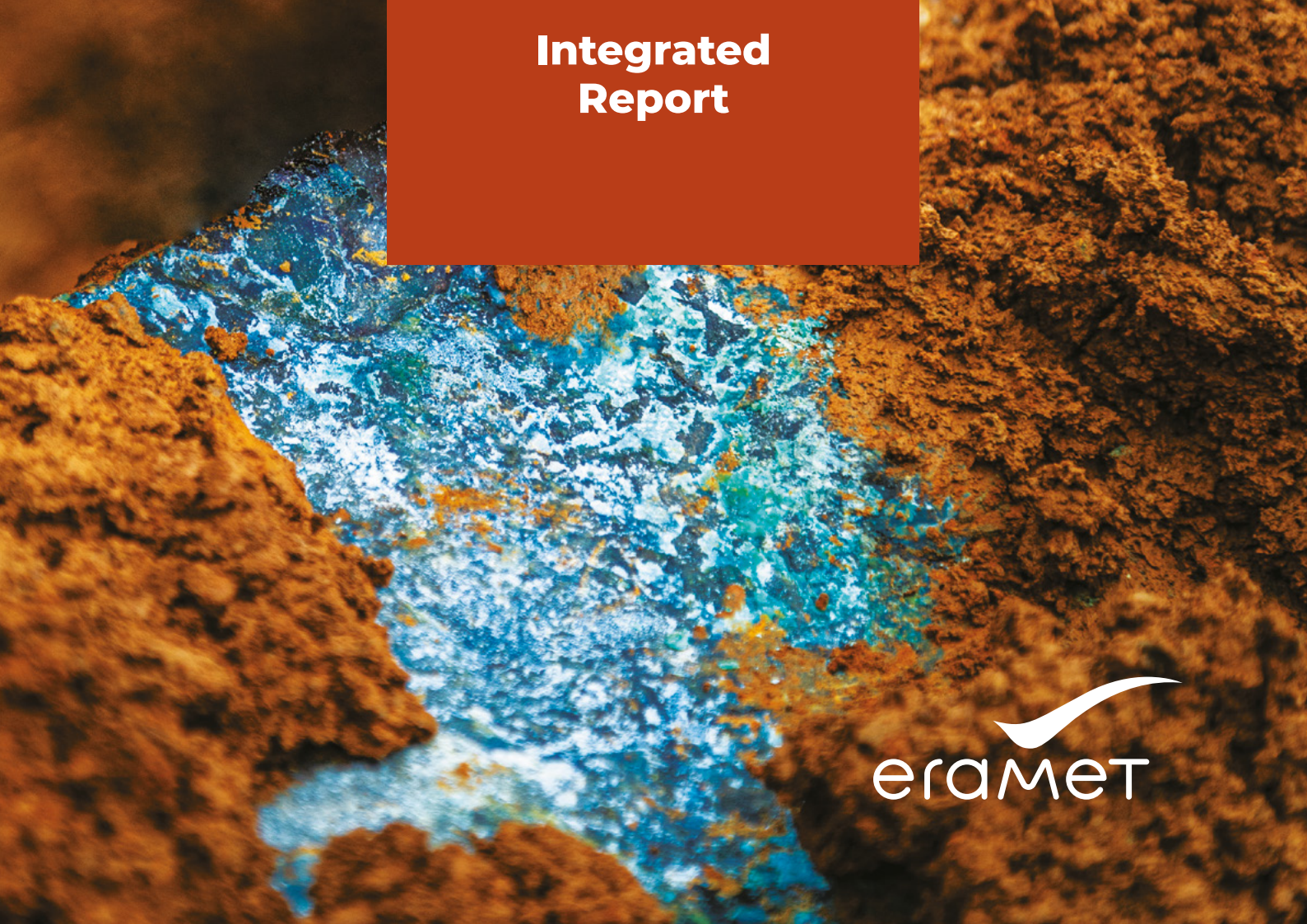




2022

**Integrated
Report**




erameT

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

Manifesto



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

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

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

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

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

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

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

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

Christel Bories

CHAIR AND CHIEF EXECUTIVE OFFICER



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

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

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

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

We have other causes for celebration as well.

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

The nickel mine that we operate in Indonesia is the largest in the world.

This activity started just two years ago and has been a great success, with the volume of ore it produces having doubled compared to the previous year.

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

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

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

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

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

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

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

“We have very promising projects under way focusing on energy transition metals”.

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

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

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

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

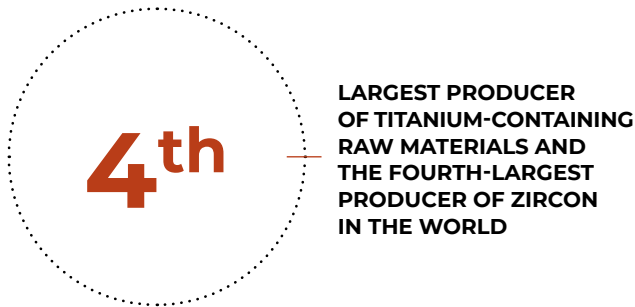
We believe that responsible mining is not only possible but in fact essential.

That is why we are ramping up our initiatives to progress faster and meet the increased demands of host countries and populations, as well as the need to accelerate the decarbonisation of our industries in the fight against climate change.

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

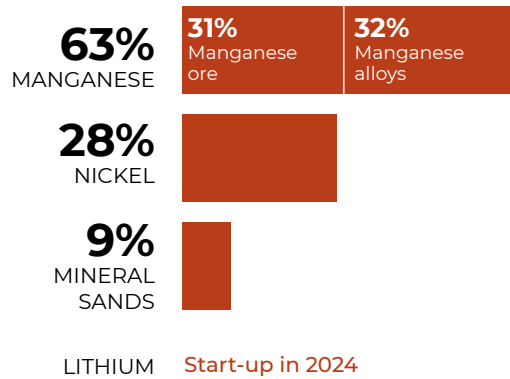
Eramet in 2022

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

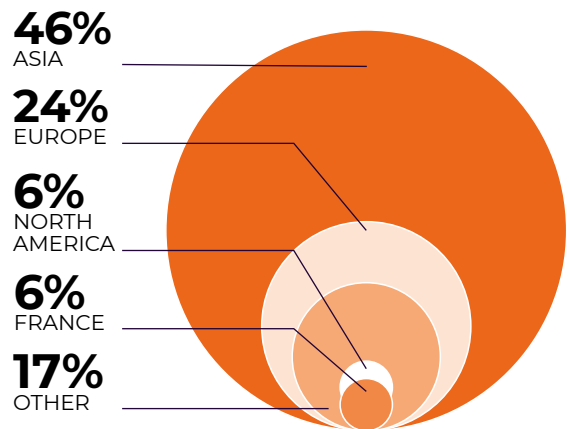


€5.0 billion
TURNOVER ⁽¹⁾

Turnover by activity



Turnover by geographical area⁽¹⁾



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

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

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

Employees

9,090

NUMBER OF EMPLOYEES WORLDWIDE
AT THE END OF 2022⁽¹⁾

30%

OF EXECUTIVES RECRUITED ON PERMANENT
CONTRACTS IN 2022 WERE WOMEN

-21%

REDUCTION IN THE NUMBER OF ACCIDENTS IN 2022⁽²⁾

0

FATAL ACCIDENTS

Financial performance

€1.9 billion

2022 ADJUSTED EBITDA⁽¹⁾⁽³⁾

€824 million

2022 FCF⁽¹⁾

0.2x

2022 ADJUSTED LEVERAGE⁽¹⁾⁽³⁾
(NET DEBT/EBITDA)

Non-financial performance

-40%

REDUCTION IN TCO₂/TONNE
OUTGOING PRODUCT
(REFERENCE 2018)

60,000

PEOPLE HAVE IMPROVED ACCESS
TO HEALTHCARE AND MEDICINES

1.21

REHABILITATION RATE
OF CLEARED SURFACE AREA

History of the Eramet Group

1880

Société Le Nickel
created

1985

Eramet-SLN
created

1991

Erasteel acquired
(diversification into high-
speed steel production)

1994

Initial public offering
of the Eramet Group

1997

61% of Comilog
acquired (diversification
into manganese)

1999

Aubert & Duval acquired,
the Duval family becomes
an Eramet shareholder

2009

Tinfos acquired
(diversification into
manganese alloys)

2011

Diversification into
ilmenite and zircon
production through
Tizir in Senegal
and Norway

2012

Lithium deposit
discovered in Argentina

2020

Mining operations and
Weda Bay Nickel plant
start up in Indonesia

2021

Construction
of the lithium plant
in Argentina begins

2022

Contract for the sale
of Aubert & Duval signed

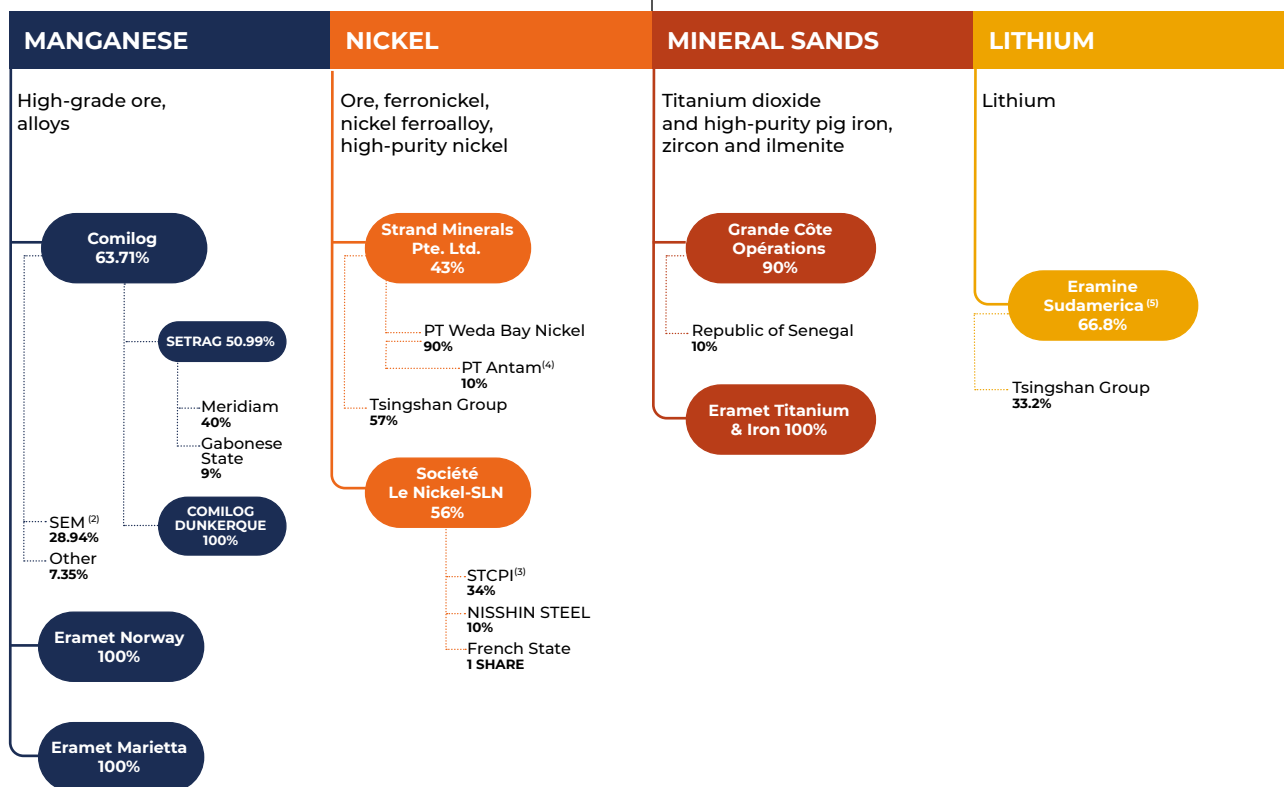
For a detailed history, refer to p.96
of the Universal Registration Document

Group structure

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



Eramet Ideas **100%**
 Eramet International **100%**
 Eramet Marketing Services **100%**⁽¹⁾



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



OUR ACTIVITIES

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

Mining and metallurgical activities

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



Manganese

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

Eramet is also the world's largest producer of high value-added manganese alloys, "refined alloys", relying on six pyrometallurgical plants in **Europe** (three in Norway, one in France), the **United States** (one in Ohio) and **Gabon**. The Group also has one of the lowest carbon footprints among producers of manganese alloys. Thanks to decarbonised electricity in Norway and France coupled with efficient production processes and energy recovery, its CO₂⁽²⁾ footprint is 60% lower than the industry average

MORE THAN
20 YEARS
of manganese content reserves⁽¹⁾

7.5Mt
of manganese ore produced

FOB cash cost⁽³⁾ of
2.3USD/dmtu

677 Kt
of manganese alloys produced

4,625
employees

€3,151
MILLION
turnover

Nickel

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

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

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

MORE THAN
25 YEARS
of nickel content reserves in New Caledonia

MORE THAN
22 YEARS
in Indonesia⁽¹⁾

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

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

2,340
employees

€1,392
MILLION
turnover

(1) Reserves are established on the basis of mining plans, the durations of which are shown above. Future drilling will allow resources to be converted to reserves and thus increase the life of deposits.

(2) Tonnes of CO₂ emitted per tonne of alloy produced (Scopes 1 and 2).

(3) See Financial Glossary.

DISCONTINUED OPERATIONS

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

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



Mineral sands

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

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

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

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

MORE THAN

24 YEARS
of mineral sand reserves⁽¹⁾

742Kt
of mineral sand concentrates produced in Senegal

57Kt
of zircon produced in Senegal

188Kt
of titanium dioxide produced in Norway

1,076
employees

€465
MILLION turnover

Lithium

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

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

40 YEARS
of lithium carbonate equivalent (LCE) reserves⁽¹⁾

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

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

1 WEEK
approximate production cycle

60%
water recycling rate from the process

Cash cost of the project approximately **\$3,500/t** LCE EXW⁽⁷⁾

(4) High-pressure acid leaching

(5) Direct lithium extraction

(6) Lithium Carbonate Equivalent

(7) EX-Works: Ex-factory costs, excluding taxes and royalties.

➔ FOR DETAILS OF THE ACTIVITIES CARRIED OUT, SEE CHAPTER 1 F THE UNIVERSAL REGISTRATION DOCUMENT

Our mining and metallurgical sites

17

MINING AND INDUSTRIAL SITES⁽¹⁾



PROJECT



MINING SITE



PROCESSING

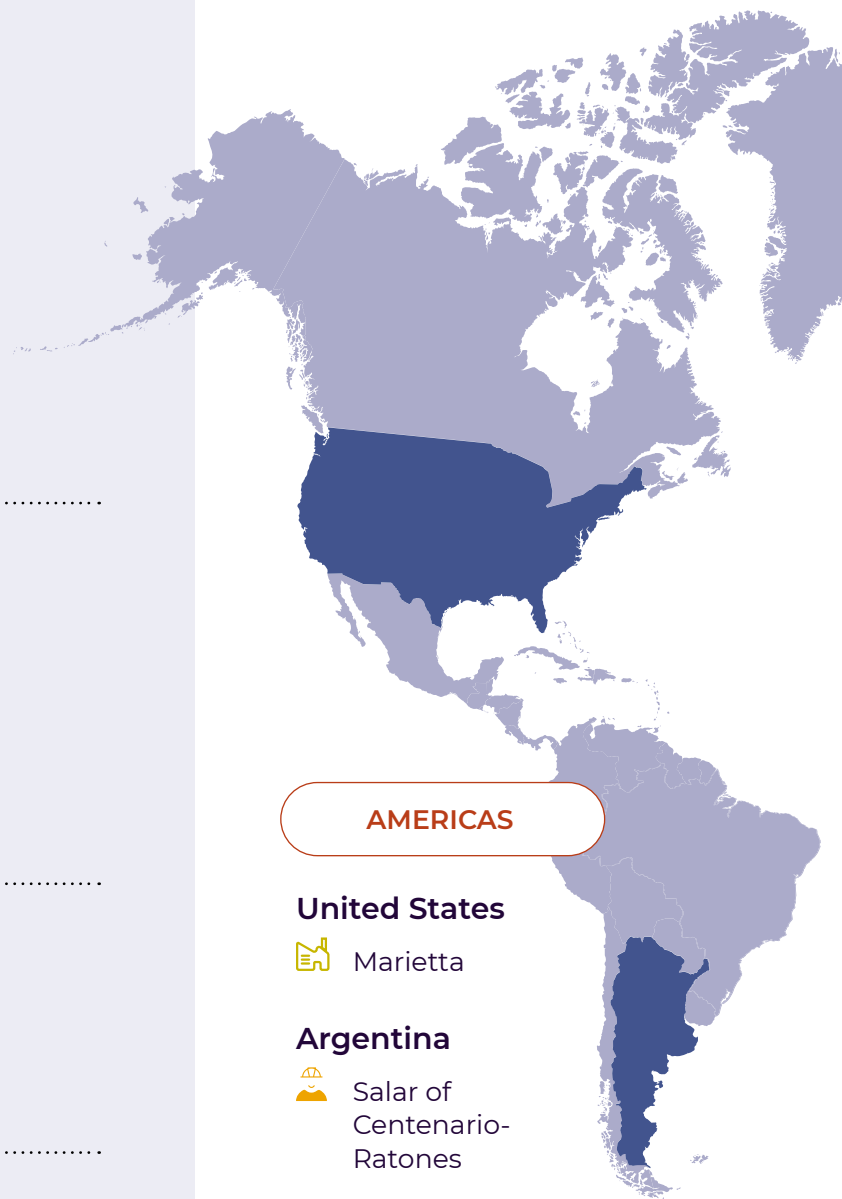


RESEARCH & DEVELOPMENT



HEADQUARTERS

- Manganese
- Nickel
- Mineral sands
- Lithium



AMERICAS

United States




 Marietta

Argentina

 Salar of Centenario-Ratones

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

France

-  Dunkirk
-  Eramet headquarters
-  Eramet Ideas

Norway

-  Kvinesdal, Porsgrunn, Sauda
-  Tyssedal

EUROPE

ASIA

Indonesia

-   Weda Bay

AFRICA

Gabon

-   Moanda

Senegal



-   Diogo

Cameroon

-  Akonolinga

OCEANIA

New Caledonia

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

Trends and opportunities

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

Economic growth and urbanisation

OUR TRENDS

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

OUR OPPORTUNITIES

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

—

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

➔ SEE PAGES 16-19

Geopolitical tensions and conflicts

OUR TRENDS

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

OUR OPPORTUNITIES

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

—

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



Transition to a more sustainable world

OUR TRENDS

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

OUR OPPORTUNITIES

- Increased electrification of industrial processes: shift from techniques based on fuel energy to electric processes.
- Development of energy storage technology: hydrogen/Li-ion batteries.
- Sharp increase in new mobility solutions: electric/autonomous vehicles, drones, hydrogen planes etc.
- Development of renewable energies and CO₂ capture technologies.
- Development of materials recovery and products made from recycled materials.
- Climate change.
- Energy mix and efficiency.

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

Increased societal requirements

OUR TRENDS

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

OUR OPPORTUNITIES

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

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

SEE PAGES 20-21

Support global economic development and the energy transition

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

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

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



Grow in metals supporting global economic development

Resilient markets

- Manganese ore and alloys
- Nickel
- Mineral sands

DEMONSTRATED LEADERSHIP AND CONTINUOUS VALUE-ACCRETIVE ORGANIC GROWTH

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

Targeted areas notably include:

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



Sustainably develop critical metals for the energy transition

Fast-growing markets

- Lithium
- Nickel/cobalt for batteries
- Battery recycling

HUGE POTENTIAL TO BENEFIT FROM ENERGY TRANSITION

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

These notably include:

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



SUSTAINABLE GROWTH ENABLERS: EXPLORATION, INNOVATION AND DIGITAL TRANSFORMATION

GROW IN METALS SUPPORTING GLOBAL ECONOMIC DEVELOPMENT

MANGANESE ORE

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

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

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

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

MANGANESE ALLOYS

Eramet has one of the lowest carbon footprints among producers of manganese alloys, making its products attractive for the development of "green metal". The Group has made decarbonising its manganese alloys a priority and has committed to reducing CO₂ emissions (scope 1 and 2) from this activity by **40%** between 2019 and 2035. This approach is coupled with the deployment of a training programme for employees across the Group and the acceleration of exchanges with its partners. In addition, the streamlining of installations allows plants to continuously adapt to market conditions: smelting furnaces productivity flexibility in production capacity and a product mix that favours refined alloys, with a low carbon content.

NICKEL

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

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

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

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

MINERAL SANDS

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

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

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

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

DEVELOPING CRITICAL METALS FOR THE ENERGY TRANSITION

CENTENARIO PROJECT LITHIUM PRODUCTION IN ARGENTINA

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

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

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

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

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

SONIC BAY PROJECT NICKEL AND COBALT PRODUCTION FOR BATTERIES IN INDONESIA

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

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

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

LITHIUM-ION BATTERY RECYCLING PROJECT

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

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

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

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

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

(1) HPAL: High Pressure Acid Leaching.

(2) MHP: Mixed hydroxide precipitate.

SUSTAINABLE GROWTH ACCELERATORS

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

INNOVATION

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



EXPLORATION

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



DIGITAL TRANSFORMATION

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



CSR Roadmap

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

OUR PRIORITY CHALLENGES

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

1. PRIORITY CHALLENGES

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

2. SIGNIFICANT CHALLENGES

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



COMMITMENT TO PEOPLE

Ensure the health and safety of employees and subcontractors.



Build skills and promote talent and career development.



Strengthen employee engagement.



Integrate and foster the richness of diversity.



Be a valued and contributing partner to our host communities.



ACHIEVEMENTS IN 2022

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

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

➔ SEE CHAPTER 5 F THE UNIVERSAL REGISTRATION DOCUMENT

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



COMMITMENT TO RESPONSIBLE ECONOMY

Be an energy transition leader in the metals sector.



Actively contribute to the development of the circular economy.



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



Be an ethical partner of choice.



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



ACHIEVEMENTS IN 2022

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



COMMITMENT TO THE PLANET

Reduce our atmospheric emissions.



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



Reduce our energy and climate footprint.



ACHIEVEMENTS IN 2022

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



Performance

without progress and less than the annual milestone set.



Performance

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



Performance

in line with the annual milestone set.



Performance

exceeding the annual milestone set.

A mining and metallurgical group and a leader in its business

Our assets

Employees

72 nationalities in 15 countries:
9,090 employees
26% of managers are women

Resources

Exploitation of world-class deposits:

116 Mt of manganese content (Gabon).

20.0 Mt of nickel content (New Caledonia).

34.6 Mt of mineral sands (Senegal).

9.9 Mt of lithium (LCE ⁽²⁾) (Argentina).

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

Industrial capital

17 mining and metallurgical industrial sites worldwide.

€588 million capital expenditure.

Financial capital

SBF 120 listed company.

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

€2.6 billion financial liquidity.

Intellectual and innovation capital

€25 million R&D expenditure.

200 employees (in-house R&D).

Societal capital

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

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

Long-term relationships with customers.

Our corporate purpose

Our activities

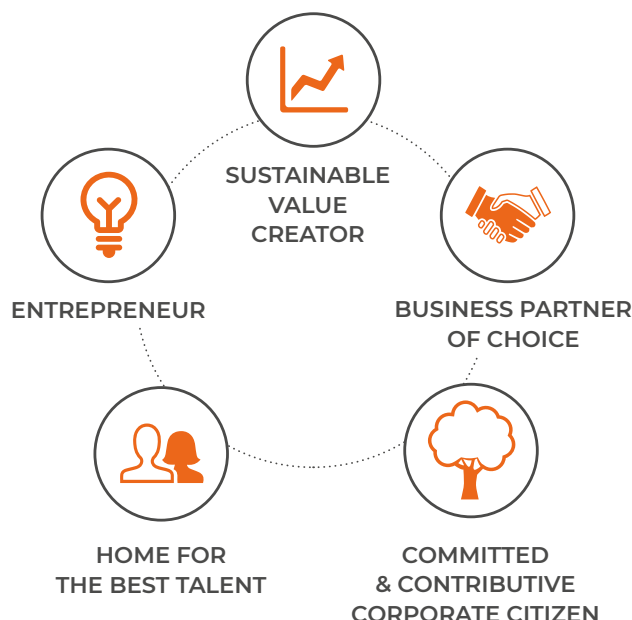
Manganese

High-grade ore, alloys

Nickel

Ore, ferronickel, nickel ferroalloy, high-purity nickel

Our strategic vision



Macro-trends

ECONOMIC GROWTH AND URBANISATION

GEOPOLITICAL TENSIONS

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

Mineral sands

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

Lithium

Lithium carbonate (from 2024)

Our strategic and CSR focuses



Growing in metals for global economic development

Resilient markets:

Manganese ore and alloys, nickel, mineral sands.



Sustainably developing critical metals for the energy transition

High-growth markets:

Lithium, nickel/cobalt salts, battery recycling.



Setting an example by deploying a responsible approach

Commitment to people.

Commitment to responsible economy.

Commitment to the planet.

ENERGY TRANSITION LINKED TO CLIMATE CHANGE

INCREASED SOCIETAL REQUIREMENTS

Our value creation

Employees

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

88% of employees received training at least once.

Shareholders

51% ROCE⁽³⁾ (2022).

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

Customers/Suppliers

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

Communities/Regions

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

€8 million investment in local communities.

92% low-carbon electricity purchased in 2022.

R&D and innovation partners

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

(1) The presentation of Eramet's resources follows IIRC recommendations.

(2) LCE: Lithium Carbonate Equivalent.

(3) ROCE: current operating income/capital employed. (4) Yearly update issued in June.

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

(6) Subject to the Shareholders' Meeting of 23 May 2023.

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

* Distributable to stakeholders.

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

(2) Taxes paid, royalties and other duties paid. Production rights; taxes on corporate revenue, production or income, except for consumer taxes received, such as value-added tax, income tax for natural persons or sales tax; royalties; excluding dividends; signature, discovery and production bonuses; licence fees, leases, right of entry and other licence and/or concession considerations; payments for infrastructure improvements.

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

(4) Cost of net debt and other financial income and expenses.

(5) Dividend of €3.5 per share put to vote at the Shareholders' Meeting in respect of the 2022 financial year.



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.



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.



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.



CUSTOMERS

TOPICS OF INTEREST

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

COMMUNICATION AND DIALOGUE METHODS

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



SUPPLIERS AND SUBCONTRACTORS

TOPICS OF INTEREST

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

COMMUNICATION AND DIALOGUE METHODS

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



SHAREHOLDERS AND INVESTORS, DEBT HOLDERS AND LENDERS

TOPICS OF INTEREST

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

COMMUNICATION AND DIALOGUE METHODS

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



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.



LOCAL, EUROPEAN AND INTERNATIONAL PROFESSIONAL ASSOCIATIONS

TOPICS OF INTEREST

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

COMMUNICATION AND DIALOGUE METHODS

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



The people at the heart of the Eramet project

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



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

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

Emphasis on human beings

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

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

Becoming a reference employer in the world of mining and metallurgy

1. Integrating and engaging our employees

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

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

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

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

2. Encouraging skills development

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

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

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

3. Commitment to diversity and inclusion

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

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

2022 Key figures

74%

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

Label *Happy Trainees* label: Eramet ranked

8th

in the international *HappyIndex Trainees* 2023 survey conducted by *Choose My Company*, with a global score of 4.02/5 in France and in our main subsidiaries.

1,277

people recruited in 2022 (permanent and temporary contracts).

10.2%

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

88%

of employees received at least one training session in 2022.

Board of Directors

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



- **Christel Bories**,
Chair and Chief Executive Officer
- **Alilat Antsélévé-Oyima**,
director
- **Émeric Burin des Roziers**,
independent director
- ● **Christine Coignard**,
independent director
- **François Corbin**, Lead Director,
independent director
- ● ● **Cyrille Duval (Sorame)**,
director
- **Jérôme Duval**,
director

- **Jean-Yves Gilet**,
director
- **Nathalie de La Fournière (CEIR)**,
director
- ● **Manoelle Lepoutre**,
independent director
- ● **Miriam Maes**,
independent director
- **Nicolas Noel**,
director representing employees
- **Franck Pecqueux**,
director representing employees
- **Catherine Ronge**,
independent director
- ● **Sonia Sikorav**,
independent director
- ● **Claude Tendil**,
independent director
- ● ● **Romain Valenty**,
director appointed by the State
- **Jean-Philippe Vollmer**,
director

7
MEETINGS
IN 2022

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

44%
PARITY LEVEL (7/16)⁽¹⁾

95%
AVERAGE ATTENDANCE
RATE OF DIRECTORS
AT MEETINGS

The work of the Committees and the Board in 2022

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

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

BOARD OF DIRECTORS

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

CSR AND STRATEGY COMMITTEE

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

REMUNERATION AND GOVERNANCE COMMITTEE

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

AUDIT, RISKS AND ETHICS COMMITTEE

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

APPOINTMENTS COMMITTEE

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

CSR AND STRATEGY COMMITTEE

9 members, including
3 independent members
3 MEETINGS

AUDIT, RISKS AND ETHICS COMMITTEE

6 members, including
4 independent members
7 MEETINGS

APPOINTMENTS COMMITTEE

4 members, including
2 independent members
2 MEETINGS

REMUNERATION AND GOVERNANCE COMMITTEE

5 members, including
3 independent members
5 MEETINGS

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



Executive Committee

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

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

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

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

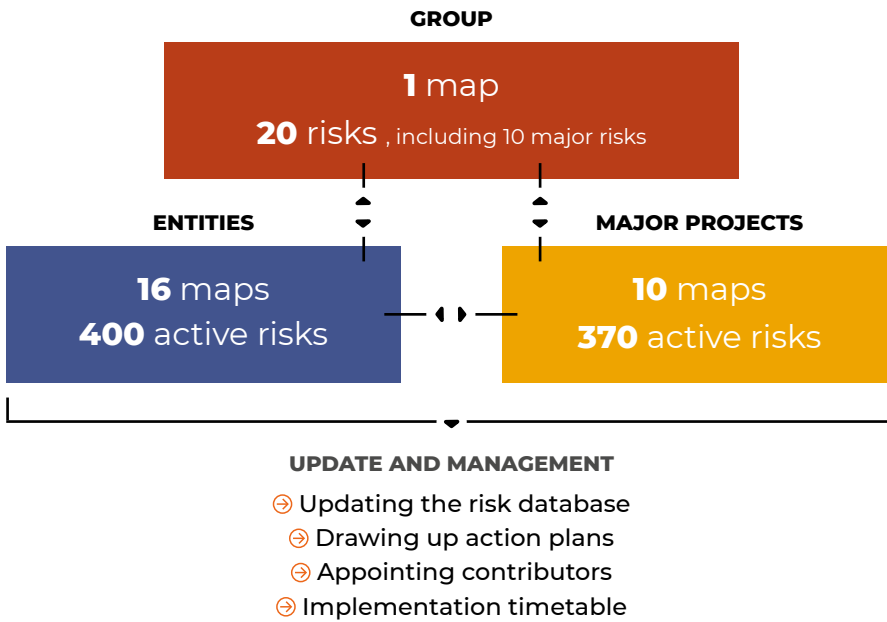
From left to right:
Nicolas Carré,
 Chief Financial Officer,
 in charge of procurement and IT;
Anne-Marie Le Maignan,
 Executive Vice-President Human
 Resources, Health and Security;
Guillaume Vercaemer,
 Group General Counsel;
Christel Bories,
 Chair and Chief Executive Officer;
Kléber Silva,
 Chief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

8 **3**
 MEMBERS, INCLUDING WOMEN

Risk management

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

Risk mapping



The Risk Management, Audit and Internal Control Direction of Eramet (CARE) is responsible for implementing risk management for Eramet.

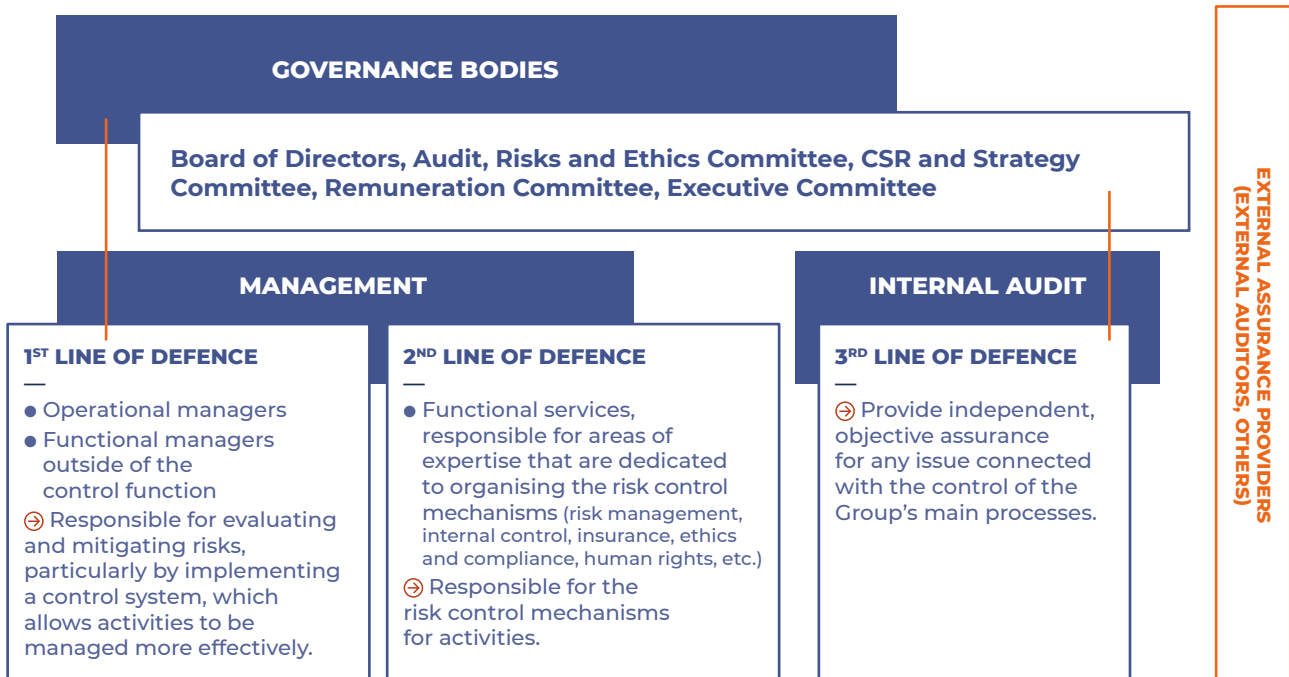
It reports to the Chief Financial Officer, who is also in charge of Group procurement and IT.

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

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

Risk management model

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



Commitments

1.

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

2.

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





3.

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



Major risks

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







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



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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Excluding Aubert & Duval, Sandouville and Erasteel, which, pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", are presented as discontinued operations in 2022 and 2021.

(2) Adjusted EBITDA, a new alternative performance indicator for the Group, is defined in the Financial Glossary.

(3) See Financial Glossary.

(4) Reduction in net debt of €616 million, before application of the IFRS 5 standard.

Financial performance

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS, pursuant to IFRS 5, excluding discontinued operations (in millions of euros) ⁽¹⁾

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

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

CHANGES IN NET DEBT pursuant to IFRS 5, excluding discontinued operations (in millions of euros)

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

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

Non-financial performance

CSR performance

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

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



2022 CSR PERFORMANCE INDEX (TARGET 100)

Progress on the 2018-2023 roadmap

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

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

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

ESG performance assessment



Note 26.1
Sustainalytics
 SEPTEMBER 2022



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



A-rating
 JANUARY 2023



Rated 73/100
 JUNE 2022



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

2023 outlook

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

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

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

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

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

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

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

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

The €/€ exchange rate is expected at **1.09**⁽²⁾ for 2023.

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

(1) Consensus of the main market analysts.

(2) Bloomberg forecast consensus as of 31/01/2023 for the year 2023.

(3) Adjusted EBITDA, a new alternative performance indicator for the Group, is defined in the Financial Glossary.



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