


2021

Integrated Report





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.



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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**.

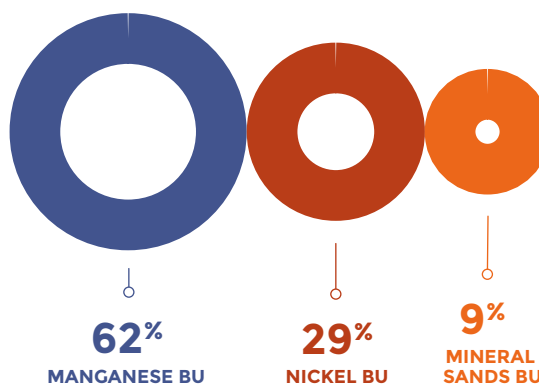
1st

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 billion, 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)

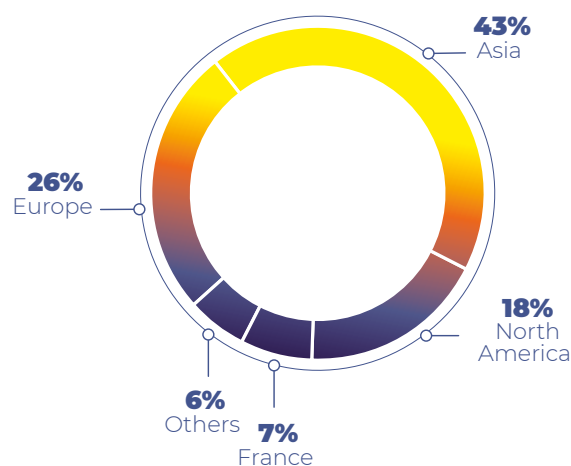
-59%

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

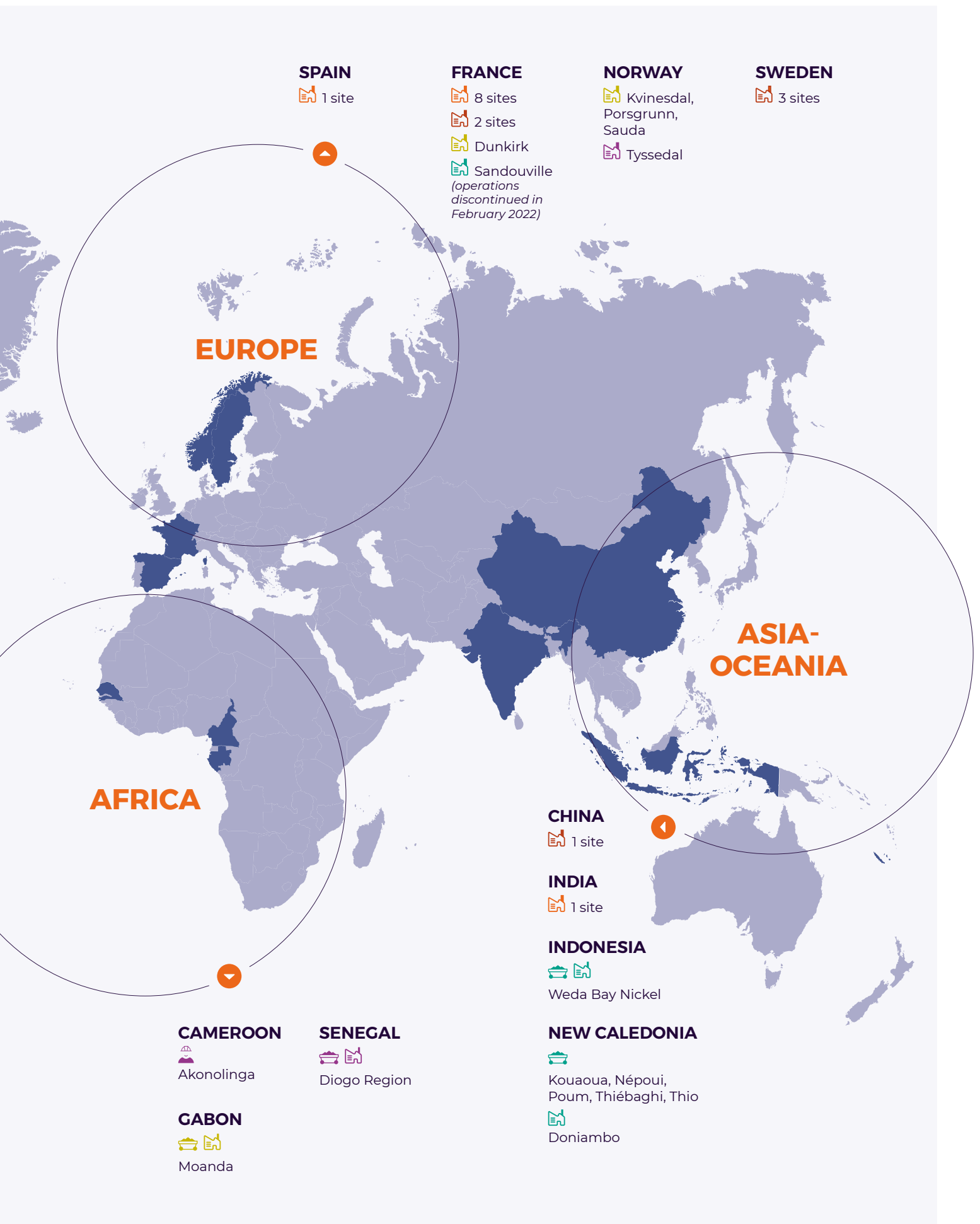
-  PROCESSING

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

- Discontinued operations
- Erasteel
- Aubert & Duval

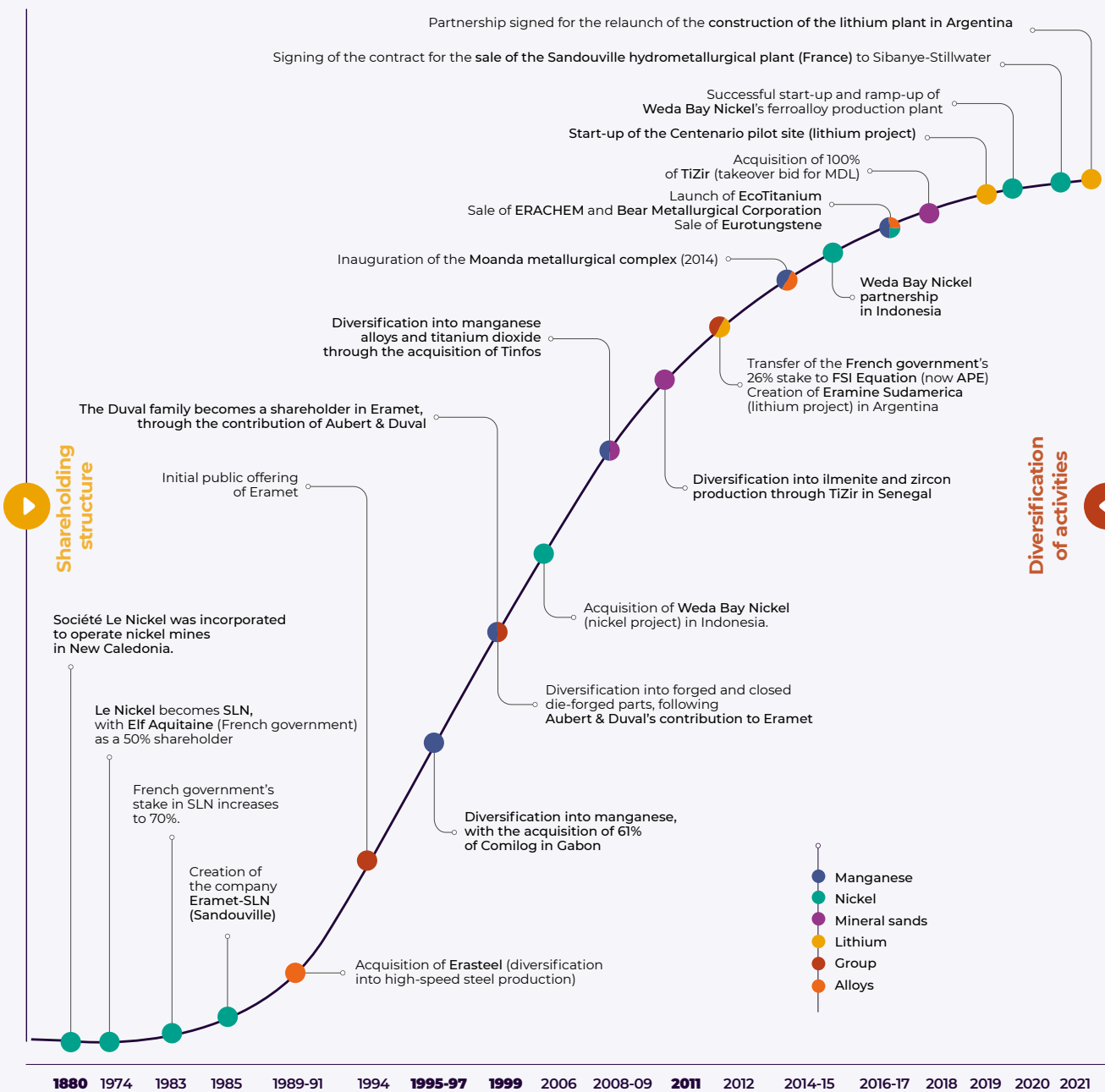


⁽¹⁾ Excluding mining and industrial sites for operations that have been or are being discontinued, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations".



A LONG-TIME PLAYER IN MINING, METALLURGY AND METALS

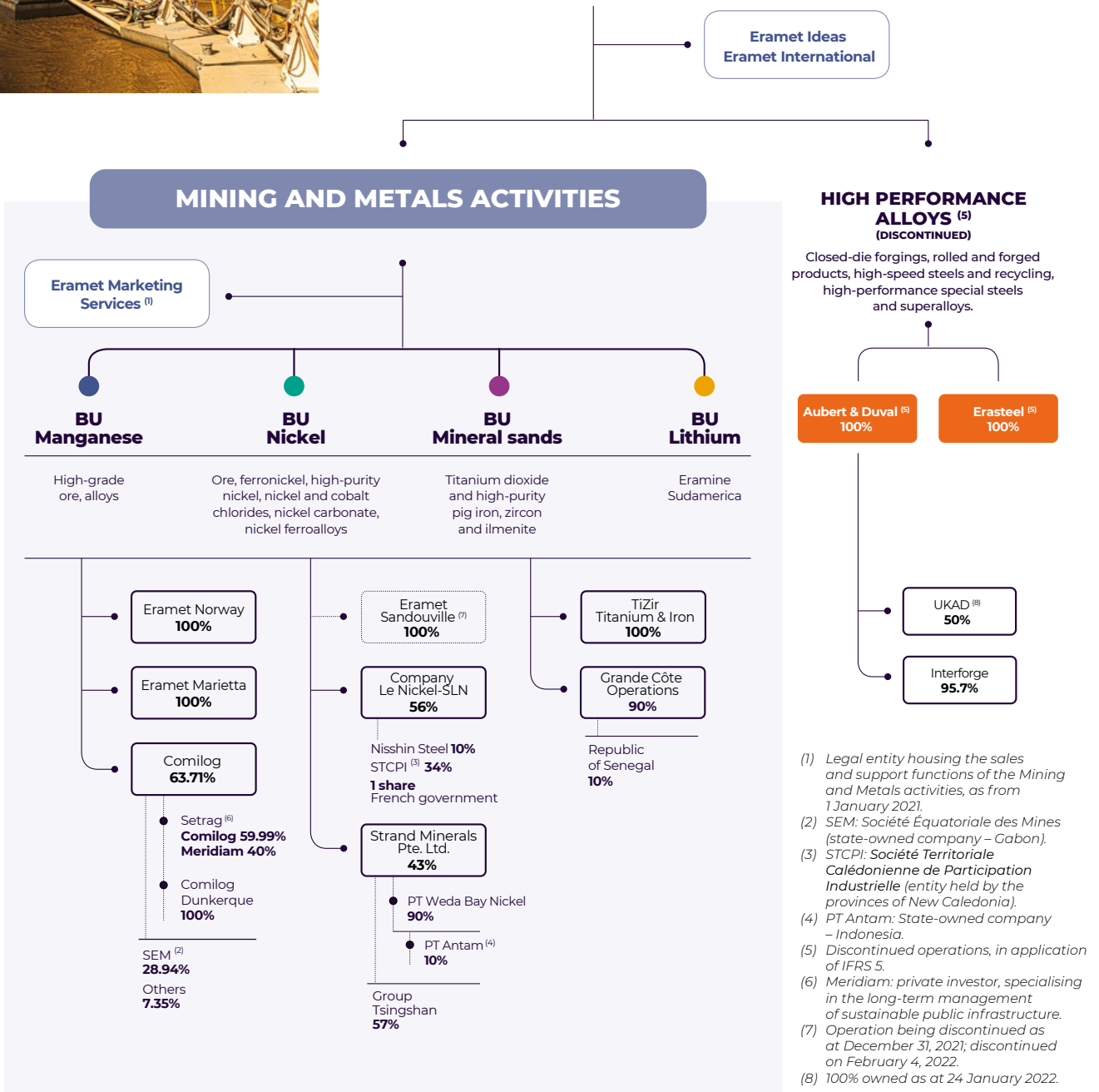
For more than a century, the Eramet Group has been working in responsible ore and metals recovery and has diversified both in terms of markets and geographical area.





GROUP STRUCTURE

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





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

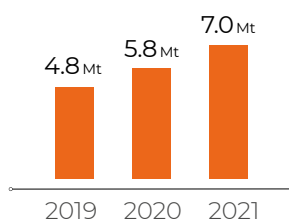
- 1 highly competitive manganese mine in Gabon operated by Comilog, a subsidiary of the Group, with a very high-grade ore (44%) and organic production growth thanks to the development of the new Okouma plateau.
- Processing units in Gabon, 5 pyrometallurgy plants in Europe (3 in Norway, 1 in France)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



14 Mwm

OF NICKEL ORE PRODUCED BY WEDA BAY NICKEL

5.4 Mwm

OF NICKEL ORE PRODUCED BY SLN OF WHICH 2.9 MWM 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**

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.

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.

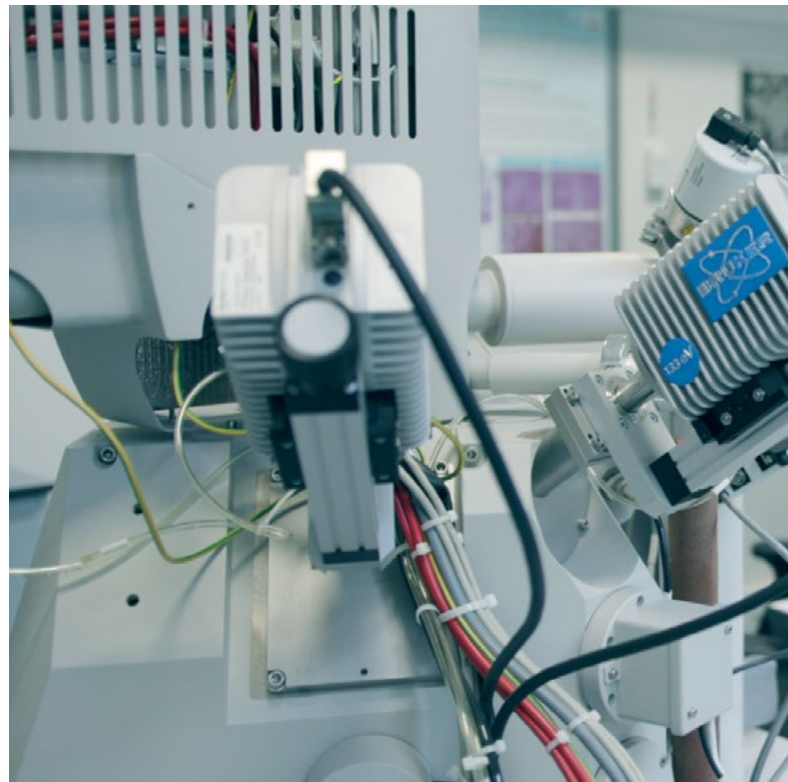
Expertise

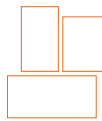
- Mineralogy, geology, geometallurgy and mining
- Mineralurgical, hydrometallurgical and pyrometallurgical processes in extractive metallurgy
- Digital metallurgy (mathematical interpolation, extrapolation and algorithmic processing methods applied to metallurgy)

Eramet Ideas: 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

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





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)

€35_M

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 CO₂ 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.

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.

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

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

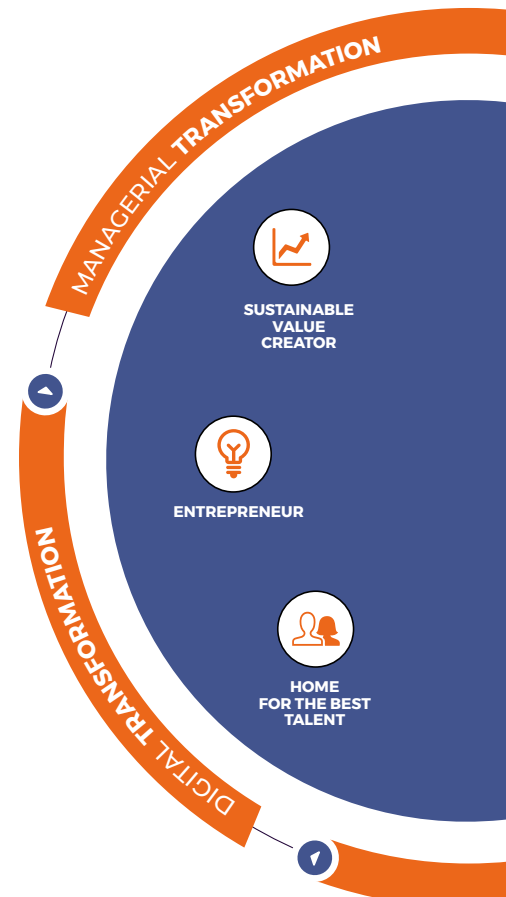


Growing in metals for global economic development

Resilient markets:

Manganese ore and alloys
Nickel
Mineral sands

OUR STRATEGIC VISION



Notes: 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).

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



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

Vigilance Plan 2021, page 451

Global Compact Principles – Eramet COP, page 444



BUSINESS PARTNER OF CHOICE

COMMITTED & CONTRIBUTIVE CORPORATE CITIZEN

STRATEGIC TRANSFORMATION

(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.

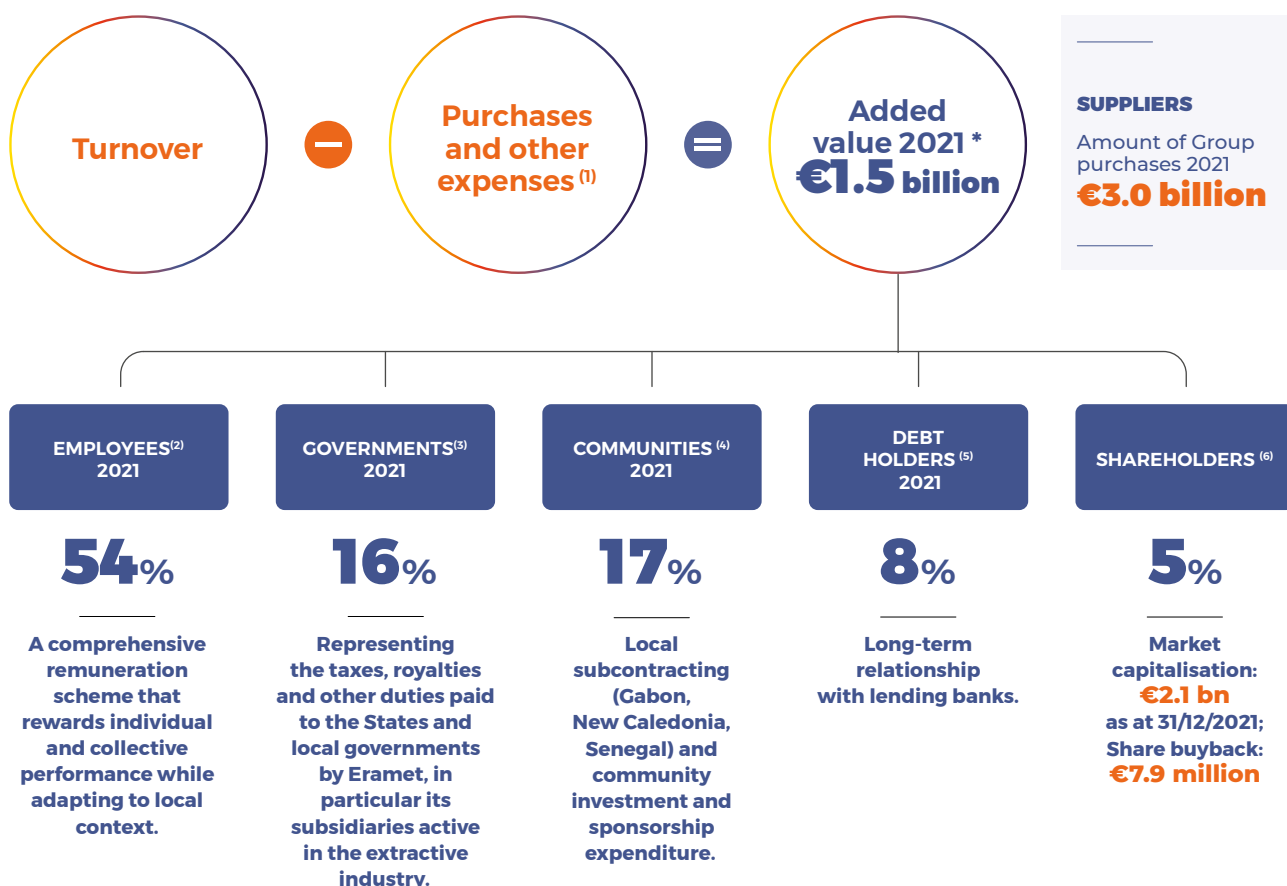
(5) FR2 = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors).

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



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.



14 Mwmt

**WEDA BAY NICKEL'S
NICKEL ORE PRODUCTION
IN 2021**

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 CO₂ 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.

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



Commitment to responsible economy

- 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.



Commitment to the planet



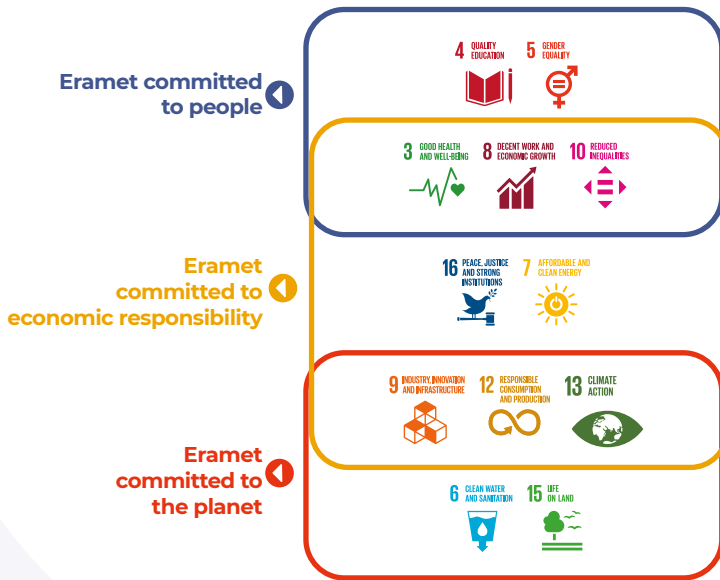
MORE INFORMATION

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

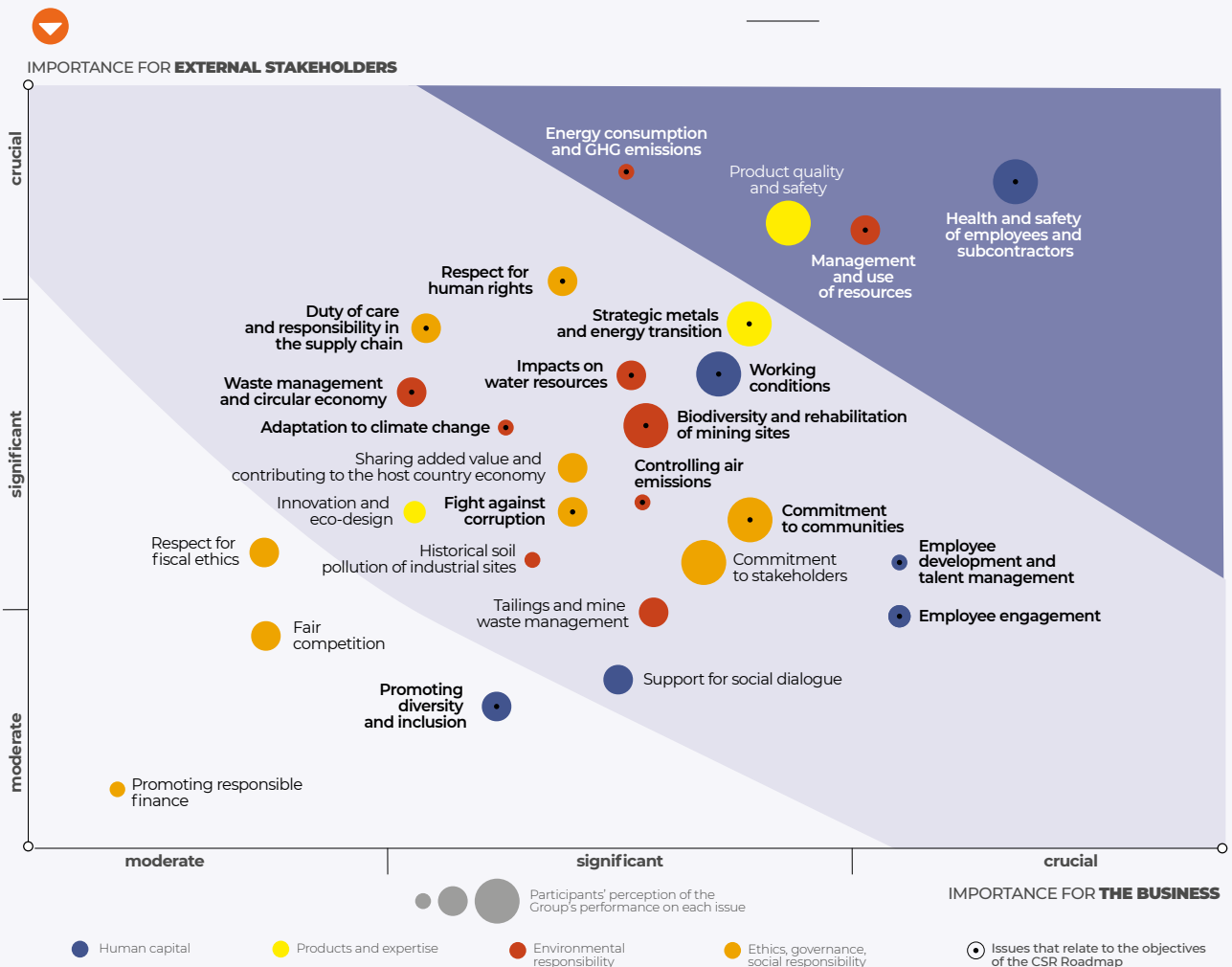
Through its economic and productive activities, Eramet directly meets the United Nations' Sustainable Development Goals (SDGs) 8, 9, 12 and 13. Eramet's CSR Roadmap, based on these goals, particularly contributes to the human, ethical and environmental issues.

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 CO₂ 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.

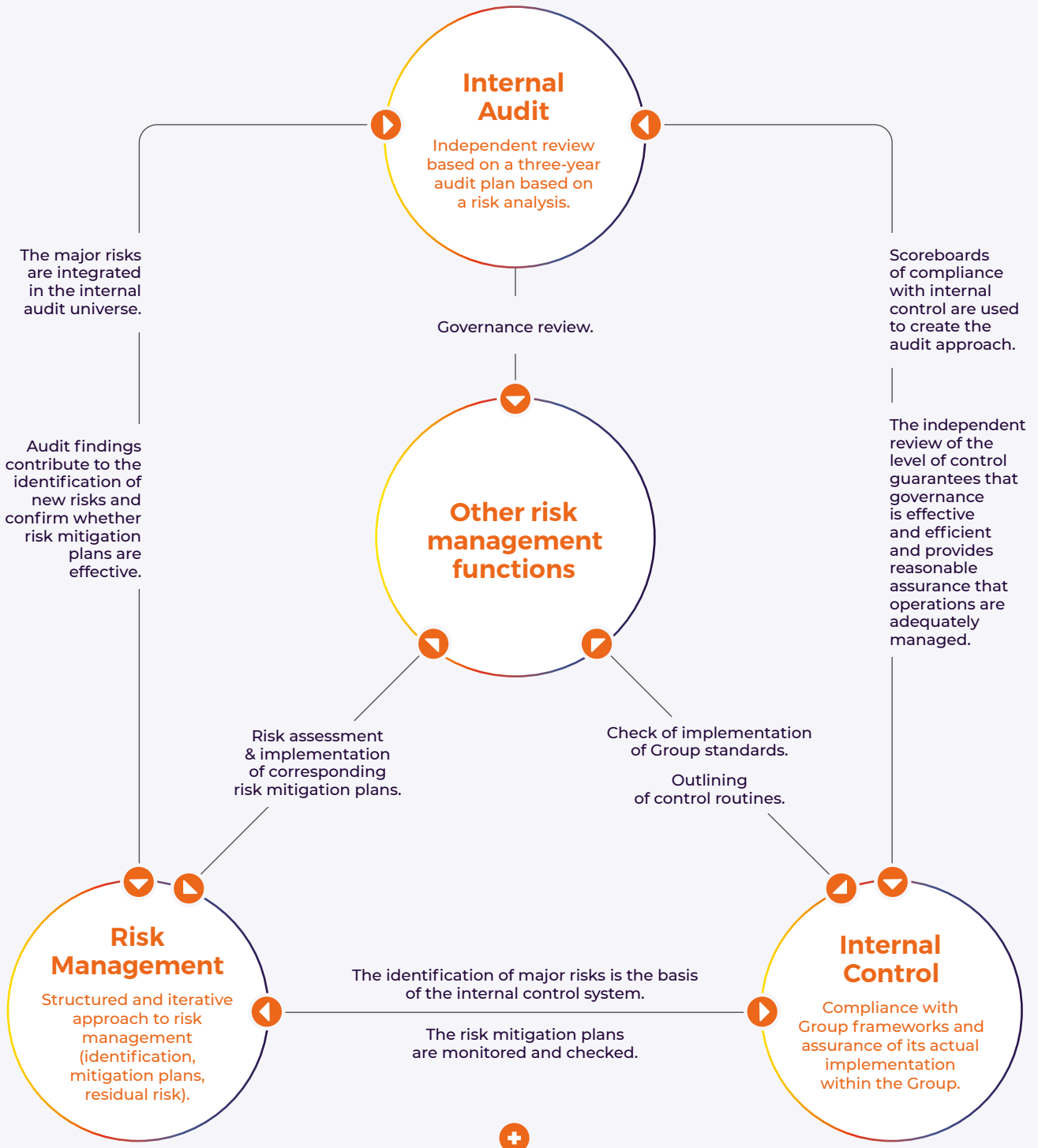
Materiality matrix

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	Aliat 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.



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 Chasse**, Chief Sustainability and External Affairs Officer, **Jean de l'Hermitte**, 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.

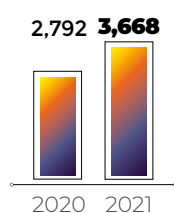
(3) Including discontinued operations.

(4) See Financial Glossary (Chapter 9 of the document).

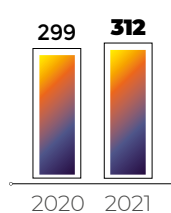
(5) Reduction in net debt of €388m, before application of the IFRS 5 standard.

KEY ACTIVITY FIGURES⁽¹⁾

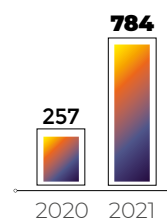
Turnover
(in millions of euros)



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.

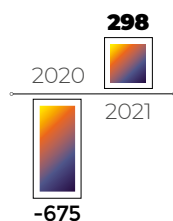
€526

MILLION

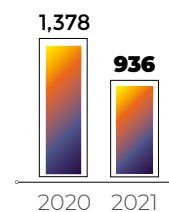
FREE CASH-FLOW

€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.



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 TCO₂/T OUTGOING PRODUCT (Reference 2018)

-40%
OBJECTIVE FOR 2035 TO REDUCE ABSOLUTE CO₂ 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.



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



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



**Note 26.2
Sustainalytics
AUGUST 2021**



**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 Mt** 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

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