739		(739)	-
Trade receivables	-	5		5
Other receivables[1]	63,145	4,041	(50)	67,136
TOTAL	**63,884**	**4,046**	**(789)**	**67,143**

(1) allocations to provisions are mainly recorded in expenses under “Other receivables” for the lithium research and exploitation project.

4.8 Provisions in liabilities

	31/12/2020	Allocations	Reversals		Reclassification	31/12/2021
(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]	2,151	179	(9)			2,321
Other provisions for liabilities[2]	6,722	277,000	(3,383)			280,340
Other provisions for charges[3]	10,893	17,658	(2,687)		(5,659)	20,204
Total provisions for liabilities and charges	**19,766**	**294,837**	**(6,079)**	**-**	**(5,659)**	**302,865**
PROVISIONS FOR LIABILITIES	**27,374**	**294,837**	**(6,079)**	**-**	**(5,659)**	**310,473**

(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 2021. The corridor method is used to calculate pension commitments.

As at 31 December 2021, the balance relating to pension and similar commitments was €2.3 million.

(2) The provision for financial risk corresponds to the potential loss on the bond portfolio of Metal Securities guaranteed by Eramet for €3.3 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”.

(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	85,017	(82,361)	2,656
Retirement package	3,194	(1,332)	1,862
Long service awards	2,323	-	2,323
Plans for medical expenses	-	-	-
TOTAL	**90,534**	**(83,693)**	**6,841**

(in thousands of euros)	Unrecognised actuarial (gains)/losses	Unrecognised services recorded	Provision on the balance sheet (Assets)/Liabilities
Supplementary pension plan	(6,348)	627	(3,065)
Retirement package	(2,306)	(68)	(512)
Long service awards	-	-	2,323
Plans for medical expenses	-	-	-
TOTAL	**(8,654)**	**559**	**(1,254)**
Personnel provisions			2,323
Plan assets (other non-current financial assets)			(3,577)

Details of pension fund investments

(in thousands of euros)	Insurance contract	Other investments	Total
Amount	83,693		83,693
Percentage	100%		100%

Change in pension liabilities

(in euros)	FY 2021
At beginning of period	**(17,401)**
Expenses recognised	13,987
• Service cost	7,058
• Amortisation of actuarial gains (losses)	9,029
• Interest expense	664
• Return on plan assets	(2,764)
Contributions and benefits paid	(80)
AT PERIOD CLOSE	**(3,494)**

The actuarial assumptions used for the valuations are as follows:

Actuarial assumptions	FY 2020	FY 2021
Discount rate	0.80%	1.00%
Inflation rate	1.80%	1.80%
Salary increase rate	2.10% to 3.75%	2.10%
Rate of return on plan financial assets	0.80%	1.00%

4.9 Proceeds from equity issues

(in thousands of euros)	31/12/2021	31/12/2020
ODIRNAN	-	95,701
TOTAL	**-**	**95,701**

On 5 October 2016, Eramet S.A. issued an offering of net share settled undated bonds convertible into new shares (ODIRNAN).

At 31 December 2021, almost all the bonds had been converted into shares, with only 2,286 bonds redeemed in cash. There are therefore no more outstanding bonds. In October 2021, Eramet announced to the holders of the bonds still in issue that it would redeem these bonds early in November 2021.

4.10 Breakdown of liabilities and maturity schedule

Net amount *(in thousands of euros)*	31/12/2021	1 year or less	More than 1 year and less than 5 years	More than 5 years	31/12/2020
Other bond issues[1]	908,432	108,437	799,995		908,705
Borrowings and debt with credit institutions[2]	685,882	176,834	458,468	50,581	1,576,253
Other borrowings and financial debts[3]	337,826	337,826			67,408
Suppliers and related accounts[4]	162,689	162,689			132,310
Tax and payroll payables	26,345	26,345			24,555
Liabilities on non-current assets and related accounts	46	46			1,208
Other various liabilities[5]	39,704	39,704			25,434
TOTAL	**2,160,926**	**851,882**	**1,258,463**	**50,581**	**2,735,872**

(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;
– November 2019 issue for €300 million.
(2) Borrowings from credit institutions include the Borrowing Base for €50 million, the revolving credit facility in the amount of €80 million, a €350 million loan and three loans from the European Investment Bank for a total of €178.4 million.
(3) The Eramet loan is provided by the Metal Securities company, an 87.92% subsidiary of Eramet. The amount as of 31 December 2021 is €336.8 million, compared with €65.6 million as of 31 December 2020.
(4) The Company has a trade payable more than 60 days from the invoice date of €183 thousand.
(5) This item includes non-operating debt of €14 million to Aubert & Duval.

Breakdown of miscellaneous borrowings and financial debts

Net amount *(in thousands of euros)*	31/12/2021	31/12/2020
Current accounts with Metal Securities	336,850	65,626
Deposits received	40	40
Revolving credit facility utilisation/non-utilisation fee	936	785
Interest from ODIRNAN	-	957
TOTAL	**337,826**	**67,408**

4.11 Breakdown of liabilities and accrued expenses

Gross amount *(in thousands of euros)*	31/12/2021	31/12/2020
Trade payables and related accounts	162,689	132,310
Tax and payroll payables	26,345	24,555
Liabilities on non-current assets and related accounts	46	1,208
Other liabilities	39,704	25,434
Deferred income	898	490
TOTAL	**229,684**	**183,996**

4.12 Information on related companies

Balance sheet

(in thousands of euros)	31/12/2021	31/12/2020
Equity investments	3,207,773	3,074,776
Financial receivables	840,089	1,603,221
Trade receivables and related accounts	74,294	57,159
Other receivables	6,992	2,315
Other borrowings and financial debts	(336,850)	(65,626)
Trade payables and related accounts	(135,948)	(99,820)
Other liabilities	(20,485)	(11,385)

Income statement

(in thousands of euros)	31/12/2021	31/12/2020
Operating income	350,010	186,236
Operating expenses	(1,017,729)	(708,065)
Financial income	40,239	64,743
Financial expenses	(1,101)	(955)

Note 5 Explanatory notes to the income statement

5.1 Turnover

(in thousands of euros)	Total	France	Foreign
Sales of products and goods[1]	948,312	6,021	942,291
Income from ancillary activities	121,192	35,611	85,581
TURNOVER	**1,069,505**	**41,632**	**1,027,873**

(1) Sales include a negative currency difference of €1 million, mainly due to hedges in USD.

5.2 Increases and reductions in future tax liabilities

(in thousands of euros)	31/12/2021	31/12/2020
INCREASES IN TAXABLE BASE		
• Regulated provisions	7,608	7,608
REDUCTIONS IN TAXABLE BASE		
• Provisions not deductible in the accounting period	17,517	(6,712)
• Accrued expenses	(688)	(514)
• Tax loss carryforwards	(920,032)	(1,001,378)
Net reduction in taxable base	**(895,595)**	**(1,000,996)**
INCREASE IN FUTURE TAXATION	**(254,439)**	**(320,519)**
	28.41%	**32.02%**

Breakdown of income tax

(in thousands of euros)	Gross amount	Tax owed	31/12/2021 Net income	31/12/2020 Net income
Current income	331,261		331,261	(888,034)
Extraordinary income	(72,917)		(72,917)	(21,575)
Employee shareholding	(2,067)		(2,067)	0
Impact of tax consolidation and research tax credit		74,646	74,646	2,253
TOTAL	**256,277**	**74,646**	**330,923**	**(907,356)**

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:

- -€13.5 million in tax charges for the consolidated tax group (including -€18 million in corporate tax and +€4 million in tax credits for 2021 and +€0.5 million in adjustments of previous Group tax credits);
- €93 million in tax consolidation income (+€91 million in 2021 corporate tax from the consolidated subsidiaries and +€2 million for the adjustment of previous corporate tax);
- -€3.9 million of tax consolidation expenses (including tax credits returned to subsidiaries: -€3.9 million in 2021 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	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
CONSOLIDATED COMPANIES						
Aubert & Duval (AD)			x	x	x	x
Brown Europe[(2)]		x	x	x	x	
Eramet	x	x	x	x	x	x
Eramet Alliages						x
Eramet Holding Alliages (formerly SIMA)	x	x	x	x	x	x
Eramet Holding Manganèse (EHM)	x	x	x	x	x	x
Eramet Holding Nickel (EHN)	x	x	x	x	x	x
Eramet Ingénierie[(1)]					x	x
Eramet Mineral Sands	x	x				
Eramet Marketing Services (previously Eramet Nickel)	x	x	x	x		
Eramet Ideas [(1)]	x	x	x	x	x	x
Eramet Sandouville	x	x	x	x	x	
Eramet Services	x	x	x	x	x	x
Eramet Lithium (formerly Eramine)	x	x	x	x	x	x
Erasteel	x	x	x	x	x	x
Erasteel Champagnole	x	x	x	x	x	x
Eurotungstène Poudres						x
Metal Securities	x	x	x	x	x	x
Valdi			x	x	x	x
NON-CONSOLIDATED COMPANIES						
AD TAF			x	x	x	x
Brown Europe						x
Campus Eramet	x	x	x	x	x	x
Eramet Ingénierie (formerly TEC)						
Eramet International	x	x	x	x	x	x
Eramet Sandouville						x
Forges de Monplaisir	x	x	x	x	x	x
Interforge			x			
Supa					x	x

(1) Eramet Research absorbed Eramet Ingénierie on 31 December 2018 and became Eramet Ideas.
(2) Brown Europe was sold in 2021.

5.4 Financial income

(in thousands of euros)	31/12/2021	31/12/2020
Investments – Dividends(1)	242,935	52,662
Investments – Interest(2)	44,948	64,310
Other dividends and interest	775	1,350
Reversals of provisions(3)	700,814	18,526
Exchange rate differences(4)	11,501	-
Net proceeds from sale of marketable securities	89	-
Financial income	**1,001,061**	**136,848**
Depreciation, amortisation and provisions(5)	(487,317)	(888,571)
Interest and similar expenses(6)	(85,358)	(95,028)
Exchange rate differences(4)	-	(17,981)
Losses on receivables related to equity investments	(46,225)	-
Net expenses on the sale of marketable securities	-	-
Financial expenses	**(618,900)**	**(1,001,579)**
FINANCIAL INCOME	**382,160**	**(864,730)**

(1) Dividends paid by Eramet Holding Manganese (€109 million), Strand (€130 million) and Comilog S.A. (€3.8 million).

(2) Interest income on current account loans of the Group (€44.9 million).

(3) Reversals of impairment of securities recognised of €383 million for Strand securities, €40 million for Eramet Lithium (Eramine) securities and €4 million for Weda Bay Mineral Inc. Reversals of loan impairments were recorded amounting to €165 million for the Eramet Lithium (Eramine) loan and €35million for the CFED loan. Reversal of the provision on the Weda Bay Mineral Inc. current account for €16 million. A reversal of the provision for financial risk corresponding to the potential loss on the bond portfolio of Metal Securities guaranteed by Eramet for €3 million.

(4) Net exchange gain of €12 million mainly resulting from the revaluation of Group loans and borrowings in foreign currencies.

(5) Impairment of EHA securities of €207.6 million. Write-down of loan to Erasteel of €2.7 million.

(6) Interest expense on financial debt (revolving credit facility, Metal Securities, bonds, BEI, ODIRNAN). Recognition in losses of CFED loans for €30 million and of the current account to Weda Bay Mineral Inc. for €16 million following liquidation of the companies during the financial year.

5.5 Extraordinary income

(in thousands of euros)	31/12/2021	31/12/2020
Income from management transactions	0	0
Gains on capital transactions	0	60
Reversals of provisions and expense transfer(1)	2,271	5,283
Extraordinary income	**2,271**	**5,343**
Charges on management transactions	(0)	(1,000)
Expenses on capital transactions(2)	(64,529)	(5,192)
Exceptional depreciation, amortisation and provisions(3)	(10,659)	(20,725)
Extraordinary expenses	**(75,188)**	**(26,918)**
EXTRAORDINARY INCOME	**(72,917)**	**(21,575)**

(1) Reversal of provision for the bonus share plan (€2 million).

(2) Compensation of €45 million granted to MSEC to cover the fraud detected in this entity. Compensation of €14 million granted to Aubert & Duval following its exit from the tax consolidation scope. Dissolution of Weda Bay Mineral Inc. resulting in a loss of €4 million. Income from the sale of bonus shares under the 2021 plan (€2 million).

(3) Provisions on miscellaneous receivables for the lithium research and exploitation project (€4 million), provisions for top hat pensions (€6.6 million).

5.6 Workforce

	FY 2021	FY 2020
Management	166	166
Administrative, Technical and Supervisory staff	36	37
WORKFORCE AT END OF PERIOD	**202**	**203**
AVERAGE NO. OF EMPLOYEES	**201**	**204**

Note 6 Off-balance-sheet commitments

(in thousands of euros)	31/12/2021	31/12/2020
COMMITMENTS MADE:		
Securities, endorsements and guarantees	7,542	92,272
Forward sales in USD	15,000	13,978
COMMITMENTS RECEIVED:		
Securities, endorsements and guarantees	3,842	-
Internal USD exchange contracts (MCUR)	254,109	193,305
Multi-currency revolving credit facility	901,000	-
Credit facilities	15,000	14,800

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.

Eramet also granted, after the closing date, additional financial guarantees of €8.5 million on behalf of Aubert & Duval on 13 January 2022 (supplier contract) and €71.8 million on behalf of SLN on 26 January 2022 (environmental safeguards).

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 2021, 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 2021, 60 tonnes are hedged for a fair value of -€36 thousand (31 December 2020: 3,064 tonnes for a fair value of €591 thousand).

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 2021, 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 2021 was €2,025 million (31 December 2020: €1,856 million), of which €1,189 million is classified as cash and cash equivalent (31 December 2020: €1,856 million). These 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 February 2019 for an amount of €981 million and for a five-year term, with a new maturity in January 2024. The amount available under this revolving credit facility was maintained at €981 million. As at 31 December 2021, €80 million of this line had been drawn down, following repayments of €500 million in July 2021 and €401 million in December 2021.

On 31 December 2021, 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. The credit line had also been fully drawn down at 31 December 2021.

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	€981 million
Term Loan	Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity	< 1	€350 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
UMR Bond	Net debt/Shareholder's equity	< 1	€50 million
European Investment Bank	Net debt decreased by SLN loan with the French State and amount of liability pursuant to IFRS 16/Equity	< 1	€178 million

At 31 December 2021, the covenants showed no circumstances of accelerated maturity. Moreover, at 31 December 2021, 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 2021 amounted to €383 thousand (including €188 thousand for KPMG and €195 thousand for GT) and fees for other services amounted to €41 thousand (EY).

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 2021	FY 2020
SHORT-TERM BENEFITS:		
• Fixed compensation	4,272	3,449
• Variable compensation	2,395	2,335
• Directors' fees	890	855
OTHER BENEFITS:		
• Post-employment benefits	5,850	1,353
TOTAL	**13,407**	**7,992**

Bonus share plans

Two new bonus share plans were granted in March and May 2021:

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 two indicators (EBITDA and ROCE) covers 50%, and an external condition, covering 30%, yields an initial total of 202,420 shares; and
- part of the shares are not subject to performance conditions, for an initial total of 14,893 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 2021 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	146,298	free	3 + 0	-0.61%	0.50%	56.92/42.95
	France	20,089	free	3 + 0	-0.57%	0.50%	58.32/43.78
	Worldwide	50,926	free	3 + 0	-0.61%	0.50%	56.92/42.95

(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 2020 and 2021 reporting periods was as follows:

Number of bonus shares	31/12/2021	31/12/2020
At beginning of period	**412,162**	**469,544**
New plans 2020/2021	217,313	129,043
Definitive allocations	(89,303)	(119,197)
Prescribed shares	(8,732)	(5,500)
Lapsed shares	(39,788)	(61,728)
AT PERIOD CLOSE	**491,652**	**412,162**
Distribution by year of allocation		
2021	-	120,940
2022	110,850	122,642
2023	136,695	137,960
2024	244,107	30,620

Note 11 Events after the reporting date

As indicated in Note 2 “Key events in the reporting period”, Eramet Holding Nickel, a wholly owned subsidiary of Eramet S.A., finalised the sale of the Sandouville hydrometallurgical plant to Sibanye-Stillwater on 4 February 2022. On 22 February 2022, a memorandum of understanding was also signed with the Airbus, Safran and ACE consortium for the sale of Aubert & Duval.

To the best of the Company’s knowledge, no other events occurred after the reporting date.

Note 12 Table of subsidiaries and equity investments

AS AT 31 DECEMBER 2021

		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	1,400,775	100%	419,445	218,807	61,370	0	0	0	(20,692)
Eramet Cameroun	XAF	0	0	100%	15	15	4,173	0	0	0	0
Eramet Holding Alliages (formerly SIMA)	EUR	10,000	43,459	100%	1,045,860	51,000	0	0	0	4,422	(174,224)
Eramet Holding Manganèse	EUR	310,156	64,475	100%	310,156	310,156	0	0	109,000	0	110,468
Eramet Holding Nickel	EUR	227,104	(18,262)	100%	229,652	208,930	0	0	0	0	(144)
Eramet Ideas (previously Eramet Research)	EUR	1,410	1,552	100%	1,161	1,161	0	0	0	15,843	(2,034)
Eramet International(1)	EUR	160	4,569	100%	892	892	0	0	0	1,221	127
Eramet Mineral Sands	EUR	50	(4,709)	100%	50	50	0	0	0	0	(101)
Eramet Services	EUR	1,540	282	100%	1,540	1,540	0	0	0	19,754	(258)
Eramet Lithium (formerly Eramine)	EUR	40,040	(5,566)	100%	40,040	40,040	225,166	0	0	0	199,166
Eras	EUR	2,000	9	100%	1,986	1,986	0	0	0	0	0
Erasteel	EUR	60,000	(11,616)	100%	444,169	55,283	37,414	3,842	0	195,717	13,734
Mineral Deposits Ltd	AUD	520,900	(168,411)	100%	218,807	218,807	222	0	0	0	(290)
Metal Securities	EUR	38	647	87.88%	66	66				0	71
Equity investments (between 10 and 50% held)					**1,108,733**	**2,713,839**					
Comilog	XAF	40,811,593	474,508,407	23%	53,407	53,407	0	0	3,805	583,080,511	89,001,978
Strand Minerals Pte Ltd	USD	87,720	64,339	43%	421,186	421,186	157,667	0	130,029	0	12,170
					474,593	**474,593**					
II – GENERAL INFORMATION ON OTHER SECURITIES (GROSS VALUE AT MOST EQUAL TO 1% OF THE CAPITAL OF THE COMPANY)											
• French subsidiaries	EUR				1	1	0				
• Foreign subsidiaries	EUR										
• Equity investments	EUR				458	198	277,905	0	100		
TOTAL					**3,188,891**	**1,583,525**	**763,917**	**3,842**	**242,934**		

(1) *Turnover and results as at 31 December 2020.*

	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
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
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	N/A	Suite 402, 261 George Street, Sydney NSW 2000, Australia
Eramet Services	529,241,895	10, boulevard de Grenelle 75015 Paris Cedex 15 France
Eramet Lithium (formerly Eramine)	428,739,627	10, boulevard de Grenelle 75015 Paris Cedex 15 France
Eramet Cameroun	N/A	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
Metal Securities	418,457,362	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 2021

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 2021.

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 2021 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 the following matters described in the notes to the financial statements, namely:

- Note 2 “Financial fraud”, which describes the nature of the fraud discovered in the fiscal year 2021 in relation to the cash management and its accounting consequences.
- Note 2 “Continuation of the recovery plan and new economic model of Société Le Nickel-SLN (SLN)”, which describes the recovery plan continuation and the framework in which the company is assessed as a going concern.
- Note 3 “Change of the accounting method” which sets out the application of ANC recommendation no. 2013-02 of November 7, 2013, as amended on November 5, 2021, relating to the rules for measuring and recognizing pension and similar benefit obligations in the financial statements, and specifies its impact on opening equity for the year ended 31 December 2021.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies’ internal organization and on how audits are performed.

It is in this complex, evolving context that, 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 2021 for €2,646 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. 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. For impairment tests based on the historical data, our procedures consisted, in particular, in: • reconciling the shareholders' equity used with the financial statements of the entities that were audited or were subject to other procedures where necessary; • assessing whether any adjustments made to equity were based on documentation that provides the grounds for such adjustments. For impairment tests based on the forecasts, our procedures consisted, in particular, in: • 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. • assessing the consistency of the assumptions used with our knowledge of the economic environment on the date the financial statements were prepared; • comparing the forecasts used for the previous periods with the corresponding actual results to assess whether the past targets have been achieved; • assessing whether any adjustments made to tge cash flow forecasts were based on documentation that provides the grounds for such adjustments. 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.

Other information

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

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 2021, KPMG Audit was in the seventh year of its uninterrupted engagement and GRANT THORNTON in the first 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.

Neuilly-sur-Seine and Paris La Défense, 24 March 2022

The Statutory Auditors

French original signed by

KPMG Audit		Grant Thornton
A division of KPMG S.A		French member of Grant Thornton International
Michel Piette	Jérémie Lerondeau	Jean-François Baloteaud

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 regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the 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 2021

To the Shareholders' 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 2021, 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 R.225-40 of the French Commercial Code (Code de commerce), we have been notified of the following related party agreements which received prior authorization from your Board of Directors.

With Société Le Nickel-SLN

Person performing the duties of director at both companies:

Ms. Christel Bories (CEO of your Company)

Amendment to the Technical assistance contract

Nature, purpose and terms and conditions

The new Amendment No. 6 to the intra-group loan agreement date 23 December 2015 between your Company and Le Nickel-SLN extends the loan availability period from 31 December 2021 to 31 December 2022.

Reasons justifying why the Company's benefits from this agreement

After having read the terms and conditions of the new Amendment No. 6, to the intra-group loan agreement between your Company and Le Nickel-SLN dated 23 December 2015, the Board of Directors, at its meeting on 9 December 2021, recorded that the conclusion and the implementation of this amendment are in the corporate interest of your Company: indeed, the implementation timetable for the recovery plan, that this loan was intended to finance, justifies extending the deadline for the remaining instalments until 31 December 2022.

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years

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 2021.

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 €6,547,149 for 2021 compared with €6,875,906 for 2020.

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 €546,473,032.29 in 2021 compared with €499,702,964.81 in 2020.

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 €2,465,587.18 in 2021, compared with €2,547,239.15 in 2020.

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

Terms and conditions

At the end of December 2021, €271 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 €10,840,000 in 2021, compared with €10,627,068.49 in 2020.

With Ms. Christel Bories (CEO of your Company)

Supplementary health and social security insurance

Nature, purpose and terms and conditions

Ms. Bories' coverage under the supplementary health insurance and supplementary disability and death scheme applicable to all your Company employees, authorized by the Board of Directors on 23 February 2017 and approved by the Annual General Meeting of 24 May 2018.

The Board of Directors noted that the provisions of the supplementary insurance are in your Company's corporate interest, as it enables the executive corporate officer to receive the same benefits as those applicable to your Company's employees.

This coverage was also approved by the Annual General Meeting of 26 May 2020 in the eighth resolution regarding the CEO's remuneration policy ("Say on Pay Ex Ante"), then by the General Meeting of 28 May 2021 in its eleventh resolution relating to the compensation policy of the Chairman and Chief Executive Officer ("Say on Pay Ex Ante") and in its thirteenth resolution relating to the remuneration elements making up the total remuneration and benefits of any kind paid or granted to the Chairman and Chief Executive Officer in respect of the 2020 financial year ("Say on Pay Ex Post").

Life insurance contract indirectly affecting Ms. Christel Bories

Nature, purpose and terms and conditions

In the context of providing supplementary compensation to Ms. Bories, your Company signed a life insurance policy pursuant to Article 82 of the French General Tax Code with an authorized insurer. This was authorized by the Board of Directors on 26 July 2017 and approved by the Annual General Meeting of 24 May 2018.

The Board of Directors noted that the signing of this life insurance policy is in your Company's corporate interest, as it is in line with market practices and implements a compensation policy for the executive in accordance with the Company's interest.

This coverage was also approved by the Annual General Meeting of 26 May 2020 in the eighth resolution regarding the CEO's compensation policy ("Say on Pay Ex Ante"), then by the General Meeting of 28 May 2021 in its eleventh resolution relating to the compensation policy of the Chairman and Chief Executive Officer ("Say on Pay Ex Ante") and in its thirteenth resolution relating to the remuneration elements making up the total compensation and benefits of any kind paid or granted to the Chairman and Chief Executive Officer in respect of the 2020 financial year ("Say on Pay Ex Post").

Neuilly-sur-Seine and Paris La Défense, 24 March 2022

The Statutory Auditors

KPMG Audit		Grant Thornton
A division of KPMG S.A..		French member of Grant Thornton International
Michel Piette	Jérémie Lerondeau	Jean-François Baloteaud

Table of the financial results of the Company over the past five years

		2017	2018	2019	2020	2021
SHARE CAPITAL AT END OF YEAR						
a)	Share capital *(in euros)*	81,232,663	81,239,446	81,239,800	81,239,815	87,702,893
b)	Number of shares issued	26,633,660	26,635,884	26,636,000	26,636,005	28,755,047
OPERATIONS AND RESULTS FOR THE YEAR ***(IN THOUSANDS OF EUROS)***						
a)	Sales excluding tax	634,119	715,464	731,954	842,313	1,069,505
b)	Result before tax, employee shareholding, depreciation, amortisation and provisions	(30,193)	212,505	128,866	(26,645)	85,048
c)	Income tax	3,393	3,918	2,343	2,253	74,646
d)	Employee shareholding	0	0	0	0	2,067
e)	Result after tax, employee shareholding, depreciation, amortisation and provisions	(17,730)	54,371	4,697	(907,356)	330,923
f)	Amount of proposed dividend	0	0	0	0	0
EARNINGS PER SHARE (IN EUROS)						
a)	Result after tax and employee shareholding but before depreciation, amortisation and provisions	-1.26	7.83	4.75	-1.08	0.29
b)	Result after tax, employee shareholding, depreciation, amortisation and provisions	(0.67)	2.04	0.18	(34.07)	11.51
c)	Proposed dividend per share	0	0	0	0	0
PERSONNEL						
a)	Average number of employees	149	144	181	204	201
b)	Payroll *(in thousands of euros)*	26,717	23,090	24,950	39,261	39,649
c)	Sums paid for social security benefits *(in thousands of euros)*	33,999	11,665	10,882	12,165	32,981

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	199					1,106	2					286
Total amount of invoices concerned inc. tax	2,926	(4,507)	899	(1,232)	310	(4,529)	101	21,928	378	569	1,396	24,271
Percentage of total amount of purchases in the year inc. tax	0.29	(0.44)	0.09	(0.12)	0.03	(0.44)						
Percentage of sales for the year inc. tax							0.01	1.84	0.03	0.05	0.12	2.03
(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) □ Legal periods: (specify)						■ Contractual periods: (specify) □ Legal periods: (specify)					

Reincorporation of general costs and sumptuary expenses

Not applicable.

3.3 CONSOLIDATED FINANCIAL STATEMENTS FOR 2020 AND 2019

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 2019, the consolidated financial statements and the annual financial statements, the reports of the Statutory Auditors relating thereto as well as 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 98 to 213), Chapter 1 "Presentation of the Group" (pages 7 to 19 and 32 to 35) and Chapter 2 "Activities" (pages 46 to 47, 55 to 57, 62 to 63, 65, and 74 to 75) of the 2019 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on 31 March 2020 under number D. 20-0226 and available on the Company's website (https://www.eramet.com/sites/default/files/2020-04/Eramet-2019-Universal-Registration-Document.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 to 215), the integrated report (pages 14 to 23 and 38 to 43) and Chapter 2 "Activities" (pages 46 to 47, 57 to 58, 67 to 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 2019 and 2020 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).

3.4 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 2021 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.

3.5 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, 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

The general civil liability scheme covers the financial consequences for the Group of loss, damage or injury caused to third parties in the context of its activities or due to its products.

This scheme 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 also has 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.

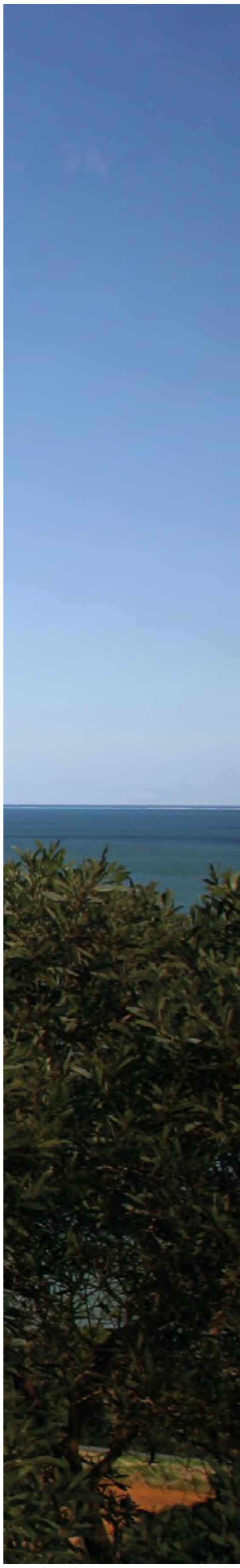
Faculty/goods transported

This scheme covers all of the Group's subsidiaries around the world for all of the goods transported for which they are responsible.

→ Loading nickel ore, Népoui, SLN, New Caledonia

4

CORPORATE GOVERNANCE REPORT



4.1 GOVERNANCE INFORMATION

This report, provided for in the last paragraph of Article L. 225-37 of the French Commercial Code, covers the points provided for in Article L. 22-10-10 of the French Commercial Code.

4.1.1 Board of Directors

4.1.1.1 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, Mr Bruno Vincent, a Government representative, was appointed to the Board by the order of 23 May 2019. 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 amended on 21 March 2013, further to Decision and Notice 212C0486 of the Autorité des marchés financiers (AMF) at its conclusion, and to AMF Decision and Notice 216C1753 concerning changes to the concert in the acquisition by Agence des participations de l'État (APE), on behalf of the State, of 100% of the share capital of FSI Equation on 29 August 2016, as amended on 25 April 2019 to bring the stipulations of the Agreement into line with the above-mentioned Order No. 2014-948 of 20 August 2014 without altering the balance between the parties to the Agreement), then amended on 30 November 2020 and 23 April 2021 as set forth in the Chapter "Eramet and its shareholders" of this document, the Board of Directors is comprised as follows:

- five directors put forward by the Sorame-CEIR concert (Sorame represented by Cyrille Duval, CEIR represented by Nathalie de La Fournière, Jérôme Duval, Emeric Burin des Roziers [independent director], François Corbin [independent director]);
- three directors, proposed by the APE (Bruno Vincent, appointed as State representative in accordance with Order 2014-948 of 20 August 2014, Jean-Yves Gilet, Claude Tendil (independent director));
- 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 (Manoelle Lepoutre, Christine Coignard, 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 General Shareholders' Meeting are as follows: eight terms of office expiring at the General Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2022; three terms expiring at the General Shareholder's meeting called to approve the financial statements for the year ended 31 December 2023; and four terms expiring at the General 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).

4.1.1.2 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)
CHAIRPERSON AND CEO

Date of birth: 20 May 1964 (57 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

10,599 Eramet shares held (10,699 voting rights)

Date of first appointment

Director and Chair and CEO:
General Shareholders' and Board Meeting of 23 May 2017

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meeting of 28 May 2021, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2024 financial statements

Other positions 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)

Training and professional career

After graduating from the École des hautes études commerciales (HEC), Christel Bories began her career in 1986 as a strategy consultant at Booz-Allen & Hamilton, and then at Corporate Value Associates. She then held various positions of responsibility at Umicore, followed by the Pechiney Group. After Pechiney was taken over by the Alcan Group, 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.

Christel Bories was appointed Deputy Chief Executive Officer of Ipsen (listed company) on 27 February 2013, a position she held until March 2016. She joined Eramet in February 2017 and, since May 2017, has been the Chairwoman and Chief Executive Officer of the Eramet Group.

(E) Strategy and CSR Committee.

Alilat Antsélévé-Oyima

DIRECTOR

Date of birth: Born 1 January 1960 (61 years old)
Nationality: Gabonese
Business address: BP 20169, Libreville, Gabon

Date of first appointment

General Shareholders' Meeting of 28 May 2021

Date of last reappointment, and end date of term of office

Expiry date: General Shareholders' Meeting called to approve the 2024 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - None

Offices held and completed during the past five years

- None

Training and professional career

Alilat Antsélévé-Oyima is a mining engineer (Moscow Mining Institute) and holds an MBA from UQAM. He began his career as head of topography and operational oversight at Comilog before becoming advisor to the Gabon Minister of Mines and Hydrocarbons and, between December 2006 and December 2009 served as Deputy Chief Executive Officer of Shell Gabon. Alilat Antsélévé-Oyima was then Head of Hydrocarbons until January 2017 before assuming his current functions in 2019 as Special Advisor to the President of the Republic of Gabon in the division of hydrocarbons, mines and industries.

Emeric Burin des Roziers

DIRECTOR (D)

Date of birth: 08 September 1981 (41 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

1,067 Eramet shares held (1,938 voting rights)

Date of first appointment

General Shareholders' Meeting of 23 May 2019

Date of last reappointment, and end date of term of office

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies (unlisted companies)**
  - Chair of Endel SAS and of Technical Engineering Support SAS (an Endel subsidiary)
  - Manager of SN Europipe

Offices held and completed during the past five years

- None

Training and professional career

After graduating from the École polytechnique and ENSTA, Emeric Burin des Roziers began his career in 2003 as a consultant with the Boston Consulting Group, following which he served as advisor and Deputy Cabinet Director to the Ministry of Energy (2006-2011). Then in the Eramet Group from 2011 to 2016, he served 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 is the Chief Executive Officer of Endel (an Engie subsidiary) and the Deputy Chief Executive Officer of Engie Solution's Industry BU since 2016.

(D) Independent director

Christine Coignard

DIRECTOR (A) (D) (E)

Date of birth: 05 February 1964 (57 years old)
Nationality: French and Canadian
Business address: 10, boulevard de Grenelle, 75015 Paris, France

100 Eramet shares held (200 voting rights)

Date of first appointment

General 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: General Shareholders' Meeting called to approve the 2024 financial statements

Other positions 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)

Offices held and completed during the past five years

- Director of Polymetal International plc (listed company – United Kingdom) (until April 2020)

Training and professional career

After graduating from EM Lyon and receiving an MBA from the Schulich School of Business (Canada), Christine Coignard began her career in 1988 at the Royal Bank of Canada (1988-1991), followed by Société Générale (1991-1994) and Citibank (1994-1996), before joining the investment firm Interros and becoming Director of Investments and Financing at Norilsk Nickel (1997-2000).

Ms Coignard is the Founder and Managing Director of Coignard & Haas GmbH, a strategy and development consultancy since 2001, where she has held general management and financing consultancy positions for several clients, mainly active in the mining sector.

(A) Audit, Risks and Ethics Committee.
(D) Independent director.
(E) Strategy and CSR Committee.

François Corbin

LEAD DIRECTOR (A) (D)

Date of birth: 14 September 1957 (64 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

1,101 Eramet shares held (1,101 voting rights)

Date of first appointment

General Shareholders' Meeting of 23 May 2019

Date of last reappointment, and end date of term of office

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions 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)

Training and professional career

After graduating from the École centrale de Paris, 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. In 2004, he joined the Michelin Group where he held General 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 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.

(A) Audit, Risks and Ethics Committee.

(D) Independent director.

Jérôme Duval

DIRECTOR (E)

Date of birth: 30 December 1972 (49 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

Cousin of Cyrille Duval and Nathalie de La Fournière.

600 Eramet shares held (1,200 voting rights)

Indirect holding: CEIR and Sorame shareholder

Date of first appointment

General Shareholders' Meeting of 23 May 2019

Date of last reappointment, and end date of term of office

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies (unlisted companies)**
  - None

Offices held and completed during the past five years

- None

Training and professional career

Jérôme Duval has been Director of Maritime and Americas Intermodal Financing activities at Crédit Agricole CIB New York since 2013. 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. In New York, he established the regional maritime financing platform and went on to create the Intermodal financing activity for the bank. He holds a director's certificate from the IFA and a Master's degree from ISG.

(E) Strategy and CSR Committee.

Sorame

DIRECTOR (A) (B) (C) (E) REPRESENTED BY DUVAL CYRILLE

Date of birth: 18 July 1948 (73 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

Uncle of Nathalie de La Fournière, cousin of Jérôme Duval

6,041 Eramet shares held (12,082 voting rights)

Indirect holding: CEIR and Sorame shareholder

Date of first appointment

General Shareholders' Meeting of 11 May 2011

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - Director of Comilog S.A. and Metal Securities
- **Within non-Group companies (unlisted companies)**
  - Chairman of CEIR SAS
  - Chief Executive Officer of Sorame SAS
  - Chief Executive Officer of Fornop SAS (since 2021)

Offices held and completed during the past five years (Group companies)

- Chair of Brown Europe (until February 2017)
- Deputy CEO of Eramet Holding Alliages (until October 2017) (non-Group company)
- Director of Nexans (until May 2019)

Training and professional career

Cyrille Duval has held the positions of Chief Financial Officer of Aubert & Duval, followed by General Secretary of Eramet's Alloys division. He is Chief Executive Officer of Sorame and Chairman of CEIR.

(A) Audit, Risks and Ethics Committee.

(B) Remuneration and Governance Committee.

(C) Appointments Committee.

(E) Strategy and CSR Committee.

CEIR

DIRECTOR [E] REPRESENTED BY NATHALIE DE LA FOURNIÈRE

Date of birth: Born 1 October 1967 (54 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

Niece of Cyrille Duval, cousin of Jérôme Duval

100 Eramet shares held (200 voting rights)

Indirect holding: CEIR and Sorame shareholder

Date of first appointment

General Shareholders' Meeting of 11 May 2011 (for CEIR), General Shareholders' Meeting of 29 May 2015 (for Ms de La Fournière)

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Chief Executive Officer of Sorame

Offices held and completed during the past five years

- None

Training and professional career

After graduating from the École centrale de Paris and earning a Master's degree in auditing and management control from Toulouse Business School, and a Director's certificate from the Institut français des administrateurs, Nathalie de La Fournière began her career in 1990 at the RATP as a research officer followed by operational manager of the network. Since 1999, she has held positions as research officer and Research Director of the Agence d'urbanisme et d'aménagement Toulouse Aire Métropolitaine.

Ms de la Fournière is currently Human Resources and Finance Director of the Agence d'Urbanisme et d'Aménagement Toulouse Aire Métropolitaine.

(E) Strategy and CSR Committee.

Frédéric Gaidou

DIRECTOR REPRESENTING EMPLOYEES (B)

Date of birth: 11 December 1974 (47 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

114 Eramet shares held (135 voting rights)

Date of first appointment

Appointed by the European Works Council on 24 April 2018 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 2022

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - None

Offices held and completed during the past five years

- None

Training and professional career

With a postgraduate degree from CNAM in QHSE, specialising in chemistry and toxicology, Frédéric Gaidou has twenty years of experience in industrial risk management, specifically chemical sites classified as Seveso, and has helped to create the training curriculum at≈CNAM (Conservatoire des arts et métiers) and ATC (Association Toxicologie Chimie).

Mr Gaidou is Product Responsibility Coordinator in the Sustainability and Corporate Engagement Department.

(B) Remuneration and Governance Committee.

Jean-Yves Gilet

DIRECTOR (E)

Date of birth: 09 March 1956 (65 years old)
Nationality: French
Business address: 82, rue de l'Université, 75007 Paris, France

100 Eramet shares held (100 voting rights)

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: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Chair of Gilet Trust Invest SAS
  - Director of Fondation Mines-Télécom (since 2017)
  - Chair of Initiative Grandes Écoles et Université (since 2020)

Offices held and completed during the past five years

- Executive Director of Bpifrance (2013-2016)
- Director of Eiffage (until May 2017)
- Director of Orange (until January 2017)

Training and professional career

A graduate of the École polytechnique and the École supérieure nationale des mines de Paris (ENSMP), and an engineer in the Corps des mines, Jean-Yves Gilet began his career in 1981 as deputy to the Regional Director of Industry and Research in Picardy. He then held various positions in the Direction générale de l'industrie (DGI) and Datar (1981–1988), before becoming Cabinet Director to the Deputy Minister in charge of Regional Planning and Conversions (1988-1990). Beginning in 1991, he assumed various general management roles in the Usinor-Sacilor Group, followed by Arcelor (2002-2005) and ArcelorMittal (2006-2010). From 2010 to 2013, he served as CEO of the Fonds Stratégique d'Investissement (FSI), and then from 2013 to 2016 as Executive Director of BPI France.

Mr Gilet has been Chair of Gilet Trust Invest SAS, a strategy and management consulting company, since 2017.

(E) Strategy and CSR Committee.

Manoelle Lepoutre

DIRECTOR (C) (D) (E)

Date of birth: 08 May 1959 (62 years old)

Nationality: French

Business address: TotalEnergies, 2, place Jean-Millier, La Défense 6, 92078 Paris La Défense Cedex, France

100 Eramet shares held (200 voting rights)

Date of first appointment

General Shareholders' Meeting of 11 May 2011

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of several non-profits (Fondation Villette-Entreprises, Industreet, Admical, Rameau)

Offices held and completed during the past five years

- None

Training and professional career

After graduating from the École nationale supérieure de géologie de Nancy (ENSG) and the École nationale supérieure des pétroles et des moteurs (ENSPM), Manoelle Lepoutre began her career at Total in 1982 in the Exploration & Production branch, assuming various roles in R&D and exploration. She went on to hold positions in exploration in France followed by the Netherlands. In 1998, she was appointed Exploration Director in Norway, and then in 2000 became Geosciences Director in the United States; from 2004 to 2009, she was R&D Director of Exploration & Production, followed by Director of Sustainable Development and Environment from 2009 to 2013 and Director of Managers and Management Teams from 2013 to 2016. Manoelle Lepoutre has been the Citizen Engagement Director since 2016 at TotalEnergies,

(C) Appointments Committee.

(D) Independent director.

(E) Strategy and CSR Committee (Chair)

Jean-Philippe Letellier

DIRECTOR REPRESENTING EMPLOYEES (E)

Date of birth: 19 January 1963 (58 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

25 Eramet shares held (46 voting rights)

Date of first appointment

Appointed by the Central Works Council at its meeting on 23 June 2018 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 2022

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Member of the ISO 50001 Experts Committee and of AFNOR's "Energest" Standardisation Committee
  - Lecturer at INSA Val-de-Loire engineering school

Offices held and completed during the past five years

None

Training and professional career

A graduate of ENSCCF (École nationale supérieure de chimie de Clermont-Ferrand), Jean-Philippe Letellier has held various positions as head of metallurgical production in special metallurgy and then powder metallurgy, after which he served as R&D policy officer at Aubert & Duval and then Eramet.

He is the Energy & Climate Lead in the Eramet Group's Energy & Climate Department.

(E) Strategy and CSR Committee.

Miriam Maes

DIRECTOR (A) (B) (D)

Date of birth: 08 May 1956 (65 years old)

Nationality: Dutch

Business address: 80 St Pancras Way, Camden Courtyards, Flat 25, London, NW1 9DN, UK

100 Eramet shares held (200 voting rights)

Date of first appointment

Appointed by the General 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: General Shareholders' Meeting called to approve the 2023 financial statements

Other positions 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)

Training and professional career

With a degree in business administration from the Nijenrode Business School, Miriam Maes began her career in 1977 in marketing, after which she assumed general management roles in Europe in several international groups in the agri-food sector (Unilever, Imperial Chemical Industries). In 2002, she joined the energy sector and was Chief Executive Officer of EDF Energy Development in London from 2003 to 2007.

Since 2007, Ms Maes has been Chairwoman of Foresee, a London-based consulting firm that provides sustainable development and energy management advice to companies.

(A) Audit, Risks and Ethics Committee (Chair).

(B) Remuneration and Governance Committee.

(D) Independent director.

Catherine Ronge

DIRECTOR (B) (D)

Date of birth: 13 April 1961 (60 years old)

Nationality: French

Business address: INNEVA, 3, rue de Chaillot, 75116 Paris, France

100 Eramet shares held (200 voting rights)

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: General Shareholders' Meeting of 23 May 2017 and General Shareholders' Meeting of 28 May 2018, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2024 financial statements

Other positions 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
  - Vice-Chair of the Armines Association

Offices held and completed during the past five years

- Chair of Weave Air (until 2020)

Training and professional career

Former student at the École normale supérieure with a PhD in quantum physics in addition to a degree from the Institut européen d'administration des affaires (INSEAD), Catherine Ronge began her career in 1984 as a research engineer at CEA, after which she assumed various roles at the Air Liquide Group (1988-1999) in marketing, sales and strategy/M&A and R&D as Group Vice-Chair.

At the Suez Group (1999-2006), she was Deputy CEO of Degrémont in charge of industry activities and North America, and then Chairwoman and CEO of Ondeo Industrial Solutions, which encompasses all engineering and industrial water management activities for the Suez Group throughout the world.

She was the founding Chairwoman of the strategy, innovation and sustainable development consulting firm Weave Air (2006-2020).

Catherine Ronge is currently the Chairwoman and CEO of the Le Garrec et Cie Group, a mid-size family-owned company with diversified activities.

(B) Remuneration and Governance Committee.
(D) Independent director.

Sonia Sikorav

DIRECTOR (A) (D) (E)

Date of birth: 08 May 1957 (64 years old)
Nationality: French
Business address: 10, boulevard de Grenelle, 75015 Paris, France

100 Eramet shares held (200 voting rights)

Date of first appointment

Appointed by the General Shareholders' Meeting of 27 May 2016

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meeting of 26 May 2020, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2023 financial statements

Other positions 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)

Training and professional career

A graduate of the Ecole Normale Supérieure with a PhD and associate professor of physical chemistry, Sonia Sikorav began her career in 1982 with the Rhône-Poulenc group, where she held positions in R&D, then in management control and as project manager to the CEO. Following this, she served from 1991 to 2005 at the Saint-Gobain Group as Director of the Operational Division and Director of Group Purchasing. From 2005 to 2007, she was Strategy Director at Alstom Transport, and then Purchasing Director for the Total Group from 2010 to 2014.

Sonia Sikorav is an independent director.

(A) Audit, Risks and Ethics Committee.
(D) Independent director.
(E) Strategy and CSR Committee.

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Claude Tendil

DIRECTOR (B) (C) (D)

Date of birth: 25 July 1945 (76 years old)

Nationality: French

Business address: 10, boulevard de Grenelle, 75015 Paris, France

100 Eramet shares held (200 voting rights)

Date of first appointment

Co-opted by the Board on 25 May 2012 (ratified by the General Shareholders' Meeting of 15 May 2013)

Date of last reappointment, and end date of term of office

Reappointment: General Shareholders' Meetings of 29 May 2015 and 23 May 2019, for a four-year term

Expiry date: General Shareholders' Meeting called to approve the 2022 financial statements

Other positions held

- **Within Group companies**
  - None
- **Within non-Group companies**
  - Director of SCOR SE (listed company)
  - Chair of RVS (association)
  - Chair of the Institut pour l'innovation économique et sociale (2IES)
  - 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 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)

Training and professional career

With degrees from the École des hautes études commerciales (HEC), the Institut d'études politiques (IEP) of Paris and the Centre des hautes études en assurances (CHEA), Claude Tendil began his career in 1972 at the Inspectorate General of the Union des assurances de Paris (UAP), after which he was Marketing Director and then Deputy CEO of the Drouot Group (1980-1987), Chairman and CEO of Présence Assurances (subsidiary of Axa) (1987-1989), CEO of Axa-Midi Assurances (1989-1991), CEO of the Axa Group (1991-2000), and then Vice-Chairman of the Board of Directors of the Axa Group (2000-2001).

Claude Tendil was Chairman and CEO of the GENERALI Group in France from 2002 to 2013, and then non-executive Chairman of GENERALI France from 2013 to 2016 and Chairman of the Board of Directors of GENERALI IARD from 2016 to June 2020.

(B) Remuneration and Governance Committee (Chair).
(C) Appointments Committee (Chair).
(D) Independent director.

Bruno Vincent

DIRECTOR (A) (B) (C) (E)

Date of birth: 06 March 1982 (39 years old)

Nationality: French

Business address: Agence des participations de l'État, 139, rue de Bercy, Teledoc 229, 75012 Paris, France

Number of Eramet shares held: not applicable

Date of first appointment

Appointed as Government representative on 23 May 2019, as per the Order of 20 August 2014

Date of last reappointment, and end date of term of office

Not applicable

Other positions held

- **Within Group companies**

– None

- **Within non-Group companies**

– Director of ORANO S.A. and AREVA S.A.

Offices held and completed during the past five years

– Director of Monnaie de Paris (from 2013 to 2014), Imprimerie Nationale (from 2013 to 2014), the Grand Port Maritime in La Rochelle (from 2013 to 2014), the Grand Port Maritime in Marseille (from 2014 to 2017), SNCF Réseau (from 2015 to 2017), Aéroports de Lyon (from 2015 to 2016) and Aéroports de la Côte d'Azur (from 2014 to 2016)

Training and professional career

A graduate of the École polytechnique and chief engineer of the Corps of Bridges, Waters and Forests, Bruno Vincent joined the French Ministry of Economy and Finance in 2008. Initially he worked at the Multilateral Affairs and Development Department of the Directorate General of the Treasury, where he was in charge of the of the Agence française de développement (2008-2010), after which he joined the Agence des participations de l'État as a stakeholder in the Transport sector (2010-2012).

From 2012 to 2013, he worked in the Macroeconomic Policy and European Affairs Department of the Directorate General of the Treasury, where he was deputy head of the Economic and Monetary Union Office. He went on to hold positions as head of the Services and Finance sector of the Agence des participations de l'État (2013-2014), and then Deputy Director of Shareholdings in charge of the Transportation Sector (2014-2017). Since 2017, Bruno Vincent has been Director of Energy Shareholdings at the Agence des participations de l'État.

(A) Audit, Risks and Ethics Committee.
(B) Remuneration and Governance Committee.
(C) Appointments Committee.
(E) Strategy and CSR Committee.

Jean-Philippe Vollmer

DIRECTOR

Date of birth: 05 October 1976 (45 years old)

Nationality: French

Business address: 13, rue Kervistin – Motor Pool, 98800 Nouméa, New Caledonia

1 Eramet share held (1 voting right)

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: General Shareholders' Meeting called to approve the 2023 financial statements

Other positions 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 representing the government of New Caledonia on the Board of the EIG, Tourisme Pointe Sud
  - Director of the public interest groups, Union pour le Handicap, Handicap Dépendance and Bien Vieillir
  - Chairman of the Board of Directors of Carsud

Offices held and completed during the past five years

- Director of the Banque Calédonienne d'Investissement until July 2019

Training and professional career

Jean-Philippe Vollmer is a reserve officer in the French Navy and holds a Master's degree in business administration. He 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 is Chairman of Société des Hôtels de Nouméa in New Caledonia.

4.1.2 Changes to the composition of the Board of Directors and its Committees during the 2021 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 General Shareholders' Meeting	On 28 May 2021, the General Shareholders' Meeting appointed Alilat Antsélévé-Oyima as director to replace Michel Antsélévé whose term is expiring.
Resignations	On 8 July 2021, Louis Mapou resigned from his term of office as director.
Expiry of the terms of office of directors	On 28 May 2021, Michel Antsélévé's term as director expired.
Committees	
Audit, Risks and Ethics Committee	None
Remuneration and Governance Committee	None
Strategy and CSR Committee	None
Appointments Committee	None

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.

4.1.2.1 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 (independent director and Committee Chair), Christine Coignard (independent director), François Corbin (independent director), Cyrille Duval, Sonia Sikorav (independent director) and Bruno Vincent.

The Remuneration and Governance Committee currently comprises six directors: Claude Tendil (independent director and Committee Chair), Cyrille Duval, Frédéric Gaidou (director representing employees), Miriam Maes (independent director), Catherine Ronge (independent director) and Bruno Vincent.

The Appointments Committee currently comprises four directors: Claude Tendil (independent director, Committee Chair and Chair of the Remuneration and Governance Committee), Cyrille Duval, Manoelle Lepoutre (independent director) and Bruno Vincent.

The Strategy and CSR Committee currently comprises ten directors: Manoelle Lepoutre (independent director and Committee Chair), Christel Bories (Chair and CEO), Christine Coignard (independent director), Cyrille Duval, Jérôme Duval, Nathalie de La Fournière, Jean-Yves Gilet, Jean-Philippe Letellier (director representing employees), Sonia Sikorav (independent director) and Bruno Vincent.

4.1.2.2 Comply or Explain

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-one percent (44%) of the directors are female (i.e. seven 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 76 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 70. Directors are appointed for a term of four years.
- Five of the directors chosen by the shareholders have been in office for less than four years, six for less than six years, two for less than ten years, one for less than twelve years and one for more than twelve years. The government representative has been on the Board of Directors for four years. The distribution between the older directors on the Board and those most recently appointed combines new vision with long-term consistency;
- Ten of the directors chosen by the shareholders reside in metropolitan France, two elsewhere in the European Union, one in New Caledonia, one in Gabon and one in the United States. 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 submitted to the Board for approval incorporates, as a necessity, the requirement to promote diversity in the composition of the Board, while at the same time enhancing the latter through the appointment of members with specific professional skills. The selected competency matrix should incorporate competencies in the fields of mining and metallurgy, financial competencies, non-financial competencies (CSR, HR, others), competencies in digital technologies and innovation, and knowledge of 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". "

As at the date of this report, based on the Board's annual review of the above-mentioned criteria, seven 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.

It is noted that at the annual review of the independent status of directors, the Board performed an appraisal of business relationships existing between the Eramet Group and the group in which certain independent directors hold a corporate office, or in which they have been working or worked for less than five years. Eramet's mining and metallurgical business generates business flows with a limited number of customers that have no other business relationships with Eramet directors. To carry out its business, Eramet uses a number of suppliers of raw materials, goods and services. Among these, there are groups in which certain directors (Ms Lepoutre for petroleum products, Mr Corbin for tyres, Mr Tendil for insurance and Mr Burin des Roziers for industrial maintenance) work or worked in a professional capacity or held a corporate office. This appraisal enabled the Board to verify that there were no significant business relationships in that regard, either in terms of the nature of goods or services provided, or in terms of their corresponding value or the conditions of their negotiation or provision.

4.1.2.3 Work of the Board and its Committees during the 2021 financial year

Board of Directors

The Board met nine times in 2021.

Each year, directors 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 Divisions, Board meetings were concerned, in particular, with:

- approval of the Group's and Company's financial statements for 2020 and of the documents relating to the convening of the annual General Shareholders' Meeting, the disclosure of information to shareholders, and the conditions for holding the annual General Shareholders' Meeting in closed session;
- review of the 2021 interim financial statements;
- review of occupational safety results within the Group;
- the Group's strategy review;
- analysis of the Group's CSR roadmap;
- review of budget items, operational KPIs and earnings and cash flow forecasts, and review of the Group subsidiaries' recovery and productivity improvement plans;
- review of the Divisions' 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;
- 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 2021 is shown in the table below.

	Board of Directors	Audit, Risks and Ethics Committee	Remuneration and Governance Committee	Strategy and CSR Committee	Appointments Committee
Michel Antsélévé (until May 2021)	100%	-	-	-	-
Alilat Antsélévé-Oyima (as of May 2021)	100%	-	-	-	-
Christel Bories	100%	-	-	100%	-
Emeric 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	100%	-	100%	-	-
Jean-Yves Gilet	100%	-	-	100%	-
Manoelle Lepoutre	100%	-	-	100%	100%
Jean-Philippe Letellier	87%	-	-	100%	-
Miriam Maes	100%	100%	83%	-	-
Louis Mapou (until July 2021)	60%	-	-	-	-
Catherine Ronge	89%	-	100%	-	-
Sonia Sikorav	100%	100%	-	100%	-
Claude Tendil	67%	-	100%	-	100%
Bruno Vincent, French Government representative	100%	100%	100%	100%	100%
Jean-Philippe Vollmer	78%	-	-	-	-
AVERAGE ATTENDANCE RATE	**94%**	**100%**	**97%**	**100%**	**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 Executive Vice-President High Performance Alloys Division, the Chief Financial Officer in charge of Group 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 Group Director of Financing and Treasury, the Group Director of Ethics and Compliance and the Group General Counsel.

The Committee met six times in 2021.

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 2021, 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, and of the cash control programme;
- the monitoring of subsidiaries in difficulty;
- the monitoring of changes in the AD quality management system;
- the monitoring of the financial disclosure process to the markets;
- the monitoring of progress in the Group's and its subsidiaries' projects;
- 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 process for monitoring cybersecurity risks;
- primary changes to the Group's insurance;
- the process for renewing Statutory Auditors' terms of office at the Annual General Meeting in 2021. Further to issuing an invitation to tender to several international firms, the Committee recommended that the Board of Directors renew the term of office for one of the Statutory Auditors and engage a new auditing firm. The Board followed the Committee's recommendation;
- 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 six times in 2021.

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 bonus 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. The Committee reviewed the conclusions of the annual evaluation of the Board's operations and reviewed updates to the internal regulations of the Board and the Committees during the fiscal year.

Appointments Committee

The Committee met twice in 2021 to review the candidacies of new directors being proposed and annual succession planning for key short-term and long-term Group management personnel. The executive corporate officer is involved in the work of the Appointments Committee.

Strategy and CSR Committee

The Committee met three times in 2021. At these meetings, the Committee 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 productivity improvement programmes carried out, as well as certain investment or disinvestment projects. The Committee is also kept informed of the main challenges facing the Company, including in the field of social and environmental responsibility, for which it annually reviews the Group's CSR roadmap.

4.1.2.4 Assessment of the Board's work

The Board provides for an annual self-assessment of its work, alternating with an assessment of the Board by an expert third party every three years. The purpose of the assessment is to review the Board's operating procedures, to ensure that important issues are properly prepared and discussed. In this respect, on an annual basis each director fills out a detailed questionnaire on the functioning of the Board and its specialised Committees. This allows directors to freely express their appreciation of the directors' individual contributions.

For 2021, the assessment was conducted using an in-house questionnaire, with the option of scheduling individual interviews with the Secretary of the Board.

The results of the assessment were analysed by the Remuneration and Governance Committee and discussed at the Board meeting of 10 March 2022. The Board has not adopted any specific measure in this regard.

4.1.3 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 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 General 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 period of abstention from 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.

4.1.4 Implementation of the "Comply or Explain" rule

AFEP-MEDEF Code recommendation	Eramet Corporate Governance
Recommendation 17.1 – 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.
Recommendation 17.2.1 – on the powers of the Appointments Committee: "with regard to the selection of new directors". "this committee is responsible for making proposals to the Board after reviewing in detail all the elements to be taken into account as part of its deliberations, particularly in view of the composition and the changes in the Company's shareholding structure, to achieve a balanced composition of the Board: representation of women and men, nationality, international experience, expertise, etc. More specifically, it organises a procedure for selecting future independent directors, and conducts its own assessment of potential candidates before taking steps to approach them". "	Under the terms of the Shareholders' Agreement governing the relations between the Company's main shareholders, the latter have the power to put forward new directors. The remit of the Appointments Committee is to ensure that the proposals made by the main shareholders do not contravene laws or the Company's Articles of Association, and to verify that there are no conflicts of interest and, regarding independent directors, to state a position on the independence criteria of such directors and, for the process of appointing directors, to propose a competency matrix to the Board for its approval before engaging an external firm, and then take part in the process of short-listing of candidates before presenting several fully documented candidate files to the Board.
Recommendation 26.1 – Ongoing provision of information to shareholders on remuneration of corporate officers: "All components of executive corporate officers' remuneration, whether potential or vested, shall be publicly disclosed immediately after the Board meeting at which they are approved". "	There is no communication after Board meetings held to review remuneration. The components are communicated in the Universal Registration Document.

4.1.5 General management

4.1.5.1 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 Strategy and CSR Committee followed by Board approval are 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.

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. 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. Mr François Corbin was appointed Lead Director as from 30 March 2021.

In 2021, 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 during the year;

- holding non-executive meetings: a meeting is scheduled in the first half of 2022 in coordination with the Chair of the Appointments and Governance Committee;
- holding meetings solely for independent directors: this meeting took place on 23 February 2022 and included five of the seven independent directors. Feedback on this was given to the Chair;
- facilitating a clear structure for the roles of Chairperson and CEO, and ensuring 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: this will take place in the first half of 2022;
- 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.

In addition to the duties defined by the internal rules, the lead director met with each director and each Executive Committee member at the start of his term of office. Following these meetings, he recommended some adjustments to the Chair regarding how the Board functions, adjustments that were taken into consideration.

4.1.5.2 Role of General Management

The Executive Committee is made up of the Chair and Chief Executive Officer, the Chief Operating Officer, the Executive Vice-President High Performance Alloys Division, the Executive Vice-President Human Resources, Health and Security, the Chief Financial Officer in charge of Group procurement and IT, the Chief Sustainability and External Affairs Officer, the Chief Development Officer in charge of Strategy, Innovation and Business Development, and the Group General Counsel. The fact that the Corporate heads of the Group's support functions (Human Resources, Health and Security, Administration and Finance, Sustainability and Corporate Engagement, 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 Digital Transformation and Digital Performance team also reports to the Chairperson and CEO.

The Chief Financial Officer in charge of Group procurement and IT also supervises investor relations, information systems, Group management control, insurance, financing and treasury, accounting, consolidation, Group taxation and Group purchasing.

4.1.5.3 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."

4.1.6 Miscellaneous provisions

4.1.6.1 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.

4.1.6.2 Powers given by the General 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 the management report.

4.1.6.3 Means of shareholder participation at General Shareholders' Meetings

The means by which shareholders may participate at General Shareholders' Meetings are set out in Articles 8, 20, 21 and 22 of the Articles of Association.

4.1.7 Company policy on gender equality in the workplace, including within the Executive Committee

These elements are included in the section of the management report entitled, "Non-Financial Performance Statement/ Human resources".

4.2 INFORMATION RELATING TO REMUNERATION OF THE MANAGEMENT AND ADMINISTRATION BODIES

4.2.1 Remuneration policy for corporate officers *Ex Ante* Say on Pay

Our remuneration policy was set out by the Board of Directors on 10 March 2022, in accordance with Article L. 22-10-8 of the French Commercial Code and based on the proposal by 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.

In accordance with Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the remuneration policy will be put to the 2022 General Shareholders' Meeting for approval in a resolution and will be made public on the Company's website on the next business day after the vote. The public can continue to consult the policy, free of charge, throughout the period it is applicable, together with the date and result of the vote by the General Shareholders' Meeting.

4.2.1.1 Information on all corporate officers

4.2.1.1.1 Principles for determining the remuneration policy applicable to corporate officers

The Board of Directors ensures that the remuneration policy applicable to corporate officers, proposed by the Remuneration and Governance Committee and approved by the Board, is in the corporate interest, is aligned with the Company's business strategy and is designed to promote our performance and competitiveness over the medium and long term to ensure sustainability.

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. The international panel is made up of international mining players: Rio Tinto, Anglo American, BHP, Vale, Lonmin, Bolinden and Glencore. 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.

4.2.1.1.2 Decision-making process to determine, review and implement the remuneration policy for corporate officers

The policy for the remuneration of corporate officers is determined and reviewed every year by the Board of Directors, on the recommendations of the Remuneration and Governance Committee.

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.

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.

The Remuneration and Governance Committee meets as often as necessary, especially before approving the "say on pay" agenda item for the General Shareholder's 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 Chairperson 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.

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.

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 allocation 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.

4.2.1.1.3 Breakdown of fixed annual remuneration granted to directors

The total sum allocated to the Board of Directors was set at €950,000 at the General 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.

4.2.1.1.4 Applying the remuneration policy

a. How we assess performance criteria

i. Variable remuneration of the Chair and Chief Executive Officer

The annual variable remuneration is calculated and set by the Board of Directors at the end of the financial year to which it applies. To this end, each year, during the first quarter, the Board of Directors, on the recommendation of the Remuneration and Governance Committee, examines the different objectives, their weighting and the expected performance levels. It sets:

- 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; and
- the criteria for evaluating quantitative performance.

Accordingly:

- 100% of the bonus is paid when targets are met;
- 150% of the bonus may be paid if these targets are exceeded.

Economic performance targets based on financial indicators are set precisely according to a budget approved in advance by the Board of Directors. They are subject to the performance thresholds referred to above. They are identical to those that apply to the Group's key executives and managers. The rate of achievement for each criterion is communicated separately when performance has been reviewed by the Board of Directors.

ii. Share-based remuneration of the Chair and Chief Executive Officer

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 performance criteria. These criteria for 2022 are detailed in 4.2.1.2.1.b.ii.

Intrinsic performance targets based on financial indicators are set precisely according to a budget approved in advance by the Board of Directors. To this end, each year, during the first quarter, the Board of Directors, on the recommendation of the Remuneration and Governance Committee, examines the different objectives, their weighting and the expected performance levels. It sets:

- the threshold below which no share vests;
- target share acquisition level when each target is met and which entitles holders to all shares awarded.

The quantitative performance criteria for long-term remuneration are assessed by the Remuneration and Governance Committee during the first quarter on the basis of the detailed figures in the annual financial statements approved by the Statutory Auditors.

The extrinsic performance criterion is assessed by an external firm, Forward Finance. Their detailed assessment is sent every year to the Remuneration and Governance Committee.

b. Appointment of new corporate officers

If a new Chairperson and CEO were appointed, the same principles, criteria and remuneration components in the policy for the remuneration of the Chairperson and CEO would apply.

If one or more Deputy CEO's were appointed, the principles and criteria for the calculation, breakdown and allocation of remuneration components in the remuneration policy for the Chairperson 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 targets, performance levels, parameters, structures and maximum percentages of fixed remuneration to consider, which may not be higher than those applied to the Chairperson 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 for the Chairperson and CEO will apply in principle, tailored to the individual's position, the targets, performance levels, parameters, structure and maximum percentage of fixed annual remuneration, which may not be higher than those that apply to the Chairperson and CEO.

Moreover, pursuant to Article 25.4 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.

c. Changes to the remuneration policy in 2021

It should be noted that the General Shareholders' Meeting of 28 May 2021 voted without discussion and by 99.66% to approve the criteria set out in its eleventh resolution for determining, allocating and granting the fixed, variable and exceptional components of the total remuneration and benefits of any kind to be paid to the Chair and Chief Executive Officer in 2021.

4.2.1.2 Information about each corporate officer

4.2.1.2.1 Remuneration policy applicable in 2022 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 General Shareholders' Meeting called to approve the financial statements for the 2020 financial year.

The ninth resolution of the General 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 General 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 provide an incentive to 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 target-based annual variable portion is set at 100% of gross annual fixed remuneration and can vary from 0% to 150% of gross annual fixed remuneration depending on the level of achievement of the various objectives, with 100% of the fixed rate corresponding to 100% achievement of the objectives. 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 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 Executive Committee, is determined:

- 55% on the basis of the quantitative objectives relating to the Group's financial performance during the previous year. For 2022, the performance indicator to be applied is the Group's operational cash flow;
- 20% on CSR objectives, broken down into 10% based on quantitative objectives relating to the safety of the Group's administrative staff, temporary workers and subcontractors (workplace accident frequency rate) and 10% on progress made on the annual CSR roadmap;
- 25% on the basis of annual qualitative objectives.

As in 2021, the entire variable portion calculated on financial objectives will be based on the operational cash flow criterion. Due to changes in the Group's financial ratios, management has been implementing an action plan since 2020 that covers the components of cash-generating items. The objectives of the variable portion are therefore consistent with this focus and will be applied to all Group executives.

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.

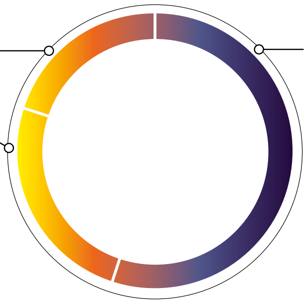
The 2022 objectives for the Chair and Chief Executive Officer break down as follows:

	Indicator	Weighting
Financial quantitative objective	Group operational cash flow	55%
CSR objective	• Safety objective based on workplace accident frequency rate with or without lost days, including the accident record of Eramet employees, temporary workers and subcontractors (10%). In the event of a fatal accident at a site, the achievement rate is divided in half. Beyond that, the achievement rate is considered nil. • Progress on the CSR roadmap broken down into criteria related to social and environmental issues (10%).	20%
Qualitative objectives	• Propose the formulation and implementation of the Group's financing strategy in order to fund its growth, especially for major projects • Deliver growth projects while ensuring that partnerships are running smoothly • Finalise the development of the Group's portfolio, with the agreement of the Board of Directors; • Strengthen the SLN model • Achieve the rail transport objective of Comilog and Setrag	25%

DETAILS ON THE WEIGHTINGS OF THE ANNUAL VARIABLE REMUNERATION FOR 2022

45% non-financial criteria

- **20% CSR, of which 10% safety criteria and 10% progress on the annual CSR roadmap**
- **25% qualitative criteria:**
  - Propose the formulation and implementation of the Group's financing strategy in order to fund its growth, especially for major projects
  - Deliver growth projects while ensuring that partnerships are running smoothly
  - Finalise the development of the Group's portfolio, with the agreement of the Board of Directors
  - Strengthen the SLN model
  - Achieve the rail transport objective of Comilog and Setrag



55% financial criteria

- Operational cash flow

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 2022 are detailed in Chapter 6 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 6.1.4.1. They are focused on the following main areas:

- committed to people;
- committed to economic responsibility;
- committed to the planet.

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, 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.

The annual variable remuneration is calculated and set by the Board of Directors at the end of the financial year to which it applies. To this end, each year, during the first quarter, the Board of Directors, on the recommendation of the Remuneration and Governance Committee, examines the different objectives, their weighting and the expected performance levels. It sets:

- 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; and
- the criteria for evaluating quantitative performance.

Accordingly:

- 100% of the bonus is paid when targets are met;
- 150% of the bonus may be paid if these targets are exceeded.

Economic performance targets based on financial indicators are set precisely according to a budget approved in advance by the Board of Directors. They are subject to the performance thresholds referred to above. The rate of achievement for each criterion is communicated separately when performance has been reviewed by the Board of Directors.

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 2022 will be subject to an *ex post* vote by the Shareholders' Meeting called in 2023 to approve the financial statements for the 2022 financial year. It is paid within the month following the validation of this payment by the General Shareholders' Meeting.

There is no other period of potential postponement.

iii. Long-term remuneration

The Chair and Chief Executive Officer's long-term remuneration is exclusively based on the share grants contingent on performance conditions.

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 award 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 awarded 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 allocation 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 beneficiary executives. 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 2022, 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 achievement rate of the Group's CSR roadmap, which is based on 13 indicators that can be broken down into 15 objectives that must be reached, 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. Each objective and the measurement of its progress are defined and quantified in Chapter 6.1.4.1.

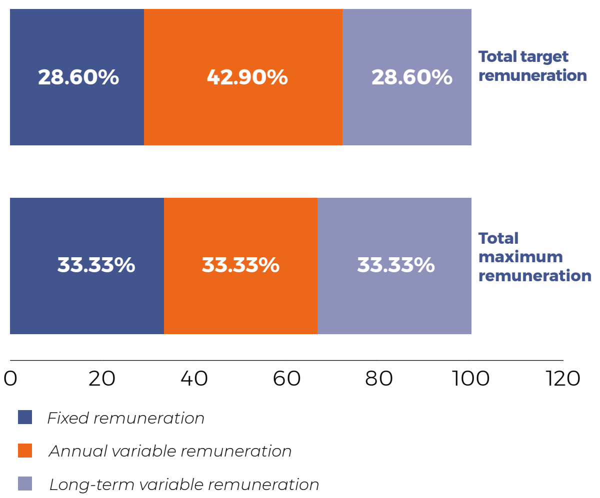
The remuneration and Governance Committee evaluates the quantitative performance criteria of this long-term remuneration on the basis of the quantified components of the annual financial statements validated by the Statutory Auditors (EBITDA). Forward Finance, an external firm, performs the assessment of the relative performance criteria of the Eramet share with respect to the Euromoney Global Mining Index panel of companies.

Achievement of the CSR roadmap objectives assessed annually by the Strategy and CSR Committee. An external reasoned report on the non-financial performance statement, which sets out Eramet's approach to its commitments in detail, is prepared by the 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.

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:



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. This variable compensation is calculated based on stringent performance conditions determined by the Board of Directors at the proposal of the Remuneration and Governance Committee. These conditions include the financial objectives that correspond to the development objectives of the Eramet Group, an objective of corporate responsibility based on the workplace accident rate with lost days and qualitative objectives concerning strategic, business and managerial challenges specific to the 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.

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.

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 General Shareholders' Meeting of 24 May 2018 under the procedure for regulated 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 above.

c. 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.

4.2.1.2.2 Remuneration policy applicable in 2022 to directors

a. Term of office of directors

Directors are appointed for a term of four years in office.

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
Frédéric Gaidou	Director appointed to represent employees	term of office effective from 12 November 2018 until 11 November 2022
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
Jean-Philippe Letellier	Director appointed to represent employees	term of office effective from 23 June 2018 until 22 June 2022
Miriam Maes	appointed on 27 May 2016	expiry date SM convened for 2023 financial statements
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
Bruno Vincent	Appointed as State representative on 23 May 2019 in accordance with the 20 August 2014 order	Not appointed by the AGM
Jean-Philippe Vollmer	appointed on 15 October 2020	expiry date SM convened for 2023 financial statements

The director can be dismissed at any time by resolution of the Shareholders' Meeting.

b. Total remuneration and benefits of any kind

The total sum allocated to the Board of Directors was set at €950,000 at the General 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, Strategy and CSR 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.

4.2.2 Overall remuneration of corporate officers in 2021 *Ex Post* Say on Pay

4.2.2.1 Annual total remuneration of the Chair and Chief Executive Officer in respect of the 2021 financial year

4.2.2.1.1 Total remuneration and benefits of any kind

a. Remuneration items

i. Fixed remuneration

For the 2021 financial year, Christel Bories received gross fixed remuneration of €800,000.

ii. Variable remuneration

The gross variable remuneration paid in 2021 in respect of the 2020 financial year was €874,000. This remuneration was approved by the Shareholders at the AGM of 28 May 2021 (thirteenth resolution).

The gross variable remuneration due in respect of the 2021 financial year is €1,084,000. The amount of the variable remuneration was determined according to the achievement level of the objectives described below:

Achievement level 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 (AF2 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, and progress made by the Group on CSR issues.	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.

iii. Exceptional remuneration

Christel Bories did not receive any exceptional remuneration.

iv. Long-term remuneration

The Board of Directors' meeting of 28 May 2021 granted Christel Bories 19,480 performance shares (i.e. 0.07% of the share capital), at an estimated value of €1,051,141 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 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 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 achievement rate of the Group's CSR roadmap, which is based on 13 indicators that can be broken down into 15 objectives that must be reached, 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.

Christel Bories was not granted any other long-term remuneration item during the financial year ended 31 December 2021.

v. Other remuneration items

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 2021:

- the employer contribution to the healthcare plan amounted to €914.76;
- 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 Chairperson 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 2021 financial year, the employer contribution paid by the Company amounted to €508,729, which breaks down into €254,364.50 paid to the insurer and €254,364.50 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.

vi. Other forms of remuneration

Christel Bories did not receive any of the following remuneration:

- deferred variable remuneration;
- multi-year variable remuneration;
- benefits in kind.

vii. Remuneration allocated to directors

Christel Bories did not receive any remuneration in respect of her term of office as director.

b. 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.

c. Respective weight of remuneration items

Relative proportion of fixed and variable remuneration

	Amount	Portion
Fixed remuneration	800,000	42%
Annual variable remuneration	1,084,000	58%

4.2.2.1.2 Fairness ratio and changes in performance

The fairness ratio between the remuneration level of the Chair and Chief Executive Officer and the average and median remuneration of Eramet SA and Eramet Marketing Services employees.
The following presentation was prepared in accordance with the provisions of Article L.22-10-9 of French Order no. 2020-1142 of 16 September 2020 and the AFEP-Medef guidelines.

The ratios above were calculated based on fixed and variable remuneration paid during the financial years specified, as well as the performance and bonus shares awarded during these same periods and measured at fair value on the grant date.

To prepare this information for financial years 2017 through 2020, we chose the scope of the Eramet Group's French holding company, Eramet SA.

In 2021, the scope of consolidation will include the Eramet Group's holding company (Eramet S.A.) and Eramet Marketing Services, the headquarters of the Mining & Metals activities. Excluding companies in the process of being sold or under strategic review, these two companies represent approximately 60% of the Group's workforce in mainland France.

The employees included are those continuously employed during the periods mentioned.

REMUNERATION PAID DURING THE FINANCIAL YEAR

	2017	2018	2019	2020	2021
Fairness ratio on median wage	24.6	36.9	24.3	26.6	31.2
Fairness ratio on average wage	16.8	22.1	16.4	19.0	21.4

The fairness ratio is calculated by comparing the remuneration paid to the Chair and Chief Executive Officer and the average and median pay of employees in the Eramet Group's holding company for years 2017 through 2020 and the Group's French holding company, which includes the headquarters of the Mining & Metals activities (Eramet Marketing Services) in 2021.

Explanations for the change of ratios
Christel Bories was Chair and Chief Executive Officer throughout all of FY 2018, 2019, 2020 and 2021.

For the 2017 financial year, the ratio was calculated on the basis of total remunerations paid to Patrick Buffet until the end of the term of office on 23 May 2017 and Christel Bories as from the start of her appointment on 23 May 2017.

COMPARISON OF THE CHANGES TO THESE REMUNERATIONS WITH THE CHANGE IN THE PERFORMANCE OF THE ERAMET GROUP

	2017/2018	2018/2019	2019/2020	2020/2021
Remuneration of the Chair and Chief Executive Officer	31%	-31%	-6%	26%
Median remuneration (1)	-13%	5%	-14%	7%
Average remuneration (1)	0%	-7%	-18%	11%
EBITDA(2)	-3%	-25%	-37%	159%

(1) These indicators are calculated for employees continuously employed based on actual gross pay during the year, including employee savings and shares granted during the year under consideration, measured at the fair value of the share on the grant date by the Board of Directors.

(2) 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 & Metals Division) until 30 June and UKAD (High Performance Alloys Division) until 31 December.

4.2.2.1.3 Taking into account the Shareholders' Meeting's last global *ex post* vote

In its thirteenth resolution, the General Shareholders' Meeting of 28 May 2021 voted by 94.56% to approve the *ex post* resolution on fixed, variable and exceptional components of total remuneration and benefits of any kind, paid or awarded in respect of the 2020 financial year to Christel Bories.

4.2.2.1.4 Compliance of the remuneration paid with the remuneration policy

The items of Christel Bories' remuneration described above are compliant with the provisions defined by the Board of Directors, on the recommendation of the Remunerations 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.

The financial performance and non-financial performance conditions are stringent and assessed on an annual basis. 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.

Share grant performance conditions are calculated over three years and are identical to those required of other Eramet Group executive beneficiaries.

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. Furthermore, as part of the work involved in preparing for the annual review of the remuneration of corporate officers, the Remuneration and Governance Committee receives information on the trending criteria proposed for the Group's employees overall, both with respect to fixed and variable remuneration and granting of shares regardless of whether or not they are contingent on performance conditions. This information ensures that the provisions applicable to corporate officers and those applicable to the Group's employees are aligned and consistent.

The Company did not deviate from the remuneration policy implementation procedure.

The Company did not waive the remuneration policy.

4.2.2.1.5 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.

4.2.2.2 Total annual remuneration of the directors in respect of the 2021 financial year

4.2.2.2.1 Total remuneration and benefits of any kind

a. Remuneration items

Table 3 provides details on the items of the directors' remuneration in respect of financial year 2021.

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 2021 financial year.

4.2.2.2.2 Taking into account the General Shareholders' Meeting's last *ex post* vote

In its twelfth resolution, the General Shareholders' Meeting of 28 May 2021 voted by 99.95% to approve the *ex post* resolution on the disclosures relative to total remuneration of directors in respect of the 2020 financial year included in the 2020 Universal Registration Document (URD), section 7.2.2 "Remuneration of the management and administration bodies".

4.2.2.2.3 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.

4.2.2.2.4 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.

4.2.2.3 Items of remuneration paid or granted in respect of the 2021 financial year subject to the vote of the Shareholders' Meeting to be held in 2022 in application of Article L. 22-10-34 (formerly Article L. 225-100, III) of the French Commercial Code

Remuneration items	Amounts granted in respect of 2021 or accounting valuation	Amounts paid in respect of 2021	Presentation
			No suspended employment contract. Christel Bories holds a corporate office.
Fixed remuneration	€800,000	€800,000	Gross fixed remuneration, paid for the 2021 financial year in accordance with the provisions adopted by the Board of Directors of Eramet SA on 23 February 2017.

Annual variable remuneration	€1,084,000 (amount determined for the 2021 financial year)	€874,000 (amount paid in 2021 for the 2020 financial year)	At its meeting on 23 February 2022, the Board of Directors, on a recommendation by the Remuneration 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 2021 at €1,084,000 (i.e., 135.5% of her target variable remuneration).
			The variable portion is based on quantitative and qualitative objectives, whose selection and weighting are proposed by the Remuneration Committee and approved by the Board of Directors.
			These objectives are based for 70% on safety and working conditions and on quantitative economic performance objectives and for 30% on qualitative objectives:
			• quantitative objectives (70%), the achievement rate of which is detailed in section 4.2.2.1.1.a.ii:
			  • 10% on safety and working conditions (accident frequency rate of employees, temporary workers and subcontractors) which is reduced if a fatal accident occurs,
			  • 60% on Group operating cash flow for 2021.
			  • The objectives achieved (100%) correspond to the budget figures.
			• Qualitative objectives (30%) detailed for 2021 in section 4.2.2.1.1.a.ii.
			The target-based annual variable portion is set at 100% of gross annual fixed remuneration based on the achievement rate of various goals. This remuneration may vary from 0 to 150% of gross annual fixed remuneration, 100% of fixed remuneration corresponding to 100% of goals achieved. It may not exceed 150% of gross annual fixed remuneration.
			The variable portion for goals 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.
			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.

Remuneration items	Amounts granted in respect of 2021 or accounting valuation	Amounts paid in respect of 2021	Presentation
Performance shares or stock options, or any other long-term remuneration item	19,480 bonus shares = €1,051,141 (applying the method used in the consolidated financial statements, fair value of the share on the day of granting by the Board of Directors) Options = N/A Other items = N/A		The Board of Directors meeting of 28 May 2021 confirmed, in accordance with the authorisation granted by the General Shareholders' Meeting of 28 May 2021 (eighteenth resolution), that Christel Bories would be granted 19,480 performance shares if all performance conditions were fully achieved, for an estimated value of €1,051,141 (or 0.07% 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. These very rigorous performance conditions are calculated over a three-year period, as follows: • the relative performance of Eramet shares for 30% of the share grant (this involves comparing the total shareholder return over a three-year period with that of a selected panel of 27 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 performance of the financial indicator achieved in three instalments over a three-year period for 50% of the share grant: The indicator used is EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) on a constant economic budget basis, with annual targets referenced to the Company's budget targets; and • CSR performance over three years for 20% of the grant, based on the annual CSR indicators and whose results are presented each year to the Strategy and CSR Committee. Christel Bories was not granted any other long-term remuneration item during the financial year ended 31 December 2021.
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.

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 2021 or accounting valuation	Amounts paid in respect of 2021	Presentation
Compensation related to taking up or leaving a post	No payment		In case of dismissal (except for gross misconduct) or forced resignation, particularly following a change of control of the Company or substantial imposed changes to the scope of responsibility, Christel Bories will be awarded severance pay equal to two years of her gross fixed 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 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 on the proposal from the Remuneration Committee. 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 General Shareholders' Meeting of 24 May 2018.
Contribution Article 82 scheme	€572,548	€508,729	Christel Bories is covered by a life insurance policy under Article 82 of the French General Tax Code. 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: • 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. The additional remuneration determined in accordance with the preceding provisions shall give rise to 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. For the financial year 2021, 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 2021 variable remuneration objectives, which corresponds to 135.5%, the amount of employer contribution totals €572,548 broken down into the proportions mentioned above. 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: €914.76 Employer share and life insurance: €7,863.5	Employer share of healthcare costs: €914.76 Employer share and life insurance: €7,863.5	Christel Bories benefits from the supplementary healthcare plan and the supplementary disability and life insurance scheme operating within the Eramet Group. 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 General Shareholders' Meeting of 24 May 2018.

4.2.2.4 Presentation of the remuneration for executive corporate officers

TABLE 1 – SUMMARY TABLE OF THE REMUNERATION, SHARES AND OPTIONS GRANTED TO THE EXECUTIVE CORPORATE OFFICER

	Remuneration granted in the financial year[1]		Value of shares granted during the year[2]		Total	Total
(in euros)	2021	2020	2021	2020	2021	2020
Christel Bories Chairperson and CEO	2,456,548	2,149,396	1,051,141	299,400	3,507,689	2,448,796
TOTAL CORPORATE OFFICERS	**2,456,548**	**2,149,396**	**1,051,141**	**299,400**	**3,507,689**	**2,448,796**

(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 €53.96 at 28 May 2021 and €19.96 at 12 March 2020. There were no options granted during the financial year.

The 2020 valuation corresponds to the maximum grant of 15,000 shares, the target being 10,000 shares for 100% achievement.

The 2021 valuation corresponds to the target grant of 19,480 shares, equal to the maximum grant for 100% achievement of the performance criteria.

Valuation of the other remuneration plans:

There is no:

- long-term remuneration plan;
- stock option plan.

TABLE 2 – SUMMARY OF THE REMUNERATION OF THE EXECUTIVE CORPORATE OFFICER

	Amount for 2021		Amount for 2020	
(in euros)	Granted	Paid	Granted	Paid
Christel Bories **Chairperson and CEO**				
Fixed remuneration[1]	800,000	800,000	766,667	766,667
Annual variable remuneration[2]	1,084,000	874,000	874,000	736,000
Contribution to the Art. 82 scheme	572,548	508,729	508,729	466,790
Remuneration allocated for term of office as director	0	0	0	0
Benefits in kind	0	0	0	0
Total	**2,456,548**	**2,182,729**	**2,149,396**	**1,969,457**
TOTAL CORPORATE OFFICERS	**2,456,548**	**2,182,729**	**2,149,396**	**1,969,457**

(1) On Christel Bories' proposal, which was approved by the Board of Directors on 4 May 2020, 25% of her fixed remuneration for April and May 2020 was paid into the solidarity fund established by Eramet to finance its measures to stem the spread of Covid-19 in the communities around its sites worldwide.

(2) Note that in 2020, the fixed remuneration used to calculate variable remuneration paid in 2021 in respect of 2020 does not take account of the amount paid into the solidarity fund

No multi-year variable remuneration fell due or was paid out during the financial year.

The total annual compensation of the Company's five highest paid individuals amounts to twelve million one hundred and fourteen thousand one hundred and fifty-eight euros and fifty-one cents (€12,114,158.51) for the 2021 financial year.

It should be noted that this amount takes into account the conversion of conditional rights granted under the supplementary defined benefit pension scheme closed on 31 December 2019 into vested rights. The value of this conversion led to the payment in 2021 of an exceptional contribution of seven million two hundred and eleven thousand seven hundred and ninety-four euros (€7,211,794.00) for the five highest paid individuals.

The amount has been certified by the Statutory Auditors.

TABLE 3 – REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

(gross amounts in euros rounded to the nearest euro)	Eramet	Other companies	Total 2021	Total 2020
Michel Antsélévé [(2)]	14,055	-	14,055	30,755
Alilat Antsélévé-Oyima [(3)]	21,495	-	21,495	-
Christel Bories [(1)]	-	-	-	-
Emeric Burin des Roziers	32,500	-	32,500	30,311
Christine Coignard	58,000	-	58,000	53,751
François Corbin	61,750	-	61,750	49,710
Cyrille Duval (Sorame) [(10)]	78,000	29,000	107,000	102,959
Jérôme Duval	44,575	-	44,575	39,626
Nathalie de La Fournière (CEIR)	40,000	-	40,000	38,394
Frédéric Gaidou [(4)]	47,500	-	47,500	46,477
Other remunerations excluding corporate office: €95,105				
Jean Yves Gilet [(5)]	40,000	-	40,000	38,394
Philippe Gomès [(6)]	-	-	-	22,666
Manoelle Lepoutre	52,500	-	52,500	50,518
Jean-Philippe Letellier [(4)]	37,500	-	37,500	38,394
Other remunerations excluding corporate office: €100,839				
Miriam Maes	81,000	-	81,000	85,275
Louis Mapou [(7)]	12,678	-	12,678	10,104
Catherine Ronge	45,000	-	45,000	46,477
Sonia Sikorav	58,000	-	58,000	53,751
Claude Tendil	60,000	-	60,000	66,684
Bruno Vincent [(8)]	78,000	-	78,000	73,959
Jean-Philippe Vollmer [(9)]	27,500	-	27,500	5,742
TOTAL	**890,053**	**29,000**	**919,053**	**883,945**

(1) Other remuneration: see other tables related to executive corporate officers' remuneration.
(2) Term of office expired on 28 May 2021.
(3) Appointed on 28 May 2021.
(4) Director representing employees.
(5) 15% of the amount due is paid to the Ministry of Finance.
(6) Term of office expired on 26 May 2020.
(7) Term of office expired on 08 July 2021.
(8) Amount paid to the Ministry of Finance – on 23 May 2019, Bruno Vincent is appointed State representative.
(9) Appointed on 15 October 2020.
(10) Remuneration received in respect of directorships at Comilog and Metal Securities.

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 6 – PERFORMANCE SHARES GRANTED TO THE CORPORATE OFFICER DURING THE YEAR

	Plan No. and date	Number of shares granted	Value of shares[1]	Acquisition date	Date available	Performance conditions
C. Bories	Plan from 28/05/2021	19,480	1,051,141	28/05/2024	28/05/2024	• Total shareholder return (TSR) of the Eramet share compared to that of companies included in the indices (Euromoney Global Mining Index) (30%) • Intrinsic performance of the economic indicator EBITDA (50%) on a constant economic budget basis • CSR performance (20%); • Vesting gradually over three years
TOTAL		**19,480**				

(1) Calculated according to the fair value of the share on the grant date by the Board of Directors, namely €53.96 on 28 May 2021.

TABLE 7 — NOT APPLICABLE
No performance shares became available during the financial year for the Chairperson and CEO.

TABLE 8 — NOT APPLICABLE
There is no share purchase or subscription option plan currently in operation.

TABLE 9 – PERFORMANCE SHARES – INFORMATION

	2016 plan	2017 plan	2017 plan	2018 plan	2019 plan	2020 plan	2021 plan	**2021 plan**
Date of Shareholders' Meeting	27/05/2016	27/05/2016	27/05/2016	27/05/2016	24/05/2018	24/05/2018	24/05/2018	28/05/2021
Date of Board Meeting	27/05/2016	23/02/2017	23/05/2017	22/03/2018	20/02/2019	12/03/2020	11/03/2021	28/05/2021
Total No. of shares granted, of which number granted to (total)[1]	134,327	142,546	12,500	206,056[1]	179,596[1]	188,013[1]	196,965[1]	20,089[1]
including the corporate officer								
• C. Bories[1]			12,500	15,000	15,000	15,000		19,480
• P. Buffet (until 23/05/2017)	22,405							
• Date of vesting of France Plan shares	27/05/2019	23/02/2020	23/05/2020	22/03/2021	20/02/2022	12/03/2023	11/03/2024	28/05/2024
• End date of holding period France	27/05/2021	23/02/2022	23/05/2022	22/03/2023	20/02/2024	12/03/2025	11/03/2024	28/05/2024
• End date of vesting and holding period for International Plan shares	27/05/2020	23/02/2021	23/05/2020	22/03/2022	20/02/2023	12/03/2024	11/03/2024	28/05/2024
• 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) and intrinsic performance of economic indicators (2/3) (operating margin (COI/sales) and cash flow from operating activities; gradual vesting over three years			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) and intrinsic performance of economic indicators (1/3) EBITDA and (1/3) ROCE on a constant economic budget basis; gradual vesting over three years		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%), intrinsic performance of economic indicators, EBITDA (25%) and Net Debt (25%) on a constant economic budget basis, and CSR performance (20%); 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%), intrinsic performance of economic indicators: 50% EBITDA on a constant economic budget basis and Corporate Social Responsibility (CSR) performance (20%); gradual vesting over three years	
• Number of shares vested at 31/12/2021 (international plan)	25,258	26,501						
Number of shares vested at 31/12/2021 (France Plan)	85,660	63,368	6,955	41,382				
Cumulative number of cancelled or lapsed shares	23,409	52,677	5,545	109,859				
Performance shares remaining at financial year end	0	0	0	54,815	179,596	188,013	96,965	20,089

(1) Number of shares at maximum performance:

For the 2016 and 2017 plans, the performance conditions are calculated over three years and are as follows: relative performance of the Eramet share for one-third of the grant (this involves comparing the total shareholder return (TSR) over a three-year period with that of a panel of some 50 comparable companies in the Euromoney Global Mining Index: Diversified Metals & Mining, Steel; this performance condition is only 100% achieved if the Eramet share is ranked among the top 15% in this basket) and intrinsic performance achieved by thirds over three years of certain economic indicators for two-thirds of the grant (one-third of the current operating income before non-recurring items as a percentage of revenues and one-third of cash flow from operating activities, with the annual targets referring to the Company's budgetary objectives; these performance conditions are only 100% met in the event of a significant over-achievement of these targets). Taking into consideration the performance conditions, the vesting rate as a percentage of shares awarded is as follows: 2015: 49.44%; 2016: 86.67%; 2017: 55.64%

For the 2018 plan, the very strict performance conditions are calculated over three years and are as follows: relative performance of the Eramet share for one-third of the grant (this involves comparing the total shareholder return over a three-year period with that of a panel of 37 comparable companies in the Euromoney Global Mining Index: Diversified Metals & Mining, Steel; this performance condition is only 150% achieved if the Eramet share is ranked among the top 15% in this basket) and intrinsic performance achieved by thirds over three years of certain economic indicators for two-thirds of the grant (one-third of the grant is for Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), on a constant economic budget basis, and one-third is for Return On Capital Employed (ROCE), with the annual targets referring to the Company's budgetary objectives. This performance condition is only 150% achieved if these targets are significantly exceeded. Taking into consideration the performance conditions, the vesting rate as a percentage of shares awarded is as follows: 23.6% (/max performance) and 35.44% (/target).

For the 2019 plan, the very strict performance conditions are calculated over three years and are as follows: relative performance of the Eramet share for one-third of the grant (this involves comparing the total shareholder return over a three-year period with that of a panel of 38 comparable companies in the Euromoney Global Mining Index: Diversified Metals & Mining, Steel; this performance condition is only 150% achieved if the Eramet share is ranked among the top 15% in this basket) and intrinsic performance achieved by thirds over three years of certain economic indicators for two-thirds of the grant (one-third of the grant is for earnings before interest, taxes, depreciation and amortisation (EBITDA), on a constant economic budget basis, and one-third is for return on capital employed (ROCE), with the annual targets referring to the Company's budgetary objectives. This performance condition is only 150% achieved if these targets are significantly exceeded.

For the 2020 plan, the very strict performance conditions are calculated over three years and are as follows: relative performance of the Eramet share for 30% of the grant (this involves comparing the total shareholder return over a three-year period with that of a panel of 42 comparable companies in the Euromoney Global Mining Index: Diversified Metals & Mining, Steel; this performance condition is only 150% achieved if the Eramet share is ranked among the top 15% in this basket); intrinsic performance achieved by thirds over three years of certain economic indicators for 50% of the grant (25% is for earnings before interest, taxes, depreciation and amortisation [EBITDA], on a constant economic budget basis, and 25% for net debt, with annual targets referring to the Company's budgetary objectives) and intrinsic corporate social responsibility (CSR) performance for 20% of the grant. This performance condition is only 150% achieved if these targets are significantly exceeded.

For the 2021 plan, the very strict performance conditions are calculated over three years and are as follows: relative performance of the Eramet share for 30% of the grant (this involves comparing the total shareholder return over a three-year period with that of a panel of 27 comparable mining companies in 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); intrinsic performance achieved by thirds over three years of an economic indicator for 50% of the grant (earning before interest, taxes, depreciation and amortisation [EBITDA], on a constant economic budget basis, and intrinsic performance in terms of corporate social responsibility (CSR) for 20% of the grant.

TABLE 10 — NOT APPLICABLE
There is no multi-year remuneration for the executive corporate officer.

TABLE 11 – SUMMARY BY CORPORATE OFFICER

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 Chair and Chief Executive Officer: 23/05/2017 End of term of office for the director at the General Shareholders' Meeting called to approve the 2024 financial statements	No	No, but the Company is financing a life insurance contract	Yes	No

The Board of Directors

→ Mineral sands exploration, Cameroon

RISK FACTORS AND CONTROL ENVIRONMENT

5

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 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 unimportant 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.

5.1 PRINCIPLES OF RISK MANAGEMENT WITHIN ERAMET

Aware that risk-taking is vital and inherent to its business development, 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 its performance over the long term and enable it to take better advantage of opportunities.

In this respect, risk management is considered by the Eramet Executive Committee to be a key component of the Group's governance system. This is why the Eramet group has developed an integrated risk management approach aligned with the organization's objectives and strategy, creating a Risk Management function and coordinating the three risk control lines presented below:

The first line of defence relies mainly on operational management activities, on its operational risk management, but does not include control functions.

The second line of control is provided by the various functions set up by management to monitor risk control and compliance.

The third line of control is based on the independent assurance provided by Internal Audit.

The coordination of the three lines of control 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 Management, Internal Control and Internal Audit, the Director of Environment and ESG Performance, the Director of Societal 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 between 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; ensure that emerging or rapidly evolving risks are taken into account.

The Group's Risk Management System also includes a Crisis Management mechanism and a Country Risk Committee. Since 2021, it has been completed by a half-year committee meeting to monitor progress in the risk-reduction plans at the level of the Executive Committee and is organised in the same form quarterly at the level of the Mining and Metal and High Performance Alloys activities.

5.2 GROUP CONTROL AND RISK MANAGEMENT ENVIRONMENT

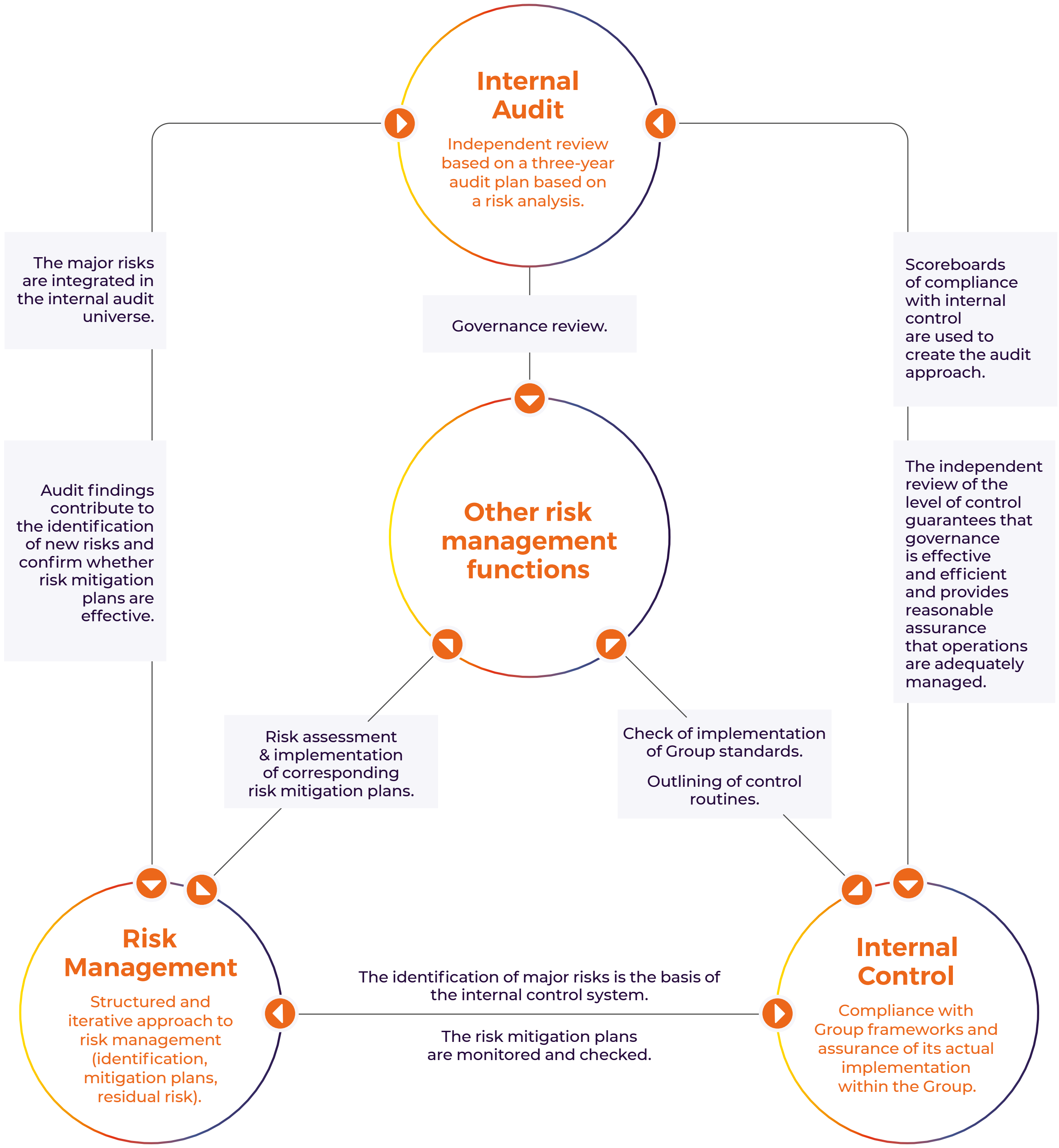
The Group's internal control and risk management environment is based on the following elements:

- the values of the Group, which have been formalised in an Ethics Charter and in a set of policies distributed widely to the teams;
- 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 Manuals on Delegations of Authorities;
- procedures available on the Group Intranet that apply to all subsidiaries;
- training organised around current issues and ongoing training for internal controllers 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, and others) and by questionnaires on compliance of internal control with Group standards completed by each executive of the Group's entities.

5.3 AN INTEGRATED APPROACH TO RISK MANAGEMENT WITHIN ERAMET

The Group has combined Risk Management, Internal Control and Internal Audit within a single department 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.



The Risk Management System provides a structured approach for identifying, categorising, handling and controlling 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 risks, to establish or optimise the necessary internal control processes to manage the Group's 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 2021, 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 Group Risk Manager, Risk Managers of the BU activities and Risk Management Coordinators coordinate how to track evolving identified risks and which containment measures to implement within the different Group entities. Operational risks are handled by BU managers in coordination with the Group's 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 for the ethical standards of the Group.

For Group financial risks, the monitoring of changes of the risks identified and the implementation of the related control systems are carried out by the Finance and Treasury Department for the entire Group, 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 Department. Finally, the Group Insurance Management Department defines and implements the Group's residual risk transfer policy, following approval by the Executive Committee.

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 smooth 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 adapts and responds to changes in the Group's universe of risks.

Risk ownership and responsibility for risk management are 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 he or she is 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.

The primary mission of the Internal Control department is to maintain and update the Group's standards (Charter, Policies, Procedures etc.) and the standards of the key internal controls; these two sets of standards are defined by the managers of the Group's business units. These managers identify, with the assistance of Group Internal Control and Risk Management, the areas of risks and define standards and control activities to respond to such risks.

It also focuses on the continuous improvement of Group standards and practices, and 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 self-assessment campaigns, and communicates on changes and on the Group's maturity level in terms of internal control.

In 2021, 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.

Internal Audit is the third line of risk control and contributes to the protection of Eramet assets by evaluating the Group's Governance, Risk Management and Internal Control systems. On the basis of a multi-year audit plan of assignments associated with the risks in the 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 major functions of the Group.

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 organization. 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 international 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 2021, the Internal Audit unit completed 17 audits. The global health situation continued to impact the schedule for missions that required the performance of remote audits and/or an adaptation of the audit plan.

5.4 MAIN RISK FACTORS TO WHICH THE GROUP IS EXPOSED

Risks related to war in Ukraine

The war between Russia and Ukraine started at the end of February 2022 and sanctions decided by the international community may have significant impacts on Eramet activities; especially on its supply-chain, on the costs of raw materials and energy and on its commercial activities. The occasional increased risk of cyber attacks is also to consider. Other impacts may emerge but have not been identified yet by the time of writing, in view of the novelty and evolving nature of the event. As from the start of the war, Eramet implemented a multifunctional taskforce in order to limit identified risks and check compliance with sanctions decided by the international community within the whole Group.

Risks related to the impact of the coronavirus (COVID-19) pandemic

The health crisis caused by the COVID-19 pandemic, leading to a global economic recession followed by a strong growth rebound in 2021, has an impact on the Group's risks. .

Risk management

Since March 2020, several crisis units have been set up at different organization layers (sites, entities, BU activities), coordinated by a Corporate crisis unit, as to ensure fast and well suited decision taking. The Corporate crisis unit has been monitoring the pandemic disease evolution worldwide and the implementation of needed actions as to guarantee employee protection and the business continuity of the Group.

The Group immediately prioritised the health and safety of its employees. The health protocol implemented at all Group sites was regularly reviewed throughout the year to anticipate new developments in the pandemic and comply with recommendations from local authorities. This has ensured business continuity with the organization of prevention plans for the production sites, in close connection with suppliers, customers and business continuity plans.

The Group introduced a number of initiatives at all its sites in France and abroad: increasing telecommuting and encouraging employees to work from home whenever possible with the distribution of a telecommuting guide, remote management training initiatives, weekly communication with employees during lockdowns supplemented by weekly Social and Economic Council and Workplace Health and Safety Committee meetings, rearrangement of locker rooms, distribution of hand sanitizer bottles, disinfection of all offices, locker rooms and common areas, limits on the number of people in offices and meeting rooms, installation of plexiglass panels in dining rooms and offices, establishment of a mental health hotline and support for distressed employees, creation and financing of a 16-bed "COVID unit" at the Franceville hospital in Gabon in 2020.

Thanks to the adaptation measures promptly implemented in 2020 and followed in 2021 in its mining and industrial activities, the Group has been able to pursue its mining activities throughout the year and reach new record production levels.

Other 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 2021 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 2021	Trend recorded in 2021
STRATEGIC AND FINANCIAL	Risks of non-recovery of assets held by the Group for which profitability is insufficient	High	Stable
	Geopolitical risks	High	Stable
	Risks of a sharp drop in metal prices	High	Stable
	Risk of financing difficulties	Medium	Decreasing
	Risks related to non-execution of the chosen growth strategy for the Mining and Metals business units	Medium	Decreasing
OPERATIONAL	Risks of a serious accident on the Trans-Gabonese railway line	High	Stable
	Risks of failure of information systems, protection of information and cyber attacks	High	Stable
	Risks of breach on a geotechnical structure	Medium	Stable
	Risks of difficulties in attracting and retaining talents	Medium	Stable
	Risks related to production reliability and the development of new metallurgical products	Low	Decreasing
LEGAL	Risk of fraud and corruption	Medium	Stable
	Risk of high social expectations	Medium	Increasing
	Risks of sustainability-related legislative and regulatory changes	Medium	Stable

We are presenting below a complete description of each risk, its potential effects on the Group and changes in 2021.

5.4.1 Strategic and Financial Category

5.4.1.1 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 cycle, and the volatility of the commodities market 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 is 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 and 2021, 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.

Despite a nickel market that is currently favourable, the financial performance of the SLN has been degraded for several years, particularly because of insufficiently competitive production costs.

If the subsidiary continues to report poor financial results in upcoming years, the Group will have to mobilise substantial financial resources that will significantly impact the strategy for its other activities.

Risk management

In order to address this risk, several operational productivity and performance improvement plans have been launched. The rapid roll-out of these plans continued in 2021 and their objectives were readjusted 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 will help to reduce energy cost and to make SLN's cash-cost more competitive and sustainable.

In 2021, Aubert & Duval continued its in-depth transformation programme: measures to adapt to the drop in activity, which contained the financing needs for this activity, reorganisation and disposal or shutdown of non-strategic activities. These measures translated into a strict adjustment of all expense items, procurement of raw materials and semi-finished products, payroll, purchases and subcontracting. The company particularly focused on labour, by terminating nearly all flexible contracts and using the partial activity mechanism. Beyond the results obtained, these initiatives made the company more agile and improved its ability to adapt. In 2021, in response to the long-term slump in the aerospace market, and to structurally improve its costs base, the company revised its Work Organisation Adaptation Plan, resulting in 327 net redundancies. In addition, it has established a complete operational improvement plan, managed by each of the Business Units. The plan includes (i) the deployment of operational excellence best practices, (ii) the implementation of an investment plan focused on reliability and productivity, (iii) specific initiatives focused on the competitiveness of some product flows in order to catalyse sales growth. More generally, the industrial system is reviewed on a regular basis to ensure it is suitable for new market developments. All these initiatives are aimed at improving the financial performance of Aubert & Duval.

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 2020 and 2021.

5.4.1.2 Geopolitical risks – *High net significance level – stable*

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.

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.

Country risks are primarily related to the implementation of foreign exchange control regulations in the CEMAC zone to which Gabon belongs, and to obtaining a satisfactory tax framework in Argentina that could impact the capacity of foreign investments.

In 2021, the conditions for application of foreign exchange control in the CEMAC zone to which Gabon belongs were clarified. However, the operational application of these conditions must still be specified.

In New Caledonia, SLN and the New Caledonian government signed an agreement on 14 February 2022 on the subsidiary's future path. However, there is still a risk, given the need to increase the volume of low-grade ore for the export market – while at the same time maintaining volumes for the plant – and the urgent need to gain access to competitive and stable energy costs for metallurgical operations so that SLN can become competitive again.

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;
- Safety situation;
- Legal and regulatory situation;
- Economic indicators and business climate;
- CSR and fundamental rights.

5.4.1.3 Risks of a sharp drop in metal prices – *High net significance level – stable*

The Group is exposed to the cycles of the Chinese economy 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 current operating income and on Group EBITDA is estimated as follows (on the basis of a EUR/USD exchange rate at 1.18):

- nickel metal: €93 million for a variation of 1 USD/lb in nickel price on the LME;
- nickel ore[1]: €34 million for a variation of 10 USD/wet metric tonne in average ore price;
- manganese ore: €224 million for a variation of 1 USD/dmtu;
- manganese alloys: €67 million for an average variation of 100 USD/t in manganese alloy price;

(1) *Note that a change in the price of the order of 10 USD/wet metric tonne would have an additional impact of €39 million on the generation of the Group's free cash flow because of the activities of the Indonesian subsidiary PT Weda Bay Nickel, which are not consolidated.*

As such, risks of a sharp drop in metal prices have a strong 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.

5.4.1.4 Risks of financing difficulties – *Medium net significance level – down*

Eramet's business model is based on the extraction and refining of minerals (manganese, nickel, mineral sands) and the production and processing of parts and finished products in high value-added alloys (high-performance steels, aluminium and titanium based superalloys). Its environment is characterised by a cyclical market and high capital intensity. Limited access to a world-class mineral resource and the development of projects for exploiting it require long-term investments financed by high levels of stable resources.

The difficulty of setting up recovery plans for unprofitable assets, the impact of the economic crisis caused by COVID-19 or an economic downturn in demand may lead to a liquidity or even solvency crisis for the Group. The impact could involve non-compliance with gearing ratios that may trigger calls for the immediate payment of loans granted by financial institutions, and the risk that the Group loses the trust of its stakeholders, especially financial institutions, investors and partners.

Risk management

Cost reduction plans (fixed costs, or even investments or restructuring) coupled with a strict management of working capital requirements ensure resilience when it comes to generating free cash flow making it possible to meet financing obligations. The improvement in the Group's ability to generate free cash flow, the treatment of assets in difficulty and the Group's debt reduction resulted in an improvement in the assessment of this risk in 2021.

Lastly, the confidence level of financing institutions is boosted by long-term relations, attentive financial communication and Eramet's stable shareholding.

5.4.1.5 Risks related to the non-execution of the chosen growth strategy of the Mining and Metals Business Unit activities – *Medium net importance level – down*

Eramet has access to mineral resources with world-class value in terms of both quantity and quality, with high grade deposits (manganese, nickel) or containing high value products (zircon, lithium). Thanks to these mineral resources, the Group has a strong potential for organic growth thanks to production increases in the next few years.

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.

Finally, the CSR is integrated very early in the development of projects, which ensures correct integration of the requirements of the interested parties.

5.4.2 Operational risks

5.4.2.1 Risks of a serious accident on the Trans-Gabonese railway – *High net significance level – Risk stable*

Through its subsidiary, Setrag, the Group holds the concession for the Trans-Gabon railway for a period of 30 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. The Group is therefore exposed to the risk of a train accident on the railway line. Such an event could lead to bodily harm for passengers in the event of passenger trains, damage to transported freight, interrupt rail transport in Gabon and strongly disrupt the operations of Setrag and Comilog.

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. Furthermore, a flows management tool on the line (TCS, Train Control System) has been in place since 1 August 2020.

In 2021, capital expenditures related to the PRN were revised upwards. 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. This equity restructuring was duly recorded in an amendment to the concession, which is now extended by 10 years until 2045.

5.4.2.2 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.

5.4.2.3 Risks of breach on a geotechnical structure – *Medium net significance level – stable*

Group sites use facilities such as tailings stockpiles, waste dams, water reservoirs, mining pits which carry the potential risk of weakening, subsiding or even collapsing. The potential consequences of this kind of accident may include property damage, production disruptions, environmental damage or even in extreme cases, jeopardise the life of employees and neighbouring populations.

Risk management

Eramet aims at high geotechnical expertise and a resilience to natural risks and therefore supports the Global Industry Standard on Tailings Management (GISTM). The Group has therefore revised its own set of technical and mining residue management directives so that they are aligned with existing standards and best international practices (ICOLD/ANCOLD), and with the guidelines of the main mining operators.

Since 2020, an internal procedure has been dedicated to this issue of "Management of tailings storage structures". In order to assess the level of risk, the classification grid for levels of consequences adopted is that of the GISTM completed by other criteria for financial and non-financial impacts in order to be consistent with the Group's other risk maps.

The Industrial Affairs Department and the Environment and ESG Performance Department ensure that the subsidiaries affected comply with this procedure. Within this framework, compliance actions were carried out in 2021 and the upgrade to bring certain aspects already "Acceptable" up to "Best Practice" is in progress.

The Group's internal processes to control these risks are detailed in Section 6.2.7 "Preservation of the environment at the mining sites".

5.4.2.4 Risks of difficulties in attracting/retaining talents – *Medium net significance level – stable*

The perception that the average size of the Group would permit fewer opportunities for career advancement and the sometimes negative perception of the mining and metallurgy industry may adversely impact the Group's ability to attract the best employee profiles or retain talent. They may also impact the level of employee commitment.

Moreover, some of the jobs in the sector's value chain are very specific, which limits the profiles available for joining the Group, and may lead to high personnel turnover or undermine the robustness of succession plans.

Risk management

The Group has introduced various actions to improve the management of this risk: review of remuneration packages for segments under pressure, openness to a more international labour force, revision of work organizations and international mobility, a policy to develop employee skills development with the creation of career paths, training through e-learning type platforms, development of the "employer" brand, improvement in the integration process for new arrivals with the establishment of the Connect program, better knowledge of the job descriptions and expectations, improvement of managerial skills, creation of incubators of young talent and better identification of the potential of key employees, stronger succession plans through executive reviews at all sites and better anticipation of future needs. These measures are constantly re-assessed and reinforced.

Furthermore, the Eramet Group promotes a corporate culture with strong human-oriented values *vis-à-vis* interested individuals and its employees in particular, which creates an overall environment that is conducive to implementing the various measures above to make the Group attractive and retain talent.

Finally, the Group's CSR strategy and its positioning on the development of the metals of the low-carbon energy transition are an attractive factor compared with other mining companies.

5.4.2.5 Risks related to production reliability and the development of new metallurgical products – *Low net importance level – lower*

Aubert & Duval produces high power forged or die-forged parts, as well as high-performance steels and superalloys, particularly for the aerospace and energy markets. Any failure in the design or manufacturing process or the chain of controls would result in legal and financial consequences for Aubert & Duval related to production slowdown or downtime for the customer or its inability to use the product and possible product recall. In addition, Aubert & Duval and Eramet would be exposed to reputational risks, loss of confidence impacting the sustainability of the subsidiary, and financial risks of counterparties incurred by the holding company, Eramet S.A.

Risk management

Aubert & Duval profoundly modified its internal organisation in order to guarantee the conformity of its products using improvement tools (Quick Response Quality Control, Advanced Product Quality Planning and others) and control and audit actions (Stronger monitoring plans). The remediation plan, defined in response to the alert on the non-conformities detected in its quality management, was completed as planned in April 2021 and is now the subject of internal audits by customers and by the certification bodies. Certain re-accreditation audits were postponed due to the COVID-19 pandemic, but all the audits completed resulted in the recovery and maintenance of certificates and accreditations.

Aubert & Duval has rolled out a global quality management organization to improve the reliability of the production cycle by implementing the following control methods: strengthening processes upstream of manufacturing to check compliance and capability when orders are taken (bid review); extensive work to strengthen the capability of existing critical products and those under development (application of Advanced Product Quality Planning – APQP); identification and tracking of key parameters to detect drift and weak signals; a production organization with emphasis on self-control, detection of anomalies and their quick resolution on the ground (Quick Response Quality Control – QRQC); enhanced audit and product controls by the quality teams; a falsification prevention policy (awareness raising, audits); product qualification processes in close collaboration with its customers and with external certification bodies; attentive monitoring of products and services supplied by suppliers and subcontractors.

5.4.3 Legal risks

5.4.3.1 Risks of fraud and corruption – *Medium net importance level – stable*

The Eramet Group is committed to complying with all regulations that are applicable to all of its sites worldwide. Like any French organization 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.

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, in close collaboration with the Group Legal Department and the Sustainability and Corporate Engagement 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 ethics regulations.

In the last two years, the Group has considerably strengthened its ethics approach by establishing a compliance programme based on three pillars: organization, guidelines and tools. This approach is mostly modelled on compliance with the provisions of France's Sapin II Act. The Group monitors all risks identified mainly through the mapping of the risks of corruption and influence peddling, which are covered by specific 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.

The Group updated its Corruption risk map in March 2021.

In addition to this risk-based approach, the Group has made it a strategy by implementing standards and procedures: Ethics Charter, Anti-corruption Guide and policy, training, third-party assessment system. Business ethics are handled generally in training sessions offered regularly and include increasing awareness of fraud. 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, audit engagements including Ethics, Compliance and Anti-corruption criteria.

The organization, means and methods for controlling these risks are detailed in section 6.4.1 "Ethics, Compliance and Anti-Corruption" in Chapter 6 herein.

5.4.3.2 Risks of higher social expectations - *Medium net importance level – higher*

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 local development priorities.

For example, in order to respond to an increase in the expectation of local populations, Eramet in 2021 created a CSR fund in partnership with the Gabonese government. This fund is dedicated to the implementation of actions with local communities affected by the mining operations of Moanda. These actions cover areas such as infrastructure improvements or support for local economic diversification.

From a regulatory standpoint, 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.

5.4.3.3 Risks of sustainability-related legislative and regulatory changes *– Medium net importance 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 installations, or its operating permits for some mines may be challenged, or again, it may face tougher marketing conditions.

Risk management

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.

➔ Revegetation operations, GCO, Senegal

NON-FINANCIAL PERFORMANCE STATEMENT

6

6.1 CSR ISSUES AND APPROACH OF THE ERAMET GROUP

6.1.1 Group business model

Eramet, a global mining and metallurgical group, is a key player in the extraction and recovery of metals (manganese, nickel, mineral sands) and the production and processing of high value-added alloys (high-speed steels, high-performance steels, superalloys, aluminium- and titanium-based alloys). 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.

In 2021, the Group inserted its company's purpose in its Articles of Association: "Become a reference for the responsible transformation of the Earth's mineral resources for "living well" together.

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. Eramet has 8,523 employees in the new scope and 4,850 employees in the activities being divested in 20 countries, and generated turnover of €3.6 billion in 2021 from continuing operations and €831 million from activities being divested.

The infographics presenting the Group's business model can be found in Chapter 1, Part 1.2 of the Universal Registration Document. This graphical representation shows the Group's strategy, resources, activities and the value created for its various stakeholders.

Chapter 2 further develops the activities and markets in which the Group operates.

6.1.2 CSR risk assessment

In addition to its risk mapping exercise that takes into account CSR risks (risk management is described in Chapter 5), Eramet has developed, with the support of its stakeholders, 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.

(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.

OVERVIEW OF THE ERAMET GROUP'S CSR RISKS

Main CSR risks	Stakeholder expectations	Information in Non-Financial Performance Statement		CSR Roadmap objective
ENVIRONMENTAL RISKS		SECTION 6.2		
Atmospheric emissions	OO	6.2.3.1	Airborne emissions	Objective 11
Historical soil pollution	O	6.2.3.3	Rehabilitation of closed industrial sites	
Production of waste (hazardous and non-hazardous)	OO	6.2.4.1 6.2.4.2	Optimisation of the consumption of primary raw materials Waste prevention and recovery	Objective 7
Water consumption	OOO	6.2.5 6.2.7.3	Optimisation of water consumption Management of impacts on water resources	Under development
Emissions into water	OOO	6.2.3.2 6.2.7.3	Aqueous waste Management of impacts on water resources	Objective 12
Climate change – energy consumption and GHG emissions	OOO	6.2.6	Fight against climate change	Objective 13
Production and storage of waste rock and tailings	OO	6.2.7.2 6.2.7.4	Responsible resource management Tailings and mine waste management	Objective 7
Increase of erosion and impacts associated with rainwater run-off	OOO	6.2.7.3 6.2.7.5	Management of impacts on water resources Rehabilitation of mining sites	Objective 12
Biodiversity	OOO	6.2.8	Preservation of biodiversity	Objective 12
SOCIAL RISKS AND HUMAN RIGHTS		SECTION 6.3		
Security, health and safety of employees	OOO	6.3.2.1 6.3.2.2 6.3.2.3	Employee safety Employee health Employee security	Objective 1
Attracting/retaining talent	OO	6.3.2.4	Promotion and development of employees	Objectives 2, 3
Discrimination/harassment	OO	6.3.2.4.4	Equal opportunities, measures to foster non-discrimination and diversity	Objective 4
Impacts on human rights of communities	OO	6.3.3	Commitments to communities	Objective 5
ETHICAL RISKS (IN BUSINESS RELATIONS)		SECTION 6.4		
Risk of corruption in relations with customers and suppliers	O	6.4.1	Ethics, Compliance and Anti-Corruption	Objective 9
Risk of potential conflicts of interest	O	6.4.1	Ethics, Compliance and Anti-Corruption	Objective 9
Non-compliance with ILO conventions in the supply chain	OO	6.4.2	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.

The measurement of stakeholder expectations shown above has been assessed on the basis of the materiality analysis carried out by an external third party for the Group in 2019. 27 issues, grouped into four categories (human capital, products and know-how, environment and ethics, and governance and societal responsibility), were thus submitted to stakeholders for consultation.

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, and researchers and universities from outside the Group. The consultation was based on a questionnaire with 115 respondents, as well as eight individual interviews, with anonymous and equally weighted consolidation.

All the information arising from the materiality analysis is provided in the form of a matrix (please see Chapter 1). In addition to sharing a Group vision of stakeholder expectations, this approach has also enabled Eramet to confirm the pertinence of its CRS Roadmap and the Group's targets. Chapter 1 also presents a comprehensive view of the Group's relationships with its stakeholders.

In order to facilitate the reading of Eramet's Non-Financial Performance Statement, a themed approach has been adopted: environmental protection (6.2), the Group's social and societal commitments (6.3), in particular respect for human rights and the social consequences of its activities, and business ethics (6.4), focusing in particular on the fight against corruption and tax evasion.

6.1.3 Group CSR approach

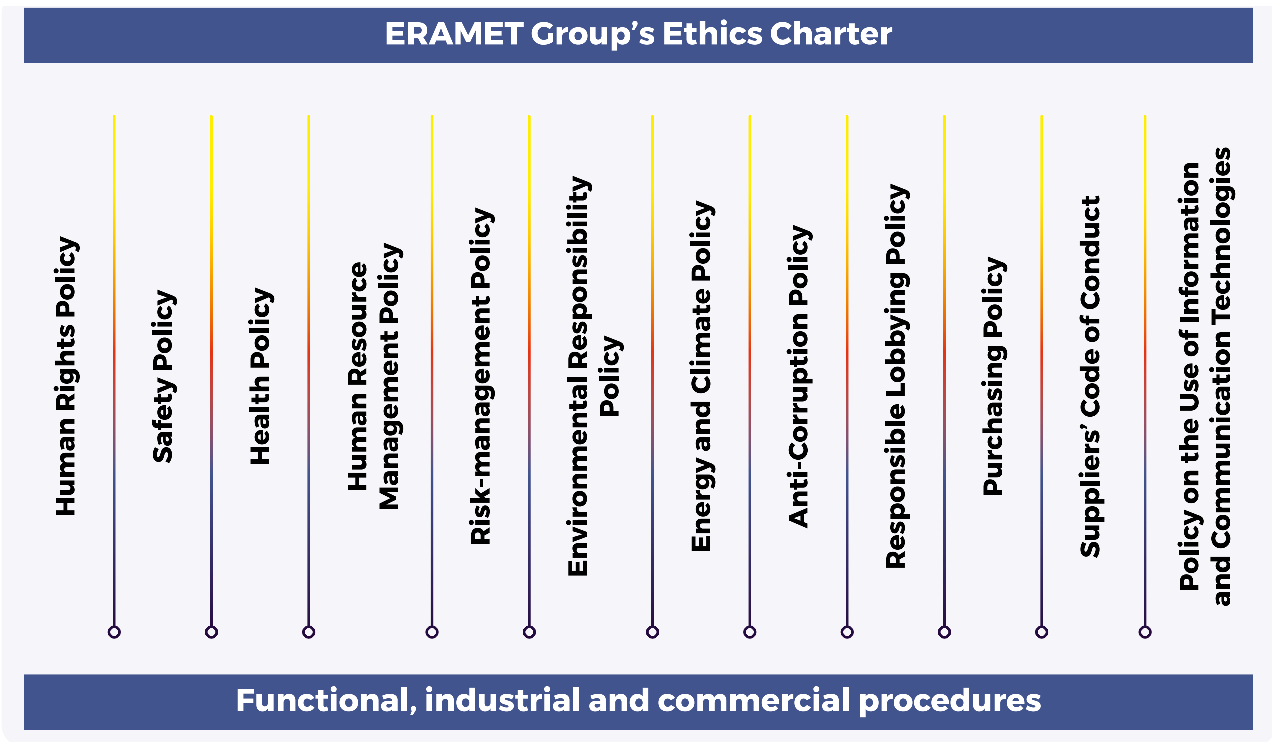
Eramet's societal responsibility approach is based on a platform of reference legislation, a progress plan and integrated organisation of Group governance.

6.1.3.1 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. It aims to be a company recognised for its strategic model, management system and social commitment.

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



Since 2020, the Group has formalised its guidelines platform in its management system: Eramet Management System (EMS). These are baseline commitments and common standards, applicable by all Group companies and their employees. It consists of 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 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. Translated into the 12 languages of the countries where the Group operates, this reference charter is the subject of e-learning courses for employees, covering all its topics.

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 are available on the Group website www.eramet.com. To raise employee awareness of the principles of these policies, theme-specific e-learning courses are rolled out, for example, on human rights, safety, the environment, etc.

6.1.3.2 Group commitments

Faced with global challenges, the Group works in line with shared, recognised international approaches to achieve sustainable development.

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.

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.

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, presented in Chapter 1, which covers Eramet's CSR strategy, 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 addition, in 2021 Eramet's application to the Act4Nature initiative was validated and recognised as SMART by the initiative's steering committee. Sub-chapter 6.2.8 "Preservation of biodiversity" explains this undertaking in greater detail. In addition, Eramet actively monitors and participates in the development of guidelines for the mining industry, promoting responsible mining and enabling reporting to stakeholders.

6.1.4 Management of the CSR strategy

6.1.4.1 CSR Roadmap 2018-2023

RSE 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 Roadmap has been shared and validated by the Strategy and CSR Committee and the Board of Directors, which review it periodically. 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 experts from the individual businesses (Finance, 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 2021, performance for the year and the progress made towards each objective since 2018.

Focus area	Objective	SDG contribution	KPI 2023	2021 results	Annual performance
COMMITMENT TO PEOPLE	1 - Ensure the Health and Safety of employees and subcontractors	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE; 3 BONNE SANTÉ ET BIEN-ÊTRE	Zero fatalities Workplace accident frequency rate with and without work stoppage FR2 < 4	FR2 = 2.2 1 severe accident	
	2 - Build skills and promote talent and career development	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	100% of Worldwide employees participate in at least one training course per year	76% of employees	
	3 - Strengthen employee engagement	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	Group employee engagement rate > 75% (barometer)	70% commitment rate	
	4 - Integrate and foster the richness of diversity	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE; 5 ÉGALITÉ ENTRE LES SEXES	30% of managers are women	26%	
	5 - Be a valued and contributing partner to our host communities	3 BONNE SANTÉ ET BIEN-ÊTRE; 4 ÉDUCATION DE QUALITÉ; 8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	100% of sites have established a mechanism for dialogue 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	100% of mining sites: dialogue and IFC compliant community investment (CI).	
COMMITMENT TO ECONOMIC RESPONSIBILITY	6 - Be an energy transition leader in the metals sector	12 CONSOMMATION ET PRODUCTION RESPONSABLES; 7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE; 13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	Committed diversification of Eramet's business portfolio in relation to the supply chain for electric mobility batteries	- Restart of the Centenario project (partnership with Tsingshan to begin lithium production in 2024). - Accelerate development of the Sonic Bay project with BASF	
	7 - Actively contribute to the development of the circular economy	12 CONSOMMATION ET PRODUCTION RESPONSABLES	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	1,227,000t recovered	
			10 kt of waste recovered in the period 2019-2023	127,000t recovered	
	8 - Be a reference company in terms of respect for human rights in our field of activity	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE; 10 INÉGALITÉS RÉDUITES; 16 PAIX, JUSTICE ET INSTITUTIONS EFFICACES	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-assessments (Indonesia, Thio and Tiébaghi) 2) Analysis of sites' compliance with the Group HR policy 3) Monitoring of the HR risk mapping action plan	
	9 - Be an ethical partner of choice	16 PAIX, JUSTICE ET INSTITUTIONS EFFICACES	100% of sales and purchasing teams trained on anti-corruption every year	60% of purchasers and salespeople trained	
	10 - Be a responsible company of reference in the mining and metallurgy sector	12 CONSOMMATION ET PRODUCTION RESPONSABLES; 9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE	100% of the Group's suppliers and customers identified as high-risk are in line with Eramet's CSR/Ethics commitments [(1)]	82% of suppliers and 99% of assessed at-risk customers are compliant	
COMMITMENT TO THE PLANET	11 -Reduce our atmospheric emissions	12 CONSOMMATION ET PRODUCTION RESPONSABLES	Tonnes of ducted dust emitted by industrial facilities: -80% in 2023 *compared to* 2018	-64%	
	12 - Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity	15 VIE TERRESTRE; 12 CONSOMMATION ET PRODUCTION RESPONSABLES; 6 EAU PROPRE ET ASSAINISSEMENT	Ratio of rehabilitated areas to cleared areas ≥ 1 over the period 2019-2023 [(2)]	1.32	
	13 - Reduce our energy and climate footprint	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	KPIs: Reduction of tCO_2/t outgoing product (ref. 2018) -26% in 2023 compared to 2018 [(3)]	-39%	

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 2021, the indicator reached 103.85% (100 indicating validation of all targets). Most of the objectives set for the year were achieved. Despite a frequency rate of accidents with and without lost time (TF2) of 2.2, the safety target was not reached as one fatal accident occurred during 2021, thus halving the target.

Some of them even exceeded their annual milestone. For instance, the goals of anti-corruption training, monitoring at-risk suppliers, rehabilitation of mining sites and reduction of the energy and climate footprint are thus ahead of schedule.

The achievement of some objectives, particularly those related to training, was affected by the health crisis. The objective of increasing the number of women managers has been delayed. These slowdowns can be partly explained by the global crisis and the containment measures adopted, leading to an economic downturn.

6.1.4.2 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 6.5.

The objectives and action plans of the CSR Roadmap are implemented across all the Group's Divisions and operational entities. Successful implementation thereof has 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 integration of social, environmental, health and safety, cultural and societal criteria in the design and development of its projects. By referring to 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 6.4.4 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 CSR 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 6.5 and 6.8.

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.

6.2 ENVIRONMENTAL PROTECTION

6.2.1 Challenges, policy, objectives, organisation and resources for the prevention of environmental and industrial risks

6.2.1.1 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. Therefore, environmental issues and risks vary greatly from site to site. 40 sites are more closely monitored because they are considered as representing significant environmental challenges (the distribution sites or sites with tertiary activity only are not included in this category).

The environmental issues and risks specific to the Group's mining operations are described in detail in the section dedicated to the mining environment (6.2.7).

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)	Hydrometallurgical sites(2)	Development and processing metallurgical sites(3) (rolling mills, forging, die-forging, heat treatment, etc.)	Comments
• **Water consumption**	***	***	**	With the exception of hydrometallurgical sites, water consumption on a large number 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**	**	***	*	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. All industrial waters are managed in accordance with applicable regulations.
• **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), TTI (Norway), Aubert & Duval Les Ancizes (France), Erasteel Commentry (France).*

(2) *Eramet Sandouville (France)*

(3) *Brown Europe, EcoTitanium, Forges de Monplaisir, Interforge, UKAD (France), Aubert & Duval sites in Firminy, Imphy, Issoire, Les Ancizes and Pamiers, TAF in Gennevilliers (France), Aubert & Duval in Irun (Spain), Erasteel Champagnole, Erasteel Commentry (France), Erasteel Boonton (United States), Erasteel Kloster (Langshyttan, Söderfors and Vikmanshyttan in Sweden), Erasteel Stubs (UK), 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 important in the assessment of litigation made by the Group.

6.2.1.2 Environmental policy and objectives

Eramet has four key environmental objectives:

1. strict compliance with the laws and regulations applicable to its activities;
2. 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 6.2.2;
3. 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 6.4.5 "Governance of the sustainable development of industrial and mining projects"; and
4. finally, 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	2018 results	2019 results	2020 results	2021 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	Reference year				
		Objectives: • **2 Mt of tailings and low-grade incidental ore recovered** over the period 2019-2023		34 kt recovered	990 kt recovered	1,227 kt recovered	
		• **10 kt of waste recovered** in the period 2019-2013		1.7 kt recovered	50,000t recovered	127,000t recovered	
AIR	11 –Reduce our atmospheric emissions	**Indicator:** Tonnes of ducted dust emitted by pyrometallurgical industrial facilities **Objective:** -80% in 2023 compared to 2018	Reference year: 2,520t	-35% compared to 2018	-56% compared to 2018	-64% 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 **Objective:** Ratio ≥ 1 for the period 2019-2023 (1)	Ratio: 0.85	Ratio: 1.2	Ratio: 1.03	Ratio: 1.32	
GREENHOUSE GASES	13 – Reduce our energy and climate footprint	**Indicator:** tCO_2/t outgoing product **Objective: - 26 %** in 2023 vs. 2018	Reference year	-14% compared to 2018	-25.4% compared to 2018	-39% compared to 2018	

(1) Excluding long-term infrastructure.

The results at year-end 2021, detailed below in this document, reflect progress in the achievement of Roadmap environmental goals, which is noteworthy in a context marked by a significant growth of volumes produced by the Group.

In 2020, Eramet had formalised a 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 lastly 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.

6.2.1.3 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 and ESG Performance 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;
- more than 60 people make up the network of HSE functions at sites, with a reporting line to their Management for the vast majority of them;
- once a year, the Committee of Occupational Hygiene, Health and Safety (HS & S) and Environment (E) analyses the skills available within the Group with regard to requirements and concerns. This proactive approach is conducted in coordination with the Human Resources Departments of the Group Divisions and the Safety Prevention and Environment Departments.

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.

The Group made a special effort in 2020 to complete the control environment, through 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 section. Joint teams comprised of 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. As in 2020, the internal audit programme was reduced in 2021 due to the public health situation. (It was possible to perform four environmental audits.) During the period 2017-2021, 32 audits were conducted. The sites with significant environmental issues are described in the methodology note. There were 38 in 2021.

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.

6.2.1.4 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 or tailing dams) 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. In 2021, particular focus was placed on analysing projects taking place at Group sites.

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 (see section 6.2.7.4 "Tailings and mine waste management").

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 deployed across all sites. As in 2020, special attention was paid to crisis simulation exercises across all sites: out of the 31 sites monitored, 26 (84%) conducted one or more exercises in 2021, some of them in cooperation with the fire brigade. Owing to the health crisis and local regulatory constraints, three sites had to postpone their exercises.

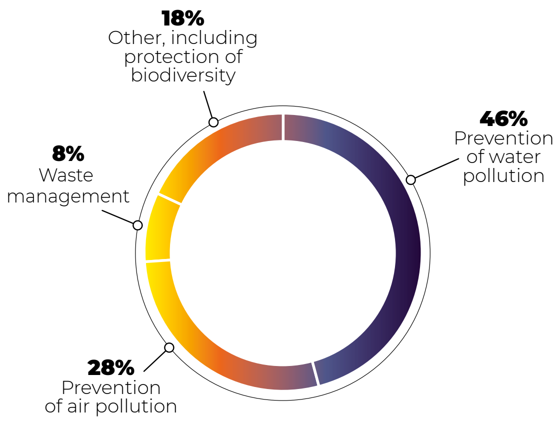
6.2.1.5 Financial resources devoted to environmental preservation

Environmental expenses are estimated at nearly €22 million in 2021, and approximately €67.1 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.

The chart below provides the breakdown by theme of these resources over the 2019-2021 period.

2019-2021 expenses for the environment



Nearly one-third of 2021 environmental expenses were dedicated to preventing air pollution and 40% for water pollution.

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 in Senegal and New Caledonia 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.

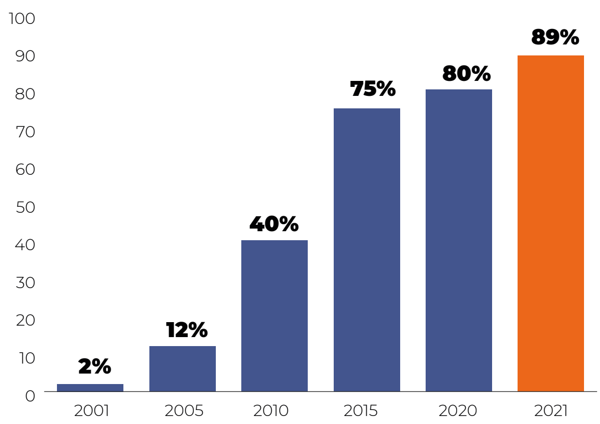
On industrial sites, the most significant investments in 2021 related to actions to lower diffuse discharges through more effective capture at Sauda and Porsgrunn, as part of the renovation of furnace no. 11. In Tyssedal, investments were also made to improve the control of discharges. With regard to water pollution, the Sauda, Kvinesdal and Tyssedal sites have engineered better tools for water treatment.

6.2.2 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 2021, 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 our mining sites are now ISO 14001 certified.

Evolution of ISO 14001 certified sites (including mines)



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:

	2019	2020	**2021**
Type 2 – Declaration of non-compliance and notice by the authorities	6	2	0
Type 3 – Legal action taken	1	0	0
Type 4 – Actual sanction	1	2	0

In 2021, no new Type 2-3-4 events were recorded.

6.2.3 Reduction of emissions

6.2.3.1 Airborne emissions

Airborne emissions *(in tonnes)*		2019	2020	2021
Sulphur oxides (SOx)	DMM	13,235.3	13,476.3	9,702.6
	Eramet Sandouville	2.7	0.1	0.1
	HPAD	19.6	15.9	17.8
Nitrogen oxide (NOx)	DMM	7,842	6,334	6,553
	Eramet Sandouville	19.9	8	8.1
	HPAD	155.1	114.3	106.9
Total dust channelled	DMM	1,583	1,117	914
	Eramet Sandouville	29.3	15.7	2.5
	HPAD	12	8.5	6.8
Non-methane organic compounds (nmVOCs)	DMM	177.2	205.2	132.8
	Eramet Sandouville	23.3	22.4	53.5
	HPAD	16.4	29.3	18.2
Nickel	DMM	7.4	7.7	6.1
	Eramet Sandouville	3.7	0.2	0.1
	HPAD	0	0	0
Manganese	DMM	506.2	455.9	90.8
	Eramet Sandouville	-	-	-
	HPAD	1.5	1.3	0.5

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 6.2.6.

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 coal 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.

The sulphur oxide (SOx) emissions are mainly generated at SLN (thermal power plant and Doniambo plant). In 2021, the observed reduction in emissions was directly related to the reduced activity of the thermal power plant. The shutdown of one of the four units reduced the electrical production capacity and therefore the associated emissions. In addition, the refurbishment of one of the low sulphur fuel storage facilities increased the use of ultra-low-sulphur fuel oil.

The reduction in production at SLN's thermal power plant also affected nitrogen oxide (NOx) emissions, although this was offset by emissions from the GCO plant, which returned to the levels of 2019 and earlier. In 2020, a less thorough measurement campaign due to COVID did not allow fully representative measurements.

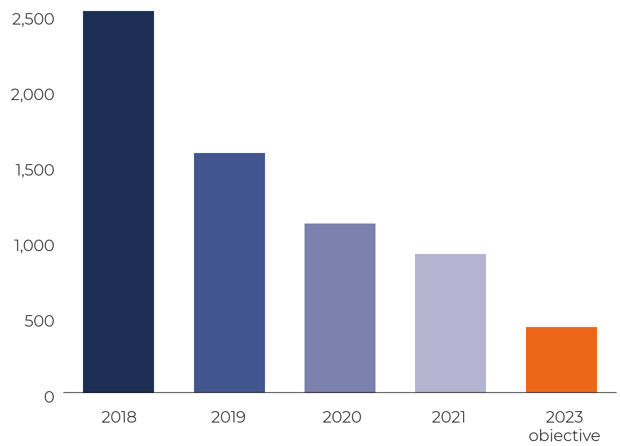
Since 2020, the Group has consolidated the NMVOC (non methane volatile organic compounds) of leading emitters in an effort to ensure transparency, although on an absolute basis, the Group's activities contribute little to this parameter. Because of the process they use, the sintering chain of the Comilog CIM plant (Gabon) and the Sandouville hydrometallurgical site have the highest emissions.

RSE 2023

In the context of the CSR roadmap, Eramet is committed to a performance indicator that monitors channelled dust discharge from pyrometallurgical sites. An 80% reduction has been set as the target for the 2018–2023 period. The target reduction for 2021 was -50% and the result exceeds the target with a -64% reduction.

This significant improvement is the result of several works carried out by the sites. The action plan of the Moanda Industrial Complex (CIM) in Gabon, launched in 2019, continues with conclusive results on discharges. The one-quarter drop in production at SLN's thermal power plant affected these emissions. 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. At this occasion, the topics addressed included developing reliable metrics, which in concrete terms, led to enhanced data robustness for two sites, the SLN Doniambo plant (New Caledonia) and Comilog Dunkerque (France).

Channelled dust emissions ***(in tonnes/year)***



6.2.3.2 Aqueous waste

Waterborne emissions ***(in tonnes)***		2019	2020	2021
Chemical oxygen demand (COD)	DMM	153.6	207.3	33.3
	Eramet Sandouville	45.2	29.8	34.2
	HPAD	60.3	43.2	29.6
Manganese	DMM	34.6	24.4	19.2
	Eramet Sandouville	-	-	-
	HPAD	0.2	0.2	0.2
Nickel	DMM	3.8	2.7	4.0
	Eramet Sandouville	0.5	0.5	1.1
	HPAD	0	0.1	0
Suspended solids (SS)	DMM	6,948	6,989	5,227
	Eramet Sandouville	2.7	2.7	8.7
	HPAD	23.3	26.1	17.6

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 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.

Compared to 2020, aqueous discharges were stable, except for the sharp reduction in COD (Chemical Oxygen Demand) discharges that is due to the additional analyses carried out at TTI Norway sites making it possible to identify the proportion of COD originating from the water supplied. The site washes with seawater and 90% of the COD in the discharge was from incoming seawater. The reduction in suspended solids is explained by the reduced activity of SLN's thermal power plant (see previous chapter), which reduced the discharge rate.

Finally, 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.

6.2.3.3 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.

The recent major advances in the management of closed industrial sites involve the two former Aubert & Duval plants, the so-called "A" plant and the AD TAF plant in Gennevilliers, France. The latter has notified the authorities that it will cease its activities on 31 December 2020. Work to secure the AD TAF site was completed in 2021. Rehabilitation work on the "A" plant and the AD TAF plant will begin concurrently by the end of January 2023.

Rehabilitating mining sites is a major focus of the environmental policy; it is described in the "Environmental preservation on mining sites" section (6.2.7) and in section 6.2.8 on "Biodiversity".

6.2.4 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 a long-standing commitment to such a model. This model applies to all the resources used: 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. The Group has developed two recycling activities since 2017: • transforming the Erasteel Commentry steel mill (France), now equipped with a new 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; • in Auvergne, the EcoTitanium plant. 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. Examples include: • the excess steam produced by the Eramet Norway 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; • part of the energy used by the Sandouville plant (France) comes from a local waste incineration plant.
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 mining subsidiaries are historically also involved in these steps. The actions undertaken in this area are described in section 6.2.7.2 "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.

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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.

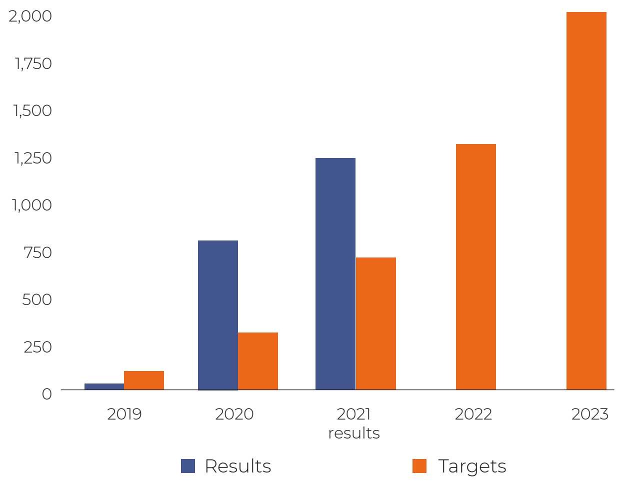
A special Circular Economy Committee has been created. The Committee's role is to identify and validate the actions and projects that fall within the scope of the above definitions.

At year-end 2021, 13 actions were certified by the Committee. Most of them are innovative R&D projects – sometimes their implementation requires time. However, eight projects are already productive and have contributed to the indicators with the following cumulative results from 2019 to the end of 2021:

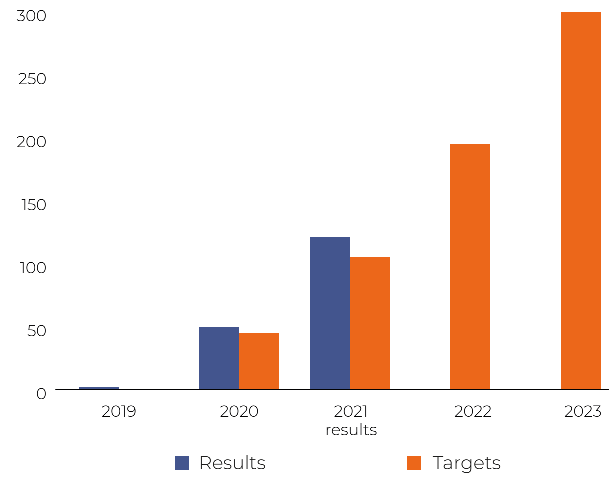
- At least 1227 kt of tailings and so-called incidental low-grade ores recovered, ahead of the rate of 2 million tonnes targeted over the period 2018-2023;
- 127,000 tonnes of waste recovered, far exceeding the initial target of 10,000 tonnes

Results at year-end 2021 are illustrated by the following charts.

Kt of recovered additional ore/mine waste ***(total)***



Kt of recovered additional waste ***(total)***



6.2.4.1 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 High Performance Alloys Division (Les Ancizes, Commentry and Soderfors) are true circular economy champions: their secondary raw material use rate varies between 85 and 95%, by adding the internal recycling flows and the processing of secondary raw materials purchased externally (scraps, etc.).

6.2.4.2 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 road technology.

As explained in section 6.2.4, Eramet is committed through its CSR Roadmap 2018-2023 to further improve waste recovery (both hazardous and non-hazardous). At year-end 2021, 125,000 tonnes had already been recovered thanks to the following new projects and actions:

- the continued operation of new outlets for reusing slag and recycling in the filtered dust process at the Dunkirk plant (France);
- slag beneficiation from the SLN plant in Nouméa (New Caledonia) on new markets outside New Caledonia, particularly in the United States

(thousands of tonnes)	2019	2020	2021
QUANTITY OF HAZARDOUS WASTE *(expressed in dry volume)*			
DMM excl. Sandouville	53.43	38.42	27.71
Sandouville	2.12	6.47	10.95
HPAD	9.34	11.20	14.30
Corporate	0.20	0.07	0.16
QUANTITY OF NON-HAZARDOUS WASTE *(expressed in dry volume)*			
DMM excl. Sandouville	4,213	4,453	4,169
Sandouville	0	3	1
HPAD	52	33	33
Corporate	0.02	0.06	0.05

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 Doniambo plant generates another important tonnage of non-hazardous waste through pyrometallurgical activity corresponding to the smelting of slag. The three major contributors – the SLN plant (New Caledonia), 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.

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 filtration systems, sludge from gas processing and sodium-calcium slag which, depending on their intrinsic properties and the location of the operation, can be considered hazardous waste.

Then in an order of importance, the hydrometallurgical plants which produce processing waste, which may be hazardous depending on their characteristics and the regulations.

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 level with 2021, despite significant variations at two sites. At Comilog's C2M plant in Gabon, the effects of the hydro-metallurgical shutdown begun in mid-2020 on the production of hazardous waste were fully felt in 2021, when it was virtually eliminated. At the same time, the fire at the Pamiers plant generated an excess of hazardous waste of about 4 kt for the HPAD division.

6.2.5 Optimisation of water consumption

Total water consumption *(thousands of m³)*	2019	2020	2021
Sandouville	687.8	824.6	858.1
HPAD	3,323.2	2,476.1	2,044.4
DMM	40,428.2	40,734.1	42,030.0
TOTAL	**44,439.3**	**44,034.9**	**44,932.6**

Mining, metallurgy and hydrometallurgy activities consume water in several ways:

- furnace cooling processes, gas scrubbing and slag granulation;
- washing of ores, raw materials and by-products;
- hydrometallurgical processes: solubilisation and reaction media.

Water resources are essential for running some of the processes used within the Group. The cooling of electric furnaces, for example, must be perfectly managed and optimised. In some cases, a lack of water supply may lead to risky situations in which safety must be ensured before any other consideration.

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 between 60 and 80% depending on the year), or mining facilities in Senegal (recycling rate above 45%). 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 6.2.7.3.

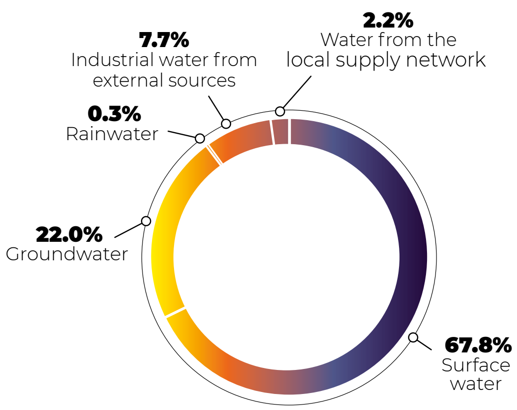
Consumption has been relatively stable in the last three years with 44.9 million m³ in 2021. The increase between 2020 and 2021 is mainly due to a change in the scope of Comilog's site in Gabon, which from 2021 onwards has included the wastewater from the industrial zone and the residential housing estates.

In Sweden, as part of a continuous improvement process, one of the sites has also changed its method for estimating river abstraction. The estimated volume was increased by 275,000m³. This error has been corrected, including, for the sake of consistency, in the 2019 and 2020 values.

The sites mainly obtain their water from rivers and lakes, then from underground water. They also source unprocessed water from private or public agencies, and to a lesser extent, from the local supply network. Rainwater is already collected on several sites and it was quantified and reported for two sites in 2021.

Total water consumption breaks down in 2021 as follows:

Breakdown of the source of the water used in 2021



Beyond the existing recycling systems on numerous sites, the Eramet Group is fully committed to making its operations less water-intensive, more particularly on sites that are more exposed to this problem. This commitment translates into investments on active sites: this category notably includes in previous years, investments made in Commentry (France) and in Dunkirk to collect rainwater, or in Pamiers to limit water consumption.

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 m³ 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. Several French sites sit in an "average to high" risk catchment area. However, their 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.

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 6.4.5.2 "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 three French sites in Commentry, Sandouville and Dunkirk). These sites account for approximately 20% of the Group's current consumption.

To anticipate the future scarcity of water resources, Eramet is particularly proactive in reducing water intensity in all its mining development projects. The water needed for the GCO capacity increase is based exclusively on recycling efforts. In addition, the recognition of water was 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%.

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.

6.2.6 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.

6.2.6.1 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.

6.2.6.1.1 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.

The structuring of this approach continued in 2021 *via* an analysis of the physical risks related to climate change. Physical risks are analysed for each plant in all countries where Eramet operates.

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. 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. In 2021 Eramet developed a study using the OCARA methodology, with a time horizon of 2050 and covering all sites, in operation and planned. This analysis highlighted 10 industrial sites of the Metals & Mining Division that are more specifically exposed to physical risks related to climate change, such as extreme climatic phenomena, increase in average temperature, heavy precipitation or water stress. In 2022 Eramet will continue the exercise with the aim of creating mitigation plans for the sites concerned.	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 6.2.6.1.3 "A 2°C scenario analysis"). Eramet continues its research and innovation efforts such as the development of strategic projects to address these requirements. In 2021 Eramet was able to restart the lithium production project in Argentina as part of a partnership. 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. 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. 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. Nearly a quarter of the Group's emissions scopes 1 and 2 are subject to the European Union Emissions Trading Scheme (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. Furthermore, for the remaining three quarters 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	After producing the first samples of totally carbon-free manganese metal in the laboratory in 2020, Eramet's R&D teams in 2021 started development of industrial demonstrators for ore reduction using pre-treated bioreducers or hydrogen to reduce the use of coal in production.			
UPSTREAM DOWNSTREAM FLOW	Lack of control of CO_2 emissions associated with these flows		x	
Mitigation	In 2020 Eramet conducted 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 2021 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.

6.2.6.1.2 Study of climate change-related opportunities

Opportunities	Title	ST	MT	LT
UPSTREAM DOWNSTREAM FLOW	Availability of energy transition critical raw materials 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. 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. 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 6.2.4.			
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. 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. This should enable the Group to diversify its asset base both financially and geographically: • lithium, particularly via the Eramet deposit in Argentina; • increased market shares for the Group for nickel salts and cobalt; • 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	Eramet pays attention to opportunities offered especially by the different national stimulus plans. In 2021, several applications were filed, in order to consider an acceleration of the Group's investments around the reduction of its emissions or its energy consumption. 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 Assigning professionals to the measuring and management of energy consumption. 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: • electrification of industrial processes (electrical process replacements for fuel energy-based techniques); • energy storage technology; • new mobility solutions and alternative means of locomotion (electric/autonomous vehicles, drones, hydrogen vehicles, etc.); • renewable energy sources and bio-based carbon materials; • carbon capture technologies: • 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. Eramet has demonstrated the feasibility of reducing manganese ore with hydrogen on a laboratory scale by producing the first kilograms of it.			
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. Communication on the key contribution of the metals concerned. 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 (hydroelectricity in Norway and in Gabon).			

6.2.6.1.3 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 the 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.

6.2.6.2 Energy and climate governance

6.2.6.2.1 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 is backed by the Energy and Climate Department created in 2018, which reports to the Director of Strategy & Innovation, 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 operations conducted 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.

(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).

6.2.6.2.2 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.

6.2.6.3 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.

6.2.6.3.1 Reducing CO_2 emissions on scopes 1 & 2

2023: a medium-term goal of reducing specific emissions

RSE 2023

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 deploys 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. Seventeen (17) sites were certified at year-end 2021.

2035: a long-term objective compatible with the Paris Agreement (Science Based Target – "well below 2°C"): reduction of 40% of absolute $_2$carbon 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 purchased electricity (purchases, investments);
- decarbonisation of processes (bio-reducers and hydrogen);
- carbon capture and storage (CCS in partnership).

To this end, the Group's decarbonisation roadmap was refined in 2021. The priority actions include:

- **using bio-reducers** in ore reduction: 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);
- **the development of CCS in partnership with other players:** this is the action with the greatest impact in terms of CO_2 savings, but the cost of these solutions is an obstacle. 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;
- **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 GCO. This effort, however, requires developing a natural gas supply chain under technical and economic conditions that meet Eramet's requirements;
- **developing the reduction of hydrogen ore** alongside bio-reducers.

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.

This 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 customers and suppliers by 2025 to set a target compatible with the Paris agreements and to reduce their own emissions.

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 a massive use of CCS strategy and a 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.

6.2.6.3.2 Quantifying its indirect emissions (scope 3)

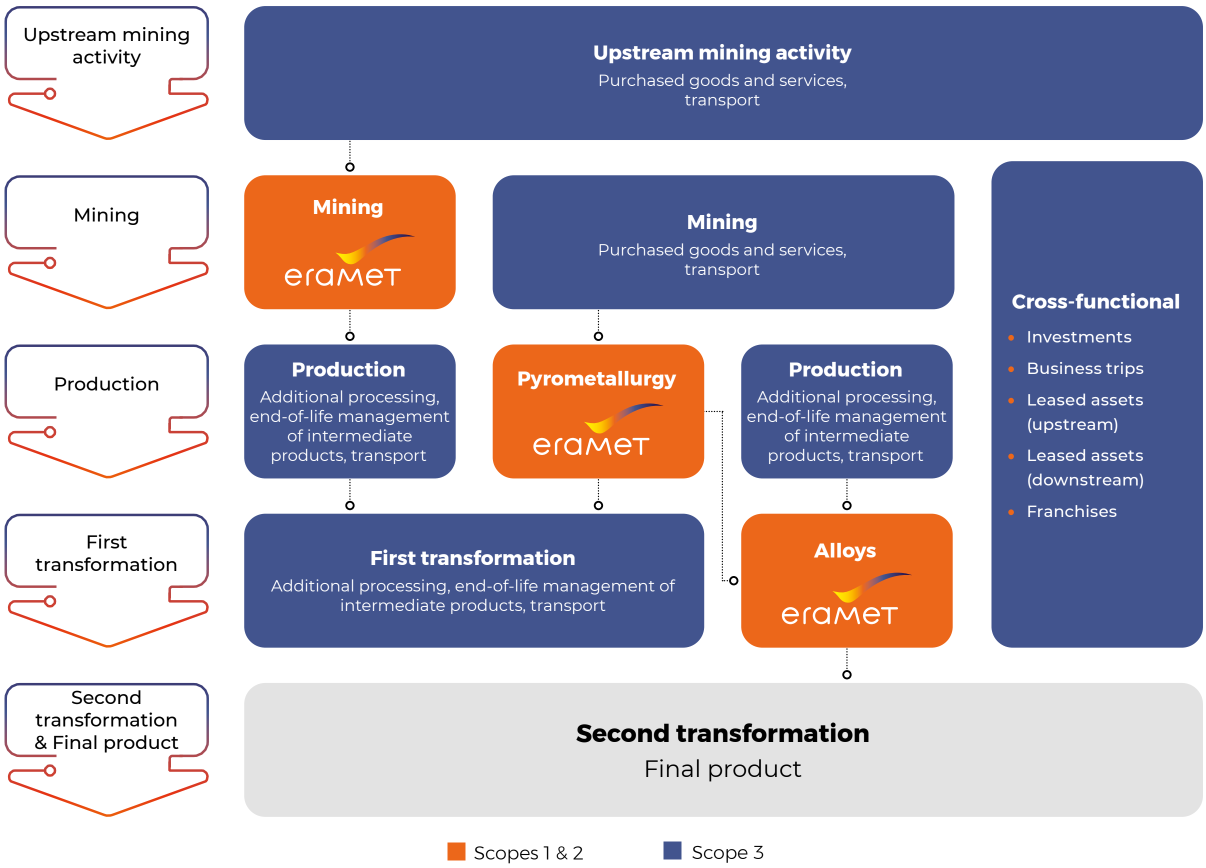
Scope

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 data considered in the financial year 2021 calculations correspond to 2019 production and consumption values. Eramet considers that 2021 emissions are comparable to those of 2019 considering the breakdown of the Group's activities and the structure of its scope 3 emissions.

Scope 3 emission values were published in prior years and are not comparable with the values established in application of the 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 valuation of raw materials consumption and production data, derived from the Group's detailed quantitative monitoring. This data is associated with emission factors in order to evaluate scope 3, upstream of the Group's activities with purchases, and downstream with the sales and use of Eramet products by its primary customers.

Emission factors are disclosed by suppliers or, alternatively, extracted from the ADEME carbon database or the ECOINVENT database.

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).

Transport (categories 4 and 9 of the GHG-P) 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 (scopes 1 and 2) of the JV in which Eramet does not hold the controlling interest, are recorded in scope 3 in proportion to the Group's percentage of shareholding.

87% 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 13%.

Results

Scope 3 emissions represent a volume of **10.5 $MtCO_2$**. This can be compared to a total of **3.7 Mt in 2021 for scopes 1 and 2**.

Eramet Group activities are situated high upstream of the value chain. **The proportion of scope 3 downstream of the Group's businesses (7.6 $MtCO_2$) is therefore logically higher than the upstream proportion (2.9 $MtCO_2$).** This gap is particularly wide for manganese or nickel ore transformation operations at the Group's customers' sites. These are activities with very high emission levels.

Scope 3 emissions from transport amount to 385,000 tonnes and account for 4% of the Group's total scope 3 carbon emissions.

Eramet levers

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 6.2.4.

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 will be extended to the Porsgrunn site in 2022.

The Eramet Group makes a significant contribution to its customers' CO_2 emissions avoidance strategy by offering them innovative solutions that reduce emissions associated with the use of its products (scope 3).

This goes far beyond the production of metals essential for the energy and digital transition and relates in particular to the High Performance Alloys Division.

The level of emissions avoided through these various activities has not been precisely quantified, but it is an order of magnitude of several hundred kt CO_2 per year.

6.2.6.3.3 Promote emissions reduction through the circular economy

The Group's actions to promote the circular economy, detailed in section 6.2.4 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 2020 and continued in 2021, for example at Eramet Norway or at COMILOG Dunkerque to reduce the use of calcareous materials with recorded drops in carbon 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.

In 2021, Eramet Ideas led several pilots with the aim of validating separation processes for waste car battery components to enable regeneration. The development of such innovative technologies will have a significant impact on the emissions of Eramet's customers.

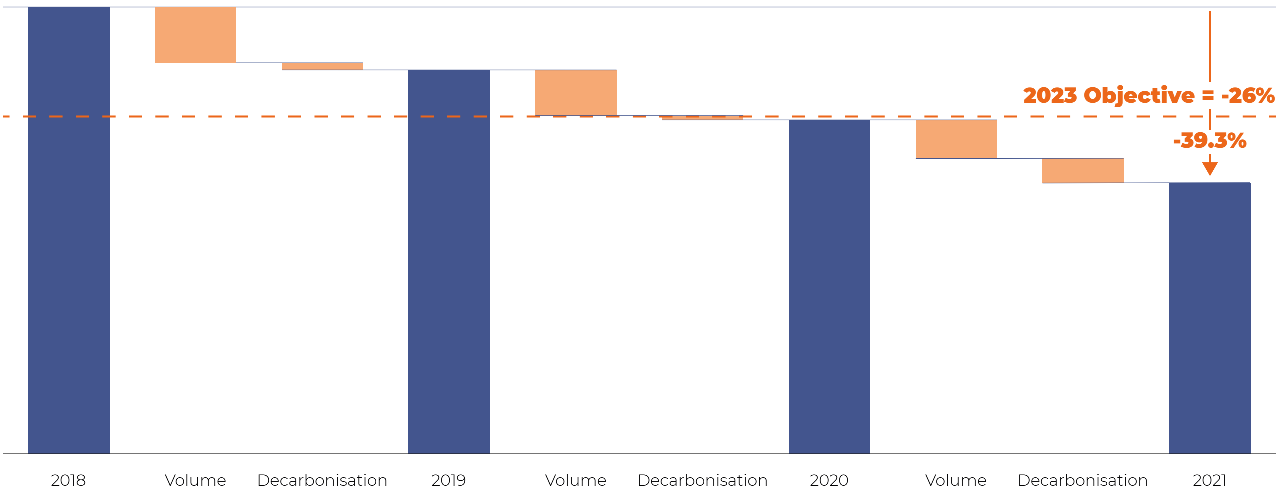
6.2.6.4 Performance

Medium-term goal of reducing the Group's carbon intensity

The Group's absolute emissions decreased during 2021 and the development of mining activities continued despite the health crisis, making possible a 39% reduction in carbon intensity from 2018 levels. The goal of reducing the Group's carbon intensity (-26% by 2023 compared with the 2018 level) was therefore far exceeded in 2021.

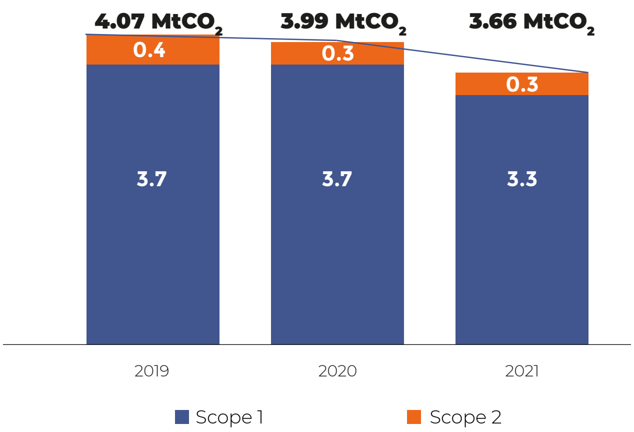
This result was mostly obtained through the deployment of intrinsically lower carbon-emitting mining activities at a sustained pace (volume effect). The effect of emission control actions is also progressing.

Variance analysis – Trend of specific emissions



6.2.6.4.1 CO_2 emissions – lower CO_2 emissions and increased activity

Since 2018 Eramet reports its GHG emissions under the Carbon Disclosure Project (CDP). In 2021, the Group had a B rating, significantly up compared with 2019 and in line with observed results.



The Group's CO_2 emissions in 2021 decreased 8% in a context of increased mining and pyro-metallurgical production (up respectively about 30% and about 4% from 2020). This reduction in emissions resulted mainly from:

- less reliance on SLN's power plant to meet the electrical needs of SLN's Doniambo plant;
- a drop in the level of activity at SLN's Doniambo plant and therefore in consumption of reducing coal and fuel oil;
- the shutdown of a furnace at the Porsgrunn pyrometallurgical plant in Norway for four months and so a reduction in the consumption of reducing coal and electricity;
- rationalisation of the amount of coke used in the manganese ore sintering process;
- yhe use of an external source of silicon requiring less reducing coal than did quartz for the reduction of manganese ore at the Comilog Dunkerque site.

The CO_2 emissions for 2020 and 2021 by scope of activity, either continuing or being discontinued, are as follows:

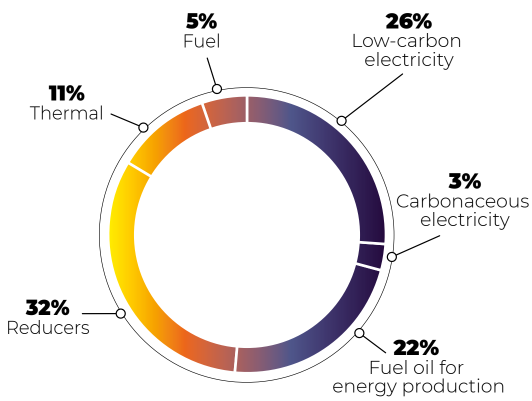
Year	CO_2 emissions of discontinued operations *(in $MtCO_2$) (High Performance Alloys Division, Eramet Sandouville)*	CO_2 emissions of continuing operations *(in $MtCO_2$) (Mining and Metals Division, Eramet Holding)*	Total *(in $MtCO_2$)*
2020	0.17	3.82	3.99
2021	0.11	3.55	3.66

6.2.6.4.2 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 2021 accounted for 91% 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 energies by use

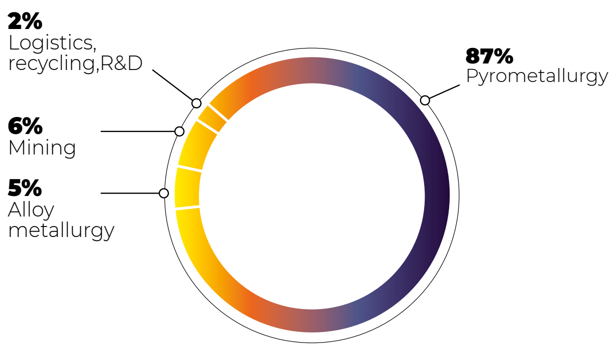


The share of fuel oil for electricity generation and the share of reducers in the Group's total consumption fell compared to 2020.

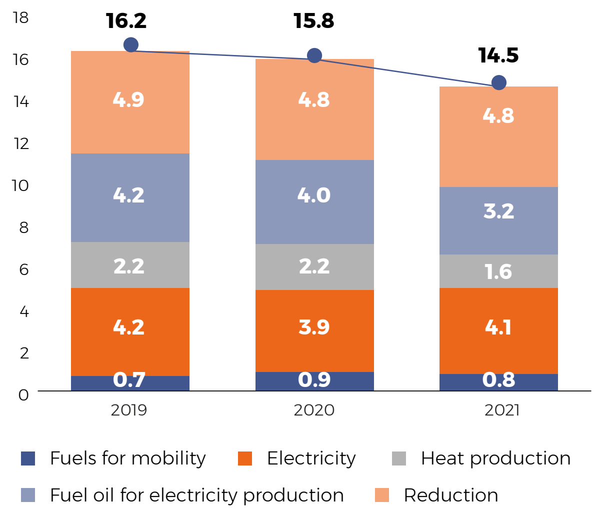
Energy consumptions such as CO_2 emissions linked to the Group's activities are broken down by activity category.

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.
HYDROMETALLURGY	This industry consists of producing metal salts and is also part of extractive metallurgy. The types of energy consumed are mainly electricity, steam and natural gas. Consumption is mainly dependent on the activity and type of manufacturing process.
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 TWh – by activity type



Breakdown of energy consumption in TWh – by energy type



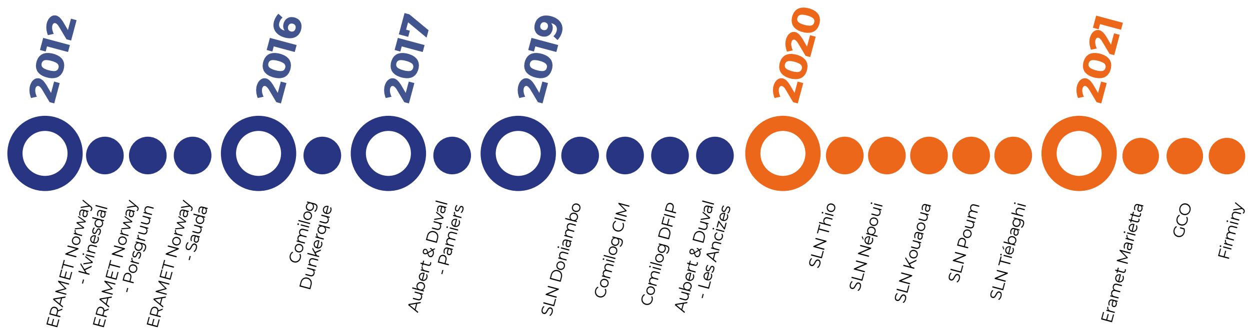
The Group's total energy consumption in 2021 was 14.5 TWh, lower than in 2020 (15.8 TWh). The energy sources for which consumption fell were fuel oil for electricity production, following the shutdown of a unit at the Doniambo power plant, and thermal energy, due to lower production at SLN's Doniambo plant.

The energy consumption for 2020 and 2021 by scope of activity, either continuing or being discontinued, is as follows:

Year	Energy consumption of discontinued operations *(in TWh) (High Performance Alloys Division, Eramet Sandouville)*	Energy consumption of continuing operations *(in TWh) (Mining and Metals Division, Eramet Holding)*	Total *(in TWh)*
2020	1.4	14.4	15.8
2021	0.9	13.6	14.5

6.2.6.4.3 Deployment of the ISO 50001 approach and energy efficiency

As at year-end 2021, 16 sites had implemented an ISO 50001-certified energy management system, with the Eramet Marietta and TiZir Grande Côte operations having obtained their certification in 2021.



The momentum will continue with the certification in the first quarter of 2022 of Comilog Gabon's two remaining entities (mines and the Moanda Mineralurgical Complex) and the Norwegian plant in Tyssedal.

By this date, the Group's main energy consumers and CO_2 emitters will be ISO 50001 certified, covering nearly 90% of the Group's 2021 emissions (excluding SLN's electricity plant).

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.

6.2.6.4.4 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 decisions are always optimised based on economic and climate interests.

In 2021, the Eramet Group continued its efforts to reduce consumption and decarbonise its energy mix through the main projects below:

- **the commissioning of two wind farms in Norway:** The Tysvaer and Buhei wind farms, with an installed **capacity** of 47MW and 80MW respectively, which started construction in 2020, have both been commissioned. Their **electricity** production is purchased by Eramet Norway through a Corporate PPA over a 17-year period. Signed at the end of 2019, these first Corporate PPAs will provide Eramet Norway with a guaranteed-cost supply of wind-generated electricity. Eramet Norway has secured electricity at a competitive price over the long term, while contributing to the development of renewable energies. This also allows the Norwegian subsidiary to diversity its electricity sourcing, which is traditionally from hydroelectricity. The use of wind power supports the very low level of carbon emissions for Eramet Norway compared to its competitors on the manganese alloy market;
- **the commissioning of a solar photovoltaic power plant at the basecamp in Centenario Ratones, Argentina:** This 300 kWp plant has been operational since October 2021. It meets the electrical needs of the sixty or so people living at the base camp of Eramet's Lithium project by producing solar electricity during the day, thus reducing **the consumption** of generators;
- **the installation of a photovoltaic solar power plant on the Grande Côte Opérations (Senegal) site:** The tender for a Power Purchase Agreement was given out in 2021 and resulted in the selection of an operator who could provide the basis for carrying out the project. This project remains subject to regulatory approvals;
- **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, is currently being deployed. This is an offshore oil-fired power plant with a higher efficiency than the existing plant. The gain in efficiency will significantly reduce CO_2 emissions in New Caledonia. It is expected to be commissioned before the end of 2022;
- **beneficiation of waste heat from metallurgical sites:** A unit recovering and using waste heat from the cooling towers of the UKAD site was installed in the autumn of 2021, to heat a workshop. New technical and economic studies were launched at the same time to exploit the waste heat from metallurgical furnaces (with in-situ or ex-situ recovery) at the Aubert & Duval sites;
- **electrification project for the heat treatment furnaces at Aubert & Duval's Pamiers site, France:** This project aims to replace old generation gas furnaces with two electric furnaces and one gas furnace incorporating state-of-the-art energy efficiency technologies. The project would eventually reduce the energy consumption of this process step by a factor of 4. The site is financially supported by ADEME as part of a call for projects to support industrial energy efficiency;

- **greater use of renewable electrical energy to power SLN's Doniambo plant**. SLN began collaborating more closely with the New Caledonian electricity grid operator to prioritise the integration of renewable energy sources, thereby increasing the share of solar and hydroelectric power in the Doniambo plant's consumption and reducing its carbon footprint;
- **the participation of the Eramet Norway and Eramet Marietta sites in maintaining the stability of the electrical grid**. The rapid frequency reserve allows power system operators to ensure the frequency stability of the power grid, in particular by ordering the shutdown of large industrial consumers. Eramet Norway's sites have provided the Norwegian utility with 58MW of power that can be shut down in less than a second, thereby facilitating the export of Norwegian hydroelectricity to Germany;
- **the use of electric conveyors 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 sometime in 2022;
- **installation of LED lighting and smart meters on the Aubert and Duval sites**: In 2021, the Group extended the use of LED systems for lighting at the Aubert and Duval sites, enabling a reduction in electricity consumption for this purpose. Additional smart meters have also been installed to improve the monitoring of the sites' energy performance.

In 2021, Eramet also intensified its Research and Innovation efforts in the area of identifying alternative, less carbonated sources for its pyrometallurgical processes. 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. The next step will be an industrial trial at a Norwegian site to confirm the technical feasibility of this innovation;
- **the use of hydrogen for reducing manganese ore:** Eramet Ideas carried out initial laboratory tests during 2020, which proved to be conclusive. This new process opens up prospects for the production of manganese metal without any CO_2 emissions. The next step will be to extend the study to a pilot scale;
- **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. The plan is to demonstrate in 2022/2023 the suitability of hydrogen for titanium ore reduction on a small scale through pilot tests in dedicated facilities;
- **the use of non-fossil fuel energies for the first stages of the manganese reduction process:** Eramet is part of the consortium of leading producers of manganese metals in Europe: the PréMa project. In this connection, Eramet Ideas' teams analysed in 2021 the results of the pilot tests conducted, which validated the innovative concept of the manganese ore pre-treatment technology defined by PréMa. In 2022 an alternative technology to the rotary kiln will be evaluated with the construction of a new pilot plant at the Eramet Ideas site in Trappes.

The Group also deploys a set of energy-saving actions in order to reduce its CO_2 emissions. Among the main topics developed in 2021, the following actions contributed to Group climate performance and will contribute to its acceleration in upcoming years:

- **beneficiation of process gases:** 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. 2021 saw the installation of a pilot facility, fully operational since September of that year, which validated the capacity of the generator to operate with the expected duration and power;
- **Carbon Capture and Storage:** In 2021, Eramet began 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.

6.2.7 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 6.2.8). Provisions for developing mining projects are included in section 6.4.5 "Governance of the sustainable development of industrial and mining projects".

The Group's mining operations do not include underground mines, and do not use any chemicals. (The management of chemical risk associated with industrial activities is detailed in Chapter 6.2.9 "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 sloping areas are somewhat sensitive to erosion.
Acid drainage	□	*	*	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 resulting from concentration steps by mechanical processes. These residues are chemically stable and are not hazardous to the environment. In New Caledonia, 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.
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.*
- □ *No acid drainage.*

6.2.7.1 Mining environment management structures

Teams dedicated to the consideration of the environment in mining are present at the sites and subsidiaries concerned in Gabon, Senegal and New Caledonia.

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 compatible 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 December 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 Silico-manganese, metal manganese and other derivatives of Manganese ore, sold in the metallurgical and chemical industries.
  - In Senegal, despite the difficulties brought by the health crisis, GCO was able to complete the certification process for its environmental management system and become in March 2021 the first mining company in Senegal to be ISO 14001 certified.
- In 2021, SLN conducted a self-assessment of its CSR performance at two of its mines against the IRMA (Initiative for Responsible Mining Assurance) standard. The environmental requirements, based on the most ambitious international standards, cover aspects relating to water management, biodiversity and storage of mine waste.
- 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 on 3 May 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).
- 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 on 24 October 2016 from the supervisory authorities, and then, in 2017, the joint ministerial decision granting definitive authorisation for all its classified establishments.

6.2.7.2 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 that allow beneficiation of this ore for export over the past three years. 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 90,000 tonnes of sand containing zircon (medium-grade zircon sand), initially considered as a waste, has been recovered by the GCO teams (Senegal).

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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. 80,000 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 61,000 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 1,227,000 tonnes of ore that had been sorted and stockpiled while waiting to find potential beneficiation opportunities in the future. This is beneficiation made without additional environmental impact linked to extraction.

6.2.7.3 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 (SS) 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: roofing of sites to prevent water entry, minimisation of open areas, conservation of natural embankments at the edges of stripping sites, organisation of run-offs to reduce speed, implementation of hydraulic locks, etc. These measures are documented for each SLN mining site in a Water Management Plan that meets the regulatory requirements of New Caledonia. The implementation of these Water Management 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.

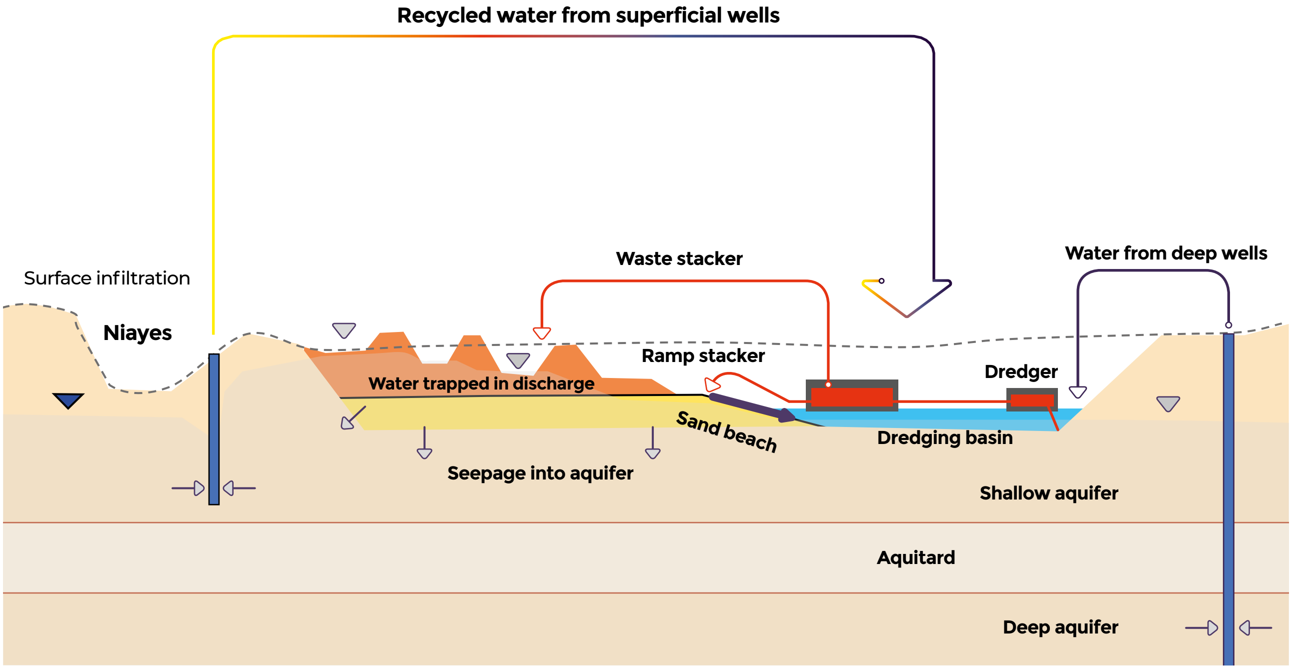
The special expertise of SLN on the topic of erosion prevention is compiled in a revised technical guide (the «Blue Guide»), which serves as an industry reference in New Caledonia and beyond for the Group.

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. Nevertheless, operators are aware of the measures to be taken to limit erosion. This topic still attracts attention due to the future development of the deposit in the sloping part. A specific water management plan associated with the extension of the deposit has been developed. As part of this plan, in addition to the recommendations relating to the construction of safe slopes and the size of sedimentation ponds, a specific environmental monitoring system has been put in place. This continuous monitoring confirmed 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 addition, in recent years, major advances have been made at the Moanda site for the management of aqueous waste from the ore mill. Since 2010, discharges to the River Moulili were stopped with the installation of (ultra-fine) tailings ponds. These ponds were constructed in such a way as to be able to recover the overflow waters and redirect them to the concentration facility, thus eliminating any direct discharge into the river.

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 to ensure that the impact of the mine is controlled and minimised. GCO (Senegal) has an expert team dedicated to hydrogeology. 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.

The water management system was designed by GCO 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 GCO (Senegal) 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.

6.2.7.4 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.

One of the three Eramet mining subsidiaries uses tailing dams: SLN mining operations in New Caledonia and GCO in Senegal are not concerned by this type of structure.

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 12 ponds (10 of which are inactive), consisting of closed dams with a maximum 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.

The CIM enrichment plant (Gabon) 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.

Tailings are not dangerous, 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.

The structures are continuously monitored and operated in accordance with specific procedures. In 2020 the Group began 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.

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 extensive 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. In relation to water management techniques, SLN has published a technical guide, updated in 2012, which explains the construction methods of tailings stockpiles and their design rules. 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 after passing the dredge and extracting the recoverable part.

6.2.7.5 Rehabilitation of mining sites

All mining sites are 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 6.2.8 "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, health 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 Kua area (Houailou municipality), completion of rehabilitation work on the Mécourouma gully and protection with riprap and gabions of the banks of the Kua River where the eponymous tribe lives; Actions to protect an agricultural area from erosion by riprapping the banks and repositioning the river in its original bed. Finally, the rehabilitation of two former gullies (B60 and B72) downstream of former mining sites was completed;
- in the Monéo area (Ponérihouen commune), the completion of water protection works upstream of a water catchment;
- in South Province, the continuation of preparatory work (production of blocks from boulders) for the rehabilitation of four dikes protecting the mouth of the Thio River, damaged by a cyclone. This project, which brings all the interested parties in the commune (Government, Southern Province, traditional authorities and SLN) together in a steering committee, provides for the reconstruction of one dyke per year from 2022.

Lastly, Eramet pays special attention to over-silted waterways, located downstream of abandoned mine dumps, in order to identify the most appropriate technical solutions to address environmental challenges and the expectations of interested parties (government, local authorities and residents). It is in this context that SLN formalised, in 2020, the multi-year action plan for the remediation of the waterways in the municipality of Thio, which involves cleaning up the rivers and reinforcing the banks. In 2021, activities focused on the maintenance of two watercourses: the Bwa Neca and the Nopwenma.

In Gabon

Revegetation is much easier than in the New Caledonian environment because vegetation recolonisation occurs naturally. 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 6.2.8 "Preservation of biodiversity". Beyond these concrete actions, preliminary studies for the definition of a comprehensive rehabilitation strategy of the Bangombé mine plateau have been continued.
- 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.

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 recent inspection by the Department of Water, Forests, Hunting and Soil Conservation in 2021. 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. A doctoral thesis entitled "Contribution au suivi environnemental et à la réhabilitation durable de sites miniers: The case for exploiting mineral sands in the Grande Côte of Senegal was successfully defended at the University of Thiès (Senegal). A Master's thesis and a Bachelor's thesis are being written on it this year. Rehabilitation results are detailed below in section 6.2.8 "Preservation of biodiversity".

6.2.8 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 were incorporated into the Environmental Responsibility Policy updated in 2020 (available at www.eramet.com).

The principle is simple: act by avoiding and reducing pressure. The Group has made "avoid-reduce-rehabilitate-offset" 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.

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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 2019-2021 period, with a ratio of 1.32. The contributions of each subsidiary to this overall result are detailed in the following paragraphs.

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. The implementation results are given in the last column of the table below.

Commitments	Indicator	Maturity	2021 Review
VOLUNTARY AVOIDANCE			
Do not conduct exploration and mining activities in natural sites listed on UNESCO's World Heritage List	100% of mining sites and projects	Since January 2021.	No mining activities have been carried out in a UNESCO zone
Prohibit the use of tailings disposal at sea. Promote a regulatory ban on this method, particularly in the regulations for electric vehicle batteries	100% of mining sites and projects Raise awareness among stakeholders	Since June 2019	No discharge of tailings into the sea Continued discussions at European level for a regulatory ban
LIMITING IMPACTS ON BIODIVERSITY			
Integrate a biodiversity component into project feasibility studies and then into action plans: • characterization of the initial state; • environmental and social impact assessment, with formalisation of the sequence, Avoid – Reduce – Rehabilitate – Compensate	100% of greenfield mining projects 100% of extensions of existing mining locations	Since 2021	Integration of a biodiversity component in the impact assessments developed in 2021 for the extension projects in Gabon and Senegal
Preserve water resources	Water management plan on 100% of the mining sites	2023	Dedicated working group set up
	Implementation of the Eramet Water strategy including a measurable objective in the 2023-2028 CSR Roadmap.	2023	-
Accelerate rehabilitation gradually and without waiting for the end of operations on all our mining sites	Ratio of rehabilitated areas to cleared areas ≥ 1 compared to 0.5 in 2011-2013 and 0.85 in 2014-2018 (excluding long-term infrastructure)	2019-2023 (CSR Roadmap)	Ratio of 1.32 for the period 2019-2021
Carry out ecological restoration actions to complement rehabilitation works	Biodiversity action plan for the three mining sites	2023	New biodiversity strategy in New Caledonia / Update of biodiversity actions in Gabon and Senegal on extension projects

Commitments	Indicator	Maturity	2021 Review
Combating invasive alien species (IAS):	IAS management plan at the three mining sites	2023	-
• develop and implement a management plan focusing on priority IAS	>50% local species on replanted areas	Since 2021	Proprietary and shared nurseries, respectively, in Senegal and New Caledonia
• use local species as a priority for revegetation projects	Active support for the development of local tree nurseries	2022	Launch of a proprietary nursery in Gabon
Prioritise metal recycling in steel mills	>90%	Since 2017	91% for 2021
Innovating to recover low-grade ores and tailings	2 Mt of tailings and low-grade ores	2019-2023 (CSR Roadmap)	1.227 Mt for the period 2019-2021
Reduce air emissions from our industrial sites	-80% of channelled dust emissions – typical of our sites – in 2023 vs 2018 (2018: 2,537t)	2019-2023 (CSR Roadmap)	-64% reduction in emissions compared to 2019
PROMOTION OF BIODIVERSITY			
Raise awareness of biodiversity on Eramet sites among all employees (nearly 13,000)	Regular and recurrent communication (photo competitions, internal communications, mine site activities, etc.)	Since 2021	Internal articles on the Lékédi Park, the creation of the Lékédi Biodiversity Foundation and membership of Act4Nature international

Strengthen and perpetuate Eramet's actions in favour of biodiversity via the Lékédi Biodiversity Foundation:
• creation in 2021 (done – June 2021);
• study, raise awareness and protect Gabon's biodiversity, and support research projects, currently:
  • Great Ape Rehabilitation with the Aspinall Foundation and the Pan-African Alliance,
  • Mandrillus project with CNRS covering evolutionary ecology, anthropology, food ecology, animal communication and epidemics (SIH);
• foster new partnerships in Gabon and internationally
	Annual publication of the actions carried out by the Lékédi Biodiversity Foundation, particularly in the Lékédi Park in Gabon	Since 2021	A dedicated paragraph in the section on Gabon

Financial support for the REPRiSE (Restoration of Ecosystems for Risk Prevention and Ecosystem Services) project in Waa Wi Luu, New Caledonia (2019-2021).			A dedicated paragraph in the section on New Caledonia

Commitments	Indicator	Maturity	2021 Review

Eramet is therefore creating the Lékédi Biodiversity Foundation jointly with its subsidiary Comilog. The Foundation was inaugurated on 12 June 2021 by Prof Lee White, Christel Bories (Chairman and CEO of Eramet), Leod-Paul Batolo (Director and CEO of Comilog) and Virginie de Chassey (Sustainability and Corporate Commitment Director), in the presence of the Minister of Water and Forests, the Sea, the Environment, who is in charge of the Climate Plan and the Land Use Plan (see section 6.2.8.5. for detail on the Foundation's activities).

The mission of the Lékédi Biodiversity Foundation is to:

- to perpetuate the preservation actions of the Lekedi Park:
  - reintroduce threatened species in coordination with national and international actors:
  - restore biotopes, particularly those of the Lékédi Park;
- support Comilog and Eramet's commitments to biodiversity;
- study, raise awareness and protect Gabon's biodiversity;
- support and develop biodiversity research, particularly in Gabon.

6.2.8.1 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 Mboungou Badouma and Doume rapids (for 30 km) as well as the National Park of Lopé (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	21
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.

6.2.8.2 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.

(1) The Ramsar List refers to wetlands of international importance.

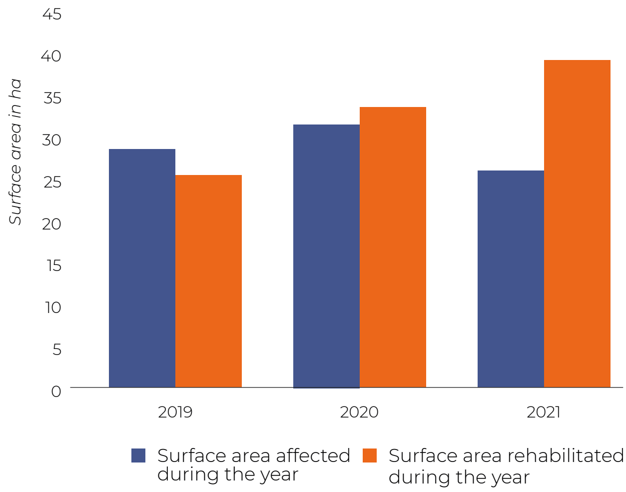
(2) UNESCO: The United Nations Educational, Scientific and Cultural Organization.

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 the field, revegetation can take different forms. It is carried out by spreading topsoil, planting or hydraulic sowing, having most of the time enriched the soil beforehand. The species used for revegetation are all local species, including some endemic species.

In 2021, approximately 39 hectares of land was rehabilitated; this includes the mining sites revegetation effort directly managed by SLN and sub-contracted sites. It follows a ratio of 18% compared to 2020.

New Caledonia



At the same time, the SLN teams remain committed in terms of biodiversity preservation.

In 2021, SLN approved a new biodiversity strategy that refocuses on applying the A-R-C sequence (1) in keeping with Group policy. Ecological issues are assessed. Avoidance measures are prioritised and described in the applications for operating permits, along with reduction and compensation measures. Furthermore, SLN monitors wildlife (birds, reptiles, bats) and flowers on the 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). SLN working on the reintroduction of RESes through the development of technical production itineraries (phenological monitoring, seed harvesting, nursery production) and through RES planting sites (approximately 7,000 seedlings were planted on six sites in 2021, *i.e.* 3,700 Araucaria rulei and 1,100 gum oaks – Arillastrum gummiferum) in natural environments and in ecological restoration sectors. In vitro cultivation and cutting trials on the species Pleioluma butinii, which is recalcitrant to sexual production, also started at the end of 2021 in partnership with the UNC[2] and the IAC[3]. Furthermore, SLN continues to actively participate in ongoing reflection in the territory about offsetting and implementation tools, *via* notably the exploration of alternative measures such as HEQ (High Environmental Quality) forestry.

In 2021 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 World Conservation Union (IUCN), through its contribution to the NATIVE and ERMINE research project of the National Centre for Technological Research (CNRT) on nickel and its environment;
- its actions to safeguard the Tahitian Petrel (a sea bird) in partnership with the Institute of Research for Development (IRD Nouméa);
- its participation 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.

(1) ERC: *Avoid-Reduce-Compensate (Éviter-Réduire-Compenser).*
(2) UNC: *University of New Caledonia*
(3) IAC: **Institut agronomique néo-calédonien** *(New Caledonian Institute of Agronomy)*

Finally, SLN, together with Eramet, supported the REPRiSE programme (4) launched in April 2018 for a three-year period ending this year, in 2021. REPRiSE is an agro-forestry and forestry programme located in the commune of Waa Wi Luu, on the east coast of New Caledonia. Its objective was to restore biodiversity and the natural functions of forest ecosystems in order to reduce risks, particularly those linked to erosion. It has combined biodiversity restoration and economic development. The success of the programme is due to the involvement of a range of stakeholders: the local population, scientists, authorities and industry. The objectives, which were achieved, were to rehabilitate a site exposed to climate events and to develop the economic, legal and technical tools necessary for the sustainable management of the site:

- ecological reforestation (30 ha, 8 sites, 19,000 plants), economic reforestation (10 ha, 10 sites, 5 traditional districts) and land reclamation (15 ha, 2 DWS watersheds);
- sustainable conservation agreement;
- ungulate control (4,000 ha, 4 large catchments), and removal of invasive Pinus (12 ha);
- economic study of realising value from game meat;
- improved fire fighting.

6.2.8.3 Comilog in Gabon

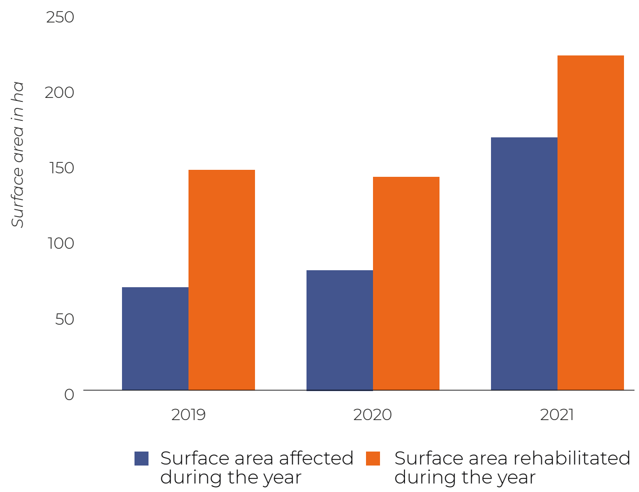
The Ogooué Mining Company (Comilog) has been exploiting manganese ore on the Bangombé Plateau in Moanda, Gabon for more than 50 years. The manganese reserves of this plateau are still significant and allow for nearly 10 years of exploitation.

In 2021 Comilog launched its expansion project with the opening of the Okouma-Bafoula plateau to the north. 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 2021, 222 ha were rehabilitated (a ratio of 1.32%).

GABON



At the same time, Comilog continues to improve its rehabilitation strategy, taking into account the results of the latest environmental studies developed for the Bangombé plateau and the plan to expand the Moanda mine, as well as the recommendations and good practices of other Eramet mining sites. At the end of 2021, a nursery was established on the Bangombé plateau and new trials were launched to improve the use of topsoil and fertilisers.

In 2021 a biodiversity entity was created. It is in charge of reinforcing these rehabilitation activities and, more broadly, of implementing and monitoring the site's biodiversity programmes:

- the Biodiversity Action Plan (BAP), which fulfils the commitment to no net loss of biodiversity in the extension project;
- the wildlife protection plan is being developed, which puts together actions to raise awareness of biodiversity and to preserve animal species and their habitats.

(4) REPRiSE: Restauration des Ecosystèmes pour la Prévention des Risques et les Services Ecosystémiques (restoration of ecosystems for the prevention of risks and ecosystem services).

*(5) AEP: Drinking water supply (*Adduction en eau potable*).*

6.2.8.4 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. This study shows that out of the three species assumed to be endemic:

- two (2) in this case *Crotalaria sphaerocarpa Perr.* ex DC. subsp. *polycarpea* and *Spermacocestachydea* var. *phyllocephala* are species reported as endemic to Senegal, but do not seem to be threatened (Noba K. et al., 2019); furthermore, *Crotalaria sphaerocarpa* is identified in the sites under rehabilitation (study on site dynamics, in progress);
- one (1) *Polycarpaealinearifolia* (DC.) var. *linearifolia* (DC.) DC has not been reported as endemic to Senegal (Noba K. et alii, 2019).

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. It must be noted that the Senegal mine is also adjacent to very large vegetable production areas.

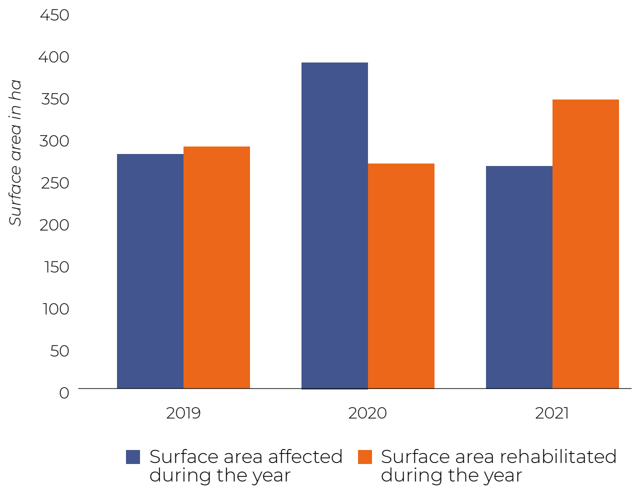
To best reflect the original landscape (dunes), rehabilitation will begin with the reshaping of the slag heaps. Then, nets will be installed to fight against wind erosion, and the soil will be improved with manure and revegetation.

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.

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. The size of revegetated areas increased steadily until 2019. In 2020 revegetated areas decreased slightly due to the late release of post-harvest land. In 2021 they increased again and for the first time the 300 ha mark was exceeded. In total, 344 hectares were reforested for 265 hectares cleared, excluding permanent installations, giving a ratio of 1.3.

SENEGAL



The GCO rehabilitation and closure plan has always included a final stage of transferring rehabilitated sites to the State. In 2021 the preparatory process was finalised with the Water & Forestry Department for an area of 12 hectares.

GCO is also 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.

6.2.8.5 Lékédi Biodiversity Foundation

The Lékédi Biodiversity Foundation was created by Eramet and COMILOG as founding members, in order to study, develop and protect biodiversity, particularly Gabonese biodiversity. It was inaugurated on 12 June 2022. The Director of Lékédi Park has become the Executive Director of the Foundation and reports to the Board of Directors. The Board of Directors met twice in 2021.

First priority of the Foundation: To ensure the sustainability of Lékédi Park's activities

East Lékédi Park is located 5 km from Bakoumba in the south-east of the Gabonese Republic and covers 14,000 hectares of savannahs, gallery forests, and bodies of water. Its actions are focused primarily on the preservation of protected species, the observation of animals and the reception of young orphans that are victims of poaching (mainly 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). Gabon's orphaned chimpanzees and gorillas are collected and raised in their natural environment. In 2021 the park welcomed seven additional chimpanzees after their quarantine at the Centre International de Recherche Médicale de Franceville (CIRMF).

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 hosted a group of wild dogs from a European zoo. Preliminary studies are being carried out regarding the abilities of this particularly endangered species – which had disappeared from Gabon more than 50 years ago – to re-adapt to living in the wild. In 2022 this operation is expected to continue with the arrival of *cobes defassa*, the global health crisis permitting.

The final stage of rehabilitation is the reintroduction of the animals into a natural environment and in total autonomy. Despite difficult circumstances, reintroductions took place in 2021 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.

Second priority of the Foundation: Support Comilog and Eramet's commitments to biodiversity

Comilog has made a commitment of no net loss of biodiversity for its new mining activity on the Okouma-Bafoula plateau. This commitment has been translated into a Biodiversity Action Plan (BAP), part of which is deployed in the Foundation's park in terms of the compensation component:

- 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 will continue in 2022 to improve the capacity and speed of analysis, particularly for the most serious pathologies.

Third priority of the Foundation: To study, raise awareness and protect Gabon's biodiversity

In addition, since 2013, the Park has also been involved with the Haut-Ogooué Regional Water and Forest Administration to carry out mutual awareness-raising and anti-poaching campaigns.

Twelve awareness-raising missions aimed at people living near the Park were carried out with the collaboration of the Water and Forestry authorities. Awareness-raising and consultation missions continued in 2021 to resolve conflicts between mandrills used to the Park and the village residents whose crops can be damaged.

In addition, an innovative sentry project has been launched in 2021 to protect fields from wildlife attacks. This project, entirely financed by the Lékédi Park, consists of paying young people from the affected villages to watch over the fields and keep wild animals away in a non-lethal way. The results are already very good with a total halt to destruction in one of the two villages concerned.

And as far as anti-poaching is concerned, four major operations have been carried out in 2021. The different missions in and around the Park made it possible to destroy illegal operations and gold panning camps outside the Park. Twenty or more illegal gold diggers and poachers were apprehended and handed over to the police. In 2022. The Park's surveillance service will be completely restructured and its staff considerably increased.

Fourth priority of the Foundation: Support and develop biodiversity research, particularly in Gabon

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.

The Lékédi Biodiversity Foundation is considering new partnerships. It expects to be able to host researchers and students. A new building (with ten rooms) is planned for 2022.

6.2.9 Responsibility for chemicals

6.2.9.1 Challenges and risks

Eramet is one of the world's leading producers of alloys, superalloys and high-performance steels. These metallic products fall under the regulations on chemicals for health and environmental protection, modelled on the REACH regulation in Europe.

Eramet also uses chemicals. The production of alloys requires the use of ores, minerals, recycled secondary materials and a series of metal inputs to adjust the right compositions of the desired grades. At the same time, the use of chemicals as "commodities" (acids, bases, salts, etc.) is also significant in the various processes employed in the Mining and Metals Division, 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 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.

6.2.9.2 A uniform chemical risk management approach

Eramet Group production sites are found on five continents, and they 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 best practices 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;
- 11 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.

In 2021 the Group augmented its organisation and synergies between the Product Environment Managers and the internal control teams, who have integrated these guidelines into their audit routines. In this way, compared to 2020, the coverage rate of the chemical risk guidelines increased from about 80% to 95%. And the overall compliance performance, in relation to requirements that go beyond the regulations, improved by 5% per the scale in the guidelines. This improvement is based on maintaining performance on the sites in the new scope and enhancing actions on the sites being divested, with nearly 400 people trained, in 250 hours of training, some of which was carried out remotely (approximately 20%). The resumption of best practice exchange groups with the Group's doctors and health, safety and environment managers also made it possible to create and review two toxicological standards. This structured approach made it possible to capitalise on a risk identification and monitoring system (the first two pillars of the standard) which concerns the 3,500 or so chemical products used by the Group.

6.2.9.3 Assisting and supporting Group projects

Eramet's strategic vision is to adopt a proactive product liability policy in order to be efficient in protecting health and the environment. In 2021, with the acceleration of the development of the Group's projects, product risk has been integrated beginning with the design phase of these projects. Energy transition metals, such as lithium, nickel or cobalt salts, are the subject of discussions and regulatory processes such as REACH. 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). 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.

6.3 SOCIAL AND SOCIETAL COMMITMENTS OF THE GROUP

6.3.1 Commitment to Human Rights

6.3.1.1 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 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 6.3.3 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).

6.3.1.2 Organisation of the Human Rights approach

RSE 2023

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 Strategic 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 **Internal audits**	**Operational measures** for prevention, remediation and/or correction **Reasonable due diligence processes**	**Awareness actions** **Training** **KPIs and reporting**	**An international alert mechanism** available to all, both internal and external to ERAMET

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 Societal Impact and Human Rights Department was created within the company's Corporate Engagement Department. Its aims include the acceleration of the roll-out of a 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.

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 2021, 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 6.4.1 "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.

6.3.1.3 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 6.3.1.1. 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 section 6.3.2 "Commitments to employees", which also contains the Group's main social data;
- section 6.3.3. "Commitments to communities" 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;
- section 6.4.2. "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 Societal 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 in its new scope is thus 88%. A specific action plan is planned for each subsidiary.

As part of the fight against modern slavery and in accordance with Article 54-1 of the Modern Slavery Act 2015 applicable to companies registered in the United Kingdom, the company TiZir Ltd published on its website in 2021 its statement on the fight against modern slavery, highlighting the measures implemented in this area.

6.3.2 Social commitments to employees

Eramet considers its employees as the first pillar of its performance.

RSE 2023

The first four objectives of the CSR Roadmap are thus dedicated to employees, focusing in particular on health and safety, professional development and employee engagement, as well as on 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	2019 results	2020 results	2021 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=5.4	FR2=4.1	FR2=2.2 1 severe accident	
	2 – Build skills and promote talent and career development	100% of employees participate in at least one training course per year	84%	67%	76%	
	3 – Strengthen employee engagement	Group employee engagement rate > 75% (barometer)	No survey	Survey postponed	70%	
	4 – Integrate and foster the richness of diversity	30% of managers are women	23.8%	24.7%	26%	

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).**

6.3.2.1 Employee safety

6.3.2.1.1 Main safety issues and risks

Methodology

The prevention of risks of work-related accidents is based primarily on the Workplace Risks Assessment conducted inside plants. 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 (FxG), 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 analysis is based on this segmentation by type of activity.

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 machine work, height work, vehicle traffic, working in confined spaces and working with liquid 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"**.

6.3.2.1.2 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 prevention of accidents is at the heart of the system, and it concerns both Eramet employees 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.

In relation to Safety, actions at Group level are coordinated within the framework of the "Group Safety Committee", which includes the Human Resources Director, the Deputy CEOs, the Director of Strategy, the Safety and Prevention Director, and the Safety Directors of the Divisions.

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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.

6.3.2.1.3 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 45000), 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

In 2021, 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 2021;
- 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 2021 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.

14 audits were carried out this year (despite the public health situation which prevented some auditors from travelling, particularly to New Caledonia) 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 83%.

Among the Essential Requirements, those linked to gas risk zones and liquid metal work present the best assessments, with an average compliance rate equal to or more than 90%. However, requirements linked to the management of external companies, maintenance measures and the consignment of equipment require more attention, with compliance scores of less than 80%. 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 has relaunched 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.

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 2021 (the usual ILO date) and entailed specific safety workshops at each site.

The theme chosen by the Group in 2021 is based on the identification and management of high potential events. Several examples were shared and the interest of a preventative approach was emphasised, with the help of explanations by the ICSI (*Institut pour une Culture de Sécurité Industrielle* – Institute for an Industrial Safety Future). The aim is to raise awareness of the importance of focusing on the most significant risks.

6.3.2.1.4 Safety performance

One fatal accident was sadly reported in 2021, at Weda Bay in Indonesia on 26 April. A haulage truck driver lost control of the speed of his truck, which hit the safety barrier. The victim succumbed to his injuries in hospital in Jakarta six weeks later. Following this incident, an action plan to improve road safety was put in place to improve the level of driver training, tighten up speed controls and install a system of roll bars around the driver’s cab to protect drivers in the event of a rollover.

Excluding this dramatic event, the Group sharply improved its results in 2021.

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.).

The following tables show the trends of these indicators:

FR2*	2017	2018	2019	2020	2021
ERAMET GROUP	**10.3**	**8.3**	**5.4**	**4.1**	**2.2**
Mining and Metals Division	6.5	6.2	4.7	3.6	1.4
Sandouville	40.6	46.3	20.0	12.8	11.9
High Performance Alloys Division	15.8	13.3	7.6	6.1	6.4
Aubert & Duval	15.6	13.3	8.4	6.2	7.5
Erasteel	10.9	11.8	4.6	6.8	4.1
Eramet Holding	0.8	8.6	1.2	0.0	0.0

* *Data on the Eramet scope + Temp staff + External contractors.*

Serious accidents*	2017	2018	2019	2020	2021
ERAMET GROUP	**11**	**15**	**12**	**4**	**1**
Mining and Metals Division	6	5	10	3	1
Sandouville	1	1	0	0	0
High Performance Alloys Division	4	9	2	1	0
Aubert & Duval	3	6	1	1	0
Erasteel	1	2	1	0	0
Eramet Holding	0	0	0	0	0

* *Data on the Eramet scope + Temp staff + External contractors.*

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The Group's FR2 fell to 2.2 in 2021, representing a 44% decrease year on year, after falling by 24% in 2020 and 35% in 2019, with a sixfold reduction over five years and a tenfold reduction in the number of serious accidents. This significant decrease 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.

6.3.2.2 Employee health

6.3.2.2.1 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, 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 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 lasting 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);
- potential impact on psychological health (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.

6.3.2.2.2 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 dangers 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 Group's main French sites (Les Ancizes, Pamiers, Commentry, Interforge, Issoire, La Pardieu and Clermont-Ferrand) for Aubert & Duval, Comilog Dunkerque and all employees based in Paris and Trappes are now grouped together under the autonomous Occupational Health service, whose certification by DIRECCTE IDF was renewed for five years on 3 July 2019. This service consists of three centres:

- North Centre: one 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 on four occasions in 2021 to review the actions of the Occupational Health Service in terms of administrative organisation and budget.

The Doniambo sites for SLN (New Caledonia), 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 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 modest fees 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;
- 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 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.

6.3.2.2.3 Risk prevention strategy

The health prevention strategy is based on the Group's Health Policy, described above. This approach was significantly impacted throughout 2020/2021 by the COVID-19 health crisis, as the Group harnessed all the resources at its disposal to guarantee the health security of its employees, in the difficult context of the pandemic.

Mobilisation and management of the COVID-19 health crisis

In these exceptional times of the COVID pandemic, the Eramet Group fully harnessed all its resources to deal with the situation as it unfolded. The Group's priorities are based on three key areas:

- protect the health of all its employees and service providers as well as their families;
- set up and ensure compliance with all the strict health security measures, mandated by local, national and global authorities, in order to help stop the spread of the pandemic (establishment of strict healthcare protocols, antigen tests and on-site vaccination campaigns);
- ensure business continuity by adapting organisation, working closely with suppliers and customers.

Since February 2020, an international crisis unit, comprising the Executive Committee, the Group Doctor, experts from the Human Resources Department, the Sustainable Development and Corporate Engagement, Communications, Public Affairs, Purchasing Departments, Operational and Commercial Departments, has met regularly. The unit met daily at the height of the crisis in 2020.

The health protocol implemented at all Group sites in March 2020 was regularly updated to anticipate new developments in the pandemic and to comply with the guidelines of local authorities; the following measures were implemented on the various Group sites:

- working from home was encouraged on all sites with proposal of best practices for the well-being of employees working from home and distribution of a home-working handbook;
- information initiatives on preventive measures, health protocols and the development of the pandemic locally and internationally;
- on sites, replanning office space and locker rooms, special COVID-19 communication campaign, distribution of hand sanitiser bottles, disinfection of all offices, locker rooms and common areas, limits on the number of people in offices and meeting rooms, distribution of face masks to employees, installation of hand sanitiser dispensers, distribution of introductory health guides, installation of plexiglass panels in dining rooms and offices, carrying out of antigen tests, vaccination campaigns, etc.;
- support to managers to detect psychologically distressed employees due to working from home or the lockdown;
- the setting up of a 24/7 psychological support hotline;
- restrictions on travel and gatherings in order to minimise employee exposure level;
- community outreach actions: set up of a COVID-19 unit with 16 beds at the Franceville hospital (Gabon), donations of face masks, PPE and hand sanitisers in all countries where the Group operates, purchase of a fitted ambulance for the Santa Rosa de los Pastos Grandes community (Argentina), etc. (find out more about outreach initiatives in section 6.3.3 "Commitments to host communities").

Health strategy and prevention actions

At the same time as the actions put in place in response to the COVID-19 health crisis, other actions launched under the Health approach continued in 2021, in line with the commitments of the Health Policy:

- 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 Group has established 10 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). 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 therapist,
  - 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;
- 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.

6.3.2.3 Employee security

6.3.2.3.1 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.

6.3.2.3.2 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:

- the physical assets;
- the intellectual assets and sensitive information, as well as relating to business intelligence;
- facilities held under the Group's responsibility;
- 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.

The Security Department is one of the main contributors to the Country Risk Committee (CRP), created to manage and limit Eramet's exposure to "Country and Geostrategy" risk in the countries in which the Group operates as well as in those where it would like to develop activities.

6.3.2.3.3 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.);
- a Security/Health booklet: distributed on request or during on-site awareness sessions, it contains advice on how to behave in different situations;
- 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.

6.3.2.4 Promotion and development of employees

6.3.2.4.1 Main social risks and general governance

6.3.2.4.1.1 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.

6.3.2.4.1.2 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.

Internationally, Eramet strives to make its presence in Africa a genuine opportunity for mutual development by combining experiences and cultures.

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

The Eramet Group, while having a very strong international dimension (approximately 63% of the Group's workforce works outside Metropolitan France), also relies on subsidiary companies that have significant local presence and awareness. The Group's human resources management must take this into account, while relying on unifying principles and tools common to all of the Group's companies and sites.

6.3.2.4.2 Attracting and retaining talent

6.3.2.4.2.1 Employees involved in the Group's transformation

In line with the extensive NeWays transformation programme launched in 2017, aimed at unlocking the Group's performance potential and creating a change in mindset and corporate culture to achieve profitable and sustainable performance, and continuing the first survey carried out in September 2018, the Group launched an 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 for the Group as a whole in 2021 was 70%, an increase of 3 points since the last survey in 2018. More than 600 team managers received personalised results for their area and have been developing action plans since December 2021 in collaboration with their teams. Those plans were rolled out throughout 2022.

The Group's main strengths highlighted by the survey are employees' understanding of the role of their job in achieving their company's objectives (92% favourable score), understanding of company strategy, which increased by 10 points (73%), and agility, with 86% of respondents believing that the teams can demonstrate adaptability when priorities change.

6.3.2.4.2.2 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 and new features will be added. 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 production launch of this first project batch took place in the fourth quarter 2021. New features will be added at a second stage, throughout 2022, for talent management, remuneration, training and payroll and workforce simulation.

6.3.2.4.2.3 A fair and competitive remuneration policy

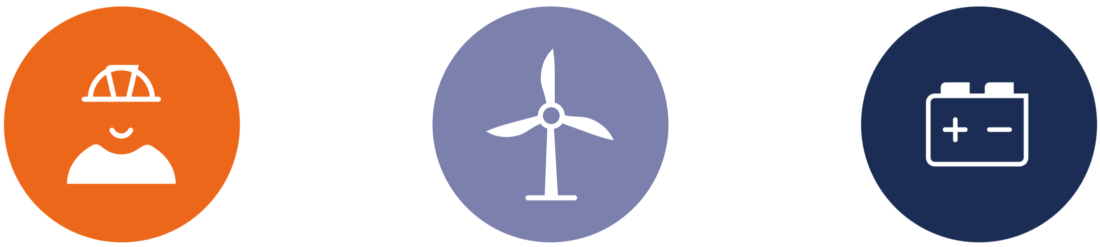
Individual and/or collective variable remuneration

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.

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. The Group's remuneration policy aims to be fair and competitive but also tailored to the specific local factors of host countries.

All managerial staff 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 and financial indicators) for 40% to 70% of variable compensation according to the level of responsibility and on individual objectives for 30% to 60%. The Group makes available a common framework for setting and assessing annual objectives.

Collective performance remuneration schemes may exist in certain countries, be they mandatory legal schemes (profit-sharing in France, etc.) or schemes voluntarily implemented by the Group 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.

In response to the expectations expressed in the commitment survey in 2019, the Group further rolled out in 2019 an e-BSI (individualised social assessment) which allows all employees of the companies in metropolitan France to access a dedicated website that presents and explains each of the components of the remuneration package. This scheme was extended to Comilog employees in Gabon in 2020. Thus, in 2021, one in two employees within the Group 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. Starting in 2022, it will be extended to include Setrag in Gabon, GCO in Senegal, and in all sites in New Caledonia.

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.

Personnel costs – social security contributions

Salaries represent the largest component of staff remuneration.

In 2021, personnel costs for the Eramet Group amounted to €520 million (excluding temporary employment and discontinued operations) compared with €731 million in 2020.

Given the economic situation, salaries were frozen in France, New Caledonia and Great Britain in 2021. In 2021, at the Group level, less than 4,000 employees were entitled to a pay rise, be it general or individual.

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 line with the Group's agreements relating to the provision of insurance against major risks and the uncertainties of life, the Eramet Group wanted all of its employees in metropolitan France to benefit from additional health insurance. In France, a new collective agreement was signed in December 2016 by all the organisations representing staff. This agreement ensures that social protection is brought into line with legislation on responsible contracts, but also improves the reimbursement of certain costs, such as pharmacy, dental implants, alternative medicine and laser eye surgery.

In the area of pension insurance, a new agreement was signed for France in June 2016. It includes an improvement of death covers, the introduction of a "Help for helpers" cover, allowing the employees concerned to access to a solution where they can talk to professionals and receive help and advice as appropriate.

In 2021 Eramet also carried out a diagnosis of the social benefits offered in each of its international subsidiaries. This diagnosis will be supplemented in 2022 by a benchmark of best practices in the area of comparable groups, the objective being, in the long term, to offer a common social base of social protection to all Group employees, centred around disability and death and parenthood.

Provisions are set aside for retirement benefits, severance payments, medical coverage, pension plans and other commitments for active or retired employees in accordance with the conventions in force in each country.

The portion not covered by insurance companies or pension funds, in particular for US and Norwegian companies, is also provisioned (defined benefit plans in general). The specific commitments for these schemes are in the United States, Norway, New Caledonia and France. Other plans are defined contribution plans where employer contributions are recognised as an expense in the period to which they relate. The main quantitative assumptions used to calculate these commitments are detailed in the consolidated financial statements.

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.

Lastly, in accordance with the Pacte law, a supplementary defined benefit pension plan (Article 39) relating to a group of managers was closed to new beneficiaries on 31 December 2019 and the rights of the persons concerned were crystallised. The amount of the actuarial value for this plan is €4 million as of 31 December 2021.

During 2021, a new defined contribution supplementary pension scheme (Article 82) was put in place. This plan was partly funded by the conversion of the conditional rights granted by the previous regime (Article 39) into vested rights. This conversion was the subject of an exceptional payment of €10.2 million on the new supplementary pension scheme (Article 82). Employees who opt for this conversion cannot combine this new supplementary pension scheme with the benefit of a supplementary defined benefit pension scheme with random rights governed by Article L. 137-11 of the Social Security Code.

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.

Since July 2011 in France and Italy, and since July 2013 in other countries, employees have benefited 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.

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 2020, 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 from 2020 onwards:

- 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 including a special focus on cash control, as well as security.

In 2021, Group companies in mainland France paid profit-sharing for 2020. More than €5.3 million was thus paid to the beneficiaries concerned (gross value).

Employee savings plan

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 2021, 6,967 employees and former employees of Eramet in mainland France were signed up for an Employee Savings Plan, with total assets representing roughly €121 million, or €17,371 per saver. Total assets are divided between the FCPE of the PEE/PEG (83% of the assets) and the PERCO (17%). In 2021, the Group's French companies paid approximately €3.5 million in contributions (gross value) to the Group Savings Plan (PEG) and the PERCO, or €950 per employee on average.

6.3.2.4.3 Employee development and career management

6.3.2.4.3.1 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, in the continuity of NeWays, Eramet has established a managerial repository accessible to the entire Group known as Manager@Eramet.

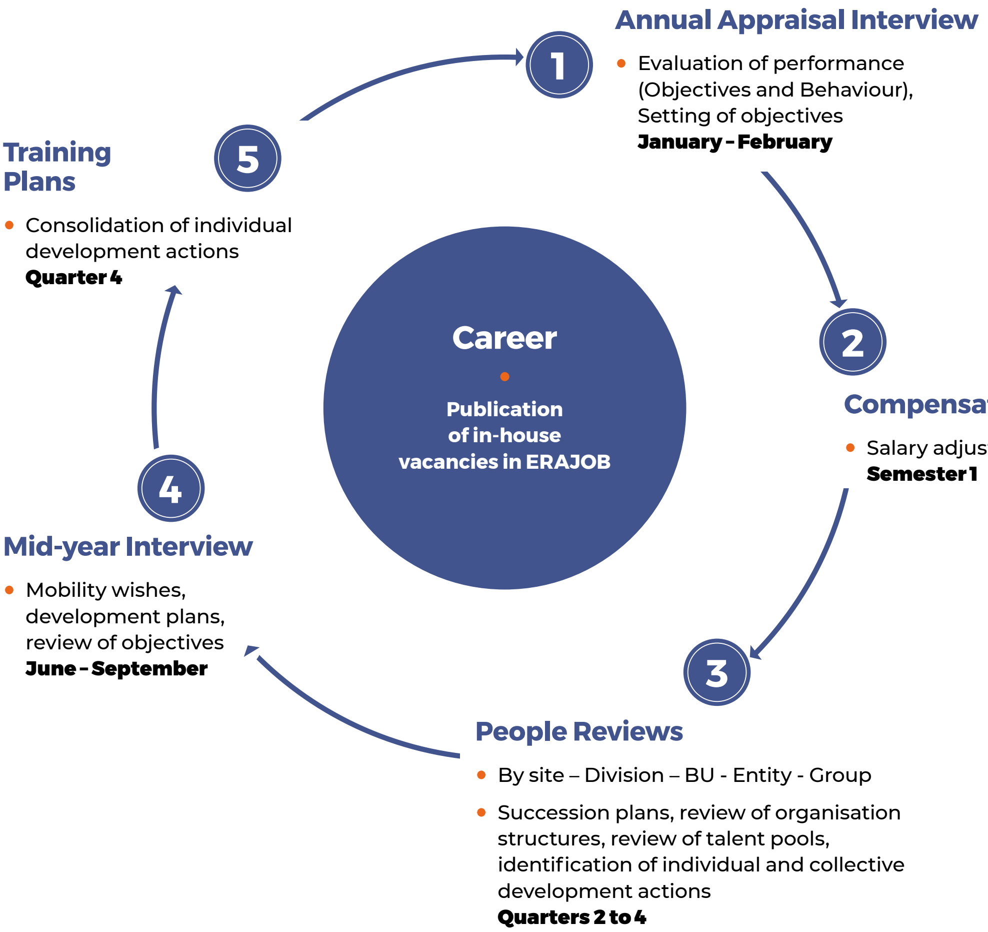
With the launch of this new repository at the end of 2020, the Eramet Group wishes to confirm the Group's desire to develop and ensure the personal growth of employees through the "Commit and Develop Teams" expertise. The Group's ambition is to encourage a culture where its employees benefit from regular 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. A second annual interview – the mid-year interview – was introduced with the primary goal of focusing on mobility wishes, development plans and employee growth. The information resulting from the mid-year interview is used by managers and HR to stimulate mobility and to provide better advice to employees.

The People Reviews campaign takes place every year through the organisation, with manager-HR meetings at site, business unit, entity and even country level. These reviews enable the identification of which individuals to develop, their potential, the identification of our Experts and 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 Remuneration 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 2022, which will allow employees to better visualise the various jobs available in the Group and thus help them work on their career plans.

6.3.2.4.3.2 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 Appraisals based on objective evidence, with each assessment based on factual evidence.

In 2021, 7,536 employees (including managers as well as non-managers) benefited from an Annual Appraisal Interview. Many sites have extended the benefit of this scheme to non-management staff.

The new performance evaluation form is now based on the skills listed in the new Manager@Eramet repository.

The Talent@Work tool 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.

6.3.2.4.3.3 Employer Brand

Our Employer Brand is the result of extensive work undertaken jointly by the Human Resources Department and the Communications Department. Based on that work, it was possible to qualify the missions currently offered by Eramet, as well as the proposed "employer" contract (i.e., what the Group expects of its employees, and what employees can expect of the Group). Illustrated by visuals representing the Group's employees and a slogan, "Laissez votre talent battre plus fort" (Allow your talent to shine), this campaign was widely publicised.

A real war of talent has been raging in our sector in recent years, which will result in us revisiting our Employer Brand in 2022, highlighting our social commitments and our "face" towards a diverse range of potential candidates. New videos of testimonials from our employees were thus created in 2021 and were the subject of a communication campaign on social networks. We also strengthened our presence on social networks in 2021 to increase Eramet's visibility as a reference employer (LinkedIn company page, LinkedIn posts, etc.).

6.3.2.4.3.4 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 their 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. This new way of inducting employees enabled the Group to maintain links in the context of the unprecedented health crisis that has lasted since early 2020.

6.3.2.4.3.5 Vocational training

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.

RSE 2023

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 (project management, communication, change management, continuous improvement of performance, etc.).

In 2020, the Group launched an e-learning portal for all Group managers. This innovative portal is now open to all Group supervisors and executives (2,500 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 now 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 health crisis disrupted the roll-out of face-to-face training in 2020 and 2021. However, the Group is determined to continue to offer various training schemes and in-presence training will continue more regularly as soon as possible given the health protocols.

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 "EDP" (Executive Development Programme) leadership programme, which is rolled out over several 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 enable them to strengthen their network within the group;
- a new programme, "Imagine", launched in 2021 for the Group's young talents. This programme is delivered via distance learning over six months, allowing young talents to develop through a 100% digital programme combining a range of learning methods (diagnostic tool, coaching, workshops, co-development);
- a new scheme, "Propulse", launched in 2021, aims to support the taking up of positions in the ELT (Extended Leadership Team). 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.
- as part of its Diversity and Inclusion Policy, after a pilot scheme in 2020, the Group now provides two external training courses for female talent: "Young Talents" and *Leadership au Féminin* ("Female Leadership").

In 2021, Eramet Group employees received more than 282,758 training hours, approximately **28 hours per employee** for the year. Accordingly, nearly 10,171 employees, i.e., **76% of the total workforce**, took part in a training initiative in 2021. And in 2021, close to 87,432 work-study hours took place in France within the Eramet Group. The training effort therefore amounts to 2% of total Group payroll.

While the health crisis has had a lasting impact on the possibility of face-to-face development actions, it has been an opportunity to develop distance training (digitisation of programmes previously carried out face-to-face, launch of actions in 100% digital format) and to continue the development of digital learning. Several e-learning courses were thus rolled out in 2021 at Group level on topics related to finance, HSSE and digital transformation. Here are some examples of programmes: Efficient cash management, All you need to know about malaria, Managing security abroad (1). Risk prevention and (2). Management of risks and emergency situations), Digital Acculturation, Diversity & Inclusion: what are we talking about? Learning to use SAFEE (a tool that collects, processes and analyses information in the areas of safety, the environment, industrial risk and energy).

In 2021, 34,360 registrations for e-learning courses were recorded, corresponding to 4,811 hours of online training.

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. Four new catalogues of resources were launched. In addition, the portal, initially accessible only to team managers, is now open to Group executives.

The development of new digital and distance training courses will continue in 2022.

6.3.2.4.4 Social dialogue close to field realities

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 is based on complementarity between central and local bodies, close to the realities of our jobs and our activities and the geographic zones in which the Group is located.

It is based on the clearly announced policy to:

- strongly involve the Group's management (e-learning to raise social dialogue awareness, information seminars and discussions, development, mobility and career growth within and between Divisions);
- connect employees with the life of their site and the Group through clear and regular information (Group intranet, online films and videos, regular company and site newspapers, induction days for new recruitments);
- to communicate with social partners, both formally (remuneration policy, training, health and social protection, employment management, quality of life at work) and on a daily basis at the sites.

In addition, in order to perpetuate and strengthen social dialogue at the transnational level, the Group has begun work on the construction of a space for exchange at the international level, incorporating its various subsidiaries in our main countries of origin. The aim of enabling constructive and effective dialogue around the Group's cross-functional challenges, such as corporate social responsibility (CSR), digitisation, diversity and inclusion, etc.

6.3.2.4.4.1 Social implications of Eramet's strategy

The majority of Eramet Group companies have employee representatives who are mostly elected, covering 98% of the Group's workforce. Eramet takes account of the diversity of the legislations in force with respect to social dialogue everywhere it is located. Multiple in-depth and didactic exchanges on strategic issues with the social partners in the organizations and countries concerned made it possible to explain the strategic choices and their organisational impacts.

The two annual meetings of the European Works Council and the Group Works Council provide opportunities for the Chairperson and Chief Executive Officer and social partners to exchange information and views on the social situation, financial position, as well as on issues related to the Company's social responsibility and on the Group's research and investment guidelines. Furthermore, interim meetings with the executives of these two bodies allow regular exchanges on the Group's current affairs.

6.3.2.4.4.2 The results of social dialogue at our main African subsidiaries

In May 2021, the management of **Comilog** and the social partners signed an agreement on the revision of the results and performance-based bonus, which is now directly based on the four main pillars of the company's the intrinsic performance, i.e. safety, production, cash cost and quality. This agreement marks a real change and demonstrates a desire to link compensation to results and collective performance.

At **Setrag**, at the start of the year, following two weeks of negotiations attended by the Works Inspector in charge of the Trans-Gabon railway line, a new collective agreement was signed. It now structures the conditions of employment of workers and the associated social guarantees (a new salary scale, bonuses & allowances and other benefits).

This new framework also makes it possible to highlight the numerous advances obtained thanks to a constructive and effective dialogue, such as ROME (*Répertoire Opérationnel des Métiers et des Emplois* – the Operational Directory of Trades and Jobs), the components of remuneration and the working conditions of railway personnel. Meanwhile, a memorandum of understanding on the PART (*Prime Annuelle des Résultats de Transport* – Annual Transport Results Bonus) was also signed. This bonus is a way of rewarding collective performance and redistributing company profits to employees.

Finally, our subsidiary **GCO** also announced a "renewal" of social relations, including the establishment of a new staff delegation, an intention to negotiate a global company agreement and the organisation of structured negotiations based on a platform of discussion.

This new dynamic of social dialogue marks a shared aim of drafting a multi-year company agreement aimed at stabilising relations and laying down clear rules on social matters. The agreement covers all aspects of employment relations, from union practice to compensation rules, including talent management and recruitment policies.

6.3.2.4.4.3 Strengthening dynamic social dialogue against the backdrop of a health crisis

In the context of the health crisis, the Eramet Group has multiplied its initiatives to strengthen its social dialogue by involving employee representatives in matters impacting the life of the company and its employees.

More than 164 agreements were signed in 2021, more than double the number signed in 2020. These mainly concern remuneration, profit sharing and participation, and working time.

At Group level, the total declared strike time reached 50,393 hours in 2021 compared to 68,498 hours in 2020, confirming the downward trend mentioned earlier.

6.3.2.4.5 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*** in late 2020, using it as the framework for the Group's proactive approach in the context of a tangible commitment. In addition, Eramet has just made available to its employees an **e-learning *module*** which enables them to understand the challenges of diversity and inclusion and describes how everyone can become an agent of change.

Conscious of the fact that Diversity & Inclusion are long-term ambitions, the Group has built its **2022-2025 Roadmap** around three main themes: increasing the proportion of women in the occupations, hosting young people in training and including people with disabilities. The ensuing actions will be implemented and supported locally by the network of diversity advocates. These actions notably include raising awareness of diversity and inclusion during the integration of new employees, working on neutralising job descriptions in order to make them more inclusive, targeted recruitment of young people from communities hosted on internship or work-study, adaptation of workstations for people with disabilities, etc.

Local actions on the topic of Diversity & Inclusion were also rolled out throughout 2021, in order to raise the awareness of teams and to mark Eramet's commitment on these topics. Thus, Eramine, our Argentinean subsidiary, joined the Women in Mining network, but also gained the Great Place to Work® label for the year 2021/2022, a great 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. In addition, the Ministry of Education, Culture, Science and Technology has officially recognised Eramine for the subsidiary's collaboration and commitment in supporting education in the Province of Salta. Eramine's educational commitments include numerous programmes, including support for high school students in gaining the baccalaureate, university scholarships, a school radio, business and trading courses and training with the Global Compact Chair.

On another continent, Setrag provided training on gender-based violence. Advocates have been appointed and will soon receive specific support. Gender-based violence has harmful consequences on individual and collective performance within the company: increased sick leave/absenteeism, loss of employee motivation, falling productivity, tarnished reputation, recruitment difficulties, etc. Setrag works to prevent such gender-based violence, for example by keeping its advocates' knowledge of these issues up to date.

For its part, the Aubert & Duval Imphy site has signed a partnership with the "Lafranceunechance58" scheme, a business club whose purpose is to work with all public and private partners to promote inclusion in employment through innovative social actions. This unique community in Europe and the world is coordinated by the French State and brings together business networks, professional organisations and associations around concrete commitments. The initiative was launched on 17 July 2018 by 100 business leaders gathered at the Élysée Palace in the presence of the President of France, with the aim of bringing an inclusive dimension to the approach of their businesses.

6.3.2.4.5.1 Encouraging the feminisation of managers and respecting equal pay between women and men

Women now account for 17.3% of the total workforce of the Group, specifically: 8.1% of operators, 26.8% of supervisors, technicians and employees, and 25.7% of management.

In terms of feminisation, Eramet focuses its strategy on two key career stages: the recruitment and promotion of women, including:

- a dedicated training program, which allows women participating to benefit from views and experiences from other women from various industries.
- regular female people reviews, 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 2021, but this is not enough and we have to step up our efforts in order to achieve our goal.

Female representation on the Executive Committee is 38%.

% OF WOMEN IN THE TOTAL WORKFORCE	XX%
% of women in management	25.7%
% of women among new permanent contract recruitments in 2021	24.2%
% of women among new management permanent contract recruitments in 2021	29%
% of women on the Executive Committee	38%

In 2021, 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 85 and 93**. Aubert & Duval and Erasteel, subsidiaries of the Eramet Group with more than 250 employees, have indexes of 88 and 93 respectively this year, unchanged for Aubert & Duval and an improvement for Erasteel. For subsidiaries with more than 50 employees, the indexes are all equal to or greater than 85, i.e. four points more on average than in 2019.

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 228 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 2021, the mentoring approach for members of WoMen@Eramet continued and new actions were rolled out, such as a communication campaign against ordinary sexism, virtual cafés and conferences, the organisation of international women's rights day, and personal and professional development workshops. A series of four podcasts was also produced by the network with a group of young independent individuals to address the topics of female expatriation, the benefits to performance of diversity and the glass ceiling phenomenon, and thus continue the cultural change at Eramet on diversity matters.

6.3.2.4.5.2 Work/life balance

The Group promotes a number of local initiatives of a different nature but intended to promote this necessary balance: a listening service provided by an occupational psychologist, sabbatical leave was granted to employees wishing to devote time to a personal project, 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 nursery, concierge services, and workshops on the theme of quality of life at work, led by professionals (nutrition, sleep, sophrology, etc.) have also been implemented at some sites.

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. A joint working group was also set up at the end of 2021 to ensure more regular monitoring of the subject by proposing concrete operational solutions intended to reduce the frequency and severity of psychosocial risks.

Owing to the extended use of home working and the lockdown measures, the Group paid special attention to work/life balance. A Handbook on best practices for working from home was prepared and distributed in the Group and employees were informed of the right to disconnect. Teaching resources were proposed to managers on the new WeLearn digital resources portal, in order to support them in remote team management. Local initiatives helped to maintain social ties while working from home, such as the arrangement of short meetings every morning at Erasteel.

6.3.2.4.5.3 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 322 employees with disabilities (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.

6.3.2.4.5.4 Youth, seniors and intergenerational

Despite the difficulties associated with the health crisis, the commitment and actions of all our sites continued into 2021. The following demonstrates this: Eramet came 9th out of 702 in the Happy Trainees ***international classification.*** By entrusting them with motivating missions that allow them to contribute to the Group's challenges while developing, Eramet aims to give the young people hosted every opportunity to build their professional career in the best conditions. The Group also obtained the France and Gabon labels, rewarding the involvement of the teams in the inclusion of young people in training.

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), theses, etc. In this context, the Group hosted 1,240 young people, or 9.6% of its salaried workforce, in 2021.

With a strong commitment from the Trappes research centre (Eramet Ideas) and its teams, Eramet participates in numerous forums for schools in metropolitan France or in the countries in which 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. Scientific exchanges are also carried out on certain projects with the laboratories of France's top engineering and business schools (grandes écoles) or universities, and lecturers.

Since 2021 and as a result of the commitment of CEO Christel Bories, Eramet has taken part in the "1 young person = 1 mentor" government scheme, which aims to support young people, often from disadvantaged backgrounds, in their orientation and professional lives. To do this, Eramet has teamed up with two associations, We Are One and POWA, and gives its employees the opportunity to become mentors, as well as the Executive Committee members. For a minimum period of six months, employees will form groups of six, made up of two mentors and four mentees, in order to work on the career development objectives of each of the mentees.

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, the University of Montpellier (Geology), the Mines ParisTech (ENSMP Soil and subsoil specialisation), the Central School Supélec (Energy specialisation), etc. (check with Talent teams, see MM)

SLN engages in a partnership with the post-secondary preparatory classes for entry to the grandes ecoles at the Jules Garnier school in Nouméa. The SLN competitive exam proves valuable for the young New Caledonians who end up continuing their scientific studies in metropolitan France.

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. It also welcomes many apprentices every year, enabling young Gabonese to gain two years of professional experience, thus creating a major pool for local recruitment.

With regard to the employment of seniors across the Group as a whole, 50 employees (i.e. 9% of permanent hires during the year) aged 10 years younger than the statutory retirement age were recruited on permanent or fixed-term contracts.

6.3.2.4.5.5 Employees and 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 46 sites surveyed in 2021) 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 6.3.1 "Commitment to Human Rights".

6.3.2.5 Social indicators

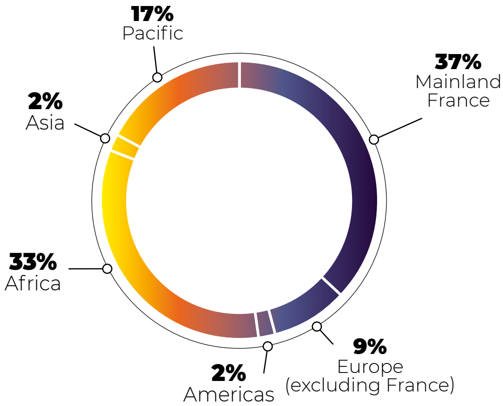
6.3.2.5.1 Total workforce and breakdown by geographical area

As at 31 December 2021, the Group employed 13,373 employees in 20 countries, compared to 13,129 employees at 31 December of the previous year. The Group's HR reporting in force concerns the consolidated workforce and the managed workforce.

NUMBER OF EMPLOYEES AS AT 31 DECEMBER (PERMANENT AND FIXED-TERM CONTRACTS)

	2019	2020	2021	2021 breakdown
Metropolitan France	5,278	5,131	4,937	37%
Europe (excluding France)	1,279	1,189	1,258	9%
Americas	342	272	269	2%
Africa	3,925	4,179	4,410	33%
Asia	262	238	246	2%
Pacific	2,011	2,120	2,253	17%
TOTAL	**13,097**	**13,129**	**13,373**	**100%**

Workforce registered in 2021 by geographical area



6.3.2.5.2 Breakdown of total workforce by Division and BU

The registered workforce increased by 1.9% between 2020 and 2021: it was unchanged for the Holding company, increased for the Mining and Metals Division (+5.9%), and decreased for the High Performance Alloys Division (-4.4%).

	2019	2020	2021	2021 breakdown
Holding (1)	**521**	**537**	**537**	**4.0%**
Mining and Metals	**7223**	**7528**	**7986**	**59.7%**
EMAS	n.c.	n.c.	156	1.2%
Nickel	2,050 (3)	2,161 (3)	2,253	16.8%
Manganese	4,038	4,319	4,513	33.7%
Mineral sands	995	965	983	7.4%
Lithium	140	83	81	0.6%
Total retained entities	**7,744**	**8,065**	**8,523**	**63.7%**
Eramet Sandouville	**175**	**190**	**191**	**1.4%**
High Performance Alloys	**5,178**	**4,874**	**4,659**	**34.8%**
Aubert & Duval	4,141	3,916	3,796	28.4%
Erasteel	946	837	830	6.2%
Other(2)	91	121	33	0.2%

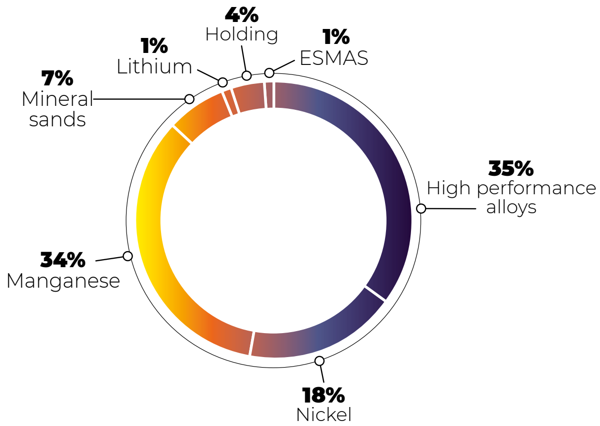
Total discontinued operations	**5,353**	**5,064**	**4,850**	**36.3%**
TOTAL GROUP	**13,097**	**13,129**	**13,373**	**100%**

(1) Holding: Eramet S.A., Eramet Services, Eramet Ideas, Eramet International.

(2) Other: Forges de Monplaisir and Brown Europe.

(3) Restated workforce excl. Eramet Sandouville

Breakdown of the 2021 workforce by Division and BU



6.3.2.5.3 Breakdown of total workforce by contract type

As at 31 December 2021, 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

	2019	2020	2021	2021 breakdown
Permanent	12,393	12,394	12,408	93%
Fixed-term	704	735	965	7%
TOTAL	**13,097**	**13129**	**13,373**	**100%**
Temporary workers *(in full-time equivalent)*	841	340	344	

6.3.2.5.4 Breakdown of total workforce by socio-professional category

Eramet extended the French notion of socio-professional category (SPC) to all its entities, which share the following definitions:

- Workers: blue-collar workers;
- Supervisory staff: clerks, technicians, foremen (white collar workers);
- Management: executives, managers, post-graduate staff, civil engineers (white-collar).

BREAKDOWN OF WORKFORCE BY SOCIO-PROFESSIONAL CATEGORY

	2019	2020	2021
Workers	51%	50%	50%
Administrative, Technical and Supervisory staff	33%	34%	34%
Management	15%	16%	16%

6.3.2.5.5 Average age and age distribution

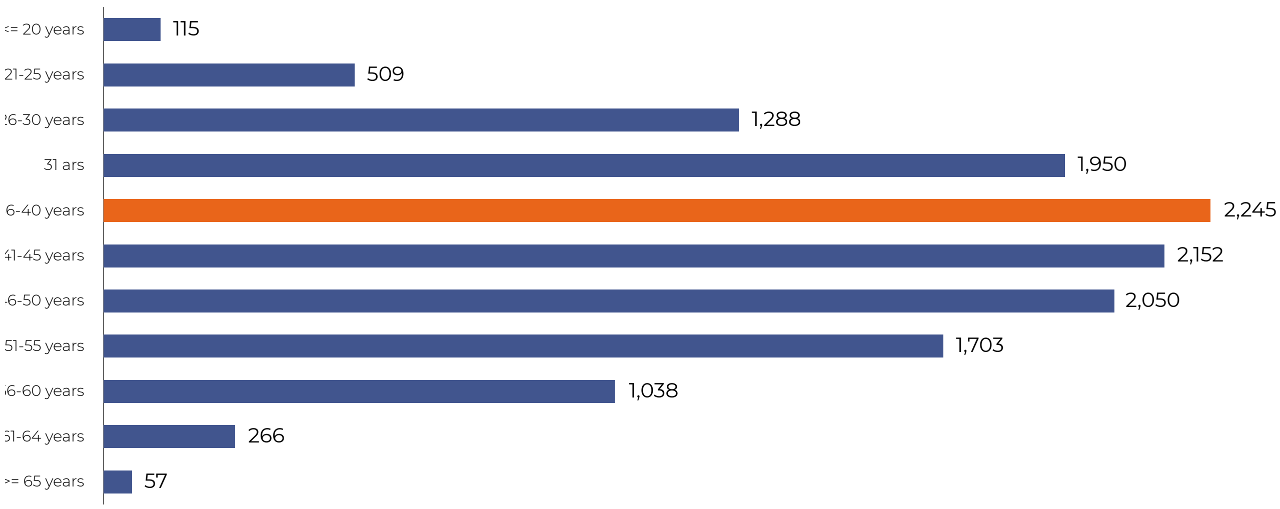
The average age of Group employees was 42.0 years as at 31 December 2021.

Workers	Administrative, Technical and Supervisory staff	Management
40.8	42.8	43.7

Employees aged 50 and over represent 26% of the total workforce; those aged 30 and under represent 14% 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 of the Group at 31 December 2021



6.3.2.5.6 Recruitment

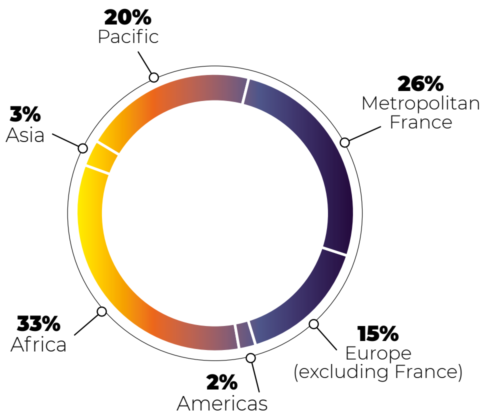
Group companies recruited, excluding transfers between Group companies, 1,330 employees in 2021, up 10.4% compared to 2020.

NEW RECRUITS BY REGION (EXCLUDING TRANSFERS WITHIN THE GROUP)

	2019	2020	2021
Metropolitan France	715	381	346
Europe (excluding France)	123	94	204
Americas	105	28	38
Africa	318	443	438
Asia	53	33	39
Pacific	215	226	265

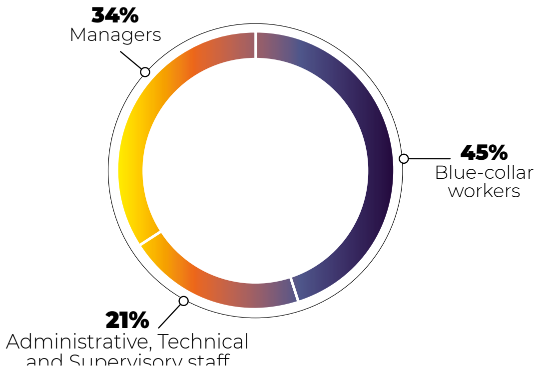
TOTAL	**1,579**	**1,205**	**1,330**

New recruits 2021 excluding transfers



The external recruitment of 530 permanent employees is divided into the following professional categories:

Permanent contract recruitments 2021 excluding transfers



For several years now, Eramet has prioritised the recruitment of permanent employees under the age of 30 and over 55.

	Permanent contract recruitments 2021	
	< 30 years	> 55 years
TOTAL	**210**	**50**
% of total permanent contract recruitments	*40%*	*9%*

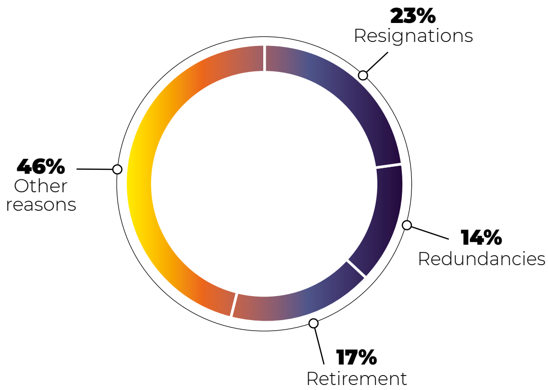
6.3.2.5.7 Departures

In 2021, the total number of departures (this concept includes resignations, redundancies, retirements and terminated contracts, but does not include Group transfers) was 1,076, of which 243 were resignations (23% of departures), 150 were redundancies (14% of departures) and 185 were retirements (17% of departures). The other reasons for leaving (46% of departures) mainly consisted of end of fixed-term contracts.

DEPARTURES BY REGION (EXCLUDING TRANSFERS WITHIN THE GROUP)

	2019	2020	2021
Metropolitan France	660	525	542
Europe (excluding France)	113	183	134
Americas	32	88	40
Africa	201	189	203
Asia	34	72	29
Pacific	146	109	128
TOTAL	**1,186**	**1,166**	**1,076**

Breakdown of departures (excluding transfers) by reason in 2021



The ADMDT (Wuxi – China), Erasteel Inc. (Boonton – United States), Aubert & Duval TAF (Gennevilliers – France) and Erasteel Stubs (Warrington – United Kingdom) sites, representing some hundred employees, were gradually closed in 2020 and deconsolidated in 2021. In 2021, the Brown Europe (Laval-de-Cère) and Eramet North America (Pittsburgh) sites were also deconsolidated. Activities were stopped on these sites in accordance with local legislation and relations with employee representatives. Employee support measures were put in place (outplacement, internal retraining, adjustment and reconversion training courses).

6.3.2.5.8 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, the United States and Sweden: 40 hours per week over five days;
- in Senegal: 40 hours per week.

Part-time workers

Part-time employment contracts exist in many countries where the Group operates. The number of staff concerned by this arrangement represents 1.5% of the total workforce, all categories included.

As at 31 December 2021, 198 people worked part-time, of whom slightly less than two thirds (61%) were women.

69% of part-time employees, or 139 people, work in France and they account for 3% of the total workforce in metropolitan France.

Organisation of work

In 2021, 61% of employees worked fixed days, while 39% worked shifts.

Absenteeism (data from the CSR survey)

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 was 3.8% in 2021. The average absenteeism rate in metropolitan France is 5.3%. For the rest of Europe, the average rate is 5.6%. The Americas has a rate close to 0.4%. Africa has an average rate of 1.5%, Asia 3.1%. Lastly, the average rate recorded in the Pacific zone is 4.7%, calculated by weighting the absenteeism rates of the sites against their respective workforces.

6.3.3 Commitments to host communities

6.3.3.1 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). These internationally recognised and proven standards adopt a proportionality approach according to which the required measures must be designed to match the challenges of the sites. 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 work is carried out in several ways: organisation of public information meetings or open days, creation of 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

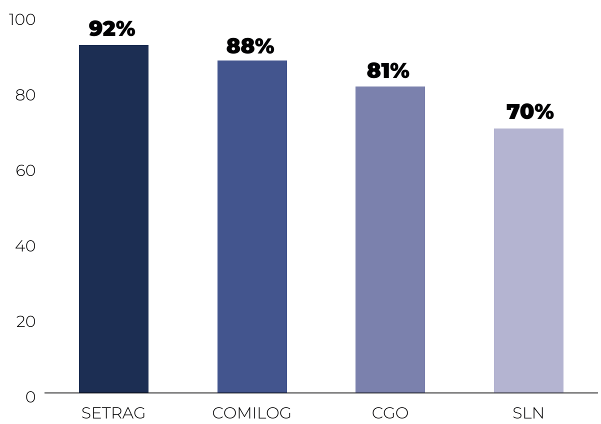
3 CONTRIBUTE
to local development priorities

Local employment, local purchasing and subcontracting
Community investment

In 2021, Group Community Relations were more strongly embedded by means of:

- the monitoring of the compliance of Group subsidiaries with strong societal challenges with the "Community Relations" procedure (incorporated into the Eramet Management System); The implementation of the alignment plans by the four sites concerned made it possible to achieve a good average level of compliance of 82%, compared with 36% in 2020). Actions enabling achievement of full compliance have yet to be implemented in 2022;
- direct representation of social responsibility topics on the Management Committees of the subsidiaries in Gabon, Senegal, New Caledonia and Argentina, via the CSR departments; with this objective, in order to strengthen the alignment of the Management Committees with the standards and objectives of community relations, a cycle of training in the fundamentals was initiated in 2021 with the Management Committees of GCO and SLN;
- the monitoring of a series of mining industry key performance indicators (KPIs). 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;
- the maintenance of Eramet Local Partner committees in Gabon, Senegal, New Caledonia and Cameroon. 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 two to four times in 2021;
- the construction and roll-out of modules dedicated to community relations in SAFEE, the Group's Safety, Environment, Energy and CSR information and management system. These modules were rolled out in 2021 to the subsidiaries engaged in mining activities;
- training in the fundamentals of Eramet's community relations of members of the Group's unit responsible for exploration activities.

Rate of compliance of sites with the Group "Relations with host communities" 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 2021, the entire network was trained to use the SAFEE Group management tool, which includes a community relations component. Specifically, the tool allows the sites to keep their stakeholder mapping up to date, record all their commitments to local communities and monitor their implementation. The complaints handling module makes it possible to process community complaints and claims, in connection with all the company's departments.

6.3.3.2 Impact management and risk prevention for local communities

6.3.3.2.1 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 6.2.1.4. The entities concerned control access to sites, set up safety barriers and information signs, and some sites also use security guards. Information on risks for the safety of nearby residents is also presented through dialogue with populations. In 2021, Setrag conducted two railway awareness campaigns in more than 50 schools on two sections of the track (Owendo to Oyan and Milolé to Franceville). More than 15,000 schoolchildren received this awareness training. To secure the areas close to the track, Setrag also continued to install enclosure walls around the tracks near to stations, installing more than 10km of walls by the end of the year. Setrag also opened a fourth footbridge in the Akournam district of Owendo, enabling pedestrians to cross the track in complete safety.

Within the scope of discontinued operations, in September 2021, a fire broke out in the surface treatment workshop at the Aubert & Duval site at Pamiers in Ariège, affecting populations in the immediate vicinity of the site. At the height of the event in the early morning, the Ariège prefecture decided, as a precautionary measure, to establish a containment area of 200 metres around the plant, which affected approximately 5,000 people as well as schools in the city. One primary school close to the site was evacuated. Health recommendations were made by the Occitanie Regional Health Agency for some activities in the immediate vicinity of the plant. The agency has since lifted these recommendations and the AD Pamiers site is engaged in soil monitoring. A point of contact has been provided to answer the questions of the residents concerned.

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.

6.3.3.2.2 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 2021, 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 takes the form of technical support for the 11 economic interest groups (EIGs) created between 2015 and 2019, which bring together more than 1,000 people, and access to the community services cooperative, offering low-interest loans to purchase inputs and benefiting more than 160 people.

GCO also temporarily rehoused 370 people in 2021. Of this number, 127 were able to return to their original homes at the end of the year, after the dredger had passed close to these homes. Another 243 people wanted to be permanently rehoused at a resettlement site that was identified and built in 2021 for settlement in early 2022. 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 site has a mosque, a health centre and a Koranic school.

Finally, the consultations and census have begun for the displacements scheduled for 2022 in the hamlets of the villages of Diourmet and Thiakhmat.

Economic displacements were also carried out in 2021, leading to the compensation of more than 400 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 2021, Setrag followed up on those people displaced in previous years (in Owendo, Ntoum and Andem, i.e. around 375 people, almost all of whom were involved in cultural or commercial displacements). Of these individuals, 26 traders wishing to do this received business and financial training. Specific aids were thus proposed to close to 50 vulnerable people concerned by previous economic displacements, depending on their situation. In addition, the six people affected by the works at Virié station were permanently rehoused in 2021, and 22 people affected by the works in Mouyabi and Ntoum were compensated for their crops.

In anticipation of future displacements to be carried out by 2023 in the area of Lastourville, Nkoltang, Moanda and Ndjolé, the preparation of action plans for resettlement or restoration of livelihoods continued. This mainly concerns the displacement of crops or businesses that should involve around 330 people in total, for whom consultations and censuses are in progress.

Comilog

In Moanda, Comilog (Gabon) undertook three displacements:

- In connection with the exploitation of the edges of the 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 have been carried out and the resettlement plan is being finalised with stakeholders. The relocation site, identified with the affected communities and local authorities, is being developed. It will eventually accommodate more than 400 houses and commercial areas. The site was visited at the end of the year by the 12 members of the two local monitoring committees dedicated to this resettlement project. They were able to visit the 28 "show" homes already completed.

- For the mining extension plan, which affects crops on the edges of the nearby Okouma plateau, Comilog proceeded in 2020 with the compensation of crops on the plots of nearly 190 people. Some compensation, staggered over two years in agreement with the beneficiaries, continued until 2021. As part of livelihood restoration, these people had also received replacement land and agricultural tool kits in 2020. In 2021, the level of the livelihoods of 69 people identified as vulnerable was also monitored. The affected populations are directly involved in these processes via ad hoc local committees which are carried out in close coordination with local authorities (technical services, departmental council and the sub-prefecture). In 2021, a second compensation area was prepared for implementation in 2022. It concerns around 40 people whose agricultural plots will be impacted by the work on the edge of the Okouma plateau.
- A new displacement project was launched in 2021 following discussions with the populations in the area of Moanda station, not far from the Moanda Industrial Complex operated by Comilog. The consultations, initiated in close collaboration with the local authorities, resulted in the identification of a resettlement site.

6.3.3.2.3 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 6.2. "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.

Nearly half of the Group's sites have special relations with local public or community organisations regarding environmental issues. These mainly consist of direct discussions organised by the sites or meetings within the framework of meetings organised by local authorities.

Going even further, some entities have also developed partnerships with specialised organisations. This is particularly the case for Eramet Norway's sites, which for several years now have been working with the NGO Bellona on environmental issues. In New Caledonia, SLN, which is also a member of Scal'air, has been providing financial support since 2009 to the Environmental Observatory (L'Œil), performing annual environmental diagnostic monitoring of the municipality of Thio, where SLN's oldest mining centre is located. This partnership was strengthened in 2021 to include work relating to the enhancement of local biodiversity and the preservation of the municipality's natural freshwater reservoir.

6.3.3.2.4 Local complaint management mechanisms

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Pursuant to the Group procedure, all mining sites drafted a formal procedure for handling complaints from local communities in accordance with IFC (International Finance Corporation, World Bank Group) standards. 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. Communication of these measures to all the populations was strengthened in 2021 with the roll-out of posters and leaflets at SLN and Setrag and forms distributed to local monitoring committees at Comilog.

Subsidiaries	Number of complaints received	Resolution rate at 31/12/2021	Main subjects
Comilog	35	100%	Indemnities, compensation, resettlements
GCO	23	91%	Indemnities, compensation, resettlements
Setrag	20	65%	Indemnities, compensation, resettlements
SLN	27	96%	Nuisance (noise and dust)

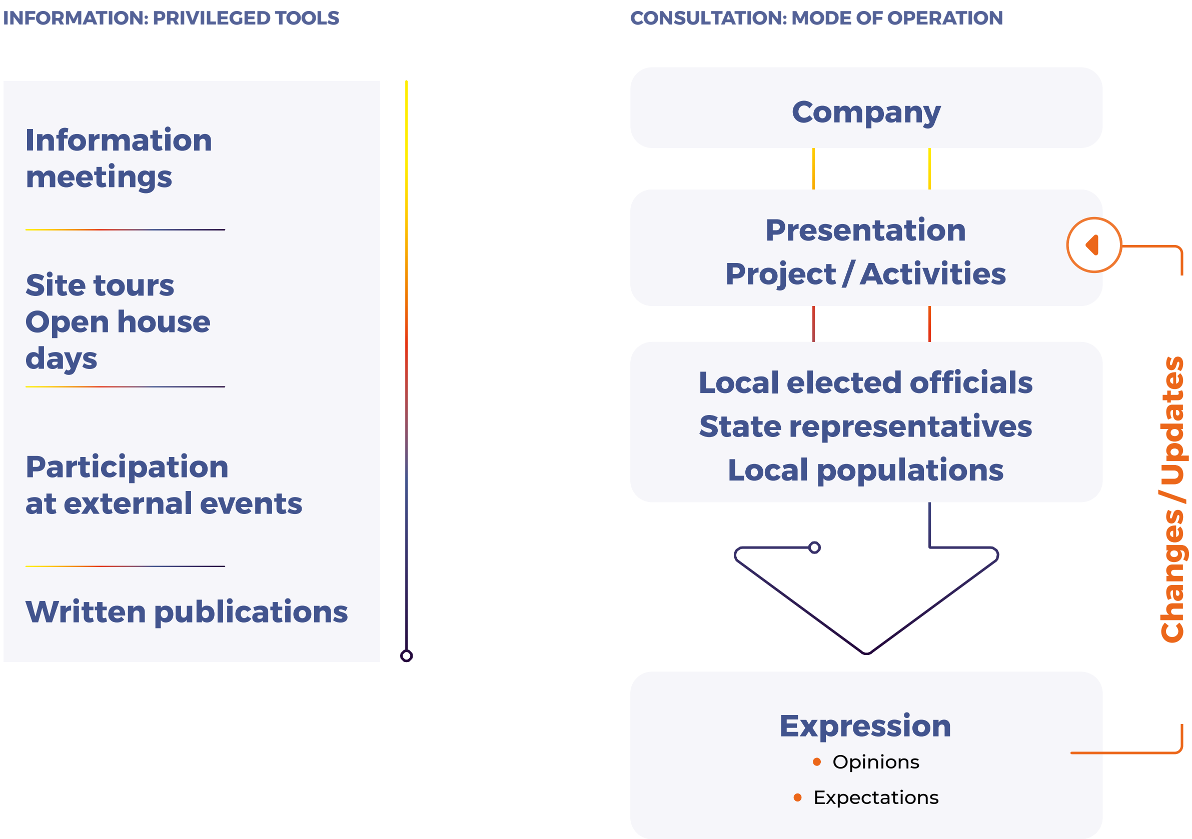
On industrial sites, local managers in charge of health, safety and the environment receive and handle complaints in accordance with ISO 14001.

Since 2020, the Group's Integrity Line (see 6.4.1) 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.

6.3.3.3 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, the Doniambo plant held a Local Information Committee meeting at the end of the year, attended by representatives of the community and local associations. In July, the Environmental Consultation Committee of New Caledonia visited the Thio mining centre. The SLN teams presented the balance sheet and five-year vision for water management, soil stabilisation and rehabilitation works, as well as contribution actions vis-à-vis the communities.

The three Eramet Norway sites, including two close to city centres, also organised an "annual get-together for neighbours", as they do every year, which was attended by 32 people in 2021. This provides the opportunity to talk about the company's environmental performance, how it handles the complaints it receives and areas for improvement in the future. In Argentina, the CSR team continued to have regular discussions with representatives of the populations, particularly in relation to contribution programmes. These programmes made it possible to maintain a close link with the neighbouring populations during the period in which the project was mothballed.

Within the scope of discontinued operations, in France, because of their Seveso Upper Tier status, two sites (Erasteel Commentry and Eramet Sandouville) participate in Site Monitoring Committees, composed of representatives of the national government, local authorities, local residents, farmers and employees. These committees constitute a framework for discussion and monitoring of the activities of the site and the associated environmental and safety matters.

In the same concern for transparency and openness, nearly two-thirds of Group sites usually open up their plants to visits from external stakeholders through open days, tours for schools or elected officials, and special events. In 2020, as in 2021, the organisation of such visits was extremely limited due to the health crisis.

In New Caledonia, however, several visits to mines in Népoui, Thio and Poum were organised for local residents. The Doniambo plant also maintained the pace of two visits per month as much as possible, except during lockdown periods. At the end of the year, employees of the Caledonian Air Quality Monitoring Association (Scal'air), of which SLN is a partner, also visited the plant. The five community relations offices in Houailou, Kouaoua, Thio, Koné and Nouméa welcomed more than 480 visitors. These offices provide information about SLN, its activities, recruitment and outreach programmes, with the possibility of talking to an officer from the CSR team. They 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 was maintained, making it possible to meet more than 2,500 people during the year, including around 500 women and 350 young people.

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 2021, the main consultation and collaboration activities were the following:

- **In Gabon**, Comilog significantly strengthened its dialogue with local populations. Five public meetings took place early in the year with stakeholders from the three main municipalities in its area of influence (Moanda, Mounana and Bakoumba). Bringing together prefects, mayors, heads of villages and districts and representatives of women and young people, these meetings enabled Comilog to share the direction of the CSR Fund action plan, the Stakeholder Engagement Plan and the complaints handling mechanism. Later in the year, 23 local monitoring committees were set up for the Moanda area and its surroundings. These committees are points of contact for Comilog with the populations of districts and villages, set up in the presence of the prefect and the mayor. Each committee has six members, including the village/district chief, at least two women and two young people. Setrag has also rolled out a team of social representatives responsible for relations with local residents on the four sections of the railway line.
- **In Senegal**, as part of its progress towards the Louga region in the north of the current operating area, GCO also intensified discussions with stakeholders in this area. The mobile mining activities of GCO, 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 May 2021, a visit to the current GCO site was organised for the authorities and representatives of associations in Louga. This enabled visitors to understand the method of rehabilitation of areas already affected by the passage of the dredger, and to verify the results. A Tourism Technical Committee was also created by prefectural decree in July and held its first meeting. It will be a place of consultation with local authorities and tourism operators for the definition of measures to manage impacts on tourist activities in the Lompoul desert.
- **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 its contributory action together. 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 2,500 people exchanged views with SLN's CSR team in 2021.
- Lastly, in the context of the resettlement programmes on the GCO, Comilog and Setrag sites, dedicated consultation and cooperation activities continued in order to define the terms and implementation of the displacements (see section 6.3.3.2.2),

6.3.3.4 Contribution to the development priorities of communities

8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION

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 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 11 (Sustainable cities and communities), SDG 3 (Good health and well-being), SDG 4 (Quality education), SDG 6 (Clean water and sanitation) and SDG 8 (Decent work and economic growth).** Examples of some of the accomplishments achieved by the Group's entities in 2020 are presented below.

6.3.3.4.1 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 3,600 people in Gabon at 31 December 2021. 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 8,300 jobs.
- SLN, New Caledonia's biggest private employer, provides more than 2,200 direct jobs. 98% of these employees are Caledonians.
- In Senegal, Grande Côte Opérations (GCO) employs more than 720 people. 93% of these employees are Senegalese.
- In Argentina, 96% of the 81 employees on the project are Argentinean.

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 2021, 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 25 students and welcomed 27 new students in 2021 in the two courses that it offers: a specialised engineer qualification and a professional first degree in mining and metallurgy.

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 2021, 234 young people 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.

In 2021, more than 60% of Group sites welcomed and trained trainees, apprentices or PhD students, ranging from a few weeks to several months. In 2021, this represented more than 1,200 young people, mainly in mainland France, New Caledonia and Gabon.

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 the case in particular for Comilog and Setrag (65% of the amount of purchases made in Gabon – excluding sea transport), GCO (69% of the amount of purchases made in Senegal), Eramet (60% of the amount of purchases made in Argentina) and SLN (55% of the amount of purchases made in New Caledonia).

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 trading of ore for the Poum mining centre.

6.3.3.4.2 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.

In 2020, the execution of contributory and sponsorship programmes on sites were sharply impacted by the health crisis. Subsidiaries have reoriented and completed these programmes to contribute to the fight against the pandemic, in coordination with local and national authorities. All these efforts, supported by the Group, made up the Eramet COVID-19 solidarity plan and represent a significant part of the 2020 contributory action.

COVID-19 solidarity plan

In April 2020, the Group set up a Group solidarity plan, with an extraordinary allocation of €1.5 million in addition to allocations by the subsidiaries. In 2020, 80% of this amount had been used to purchase equipment (masks, PPE, ambulances), make food donations or provide financial support for associations and institutions taking part in the fight against the pandemic and its effects. Again within the framework of the Group Solidarity Plan, in 2021 the Aubert & Duval subsidiary in India (Squad) imported and donated 10 oxygen concentrators in 2021 which the health centres near the site did not have.

The sites have also pursued specific actions to support their local residents. SLN thus delivered, in March and September 2021, more than 8000 masks and containers of hydroalcoholic gel in more than 10 municipalities close to its locations. With the logistical support of the French Red Cross, SLN also handed out 160 food baskets in October 2021 in the municipalities of Thio, Poya, Pouembout, Koumac, Poum, Canala, Kouaoua and Houaïlou.

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.

Comilog and Setrag in Gabon

2021 is the first 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 2021 was €5 million (i.e. approximately 3.2 billion FCFA.
- 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 2021, the amount allocated to the fund was €5.5 million (i.e. approximately 3.7 billion FCFA).

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.

- ***Contribution to basic infrastructure:***
  - Rehabilitation of roads in the city of Moanda: In order to open up certain districts of Moanda that are not easily accessible due to the deterioration of the tracks, rehabilitation works on three secondary axes of the city commenced in 2021. The reprofiling of tracks and the cleaning of gutters over nearly seven kilometres was thus carried out by four local service providers, with the technical support of a national service provider. This work is a continuation of the rehabilitation of the main axis of Moanda over four kilometres, which was completed in 2020. These renovated infrastructures help to improve the daily travel conditions of the inhabitants of Moanda.
  - 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. In 2021, 73 standpipes were built or rehabilitated in all districts of the cities of Moanda, Bakoumba and Mounana. They benefit more than 13,000 people, who now have much easier access to water. Having commenced in 2020, the rehabilitation of the water networks within the Bakoumba housing developments was also completed in 2021.

- **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.
  - **A paving stone manufacturing plant** built in 2020 in the village of Konda (near the town of Moanda), has been operational since March 2021. The company "3L des Pavés" employed 39 people at 31 December 2021. Its production will notably make it possible to meet the needs of the city of Moanda for the paving of secondary roads.
  - Having been trained during the construction of the Nguiassono dispensary, 23 young people from Moanda were helped t**o create their company "BTC Construction"** which manufactures compressed earth bricks. In order to help them start up their business, Comilog funded the purchase of their production tool and engaged this company to construct administrative buildings for the mine extension project.
  - In order to give young people from Haut-Oggoué an opportunity to participate in the development of the digital economy, Comilog completed its project to open the FabLab in Moanda in 2021. The call for applications for training which took place at the end of the year made it possible to identify 25 young people among more than 400 candidates. From March 2022, they will be able to attend a free training course lasting three to nine months on three key digital skills: design/graphics, web/mobile development and electronics/robotics. This project, developed with Comilog's Digital Transformation team, responds to a strong expectation among young people in Moanda.
  - Helping to improve the learning conditions of more than 1,000 students, in 2021 Comilog financed the rehabilitation of the 21 classrooms of the two Saint Dominique schools in Moanda. This work is in addition to the rehabilitation of seven schools in Moanda and five others in Mounana and Bakoumba in previous years. Comilog also subsidises the Henri Sylvoz school group in Moanda, which has 1,450 pupils, from pre-primary to sixth form.
- **Support for the health offering:** In 2021, Comilog 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 2021, more than 20,000 patients were treated free of charge. For many years now, Comilog has also financed the operation of the Marcel-Abéké hospital, open to the public at modest prices.
- Local life and social cohesion: 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. In 2021, however, these associations were unable to carry out any activities due to health restrictions in Gabon.

At Setrag, the first part of the year was devoted to defining a community investment strategy with the help of a specialist firm. A series of interviews with local stakeholders and over 60 focus groups were conducted with the communities to identify local development plans and priorities, as well as potential partners. The strategy adopted revolves around the three areas of health, education and support for revenue-generating activities. Two main actions were implemented in the second part of the year:

- a free screening campaign for female cancers for employees and neighbouring residents of Setrag in Owendo, Ndjolé, Booué and Lastourville. With the support of the Ministry of Health and the Sylviane Omar Bongo Foundation, more than 200 women were screened. With regard to education;
- the distribution of more than 4,300 school kits to pupils at eight schools in Owendo, Ndjole, Booué and Lastourville.

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. Within this framework, the main achievements of GCO in 2021 are as follows:

- In the field of education: GCO helped to improve the learning conditions of more than 8,500 students in the Diogo area, with the rehabilitation of eight schools and the donation of 500 bench tables. GCO also provides annual funding for student associations in seven municipalities in the area, allowing students to continue their studies while living outside their home towns.
- In the field of health, GCO financed the purchase of drugs for the healthcare posts of nine municipalities in the Diogo area. The company also financed the purchase of a new tractor and contributed to the operating costs of the household waste management committee for the 12 villages around Diogo.
- With respect to infrastructure, GCO financed the construction of enclosure walls at the Diogo bus station and drilling operations at Darou Beye village.
- In the field of economic development and diversification, in 2021 GCO continued to support 13 economic interest groups (EIGs) created by GCO between 2015 and 2019. These groups, which bring together more than 400 people, mostly have service contracts with GCO (rehabilitation of dunes, production of compost, cleaning and maintenance of the site facilities of GCO, etc.). These EIGs are in addition to the 11 EIGs supported in the context of the resettlement of people.

SLN in New Caledonia

In New Caledonia, SLN continued to structure its new CSR strategy, 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.

For several years, SLN has been providing financial support to local communities in their adaptation projects. SLN thus contributed to the financing of several projects in 2021:

- In Poum, work on the municipal housing development was almost completed and will benefit 64 people. SLN also contributed to financing the drinking water supply works, which will be completed in 2022.
- In Koumac, drinking water supply works for three localities are also in progress and are scheduled for completion in 2022. This is also the case with the work to expand the municipality's port as part of the revitalisation of the maritime economy and the revival of the deep-sea fishing industry.
- In Kouaoua, the rehabilitation work on the road serving the Méa tribe has been completed and is already benefiting the 150 members of the tribe. The earthworks for the Méa temple and the construction of the Wenin tribe snack bar were also completed in 2021. A local development agreement for 2021-2023 was also signed to provide a framework for future projects.
- In Kiel, a covered playground for the children of the Néoua tribe was also completed.
- Close to the Poro mining site, SLN renewed its financial support for the innovative Reprise (recovery) project, sponsored by the Houaïlou municipal authority in collaboration with the Conservation International NGO. The aim of this programme is to restore the forests in this municipality, particularly through reforestation and regulation of invasive species. Winner of ADEME's call for projects "pilot sites for reconquering biodiversity", under the "Investissement d'Avenir" programme, this project is based on a very close collaboration with the 16 ethnic groups living in this area. At the end of 2021, five of the eight sites identified had been completely reforested, covering an area of 14.5 ha, i.e. 50% of the target. The five beneficiaries of the economic reforestation programme (sandalwood, coffee, vanilla) have been identified for implementation in 2022. Invasive species regulation operations were carried out on 6000 hectares and protections implemented on 15 hectares. Lastly, as part of the improvement of fire hazard control, the population of the municipality of Houailou was trained in permaculture.

Some of these achievements were the result of historical commitments made by SLN vis-à-vis the populations. The 2021 objective of fulfilling 85% of these commitments has been achieved, making it possible to envisage a final closure of the commitments in 2022.

SLN is also increasingly focused on supporting the development and economic diversification of the areas in which it operates, in connection with the enhancement of the natural heritage of New Caledonia.

- In Koumac, SLN financed a feasibility study for a multipurpose nursery to be created in 2022.
- In Thio, in partnership with the Mara Jati association, a reforestation project involving ten young people from the municipality was launched, and two GDPL (traditional groups) also received material support for their agricultural activities.
- In Poum, SLN, the municipal authority and SONAREP, the community shareholding enterprise, founded the Poum Association for Sustainable Development , which aims to collectively define economic diversification activities for the municipality.

Across the entire region, SLN supports entrepreneurship by providing financial support to ADIE (Association pour le Développement de l'Initiative Économique – Association for the Development of Economic Initiative), a partnership that dates back to some 20 years, and which proposes microcredit and assistant services to micro-entrepreneurs. Since 2020, an ADIE mobile agency has been in place in the municipalities of Canala, Houaïllou, Kouaoua and Thio. Through its contribution to the Initiatives Nouvelle-Calédonie charity, SLN also participated in the creation and development of sustainable companies, that generate added value and employment.

Furthermore, for the 28th edition of "Nickels de l'initiative", SLN chose to support owners of environmental projects. The jury for the competition (made up of high-profile figures from the institutional, non-profit and artistic world, represented throughout the territory) selected around a dozen projects, which received financial aid.

The Tiébaghi mining centre: 10 years of positive contributions to Koumac

In 2021, SLN celebrated the tenth anniversary of its partnership with Koumac and operations in Tiébaghi. On this occasion, the teams took stock of the infrastructures to which SLN has contributed with the following actions:

- The Bwadouvalan School Group, which has welcomed 1200 students since 2016, with nine classrooms, a library and a computer room. SLN took charge of 16% of the financing.
- The music school, which has welcomed more than 1,660 students since 2012 and more than 13,000 visitors per year and is equipped with an auditorium, multipurpose room and four studios. SLN took charge of 18% of the costs.
- The Siqueiros housing development for 30 households in the municipality, and the Tougoupe housing development (in progress) which should ultimately benefit 400 households. SLN took charge of 17% of the costs.
- Drinking water supply equipment for three sectors of the municipality, benefiting 80 households. SLN took charge of almost 30% of the costs.

- Public lighting and the solar power plant at the municipal authority in Koumac. The 54 photovoltaic panels and eight solar street lights save the municipality one million CFP francs per year. SLN contributed more than half the financing;
- The Louis Bastien media library, which hosts a branch of the Kanak Language Academy, benefits 8,000 people in the municipality. SLN helped to finance the technical studies for the construction of the media library.

Industrial sites (Europe, United States, Asia)

The Group's other industrial sites develop smaller scale sponsorship initiatives. For instance, Comilog Dunkerque, Eramet Norway and TTI support non-profit sports, cultural and environmental associations in their area.

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 2021, it supported and assisted 22 projects that reflect its corporate history and values, emphasising:

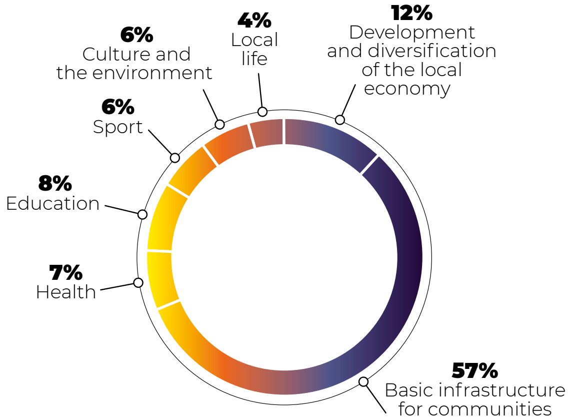
- culture and heritage, with the support of music schools or charities that facilitate access to culture and art in rural areas, and others involved in the renovation of heritage buildings;
- Sport and health, by supporting sports associations;
- Education and solidarity, with support for educational associations, including the Institut Télémaque, which works for equal opportunities in education.

Amounts invested

Overall, the Group's subsidiaries devoted **€9.2 million** to community investment in 2021, mainly in Gabon, New Caledonia and Senegal.

The distribution of the amounts invested illustrates the importance of supporting basic infrastructure for communities. The priority given to this type of action for the first year of the CSR Fund in Gabon is the main reason for this, as is support for municipal infrastructure in New Caledonia. In line with the Group's aim of serving as a catalyst for local development, actions to support economic diversification represent a growing share of the project portfolio. This area of intervention was the second-largest item of expenditure in 2021.

Community investment expenditure in 2021



6.4 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).

6.4.1 Ethics, Compliance and Anti-Corruption

RSE 2023

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 Board, 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.

The matter is also dealt with in the Group's CSR Roadmap, in the ninth objective: "To be a leading ethical partner". Hence, the advancement of this goal is regularly monitored by various committees, including the CSR Steering Committee, at the highest levels of the Group. This objective is broken down, annually, into benchmarks with different targets. The ultimate goal is, by 2023, to achieve 100% training of the sales and purchasing teams in anti-corruption measures each year.

6.4.1.1 Main risks

Since 2017, the Group – in addition to the existing Group risk mapping, and in accordance with the Sapin 2 Act – has been mapping its Corruption and Influence Peddling risks, relying on a qualified external contractor to ensure transparency and independence of the exercise.

Since then, the "Corruption" risk mapping is continuously monitored by the Ethics Department teams, in close collaboration with the Audit, Risk and Internal Oversight Departments. The risk universe in 2017 was specifically monitored in certain regions, based on local current affairs and the geopolitical situation and on the impact on the Group's activities.

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 entities representing 99.8% of turnover.

At the end of the exercise, a specific action plan was decided on, namely the drafting of operational action plans specific to each entity for each of the scenarios identified. This work was carried out in close collaboration with the Ethics and Compliance Department, the Risk Department and the Internal Control Department, by the entities themselves, enabling better local familiarisation with this theme. These action plans are monitored according to the process defined by the Risk Department (deliverables and fixed deadlines).

6.4.1.2 Ethical governance

All the Group bodies participate in ethical governance as follows:

Sanctions Coordination Committee
Meets twice a year; tasked with checking the consistency of sanctions imposed further to confirmed reports, and protecting whistleblowers

Executive Committee
Dedicated Ethics and Compliance meeting at least once a year

Export Control Unit

Ethics and Compliance Department, headed by the **Ethics and Compliance Director**, who reports directly to the CEO; composed of **2 Compliance Officers** with specialist university training

Audit, Risks and Ethics Committee
up to four meetings a year

Responsible Sales Committee

Responsible Purchasing Committee

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.

The Group's Ethics and Compliance organisation also includes an Ethics Compliance network consisting of:

Ethics Compliance Officers (18)

The 18 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. He or she 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.

In parallel to this compliance network, the Group has set up a special organisation to handle Sexual Harassment and Sexist Acts. A network of identified advocates, specifically trained, was initially rolled out in all French sites in accordance with the Schiappa law, to then be rolled out more generally this year in Gabon (Setrag, Comilog), and Senegal (GCO). They are intended to provide local support to victims and witnesses of sexist acts or sexual harassment.

6.4.1.3 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. This guide is available in the Group's 12 main languages and can be found on all Eramet websites and the intranet; 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. 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 instantaneous processing by the Ethics and Compliance Department. These new procedures, which apply to all Group employees, include specific rules for the most exposed personnel. Thus, rules relating to gifts and invitations for the Group's buyers and sales representatives are subject to a specific validation process. The same applies to the process of declaring conflicts of interest for members of executive bodies;
- A procedure dedicated to the **whistleblowing system**, its operation and the process for handling reports;
- a **system for assessing third parties** (customers, suppliers, etc.), including prevention measures and awareness-raising (organisation detailed in section 6.4.2);
- 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 criteria into audit engagements.

Training

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 Officer and the Ethics Compliance Network.

An "Ethics Charter awareness" e-learning course is now mandatory for all new employees and must be taken every 18 months by all Group employees. An update of this e-learning course began in 2021 to adapt it to the Group's risk universe, in accordance with the new corruption risk mapping. It will be available from the first half of 2022, and will be part of a recycling campaign aimed at all employees.

In 2021, some 1,140 employees enrolled for this training (new recruits).

Thus, since the e-learning course went live, 8,594 people have enrolled and more than 70% have passed it.

An e-learning course on third-party CSR and ethics assessment procedures was also updated in 2021. The Group's buyers and sales representatives are required to attend it every year.

At the end of 2021, an export control ethics training course was developed to raise awareness among targeted populations (sales departments, customs department) about export control risk and international sanctions.

Lastly, the Ethics and Compliance Department has provided employees with "Ethics Kits" which contain material for presentations on topics covering issues related to the risks of Corruption risk mapping and included in the training catalogue.

For employees without Internet access, computers that are free to use will be made available. Such is the case, in particular, at certain mining sites and the High Performance Alloys Division where Ethics Compliance Ambassadors, working alongside the Group's Chief Compliance Officer, dispense training locally.

At the same time, regular awareness and training campaigns were carried out in 2021:

- Senegal (GCO): training of all employees, including buyers, and of the Management Committee, i.e. nearly 200 people trained during a trip by the Ethics and Compliance Department to Senegal in November.
- Numerous training and awareness-raising events were also organised locally in 2021, in Gabon, China, Argentina and New Caledonia, by Ethics Compliance Officers, on the occasion of International Anti-Corruption Day and Global Ethics Day.
- In addition, more than 15 training courses for specific learners were delivered in 2021:
  - A training course in the internal ethics survey for the HR managers of the various entities and the Ethics Compliance Officers;
  - Training of the network of HSAS (*Harcèlement Sexuel-Agissements sexistes* – Sexual Harassment and Sexist Acts) advocates with the support of specialised external consultants in order to provide better support for victims during local face-to-face sessions (in Gabon (Setrag, Comilog), and Senegal (GCO));
  - Training of all legal officers and site directors in business ethics;
  - Training for the Group's buyers and sales representatives.

In addition, the Ethics and Compliance Officer regularly attends business seminars (sales conferences, purchasing seminars, strategy meetings, internal audit meetings), and meetings of the Division Management Committees and support functions in order to constantly raise awareness about these issues among all Group employees. Thus, in November 2021, at a *Mining and Metals Division Sales Seminar*, the sales representatives, as indicated above, received specific training from the Ethics and Compliance Department and the Ethics and Compliance Officer of the Mining Division (Legal Department).

The Group continues to actively participate in the meetings of professional associations dedicated to business ethics (Transparency International, Cercle de la Compliance, European Business Ethics Forum), and this year maintained its membership of the *Cercle Ethique des Affaires* of which the Ethics and Compliance Officer is a member of management.

Whistleblowing system

The Group's whistleblowing system, improved in June 2020, enables employees and stakeholders to report the following unethical behaviour:

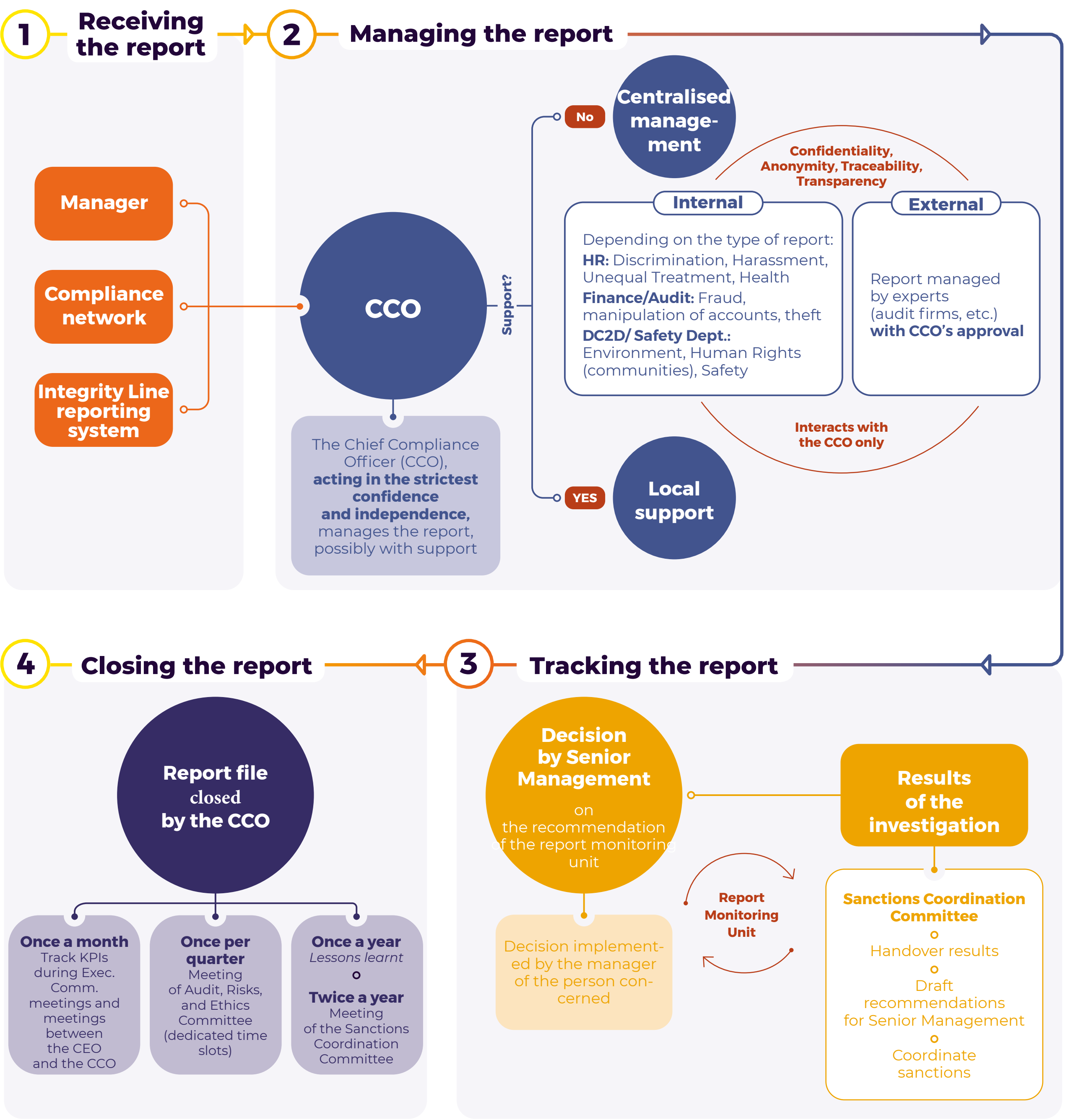
- corruption;
- fraud;
- theft;
- embezzlement;
- forgery of any documents;
- conflicts of interest;
- anticompetitive practices;
- discrimination, unfair treatment, bullying or sexual harassment at work;
- conduct contrary to the Group's policies and standards in relation to health, hygiene, safety at work and protection of the environment;
- serious violations (or risk of serious violations) 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 as well as the Ethics Compliance Managers etc.

They can also, in the event of inaction and/or conflict of interest, notify the Group 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 21 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 21 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



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.

The members of the Monitoring Unit and the person in charge of administering the whistleblowing system have signed an enhanced confidentiality agreement for the processing of these reports.

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.

In June 2021, a communication campaign was rolled out throughout the Group for the first year of the whistleblowing system. At this time, a new poster campaign was implemented and an article reporting the main statistics was published on the intranet site, accompanied by a broadcast on all the Group's screens. It should be noted that at some sites, the display on the screens is permanent.

This communication was accompanied by the establishment of an "Ethics Barometer" to assess the level of employee confidence in the system. The responses received are subject to specific processing.

Many other annual events enable regular communication on the whistleblowing system throughout the Group: for example, on Global Ethics Day at SLN, an event transmitted by the Group, and on International Anti-Corruption Day, coordinated in all the entities by the Ethics Compliance Officers, and in each of the training courses delivered.

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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 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.

6.4.1.4 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 has focused its 2021 actions on training buyers and sales representatives, with a target of 50% as a milestone for the year.

To date, 60% of the target has been achieved.

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 are 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.

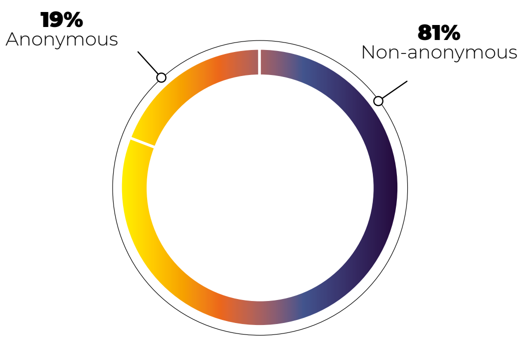
53 reports were received in 2021. 92% were investigated (as the others were not proven or were out of scope) which led to remediation plans and/or disciplinary sanctions (16). Six alerts were made by external stakeholders which had access to the whistleblowing system.

The reports are sent without delay, within an average period of 28 days in 2021.

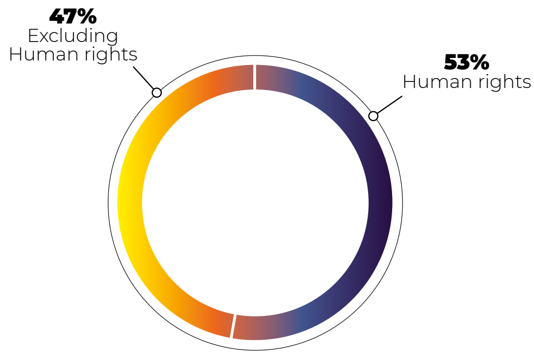
Three KPIs have been requested by the Executive Committee and are subject to specific monitoring to ensure the effectiveness of the system.

In the context of the Ethics Barometer, 82% of employees indicated that they had confidence in the whistleblowing system, which is reflected in our statistics by the substantial majority of non-anonymous reports.

Anonymous reports in 2021



Reports by type in 2021



6.4.2 Responsible value chain

6.4.2.1 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: • the Purchasing Department, which gave rise to the committee, including a Supplier Performance Coordinator with specific responsibility for CSR matters; • the Ethics and Compliance Department; • the Environment and ESG Performance Department; • the Legal Department. 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: • the Sales Departments of the two divisions; • the Ethics and Compliance Department; • the Legal Department; • the Environment and ESG Performance Department. 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: • the Sales Departments of the two divisions; • the Purchasing Department (which coordinates the performance of suppliers); • the Legal Department; • the Ethics and Compliance Department. 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.

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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 subjects of ethics compliance, CSR and export control: it is currently being rolled out in the test phase with certain customers and with new suppliers.

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 6.4.1.2).

Objective	Description
No. 9 **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. 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 60% of buyers and sales representatives.
No. 10 **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. 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. 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.

6.4.2.2 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, in particular, identify those categories of purchases that are both important for the Group and present CSR-related risks. It is on these categories that Eramet focuses, 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 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, the development of targeted action plans and on-site audits are given priority, but Eramet can also decide to terminate the relationship with the supplier when it considers that the situation requires it.

Additional elements relating to this approach are described in the Eramet Group's Vigilance Plan, which is attached to this Universal Registration Document.

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Since the launch of the consolidated programme, more than 500 suppliers and subcontractors identified as at risk, representing 50% of the Group's purchasing expenses in 2021, have been assessed. In late 2021, 82% of the evaluated suppliers were considered compliant with the Group's requirements (63% in 2020). 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, 70 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. At the end of 2021, more than 2,500 ethical queries regarding suppliers had been made in this context, for which the breakdown of the arbitration results is shown below:

Type of opinion	Description	2021
Positive opinion	The business relationship is authorised	2,499
Positive opinion with monitoring	The business relationship is possible with enhanced vigilance measures	31
Opinion pending	The case requires additional in-depth investigations and/or strict supervision of the business relationship	4
Negative opinion	The business relationship is not authorised	2

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.

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.

6.4.2.3 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 6.4.2.1 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 6.4.2.1) which meets every two months. This committee is responsible for monitoring the assessments of third parties involved in the Group's downstream value chain.

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Ethical and CSR assessments are carried out according to a four-level typology (see table below). At year-end 2021, nearly 7,400 customers had been assessed using this procedure since the launch of the programme. As in 2020, 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	2021
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	1%
Negative opinion	The business relationship is not authorised	0.4%

During 2021, the Responsible Sales Committee met 14 times, including seven times within the framework of "ad hoc" committees at the request of the sales teams in order to decide on cases in which risks had potentially been identified. In parallel with these committees, the Ethics Department also received about 15 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.

6.4.2.4 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.

6.4.3 Responsible interest representation

As a global leader in mining and metals extraction and beneficiation (manganese, nickel, mineral sands) and in the preparation and transformation of high value-added alloys (high-speed steel, high-performance steel, superalloys, aluminium alloys, titanium), Eramet meets with public authorities in France, Europe and several non-European countries to draw their attention to its issues and to the issues of the mining and metallurgy sector in France (through the Industry Strategic Committee) and in the countries where its subsidiaries are located.

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.

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 and ESG Performance Department, the Energy Department, the Strategy Department and Site Directors are regularly called upon for various actions: presentation of 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). Since 2020, it has decided to optimise this external representation in order to closely tailor it to the Group's challenges. This optimisation will continue in 2022.

Many members of the Executive Committee and Directors represent the Group on governance and management bodies: such 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 on the international stage, for the International Manganese Institute, the Nickel Institute and the Cobalt 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 – 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), of the Conseil national de l'industrie, is often 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, they focused in particular on continuing to roll out "France Relance", the construction and implementation of reference standards for responsible mining and the acceleration of the decarbonisation of the industry. In order to structure these reflections, an amendment to the sector contract was signed in May 2021 between Christel Bories, the Industry Minister, Agnès Pannier-Runacher, and the Minister for Ecological Transition, Barbara Pompili.

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 2021:

- 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 in progress in 2021, the financial situation of SLN and the request for authorisation to export 2 million tonnes of additional ore have been presented on several occasions to members of government.
- In Argentina, Eramet has been meeting with Argentinian government officials, and French authorities to discuss Argentinian foreign exchange regulation with a view to the development of the Centenario mining project.
- For Indonesia, the development plan for our mining activities on PT Weda Bay Nickel, as well as new projects such as Sonic Bay, have been presented to the Indonesian government.
- 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 Relance" (France stimulus) plan, Eramet and its subsidiaries Aubert & Duval, Erasteel, EcoTitanium, Eramet Ideas and SLN continued to solicit and obtain support in order to contribute to national sovereignty challenges on critical activities and industrial relocation.

Lastly, at European level, the Group has been 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, refining and recycling of energy transition metals. The actions to promote metals essential for the energy transition, nickel, lithium, cobalt and manganese, will continue in 2022, while debates on these subjects are expected to continue for at least a year.

6.4.4 Combating tax evasion

The Eramet Group is a socially responsible corporate citizen. With its Ethics Charter, it notably strives to develop 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 6.4.1).

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).

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). 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.

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.

6.4.5 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) 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 pre-project 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.

6.4.5.1 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 2021, more than 170 km of tracks had been replaced. This pace was maintained in 2021. The purchase of a second tool for laying sleepers was postponed to 2022.

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. Due to the pandemic, only the second follow-up visit could be carried out on site. The first visit was replaced by teleconferences with the various project stakeholders, as well as the sending of documents.

In September 2021, the Meridiam investment fund, specialising in the development and management of infrastructure, acquired 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.

6.4.5.2 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. Once the elements of the project had been clarified, an impact study was developed for the brine extraction project, the production of lithium carbonate and the associated activities: gas pipeline, gas plant, quarries, airport, base camps, etc. It was submitted to the Salta Mines Secretariat in 2016. The project stakeholders were then consulted and it was approved 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 a training centre were then installed in early 2020. Due to the COVID-19 health crisis, the plant construction project was mothballed in April 2020. However, the teams remained mobilised to operate the pilot facility, prepare the conditions for recovery and maintain relations with stakeholders.

Activities to ensure dialogue and support community development were thus continued, according to the priorities decided with local stakeholders. These activities include the revitalisation of quinoa cultivation and animal husbandry support, to promote economic development and fight against malnutrition, or again a plan to develop local skills in partnership with regional training institutions.

The pilot plant and training centre also continued to operate in 2020 and 2021. This made it possible to confirm in real conditions the expected extraction yield and the performance of the process in terms of water consumption.

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. The development of the project has continued in accordance with Eramet's CSR standards.

6.4.5.3 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 establishment of ore washing facilities is still in the engineering phase, scheduled for production start in 2022.

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. The main focus is the chimpanzee – an iconic species, classified as endangered by the international organisation IUCN[1]. The presence of chimpanzees on the site, alongside other species on the IUCN red list, means that specific measures must be put in place. The project has pledged to ensure the absence of net biodiversity loss, for which the feasibility and implementation are detailed in a biodiversity action plan. Avoiding gallery forests (chimpanzee habitats) is a central concern of the project's biodiversity conservation strategy. The mapping of future quarries is the result of collaborative work between environment, biodiversity, mining and engineering representatives of the project and Eramet, and the international specialists and experts of consultants Golder and Biotope. As a result, for the preservation of biodiversity it was decided to leave a significant proportion (more than 15%) of the mining reserves initially identified untouched. Rehabilitation is a major axis of the biodiversity action plan; it is based on the establishment of an on-site nursery and the medium-term involvement of communities in collection and planting activities. For the remaining significant impacts, offset actions have been rolled out in Moanda and Lékédi Park (cf. §6.2.8.5 Lékédi Biodiversity Foundation).

(1) *International Union for the Conservation of Nature.*

6.4.5.4 The Akonolinga project in Cameroon

In December 2019, Eramet launched research studies on the Akonolinga rutiliferous block, located 135 km from Yaoundé in Cameroon.

The block is being explored prior to the feasibility study. The exploration will provide more information about the deposit, consider the extraction techniques and identify sensitive environmental and societal issues. At the end of 2021, it was possible to state the resources and exploration results which totalled more than one million tonnes of rutile content.

In 2021, a pilot unit operated over three months for an initial assessment of the ore recovery process with a preconcentration stage by gravimetric separation carried out in Cameroon. A second stage of electrostatic and magnetic separation was carried out at our GCO site. Other pilot tests are planned for 2022 to optimise its yield and environmental performance.

In accordance with its project management standard, Eramet has performed an environmental and societal framework study at this upstream phase, entrusted to specialists and local experts. The study covered the physical, biological and human environment and makes it possible to effectively prepare the environmental strategy for the next stage of the development project.

In 2019, a committee made up of local representatives was also put in place to ensure information and informed consultation for local populations about the ongoing operations.

Dialogue activities were strengthened in 2021. A first local development programme was set up with, in particular, the rehabilitation of three water points benefiting more than 250 people. The project also launched a major study to strengthen this first programme, in consultation with the Cameroonian authorities and with the support of the HORUS Foundation. The study is based on direct interviews with populations for better knowledge and understanding of the real situation, with an objective of action and contribution to SDG 1 "No Poverty", SDG 2 "Zero Hunger", SDG 3 "Good Health and Well-being", SDG 4 "Quality Education" and SDG 10 "Reduced Inequalities".

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
10 REDUCED INEQUALITIES

6.5 METHODOLOGICAL NOTE

6.5.1 Indicator framework

The purpose of Chapter 6 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.

6.5.2 Reporting scope

The non-financial reporting scope has changed little compared to 2020.

The ADMDT (Wuxi – China), Erasteel Inc. (Boonton – United States), Aubert & Duval TAF (Gennevilliers – France) and Erasteel Stubs (Warrington – United Kingdom) sites were gradually shut down and/or sold off in 2020. In 2021, Eramet North America (Pittsburgh – United States) was closed and Brown Europe (Laval de Cère – France) was sold. The non-financial data from these sites is not included in the consolidated reporting in view of their low contribution at Group level.

The Eramet Group's non-financial reporting covers:

- for the Social aspect (information provided in section 6.3): 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: Sodepal, 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:

- sites whose activity is solely administrative (e.g. sales offices),
- in project or closure phase, as long as no commercial production is carried out,
- 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	x		
	Eramet International German Branch	Frankfurt	x	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
	Aubert & Duval	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
		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			
	Forges de Monplaisir	Saint-Priest	x	x	x	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 Sandouville	Sandouville	x	x	x	x
	Eramet Marketing Services	Paris and Trappes	x	x		
	Eramet Services	Clermont-Ferrand	x			

Country	Legal entity	Site	Social data scope	Safety scope	Environment & Energy scope	Societal
Gabon	Comilog S.A.	Moanda Complexe C2M	x	x	x	x
		Moanda Complexe CIM	x	x	x	x
		Owendo Mineral Port	x	x	x	x
		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		
Italy	Eramet Alloys Italia	Ferrara	x			
Japan	Eramet International	Tokyo	x	x		
Norway	Eramet Norway	Kvinesdal	x	x	x	x
		Sauda	x	x	x	x
		Porsgrunn	x	x	x	x
	TiZir Titanium & Iron (TTI)	Tyssedal	x	x	x	x
	Eralloys Holding		x			
New Caledonia	SLN	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
		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	Erasteel Kloster	Söderfors	x	x	x	x
		Långshyttan	x	x	x	x
		Vikmanshyttan	x	x	x	x
Taiwan	Eramet International	Taipei	x	x		

6.5.3 Collection, consolidation and control of data

Social reporting is based on the Magnitude 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 and energy reporting is based on a dedicated information system, called SAFEE, rolled out on all relevant sites in 2020. 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.

SAFEE contains systems for checking data automatically by comparison with previous years. In addition, the annual site reports issued through this tool 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 2019. Data relating to occupational accidents are cross-checked with the monthly declarations made by the sites to the Safety and Prevention Department via the Group's HSE SharePoint.

In 2021, the SAFEE tool used for the environment and energy also included safety reporting, as well as societal data and data on relations with stakeholders, particularly local communities.

6.5.4 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], 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.
- 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 1.

(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 occupational accidents × 1,000,000)/number of hours worked.

(3) The severity rate of workplace accidents is the number of calendar days not worked after an occupational 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.

6.6 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

For the year ended December 31, 2021

To the shareholders,

In our capacity as Eramet Communications' Statutory Auditors, appointed as an independent third party and accredited by COFRAC under number 3-1080 [(1)] , we hereby present our report on the consolidated statement of non-financial performance for the year ended December 31, 2021 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225- 105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement..

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance..

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 requirements;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of vigilance law and anti-corruption and tax avoidance legislation;
- the compliance of products and services with the applicable regulations.

(1) Whose scope of accreditation is available at www.cofrac.fr

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and in accordance with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process of selecting and validating the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important ;[2]
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of the internal control and risk management procedures implemented by the entity and assessed its data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important [3] , we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities [4] and covers between 11% and 89% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is enough to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(2) **Qualitative information** relating to the chapters: "Ethics, Compliance and Anti-corruption"; "Commitments to host communities"; "ISO 14001 certifications and environmental compliance indicators"; "Emissions reduction"; "Deployment of the ISO 50001 approach and energy efficiency"; "Preservation of biodiversity"; "Employee safety".

(3) **Social information:** Social information: total number of employees and distribution by type of contract and SPC; 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 work accidents with and without lost time; severity rate of work 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; tonnes of channelled dust emitted by industrial facilities; Chemical Oxygen Demand (COD); Ratio of rehabilitated surfaces to cleared surfaces.

(4) Tizir Titanium and Iron (Norway), C2M Comilog (Gabon), Comilog SA (Gabon), Société Le Nickel (New Caledonia), Erasteel Commentry (France).

Means and resources

Our work was carried out by a team of three people between November 2021 and February 2022.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

Neuilly-sur-Seine, 24th March 2022

One of the Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Jean-François Baloteaud	Bertille Crichton
Partner	Partner

APPENDIX: PT WEDA BAY NICKEL MINE AND PLANT IN INDONESIA

Governance

In Indonesia, Weda Bay Nickel entered production in 2020 and ramped up in 2021, as part of a partnership between Eramet (minority shareholder) and the Chinese steel group Tsingshan (the world's leading stainless steel producer).

This partnership aims to produce, 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, three 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.

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 6.5 "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 (WBN and direct subcontractors)	5,064	
SAFETY	TF2	0.1	The number of accidents is very low but their potential severity is very high. The fatal accident in April 2021 involving a haulage subcontractor whose truck overturned against a safety barrier was a sad reminder of this. The safety management system is not yet perfected and must be audited/improved in 2022.
SOCIETAL	Budget for communication actions	USD 1,600,000	
	Share of local employment in workforce (WBN and direct sub-contractors)	92% of Indonesian employees	
ENVIRONMENT	Fuel consumption	39,500m³	
	Coal consumption (production of electricity)	470,000 tonnes	
	Consumption of reducers	564,000 tonnes	
	CO_2 emissions	1,150,000 tonnes	Emissions assigned to Eramet's scope 3 and in proportion to the Group's equity participation in the JV (39%)
	Hazardous solid waste	126.2 tonnes	
	Number of sedimentation ponds on mines	10	Main ponds, monitored daily
	Cleared surface area	350 ha	Total surface area, including fixed installations and mining routes
	Operational cleared surface	246 ha	Mining areas and stockpiles
	Rehabilitated surface area	0	No surface area available for rehabilitation in mining areas and dumps. Normal situation for a mine in start-up. 6ha have been planted, mainly along the sides of the mining roads.

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. In 2022, an assessment will be conducted to determine the success of the operation.
- **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. The first stockpile is currently under construction.
- **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.

Social and societal

- Relations with the five villages in the vicinity of the IWIP Industrial Park on behalf of all companies present in the Park. Despite the public health context, regular discussions have been maintained with representatives from local communities. 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. In 2021, nearly 15% of the workforce of PT Weda Bay Nickel comprised workers from the region (WBN and sub-contractors) and more than 67% of the workforce is Indonesian. 92% of the workforce including sub-contractors are Indonesian.
- With regard to contributory actions, PT WBN participates with PT IWIP to improve local infrastructures in the three villages closest to the site with, notably the construction of a road to open up Lelilef Woebulen, one of the two villages neighbouring the industrial zone, over more than 1 km. The company has also carried out actions in the areas of education (student scholarships and donations of equipment to local schools) and healthcare (donations of equipment to local healthcare posts).

ANNEX : TAXONOMY

The green taxonomy regulations are not yet finalised. Nonetheless, the first data on the taxonomy was published in 2021. The texts released so far cover just two of the six indicators – those related to climate change – and only provide eligibility criteria for a limited range of activities, evaluated and approved to date by the EU Platform. It is therefore hoped that further clarification will be given to make the texts more comprehensible. After analysing the published texts on the green taxonomy, Eramet found that of its activities in 2021, only its Gabonese rail transport company SETRAG was eligible in terms of climate change, for which an assessment criterion has been released.

Meanwhile:

- Ferroalloy activities are classified under NACE code C24.10, which is mentioned explicitly in the two annexes on climate targets. The Platform is, however, still assessing manganese and nickel alloy activities. That said, there is no reason they may not one day join iron, steel and aluminium activities, which are already eligible and can be made compliant. These alloys accounted for about 60% of turnover in 2021.
- Mining activities are not considered eligible for the taxonomy under climate change indicators, as their contribution to those indicators is not judged to be significant. Things may evolve on this front in the light of current and future work on the other indicators. They accounted for around 38% of turnover in 2021.

It should be noted that a significant proportion of Eramet's 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.

On the basis of the perimeters for activities approved by the European Commission to date:

Turnover from eligible activities	2%
Eligible CAPEX	14%
Eligible OPEX	4%

To these may be added:

Investments that are not eligible but contribute to the achievement of other objectives	5%

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 this first financial year, 2021, were extracted from the consolidation system used to draft the Group's consolidated financial statements when the data was directly identifiable. For CAPEX, a further analysis was done of all Eramet subsidiaries, in order to identify the CAPEX generated by individual measures taken in connection with the eligible activities listed in annexes I and II of the delegated acts. For OPEX, which is not significant, an analysis like that performed for CAPEX will be conducted in 2022. As the green taxonomy regulations were published in the course of the 2021 financial year, there are plans under way for an efficient mechanism for extracting information, so that Eramet's future reports can provide comprehensive information on these three indicators.

→ Moanda manganese mine, Comilog, Gabon

ERAMET AND ITS SHAREHOLDERS

7

7.1 COMPANY'S SHARE MARKET

7.1.1 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.

7.1.2 Price trends

Changes to the Eramet share price are correlated to changes in raw material prices, in particular manganese and nickel, and to shifts in the macro-economic environment.

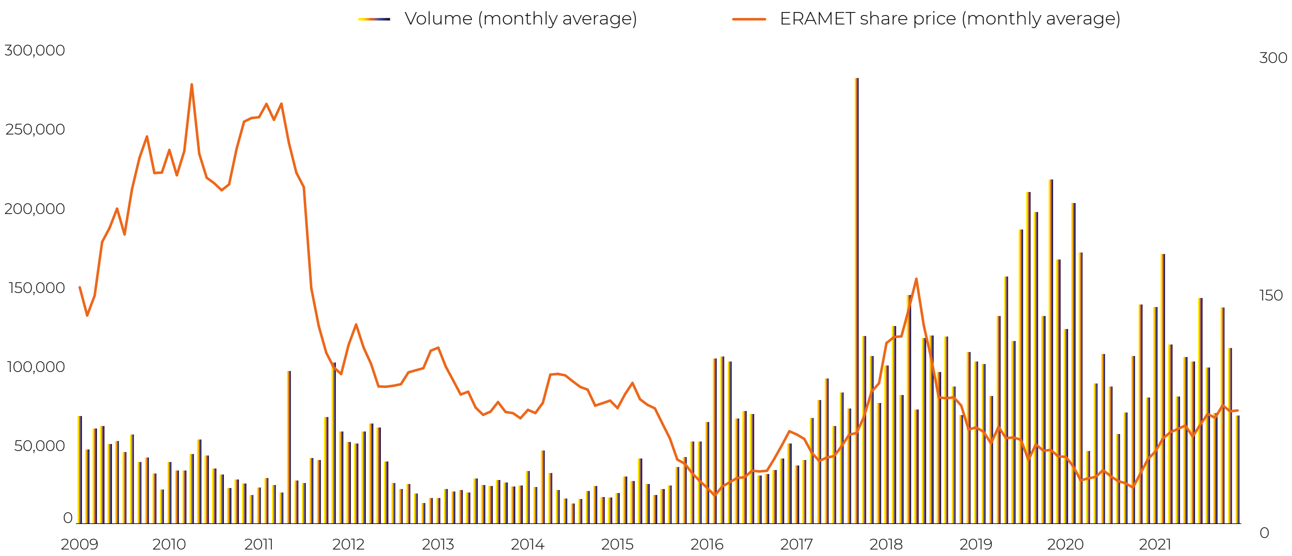
Eramet closed 2021 at €71.95 per share, representing an increase of close to 70% over the year, equating to a market capitalisation of €1.92 billion. After beginning the year on a low – attaining its lowest price (€41.10 per share) on 12 January 2021 – the share price increased progressively over the course of the year, peaking at €86.60 per share on 18 October 2021.

The sharp increase in the Eramet share price during the year reflects the Group's excellent operational performance against a backdrop of global economic recovery and favourable prices, despite continuing uncertainty as new waves of the COVID-19 pandemic emerged throughout the world. Most notably, the Group achieved new production records in its Manganese activities in Gabon, its Nickel activities in Indonesia, and its nickel-ore exports from New Caledonia. The price environment was extremely favourable, considering the shortfall in supply compared to demand, due to operational difficulties in certain producer countries, and strong demand further to the recovery in the global economy, coupled with a growing demand for electric-vehicle batteries. As such, manganese alloy prices increased significantly (by close to 80% for *medium carbon ferromanganese* in Europe [1], and by more than 50% for silicomanganese in Europe [1]). Finally, the strategic operations announced by the Group, such as the sale of the Sandouville plant (July) and the resumption of construction work at the lithium (a critical metal for the energy transition process) plant in Argentina (November), were very well received by the market.

Traded volumes were up 5% compared to 2020, attaining a total of 28,518,899 shares, with an average of 110,538 shares traded per session (as opposed to 106,034 shares per session in 2020). The first quarter of 2021 was the most dynamic, with an average of 138,680 shares traded per session, whereas the following three quarters saw an average of around 100,000 shares traded per session.

Trends in volumes and the Eramet share price

Volume *(in thousands of shares / price in euros)*



(1) *Average monthly price according to the CRU spot-price index.*

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	*(€ million)*	*(daily ave.)*
2008	669.98	96.06	138.00	3,618	52,945
2009	272.30	108.00	220.75	5,821	47,589
2010	298.40	193.70	256.50	6,801	33,419
2011	276.65	80.05	94.50	2,505	46,402
2012	139.90	75.95	110.95	2,944	36,742
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

	Share prices *(in euros)*			Volume (× 1,000)
2021	Lowest	Highest	Mean (close)	*(daily ave.)*
January	41.06	49.97	45.53	136.9
February	44.65	66.68	53.79	170.1
March	52.00	65.54	57.72	113.0
April	55.85	64.00	59.80	80.3
May	55.50	69.55	61.97	105.3
June	47.48	62.00	55.02	102.4
July	54.60	74.85	62.51	142.5
August	64.55	76.50	69.28	98.3
September	62.20	69.90	66.83	69.8
October	60.20	86.60	74.80	136.5
November	65.70	76.85	70.95	110.9
December	68.40	76.30	71.51	68.3

7.1.3 Share service

The Company's share register is maintained by:

- BNP Paribas Securities Services
  GCT – Issuer Services
  Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex

The implementation of the liquidity agreement was entrusted to Exane BNP Paribas.

7.2 SHARE CAPITAL

7.2.1 Subscribed capital

7.2.1.1 Representative amount and shares

The share capital, as of 31 December 2021, 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.

7.2.1.2 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.

7.2.1.3 Subscribed capital not yet paid

None.

7.2.2 Securities not representing capital

7.2.2.1 Founders' shares, voting certificates

None.

7.2.2.2. Potential capital

As at 19 November 2021 – the redemption date for the ODIRNANs issued by the Company on 5 October 2016 – potential capital no longer exists.

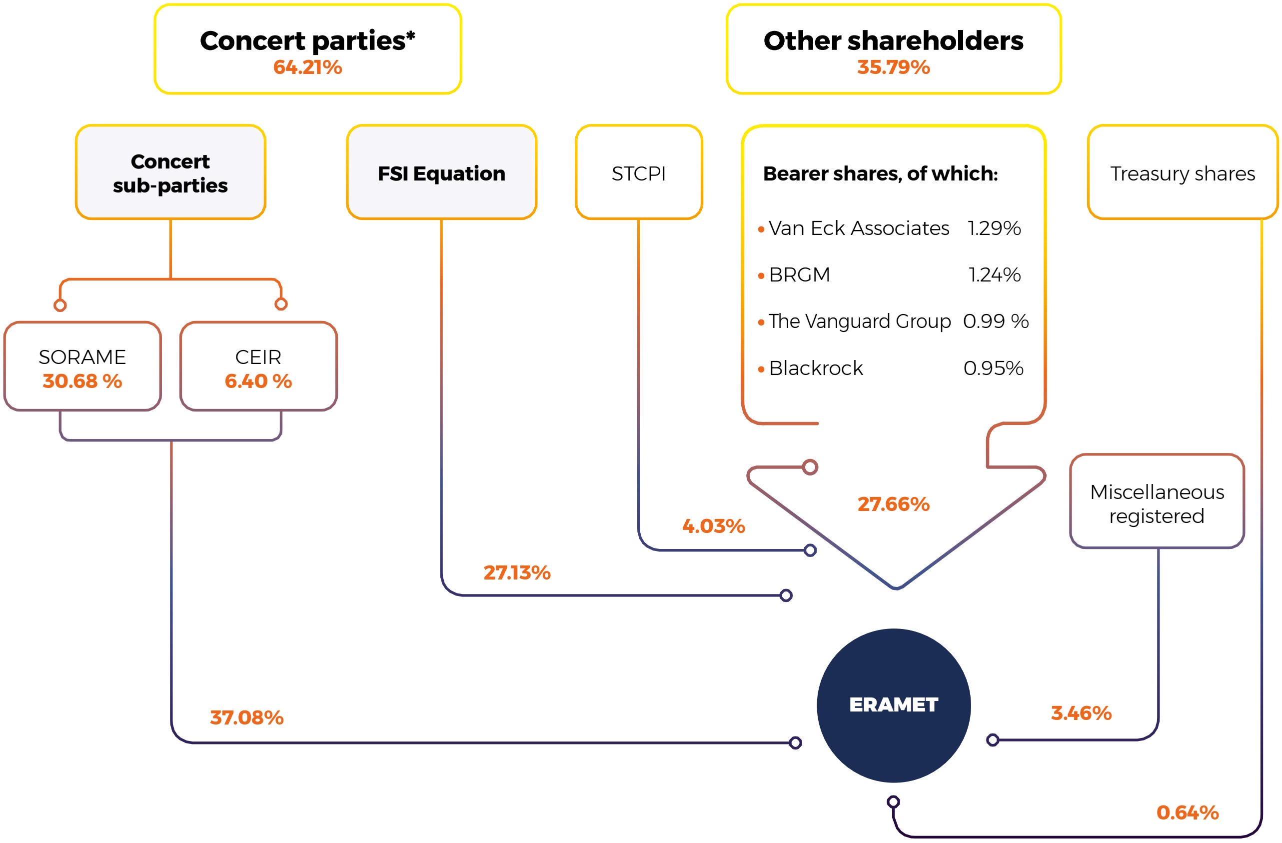
7.2.3 Recent changes in share capital and its distribution

Since the close of the financial year, the Company has not been informed of any significant change in shareholding.

7.2.4 Distribution of share capital

7.2.4.1 Control organisation chart

Shareholders of the Company as at 31 December 2021 *(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.*

7.2.4.2 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 Shareholders' 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%**	**3,511,3215**	**74.19%**	**33,352,571**	**70.75%**
STCPI	11,599,94	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%	16.69%	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 general 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.

7.2.4.3 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 Shareholders' 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	9051	not significant	16,335	not significant	16,335	not significant
Eramet treasury shares	165,188	0.62%	16,5188	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%**	**4,5106,525**	**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 general 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.

7.2.4.4 As at 31 December 2019 (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 Shareholders' Meeting	Percentage of voting rights exercisable at Shareholders' Meeting
Sorame[(1)]	8,051,838	30.23%	16,103,676	35.85%	16,103,676	35.99%
CEIR[(1)]	1,788,305	6.71%	3,572,301	7.95%	3,572,301	7.98%
Total for the Sorame/ CEIR subgroup[(1)]	**9,840,143**	**36.94%**	**19,675,977**	**43.80%**	**19,675,977**	**43.97%**
FSI Equation (held by the French State) [(1)]	6,810,317	25.57%	1,3620,634	30.32%	1,3620,634	30.44%
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**	**74.12%**	**33,296,811**	**74.41%**
Norges Bank[(2)]	373,706	1.40%	373,706	0.83%	373,706	0.84%
Dimensional Fund Advisors lp[(2)]	391,591	1.47%	391,591	0.87%	391,591	0.88%
STCPI	1,070,587	4.02%	2,141,174	4.77%	2,141,174	4.79%
BRGM[(2)]	356,044	1.34%	3,56,044	0.79%	356,044	0.80%
Employees (Eramet share fund)[(3)]	260,005	0.98%	312,378	0.70%	312,378	0.70%
Corporate officers	9,051	not significant	163,35	not significant	16,335	not significant
Eramet treasury shares	176,562	0.66%	176,562	0.39%	0	0.00%
Other	7,347,894	27.62%	7,858,007	17.53%	7,858,007	17.60%
TOTAL SHARES	**26,636,000**	**100.00%**	**4,4922,608**	**100.00%**	**44,746,046**	**100.00%**
Total Registered Shares	**18,706,172**	**70.23%**	**36,942,189**	**82.24%**	**36,765,627**	**82.17%**
Total Bearer Shares	**7,929,828**	**29.77%**	**7,929,828**	**17.65%**	**7,929,828**	**17.72%**

(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 general meeting subsequent to the entry into force of the law, i.e. from 8 August 2015. As at 31 December 2019, there were 260,005 shares answering this definition.

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.

7.2.4.5 Foreseeable changes to voting rights

At 31 December 2021, 2,096,548 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 41,338,784, to which the simple voting rights of the bearer shares should be added i.e. 7,952,401 additional rights as of 31 December 2021.

7.2.5 Stock option plans and bonus shares

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 mentioned above.

The bonus shares allocated, including details of the granted plans that were still open on 31 December 2021, are presented in the notes to Eramet's consolidated financial statements herein, and are existing shares. There are no other stock-option plans in force.

7.2.6 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 (18th resolution)
Maximum total number	700,000 shares
Duration of authorisation	38 months until 28/07/2024
Used in 2021	20089
Available balance	679,977

No other authorisations of a financial nature were granted by the General Shareholders' Meeting.

7.2.7 Description of the share buyback programme

7.2.7.1 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 2021.

	Total number of shares	Market making(1)	Grants to employees	Total
Position at 1 January 2020		**79,433**	**97,129**	**176,562**
As a percentage of capital	*26,636,000*	*0.30%*	*0.36%*	*0.66%*
Buyback mandate			131,625	131,625
Final allocation of bonus shares			(119,197)	(119,197)
Purchases/sales		(23,802)		(23,802)
Position at 31 December 2020		**55,631**	**109,567**	**165,188**
As a percentage of capital	*26,635,005*	*0.21%*	*0.41%*	*0.662%*
Buyback mandate			113,000	113,000
Final allocation of bonus shares			(89,303)	(89,303)
Purchases/sales(1)		(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%*

(1) Liquidity agreement signed with Exane BNP Paribas.

The book value of the portfolio of 183,413 shares with a nominal value of €3.05 per share, held as at 31 December 2021, amounted to €18,882,050.51, with a market value, on the same date, of €71.95 per share, or €13,196,565.35.

The Company did not use derivatives during the year.

No Group company holds shares in the parent company Eramet.

7.2.7.2 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.

7.2.8 Description of the 2022 buyback programme

7.2.8.1 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 General Shareholders' Meeting of 31 May 2022, meeting the quorum and majority requirements in ordinary matters.

7.2.8.2 Breakdown by equity securities objectives held by the Company

As at 31 December 2021, the 183,413 treasury shares held by the Company were distributed as follows by objective:

- market maker (liquidity agreements): 50,159 shares;
- allocation to employees: 133,254 shares.

7.2.8.3 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 participation 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.

7.2.8.4 Maximum number of shares to be purchased and maximum cash amount allocated to the programme

10% of the share capital as at 31 December 2021, or 2,875,504 shares, before deducting the treasury shares held by the Company.

The Eramet shares are listed on Euronext Paris (ISIN code: FR0000131757).

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.

7.2.8.5 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.

7.2.8.6 Duration of the buyback programme

The validity of the programme is limited to a period ending with the General Shareholders' Meeting convened to approve the financial statements for 2022.

7.3 INFORMATION ABOUT THE COMPANY

7.3.1 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”.

7.3.2 Registration number of the Company – LEI

The Company is registered in the Paris Trade and Companies Register under the No. 632 045 381 and under the SIRET No. 632 045 381 000 27. Its industry is the research and exploitation of mineral deposits of all kinds, the metallurgy of all metals and alloys, and their trading.

LEI 549300LUH78PG2MP6N64.

7.3.3 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.

7.3.4 Headquarters (Article 4 of the Articles of Association)

10, boulevard de Grenelle

75015 Paris

Telephone: + 33 (0)1 45 38 42 42

Website: www.eramet.com

(The information on the website is not part of the prospectus, unless it is referenced therein).

7.3.5 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.

7.3.6 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.

7.3.7 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 participation 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 participations, 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

7.3.8 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.

7.3.9 General Shareholders' Meeting

7.3.9.1 Convocation and conditions for admission (Articles 20 to 22 of the Articles of Association)

Composition

The General Shareholders' Meeting is composed of all the shareholders of the Company, regardless of their number of shares.

Convocation

The General 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.

7.3.9.2 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 General 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 General Shareholders' Meeting, by the bare owner at the Extraordinary General 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.

7.3.10 Transmission 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.

7.3.11 Identification of shareholders

7.3.11.1 Crossing thresholds 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 participation 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 General 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.

7.3.11.2. 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.

7.3.12 Publicly made declarations of threshold crossing

Date	AMF Decision No.	Subject
03/08/1999	199C1045	Declaration of threshold crossing (ERAP – CEIR – Sorame). Declaration of intent. Appointment of five people qualified as directors. Reminder: exemption from the obligation to file a public tender offer.
29/12/1999	199C2064	Declaration of threshold crossing. Cogema replaces ERAP.
30/12/1999	199C2068	Declaration of threshold crossing. AFD replaces ERAP.
25/07/2001	199C0921	Draft amendment to the Shareholders' Agreement: reclassification of Eramet shares held by Cogema at CEA Industrie.
12/09/2001	201C1140	Declaration of threshold crossing. Amendment to the Shareholders' Agreement following the substitution of Cogema by AREVA.
20/12/2004	204C1559	Declaration of threshold crossing and declaration of intent. Substitution of Maaldrift BV by Carlo Tassara International.
14/02/2006	206C0296	Declaration of threshold crossing upwards to 5.0034% of capital and 2.98% of voting rights by M & G Investment Management Limited.
17/01/2007	207C0134	Declaration of threshold crossing upwards to 13.16% of capital and 7.74% of voting rights and declaration of intent by Carlo Tassara France.
18/01/2007	207C0137	Declaration of threshold crossing downwards (0%) by Carlo Tassara International.
24/07/2007	207C1569	Declaration of threshold crossing downwards to 4.14% of capital and 4.81% of the voting rights of STCPI.
30/05/2008	208C1042	Amendment to the Shareholders' Agreement (CEIR-Sorame-AREVA) of 17/06/99
03/06/2008	208C1083	Declaration of threshold crossing downwards to 4.95% of capital and 2.93% of the voting rights of M & G Investment Management Limited.
21/07/2009	209C1013	Amendment to the Sorame-CEIR Agreement of 19/07/99
20/03/2012	212C0416	Declaration of threshold crossing upwards and then downwards (4.92% of capital and 2.94% of voting rights) by BlackRock Inc.
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 SAS
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.

7.3.13 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.

7.3.13.1 Loans

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.

7.4 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 30 November 2020 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, 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 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.

7.4.1 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 General Shareholders' Meeting to be held in 2025 is called to approve the financial statements for the financial year 2024.

7.4.2 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 SA, 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.

7.4.3 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 SA, 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.

7.4.4 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 General 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 participation 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.

(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.

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.

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 participation 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.

7.4.5 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 General 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 participation 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 General 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.

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GENERAL SHAREHOLDERS' MEETING

8

8.1 EXPLANATORY STATEMENT AND TEXT OF DRAFT RESOLUTIONS

Within the Authority of the Ordinary Shareholders' Meeting

Resolutions 1 and 2 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

(2021 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 annual financial statements for the financial year ended 31 December 2021, approves said annual financial statements as presented to it, and the transactions translated in these financial statements or summarised in these reports.

Second resolution

(2021 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 2021, approves the said consolidated financial statements as presented to it, and the transactions translated in these financial statements or summarised in these reports.

In **resolution 3** 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

(Regulated agreements)

The General 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 **resolutions 4 and 5** is to propose, to the Shareholders' Meeting, the appropriation of net income for the 2021 financial year. This appropriation concerns an allocation to the legal reserve at its maximum of 10% of new share capital and the distribution of a dividend of €2.50 per share.

Fourth resolution

(Appropriation of income)

The General Shareholders' Meeting, acting with the quorum required for ordinary shareholders' meetings,

- recognises that the net income for the financial year ended is €330,922,909.94;
- added to which are -€614,690,311.74 in losses brought forward at 31 December 2021.

The General Shareholders' Meeting resolves to allocate the net income for the prior financial year to retained earnings which will then total -€283,767,401.80.

Fifth resolution

(Allocation of the legal reserve and distribution of dividends)

The General Shareholders' Meeting, acting with the quorum required for ordinary shareholders' meetings,

- notes that the "Other reserves" total €253,839,152.97 and resolves:
  - to appropriate €646,309.34 to the "Legal reserve" so that it reaches 10% of the new share capital,
  - to distribute a dividend of €2.50 per share, which, for the 28,755,047 shares that make up the share capital as at 31 December 2021, equals €71,887,617.50.

The "Other reserves" are therefore decreased to €181,305,226.13.

The ex-dividend date will be 3 June 2022. The *record date* will be set at 6 June 2022. The dividend will be paid beginning on 7 June 2022.

The General 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:

	2018	2019	2020	2021
Number of shares compensated	26,635,884	26,636,000	26,636,005	28,755,047
Dividend *(in euros)*	0	0	0	2.50

"Say on pay ex ante"

Pursuant to the provisions of Article L. 22-10-8 paragraph II (formerly numbered L.225-37-2) and Article R. 22-10-14 (formerly numbered R.225-29-1) of the French Commercial Code, the General Shareholders' Meeting is called to approve in **resolution 6**, the remuneration policy applicable to the members of the Board of Directors, and in **resolution 7**, the remuneration policy applicable to Ms Christel Bories, Chairperson and Chief Executive Officer. These items appear in the 2021 Universal Registration Document "Corporate governance report".

In accordance with the wording of Article L. 22-10-8, the approval of the General Shareholders' Meeting is required every year and upon each material change to the remuneration policy. If the General 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 General Shareholders' Meeting for approval. In the absence of a previously approved compensation policy, if the General 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 (formerly numbered L.225-37-3) paragraph I of the French Commercial Code, the General Shareholders' Meeting is called to approve in **resolution 8** the information mentioned in Article L. 22-10-9 paragraph I of the French Commercial Code. These items appear in the 2021 Universal Registration Document "Corporate governance report". Pursuant to the provisions of Article L. 22-10-34 (formerly numbered as paragraph III of Article L.225-100) of the French Commercial Code, the General Shareholders' Meeting is called to approve in **resolution 9**, 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 Ms Christel Bories, Chairperson and Chief Executive Officer in respect of the 2021 financial year. These items appear in the 2021 Universal Registration Document "Corporate governance report".

Sixth 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 (formerly numbered L. 225-37-2) and of Article R. 22-10-14 (formerly numbered R. 225-29-1) of the French Commercial Code, the General 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 2021 Universal Registration Document, section "Corporate governance report", paragraph 4.2.1.2.2.

Seventh resolution

(Approval of the remuneration policy applicable to Ms Christel Bories, Chairperson and Chief Executive Officer – "*say on pay ex ante* ")

Pursuant to the provisions of Article L. 22-10-8 (formerly numbered L. 225-37-2) and of Article R. 22-10-14 (formerly numbered R. 225-29-1) of the French Commercial Code, the General Shareholders' Meeting, acting with the quorum and majority required for ordinary shareholders' meetings, approves the remuneration policy applicable to Ms Christel Bories, Chairwoman 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 2021 Universal Registration Document, section "Corporate governance report", paragraph 4.2.1.2.1.

Eighth 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 (formerly numbered L.225-37-3) paragraph I and of Article L. 22-10-34 (formerly numbered paragraph II of Article L.225-100) of the French Commercial Code, the General 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 (formerly numbered L. 225-37-3) 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 2021 Universal Registration Document, section "Corporate governance report", paragraphs 4.2.2.1 and 4.2.2.2.

Ninth 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 2021 financial year to Ms Christel Bories, Chairperson and Chief Executive Officer – "*say on pay ex post*")

Pursuant to the provisions of Article L. 22-10-34 (formerly numbered paragraph III of Article L.225-100) of the French Commercial Code, the General 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 2021 financial year to Ms Christel Bories, Chairwoman 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 2021 Universal Registration Document, section "Corporate governance report", paragraph 4.2.2.3

The purpose of **resolution 10**, in the context of the provisions of Article L. 22-10-62 (formerly numbered L. 225-209) of the French Commercial Code, is to request authorisation from the General 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.

Tenth resolution

(Authorisation to act on the Company's shares)

The General 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 (formerly numbered L. 225-209) 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;
- 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 employees with respect to their participation 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;
- their cancellation, 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 General Shareholders' Meeting called to approve the financial statements for 2022.

On the basis of the number of shares comprising the share capital at **31 December 2021**, 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.

Resolution 11 allows the formalities involved in implementing the other resolutions voted by the General Shareholders' Meeting to be fulfilled.

Eleventh resolution

(Powers)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary shareholders' 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.

→ Népoui mine, SLN,
New Caledonia

ADDITIONAL INFORMATION

9

9.1. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

9.1.1. Name and status of officials

Christel Bories

Chairperson and CEO of Eramet.

Thomas Devedjian

Executive Vice President in charge of Finance, Information Systems and Group Purchasing

9.1.2. 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 Chapters 1 "Integrated Report", 2 "Activities", 3. "Financial Statements", 4 "Corporate governance", 5 "Risk management", 6 "Non-financial performance statement", and 7 "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 4 April 2022

Thomas Devedjian

Executive Vice President in charge of Finance, Information Systems and Group Purchasing

Christel Bories

Chairperson and CEO

9.2. STATUTORY AUDITORS

The Company's corporate and consolidated financial statements are audited by the Auditors listed below:

9.2.1. 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: General Shareholders' Meeting of 28 May 2021.

Term expiry date: General Shareholders' Meeting called in 2027 to approve the 2026 financial statements.

KPMG SA

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: General Shareholders' Meeting of 29 May 2015.

Renewal date: General Shareholders' Meeting of 28 May 2021

Term expiry date: General Shareholders' Meeting called in 2027 to approve the 2026 financial statements.

9.3. FINANCIAL INFORMATION – AVAILABLE DOCUMENTS

9.3.1. Name of Information Officer

Head:	Sandrine Nourry-Dabi
Position:	Director of Investor Relations
Address:	Eramet
	10, boulevard de Grenelle – CS 63205
	75015 Paris
	Telephone: +33 (0) 1 45 38 37 02

9.3.2. 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.

9.4. 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		
2	Consolidated financial statements	3.1	102 to 186
3	Auditors' Report on the consolidated financial statements	3.1	102 to 186
4	Financial statements of the parent company	3.2	187 to 221
5	Auditors' report on the annual financial statements	3.2	187 to 221
6	Management report	See management report reconciliation table	438 to 439
7	Fees of the Statutory Auditors	Consolidated financial statements (Note 16)	177
8	Report by the Board of Directors on Corporate Governance attached to the management report	Chapter 4	226 to 274

9.5. MANAGEMENT REPORT RECONCILIATION TABLE

The reconciliation table below identifies the main sections required by the French Commercial Code, the French Monetary and Financial Code, the French General Tax Code and the AMF's General Regulations.

Activity	Reference(s)	Pages
Major events after the reporting date	Note 17 – Consolidated financial statements	177
Foreseeable outlook	Integrated Report (Outlook)	41
Results of subsidiaries and companies controlled, by areas of activity	2.1.1.1; 2.1.2.1; 2.1.3.1; 2.1.4.1; 2.3.1	44;56;67;73;94
Research and development	2.4	92 to 95
Description of the main risks and uncertainties	Chapter 5	277 to 290
Group policy on the management of financial risks, exposure to price, credit, liquidity and cash risk	3.1 – note 8	135
Analysis of business developments, results and the financial position of the Company in the course of the year	Integrated Report	38 to 40
Stakes or controlling interests in companies based in France	3.1 – note 18	177 to 180
Information on supplier payment terms	3.2	221
Table of the financial results of the Company over the past five years	3.2	220
Reincorporation of general costs and sumptuary expenses	not applicable	
LEGAL INFORMATION AND INFORMATION CONCERNING SHAREHOLDER STRUCTURE		
Sum of dividends paid out over the last three financial years	Chapter 8 - (5th resolution)	430
Identity of shareholders with more than 5% of equity	7.2.4.2	412
Employee shares held on the last day of the year	7.2.4.2	412
Information on share buybacks during the year – treasury shares	7.2.7.1	415
Table summarising valid authorisations granted to the Board by the General Shareholders' Meeting concerning share capital increases, and the use made of these authorisations during the year	7.2.6	415
Elements likely to have an impact in the event of a public offer	7.3.13	422
INFORMATION CONCERNING CORPORATE OFFICERS		
Terms and functions of members of the Board of Directors and General Management	4.1.1.2	227 to 244
Total remuneration and any benefits granted to each corporate officer	4.2.2	262 to 274
INFORMATION PROVIDED FOR IN ARTICLES L. 225-102-1-II AND L. 22-10-36 OF THE FRENCH COMMERCIAL CODE – NON-FINANCIAL PERFORMANCE DECLARATION		
1/ The Group's CSR issues and approaches	**6.1**	**294 to 301**
2/ Environmental protection	**6.2**	**301 to 306**
Challenges, policies, objectives, organisation and resources for the prevention of environmental risks	6.2.1	301 to 305
ISO 14001 certification and environmental compliance indicators	6.2.2	306
Emissions reduction (air emissions, water emissions, site remediation/restoration)	6.2.3	307 to 309
Circular economy (waste, beneficiation of raw materials)	6.2.4	310 to 312
Optimisation of water consumption	6.2.5	313 to 314
Fight against climate change	6.2.6	314 to 326
Environmental protection at mining sites (water management, tailings and waste management, rehabilitation)	6.2.7	327 to 333
Preservation of biodiversity	6.2.8	334 to 341
Responsibility for chemicals	6.2.9	341 to 342

3/ Social and societal commitments	**6.3**	**342 to 379**
Commitments to human rights	6.3.1	342 to 344
Social commitments to employees	6.3.2	345 to 368
Employee safety	6.3.2.1	346 to 349
Employee health	6.3.2.2	349 to 351
Employee security	6.3.2.3	352 to 353
Promotion and development of employees	6.3.2.4	353 to 363
Social indicators	6.3.2.5	364 to 368
Commitments to communities	6.3.3	368 to 379
Impact management and risk prevention for local communities	6.3.3.2	370 to 372
Dialogue with local communities	6.3.3.3	373 to 376
Contribution to the development priorities of communities	6.3.3.4	375 to 379
4/ Business ethics	**6.4**	**380 to 395**
Ethics, Compliance and Anti-Corruption	6.4.1	380 to 381
Responsible value chain (purchasing, sales)	6.4.2	387 to 390
Responsible interest representation	6.4.3	391
Combating tax evasion	6.4.4	392
Governance of the Sustainable Development of industrial and mining projects	6.4.5	393

9.6. CORPORATE GOVERNANCE REPORT RECONCILIATION TABLE

Activities	Reference(s)	Pages
Corporate officers' terms of office and functions – start and expiry dates of directors' terms of office	4.1.1.2	227 to 244
Agreements between a corporate officer or shareholder holding more than 10% of the voting rights and a subsidiary (excluding current agreements)	3.2 (Statutory auditors' special report)	217
Summary of financial authorisations	7.2.6	415
Terms of exercise of General Management	4.1.5.2	252
Composition of the Board and its Committees and conditions for preparing and organising their work	4.1.1.2; 4.1.2.1; 4.1.2.3	227 to 244; 245; 247 to 249
Number of meetings of the Board and its Committees and directors' attendance	4.1.2.3	247
Assessment of the Board of Directors	4.1.2.4	249
Independence of directors	4.1.2.2	246 to 247
Diversity policy applicable to members of the Board of Directors	4.1.2.2	246 to 247
Limitations to the powers of the Chief Executive Officer	4.1.5.3	252
Standard corporate governance code	4.1.2.2 (1st paragraph)	246
Special provisions concerning the shareholders' attendance at the General Shareholders' Meeting	4.1.6.3	253
Procedures for assessing current agreements concluded under normal conditions	4.1.6.1	253
Remuneration policy for corporate officers (*ex ante* vote)	4.2.1	254 to 262
Compensation and benefits paid in the past financial year (*ex post* vote)	4.2.2	262 to 274
Relative proportion of fixed and variable remuneration	4.2.2.1.1 (last paragraphe)	264
Return of variable compensation	4.2.2.1.1 (footer)	262
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	3.2 (Statutory auditors' special report)	217
Obligation for corporate officers to keep stock options or bonus shares	4.2.1.2.1 b (iii)	259
Remuneration differences (ratios) between corporate officers and employees	4.2.2.1.2	264
Annual changes in remuneration over the last five financial years	4.2.2.1.2	264
Compliance with the applicable remuneration policy	4.2.2.1.4; 4.2.2.2.3	265
Consideration of the vote of the last Ordinary General Shareholders' Meeting on the remuneration policy (*ex ante* vote)	4.2.2.1.3; 4.2.2.2.2	265
Deviation and exemption from the remuneration policy implementation procedure	4.2.2.1.4; 4.2.2.2.3	265
Suspension/restoration of directors' remuneration for lack of gender diversity	4.2.2.1.5; 4.2.2.2.4	265
Composition of shareholding structure and changes during the year	7.2.4.2	412
Table summarising valid authorisations concerning share capital increases and the use made of these authorisations during the year	7.2.7.1	415
Statutory restrictions on the exercise of voting rights and share transfers, or clauses in known agreements	7.3.11	420
Shareholdings in the Company's capital	7.2.4.2	412
Holders of securities with special control rights	N/A	
Control mechanisms provided for in an employee shareholding system	N/A	
Agreements between shareholders	7.4	422 to 426
Rules governing the appointment/replacement of Board members – amendments to the articles of association	7.4	422 to 426
Powers of the Board	4.1.5.3	252
Agreements amended/terminated in the event of a change in control	7.3.13	422
Information that is likely to have an impact in the event of a public offer	7.3.13	422

9.7. RECONCILIATION TABLE WITH EUROPEAN REGULATION (EU) 2017/1129

The following reconciliation table identifies the main sections required under Annexes 1 and 2 of European Regulation No. 2019/980 of 14 March 2019, implementing Regulation (EU) 2017/1129, known as the "Prospectus" directive.

Chapter	Information	Reference(s)	Pages
1	**Persons responsible**		
1.1	Identification of persons responsible	9.1	436
1.2	Statement of responsible persons	9.1	436
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	9.2	436
2.2	Changes	9.2	436
3	**Risk factors**	**Chapter 5**	**277 to 290**
4	**Information concerning the issuer**		
4.1	Company name	7.3.1	417
4.2	Place of registration, registration number, LEI	7.3.2	417
4.3	Date of incorporation and duration of the Company	7.3.3	417
4.4	Registered office, legal form, legislation governing the Company's activities, country of incorporation, address of statutory head office, website	7.3.4; 7.3.5	417
5	**Business overview**		
5.1	Main activities	Integrated Report	14 to 21
5.1.1	Main products sold or services provided	Integrated Report	14 to 21
5.1.2	Any major new product or service under development or recently launched	Integrated Report	14 to 21
5.2	Main markets (with total revenues broken down by activity type and geographic market for each financial year)	3.1 (note 4)	116 to 120
5.3	Important events in the development of the issuer's activities	3.1 (note 2)	109 to 110
5.4	Strategy and objectives (both financial and otherwise), taking account of prospects and future challenges	Integrated Report	28 to 31
5.5	Dependence on patents or licences, or industrial, commercial or financial agreements, if this impacts the issuer's activities or profitability	2.2.1 legal titles	75 to 77
5.6	Information upon which any declaration by the issuer concerning their competitive position is based	2.1.1.2.3; 2.1.2.2.3; 2.1.3.2.1; 2.3.3.1	46 to 49; 59 to 61; 68 to 69; 90
5.7	Investments		
5.7.1	Description and amount of important investments	2.1.1.3.3; 2.1.2.3.3; 2.1.3.4; 2.3.3.3	55; 66; 73; 91
5.7.2	Description of current investments and how they have been financed (internal or external sources of funding)	2.1.1.3.3; 2.1.2.3.3; 2.1.3.4; 2.3.3.3	55; 66; 73; 91
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	13
5.7.4	Environmental issues which may have a bearing on the use of Company property, plant and equipment	6.2.5	313 to 314
6	**Organisational structure**		

Chapter	Information	Reference(s)	Pages
6.1	Brief overview of the Group to which the issuer belongs (organisation chart)	Integrated Report	13
6.2	List of important subsidiaries	Report	13
7	**Review of financial position and results**		
7.1	Financial position		
7.1.1	Review of shifts in activities and key indicators	Integrated Report	8 to 9; 38 to 40
7.1.2	Probable future shifts in Company activities	Integrated Report	43
	R&D	2.4	92 to 95
7.2	Operating revenue		
7.2.1	Important factors influencing the operating revenue	Integrated	38 to 40
7.2.2	Explanations for major changes in turnover or net revenue	Integrated Report	38 to 40
8	**Cash and equity**		
8.1	Short- and long-term capital	3.1 (note 7)	125 to 134
8.2	Cash Flow	3.1 (table N°3) 3.1 (note 7)	104
8.3	Funding requirements and structure	3.1 (note 7)	125 to 134
8.4	Potential restrictions on capital use	3.1 (note 7)	124 to 134
8.5	Sources of financing	3.1 (note 7)	125 to 134
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	2.2.1 legal titles	75 to 77
10	**Information on trends**		
10.1	Trends affecting production, sales and costs between year's end and the document date	Integrated Report	22 to 23
10.2	Any likely influencing factor	Integrated Report	22 to 23
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	4.1.1.2	227 to 244
12.2	Conflicts of interest	4.1.2	245
13	**Compensation and benefits**		
13.1	Compensation	4.2	254 to 274
13.2	Pensions, retirement or other benefits	4.2.1.2.1	256 to 261
14	**Functioning of the administrative and management bodies**		
14.1	Date of expiry of mandates	4.1.1.2	227 to 244
14.2	Service contracts	N/A	
14.3	Committees (composition and duties)	4.1.2.1; 4.1.2.3	245; 247
14.4	Declaration on corporate governance	4.1.2.2	246 to 247
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	

Chapter	Information	Reference(s)	Pages
15	**Employees**		
15.1	Employee information	6.3.2.5	364
15.2	Profit-sharing and options to subscribe shares held by the administrative and management bodies	4.1.1.2	227 to 244
15.3	Employee sharing in the issuer's capital	7.2.4.2	412
16	**Major shareholders**		
16.1	Overview of shareholding	7.2.4.2	412
16.2	Voting rights	7.2.4.2	412
16.3	Ownership and control of issuer	7.2.4.2	412
16.4	Agreements related to control	7.4	422 to 426
17	**Related-party transactions**	**3.1 (note 14)**	**173 to 174**
18	**Financial information concerning assets and liabilities, financial position and issuer's results**		
18.1	History of financial information	3.3	222
18.2	Intermediary financial information and other	N/A	
18.3	History of annual financial information audits	3.3	222
18.4	Pro-forma financial information	N/A	
18.5	Dividend distribution policy	3.4	222 to 223
18.6	Judicial and arbitration proceedings	3.1 (note 15.5)	176
18.7	Significant alteration of financial position	N/A	
19	**Additional information**		
19.1	Share capital		
19.1.1	Subscribed capital	7.2.1	410
19.1.2	Other non-equity shares	N/A	
19.1.3	Treasury shares	7.2.7.1	415
19.1.4	Convertible or exchangeable securities, or securities with subscription warrants	7.2.2.2	410
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	7.4	422 to 426
19.1.7	Share capital history for the financial year	7.2.4.2	412
19.2	Memorandum and Articles of Association		
19.2.1	Registration number, corporate purpose	7.3.2; 7.3.7	417; 417
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	7.3.13	422
20	**Important contracts (other than those struck in the normal course of activities)**	**N/A**	
21	**Available documents**	**9.3**	**437**

9.8. 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	6.3.1 6.3.2 6.3.3	Commitment to Human Rights Social commitments to employees Commitments to communities	II.1.a III.2.a V.	Mapping of risks of human rights violations Actions to manage human rights risks Identification, assessment and management of risks related to suppliers and subcontractors
INTERNATIONAL LABOUR STANDARDS	6.3.2	Social commitments to employees	II.1.b III.2.b V.	Mapping of risks of harm to human health and safety Actions to manage risks of harm to human health and safety Identification, assessment and management of risks related to suppliers and subcontractors
ENVIRONMENT	6.2	Environmental protection	II.1.c III.2.c V.	Environmental risks mapping Actions to manage environmental risks Identification, assessment and management of risks related to suppliers and subcontractors
FIGHT AGAINST CORRUPTION	6.4.1	Ethics, Compliance and Anti-Corruption	/	

9.9. CONCORDANCE TABLE WITH THE MAIN CONSEQUENCES OF THE COVID-19 PANDEMIC

Risk analysis – Type of consequences	Pages in Eramet URD 2021
Main risk factors to which the Group is exposed:	Operational Risks: Risks related to the impact of pandemic coronavirus disease (COVID-19)
Impact on Divisions' activities	Activities
Impact on social and societal aspects	NFPS

APPENDIX – 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. In accordance with the accounting principles adopted for the Group's Reporting, the operating performance of the joint ventures were accounted for using the proportional consolidation method until 2018: the TiZir subgroup (Mineral Sands BU, Mining and Metals Division) until 30 June, and UKAD (High Performance Alloys Division) until 31 December.

A comparison of the Group's sales figures against the reported data is given in Chapter 3.

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.

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

SLN's break-even cost

The break-even cost of SLN is defined as SLN's cash cost as defined above, plus capex (projected capex for the current year versus the projected tonnage for the current year in the annual financial statements) non-recurring income and charges and financial expenses (recognised in SLN's corporate financial statements).

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. Conversely, it includes the mining taxes and royalties from which the Gabonese State benefits.

Financial glossary consolidated financial statements

(See Chapter 3.)

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.

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.

→ Manganese alloy production, Eramet Norway

2021 VIGILANCE PLAN – ERAMET GROUP

10

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 6.5 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 persons in twenty countries.

A more detailed description of the Eramet Group is provided in Chapters 1 and 2 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 major strategic, operational, financial and compliance risks. It is complemented by more detailed risk mappings focusing on specific cross-functional themes, such as human rights, environment and human health and safety.

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 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 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.

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. In the risk registers, risks are grouped by standard activities that are specific to each site, such as, for example, mechanical handling, operation of machines, 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 and working with liquid 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, awkward 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.

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.

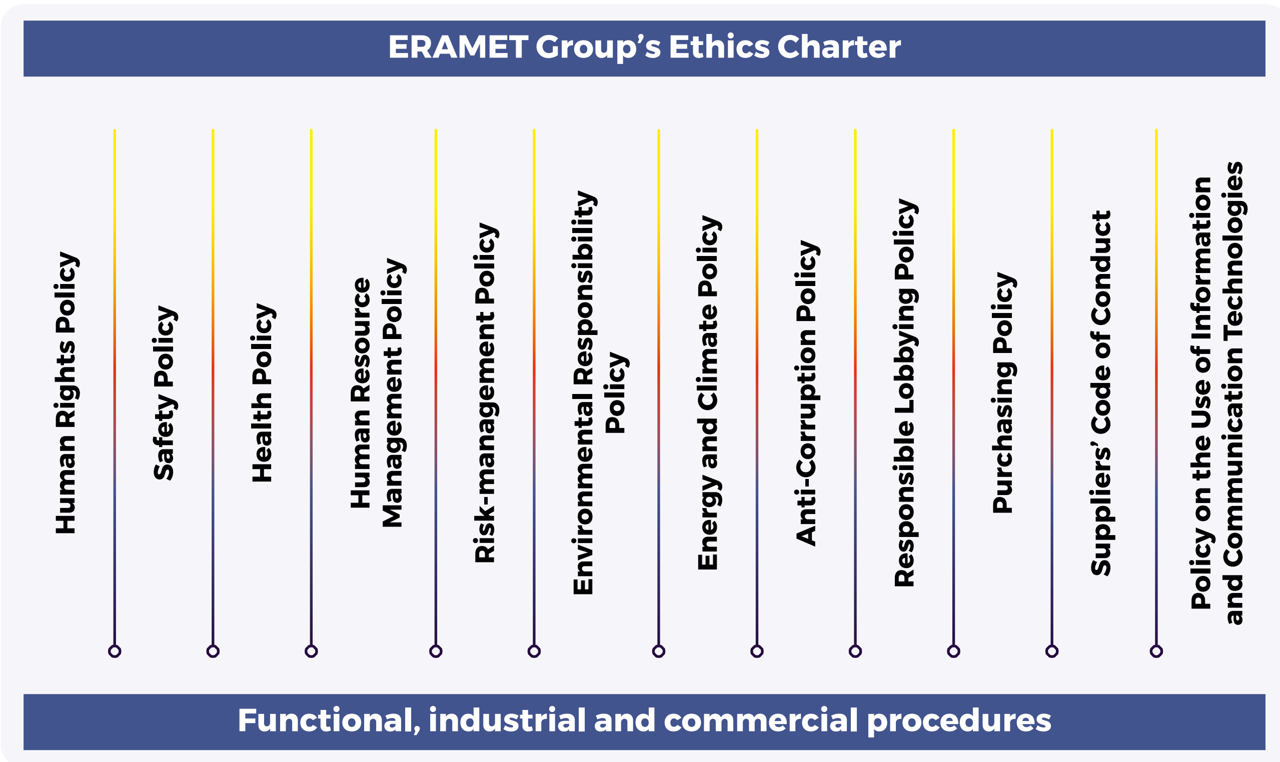
III. RISK MANAGEMENT

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) 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.

Translated into the 12 languages of the countries where the Group operates, this reference charter is the subject of e-learning courses for employees, covering all its topics.

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 are rolled out, for example, on human rights, safety, the environment, 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

Board of Directors

Board Committees, including

Strategy and CSR Committee

Audit, Risks and Ethics Committee

Executive Committee

Human Resources, Health and Security Department

Sustainability and Corporate Engagement Department

Strategy and Innovation Department

Reporting directly to the CEO

Ethics and Compliance Department

Safety and Prevention Department

Support Departments

Group Medical Advisor
Human Resources Department
Purchasing Department
Security Department
Corporate Affairs & Partnerships Department

Social Impact and Human Rights Department

Energy & Climate Department

Environment and ESG Performance Department

Operational entities

Business Unit and site Directors

HSE Correspondents

HR Managers

Safety Coordinators

CSR/Community Relations Correspondents

Protection Coordinators

Energy Correspondents

Buyers

Ethics Compliance Officers and Ambassadors

Diversity and Inclusion Advocates

Sexual Harassment and Sexist Acts Advocates

Security Managers

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.

One of the key factors in preparing this commitment involved developing a consultative approach with two objectives: sharing Eramet's vision on Human Rights and gathering feedback from internal and external stakeholders. This collaborative approach consisted of consulting top managers, talking to employee representative bodies and distributing a special questionnaire to employees. As such, more than 600 people have helped to build the Group's Human Rights commitment. To measure the expectations of civil society with regard to the Group's commitments, the opinion of external Human Rights specialists was also taken into account during the consultation.

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.

In 2021, under the supervision of the Societal 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 is 88%. A specific action plan is planned for each subsidiary.

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.

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, an e-learning course is gradually being rolled out to all Group employees to raise awareness about the Ethics Charter, including a section dedicated to these issues. "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 Department, the Group drafted its first 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) and employee awareness-raising, which have been facilitated since the introduction of a network of Diversity and Inclusion advocates, who are active across all entities. At the same time, Eramet has appointed a number of Sexual Harassment and Sexist Acts advocates. This scheme, which was initially limited to France, was extended to Gabon and to Senegal. Roll-out continued in other Group countries, with the gradual appointment and training of these advocates by external experts.

All of the implemented measures are monitored under Objective 4 of the CSR Roadmap, “Integrate and foster the wealth of diversity”.

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.

As part of the fight against modern slavery and in accordance with Article 54-1 of the Modern Slavery Act 2015 applicable to companies registered in the United Kingdom, the company Tizir Ltd published on its website in 2021 its statement on the fight against modern slavery, highlighting the measures implemented in this area.

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 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.

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.

The scope of these actions is most often adequately defined by national or local regulations. In France, for example, because of their Seveso "High Threshold" status or their ICPE (Installation Classified for the Protection of the Environment) status, several sites participate in "Site Monitoring Committees", composed of representatives of the State, local authorities, local residents, farmers and employees. For the purpose of authorisation processes and societal and environmental impact studies, projects – especially mining projects – implement mechanisms for consulting with local residents and other stakeholders in order to take into account their expectations in terms of controlling these impacts at all stages of the project.

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.

3. Contribution to local development priorities

Eramet aims to make the Group's activities a source of clear benefits for local populations. by paying particular attention to local employment, 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

In relation to Safety, actions at Group level are coordinated within the framework of the "Group Safety Committee" which includes the Human Resources, Health and Safety Director, the Director of Strategy, the Division Directors, the Safety and Prevention Director, and the Safety Directors of the Divisions.

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 work permit must be obtained for tasks not covered by a specific work guideline. 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 to 2.2 in 2021, corresponding to a 44% decrease in one year, after falling by 24% in 2020, and a sixfold reduction in five years. The number of serious accidents was divided by 10 over the same period. 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 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.

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 each year, 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 cease when a site has been closed. 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 conjunction 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.

The health prevention strategy is based on the Group's Health Policy, described above. Throughout 2020 and 2021, this approach was significantly impacted by the COVID-19 health crisis, as the Group harnessed all of the resources at its disposal to safeguard the health of its employees.

In these exceptional times of the COVID pandemic, the Eramet Group fully harnessed all its resources to deal with the situation as it unfolded. The Group's priorities are based on three key areas:

- protect the health of all its employees and service providers as well as their families;
- set up and ensure compliance with all the strict health security measures, mandated by local, national and global authorities, in order to help stop the spread of the pandemic;
- ensure business continuity by adapting organisation, working closely with suppliers and customers.

Starting in February 2020, an international crisis unit, comprising the Executive Committee, the Group Medical Advisor, experts from the Human Resources Department, the Communication, Social Impact and Human Rights Department, the Purchasing Department, and the Operational and Commercial Departments, met on a regular basis, and as often as daily at the peak of the crisis.

The health protocol implemented as of March 2020 at all Group sites was regularly updated to anticipate new developments in the pandemic and to comply with the guidelines of local authorities (for further details please refer to the Non-Financial Performance Statement).

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 2021, 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%.

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 64% has already been achieved after three 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 centres 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 third consecutive year, the objective was achieved in 2021.

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 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, the and 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 deposit into the sloping part. A specific water management plan associated with the extension of the deposit has been developed. 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, 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 chemically stable and therefore not susceptible to chemical attack. As such, they not considered hazardous waste within the meaning of the regulations. In New Caledonia, all 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.

(1) GISTM: Global Industry Standard for Tailings Management (https://globaltailingsreview.org/global-industry-standard/).

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.

Risks of historical soil pollution (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.

Over several years, the Group has developed expertise to support the cessation of activity of certain industrial sites. This expertise concerns the investigation, identification, monitoring and management of potentially impacted sites through various projects, such as the rehabilitation of industrial sites and the end-of-life of landfills or old mines. This expertise is also consulted in the context of internal audits or in advance of acquisitions and disposals. It is important to mention the implementation of a policy of systematic characterisation of soil conditions before any new project is undertaken.

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 Committee and CSR;
- 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 relies on operations conducted through a network of energy and climate specialists, and on Division and Business Unit Departments.

Decarbonisation is central to mine, metal and alloy momentum. 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.

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 one of the three pillars of the Group's strategy: "to expand the portfolio of activities towards energy transition metals";
- 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, and even the most energy-intensive have obtained certification.

In 2021, Eramet continued to grow its activity (+24% compared to 2020) while at the same time reducing its CO_2 emissions. The medium-term objective set by the Group (26% reduction in specific emissions in 2023 compared to the 2018 level) was exceeded by a considerable margin in 2021, with a 39% reduction in the amount of CO_2 generated per tonne produced. 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 "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 regular 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. The Group's suppliers fall into 66 of them, each of which was assessed according to two criteria: the CSR risk of the category, and the importance of the category for the Eramet Group.

- For the assessment of the CSR risk of the business categories, Eramet availed of the expertise of an external company, proposing a CSR risk rating for each business sector. 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.
- The assessment of the importance of the purchase categories for Eramet is based on several Group-specific criteria. These criteria include the purchase volume, the number of potential suppliers or subcontractors in the purchase category, or the impact of the purchased product on the quality of the products marketed by the Group.

Updated each year, the combination of these two assessments made it possible to position the categories into four risk areas, and in particular to identify seven purchase categories that are both important for the Group and pose CSR risks:

- manufacture of non-metallic mineral products;
- manufacture of coke and refined petroleum 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.

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 2017-2021 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 500 suppliers and subcontractors identified as at risk, representing 50% of the Group's purchasing expenses in 2021, 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 2019–2021 period, more than 2,500 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.

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.

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 22,000 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. 59 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 2021, 82% 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 MECHANISM

The Group's whistleblowing system enables employees and external stakeholders to report the following unethical behaviour:

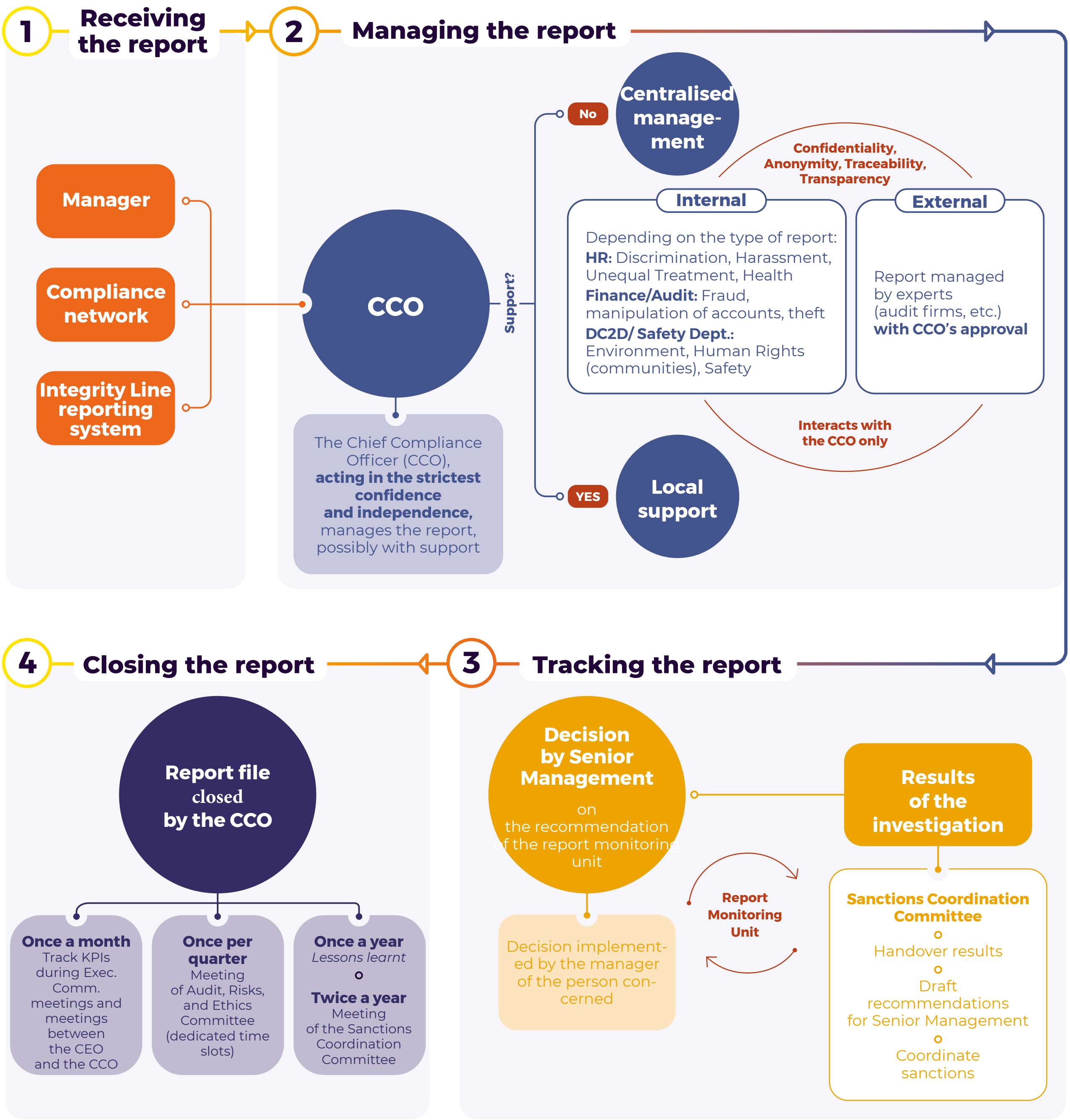
- corruption, bribery and facilitation payments;
- money laundering;
- favouritism, influence peddling and the illegal acquisition of interests;
- fraud and the falsification of documents;
- theft and embezzlement;
- conflicts of interest;
- anticompetitive practices;
- discrimination and unequal treatment;
- bullying or sexual harassment;
- sexist actions or violence;
- serious violations of human rights and fundamental freedoms, including those of local communities;
- breaches of personal data laws;
- conduct contrary to the Group's policies and standards on health, hygiene, safety at work and protection of the environment.

Several whistleblowing channels are available to employees: they can, for instance, notify their managers, as well as the Ethics Compliance Managers.

They can also, in the event of inaction and/or conflict of interest, notify the Group 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 21 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 21 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



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.

The members of the Monitoring Unit and the person in charge of administering the whistleblowing system have signed an enhanced confidentiality agreement for the processing of these reports.

Since its roll-out, the whistleblowing system has been the subject of a major communication campaign within the Group, and external stakeholders have also been informed of its existence; the address of the system is mentioned in all Ethics and Compliance reference frameworks and in the Group Purchasing Department's procedures.

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 the Group's various websites. Information on the system is also communicated through posters, leaflets and events on the premises of the Group's various entities throughout the world.

In June 2021, a communication campaign was rolled out across the Group to mark the first anniversary of the whistleblowing system. At this time, a new poster campaign was implemented and an article reporting the main statistics was published on the intranet site, accompanied by a broadcast on all the Group's screens. It should be noted that at some sites, the display on the screens is permanent.

This communication was accompanied by the establishment of an "Ethics Barometer" to assess the level of employee confidence in the system. The responses received are subject to specific processing.

Many other annual events provide an opportunity to communicate on the whistleblowing system on a regular basis: for example, on Global Ethics Day at SLN – an event hosted by the Group –, on International Anti-Corruption Day – which is coordinated in all entities by the Ethics Compliance Officers – and whenever training courses are provided.

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 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

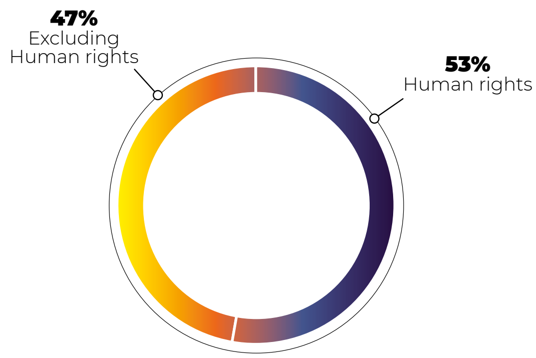
Key performance indicators are used to assess the system's effectiveness on a regular basis.

53 reports were received in 2021. 92% were investigated (as the others were not proven or were out of scope) which led to remediation plans and/or disciplinary sanctions (16).

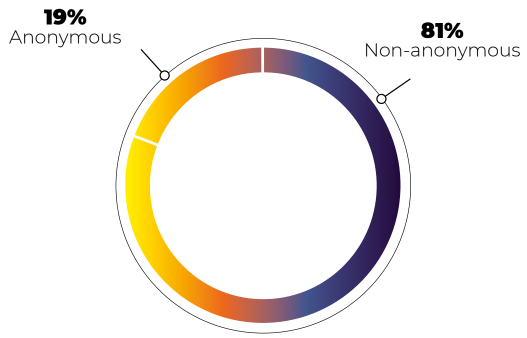
Six alerts were made by external stakeholders which had access to the whistleblowing system.

The reports are sent without delay, within an average period of 28 days in 2021.

Reports by type in 2021



Anonymous reports in 2021



Three KPIs have been requested by the Executive Committee and are subject to specific monitoring to ensure the effectiveness of the system.

In the context of the Ethics Barometer, 82% of employees indicated that they had confidence in the whistleblowing system, which is reflected in our statistics by the substantial majority of non-anonymous reports.

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.

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 6.1.2 "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)	6.2.5 6.2.6.3	Optimisation of water consumption Water management
Environment	Emissions into water (industrial sites)	6.2.3.2 6.2.7.3	Aqueous waste Water management
Environment	Atmospheric emissions (industrial sites)	6.2.3.1	Airborne emissions
Environment	Energy consumption/greenhouse gas emissions (industrial sites)	6.2.6	Fight against climate change
Environment	Production of hazardous waste (industrial sites)	6.2.4.1 6.2.4.2	Optimisation of the consumption of primary raw materials Waste prevention and recovery
Environment	Risks of historical soil pollution (industrial sites)	6.2.3.3	Rehabilitation of closed industrial sites
Environment	Production of waste rock and tailings (mining sites)	6.2.7.2 6.2.7.4	Responsible resource management Tailings and mine waste management
Environment	Impact on biodiversity (mining sites)	6.2.8	Preservation of biodiversity
Environment	Erosion (mining sites)	6.2.7.3 6.2.7.4 6.2.7.5	Water management Tailings and mine waste management Rehabilitation of mining sites
Human Health and Safety	Safety	6.3.2.1 6.3.2.1.1 6.3.2.1.2 6.3.2.1.3 6.3.2.1.4	Employee safety Main safety issues and risks Safety governance Risk prevention strategy Safety performance
Human Health and Safety	Health	6.3.2.2 6.3.2.2.1 6.3.2.2.2 6.3.2.2.3 6.3.2.2.4	Employee health Main health issues and risks Health Governance Risk prevention strategy Health Performance
Human rights and fundamental freedoms	Human rights in the workplace: Discrimination and harassment	6.3.2.4.4	Equal opportunities, measures to foster non-discrimination and diversity
Human rights and fundamental freedoms	Rights of communities bordering the sites	6.3.3 6.3.3.1 6.3.3.2 6.3.3.3	Commitments to host communities Objectives, organisation and instruments Impact management and risk prevention for local communities Dialogue with local communities
Risks for suppliers and subcontractors	Non-compliance with ILO conventions in the supply chain	6.4.2 6.4.2.1 6.4.2.2	Responsible value chain Governance Responsible purchasing
Whistleblowing and reporting mechanism	N/A	6.4.1.3 6.3.3.2.4	Risk prevention strategy/Whistleblowing system Local complaint management mechanisms

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10, boulevard de Grenelle
CS 63205
F-75015 Paris
www.eramet.com