Eramet in Indonesia
A landmark for the EV industry
September 2022
Investor in North Maluku since 2006

Eramet is a French mining and metallurgical group with a global presence in 13 countries, employing directly around 8,500 people worldwide and more than 20,000 indirectly.

**Precursor**

**2006:** Eramet started to invest in nickel exploration in Halmahera, North Maluku as well as technical studies to process nickel ore on-site through its subsidiary Pt Weda Bay Nickel, partnering with PT Antam, one of the Indonesia’s major state-owned companies in the mining sector.

**Developer**

**2017:** Eramet signed a joint venture with Tsingshan, a global Chinese stainless steel company, for a partnership in PT WBN. During the construction phase, the project employed approximately of 7,500 workers.

**2020:** In April PT WBN commissioned the mine and plant in PT IWIP.

**Visionary**

**2022:** Eramet, together with BASF, the world’s largest chemical company, are developing a project for a hydrometallurgical plant in Halmahera, named Sonic Bay. The project is intended to process nickel and cobalt that are essential materials for the manufacture of batteries used in electric vehicles.
Eramet: good operational, CSR and financial performance in 2021

The Group achieved excellent results in 2021 driven by a very good operational performance and a favourable market environment. In terms of CSR, Eramet has confirmed its position as a responsible and civic-minded company by exceeding its commitments, particularly in terms of climate and safety.

Financial performance (1)
- €1.051 billion, or Rp 16,150 billion in EBITDA*
- €298 million, or Rp 4,580 billion of the Group’s net income (including businesses sold or in the process of being sold)
- Major reduction in net debt of €388 million, or Rp 5,962 billion (including businesses sold or in the process of being sold)

CSR Performance
- Safety at work: TF2** of 2.2 (-46% compared to 2020)
- Accident rate among the lowest in the industry
- Climate: -39% reduction in carbon intensity since 2018
- 104% of CSR objectives achieved

Operational Performance
- 14 million tonnes (2) of nickel ore extracted at Weda Bay Nickel (3.4 million tonnes in 2020). WBN is becoming one of the biggest nickel mines in the world.
- Nearly 3 million tonnes of nickel ore exported from New Caledonia (+17%). SLN is the oldest nickel mining operation in the world (in operation since 1880).
- 7 million tonnes of manganese ore produced in Gabon (+21%). Comilog is the world biggest manganese mine in the world.
- 747,000 tonnes of manganese alloys produced (+7%). Eramet is number one producer of refined manganese worldwide.

(1) Excluding Aubert & Duval, Sandouville and Erasteel, which, pursuant to IFRS 5 - “Non-current assets held for sale and discontinued operations,” are presented as activities in the process of being divested in 2021 and 2020.
(2) Including 4 million tonnes of lower grade conservation ore, set aside for future use for battery material production.

**EBITDA = “Earnings before Interest, Taxes, Depreciation and Amortization”.
**TF2 = number of accidents with and without stoppages / number of hours worked x 1,000,000.
Eramet: a partner of choice for Indonesia

Eramet’s business worldwide is founded on strong CSR commitments that combine operational performance with a positive impact on environment and communities.

The safety of its employees, subcontractors and surrounding communities are the Group’s number one priority. Eramet is also committed to societal development, namely through exemplary training and support for local men and women. The Group is a real catalyst for local development.

During the exploration phase in Indonesia, PT WBN developed a long tradition of dialogue with neighbouring communities and local authorities. Its CSR program is based on 4 pillars: education, health, development of local business and infrastructure.

PT Weda Bay Nickel has been a strategic project in the Master Plan for the Indonesian Papua/Maluku Corridor since 2010.

*In 2021 by PT Weda Bay Nickel, in the form of salaries/social charges, subcontracting and local purchases, taxes, royalties and local taxes, as well as in the form of contributory programs (CSR)
Eramet: Outlook for 2022

Strategy

The Group has a portfolio of high-quality and highly competitive assets, in operation and under development, to support the sustainable growth of the economy and produce the metals necessary for the energy transition.

Eramet has restarted its robust exploration program across the world, especially in Indonesia. It is searching for nickel, cobalt, manganese, lithium, mineral sands – all minerals in which the Group is already a world leader.

Priorities

Sustainable growth of its mines and plants in Indonesia, New Caledonia, Argentina, Gabon, etc.

Picking up of the pace in its various projects: construction of a lithium plant in Argentina, the nickel and cobalt production project for batteries in Indonesia and the battery recycling project in France.

Development of exploration campaigns: looking for new development opportunities that fit in with the Group’s road map.
A clear CSR road map

In 2018, Eramet implemented its CSR road map bringing together 13 concrete objectives to be achieved by 2023 in terms of security, climate, environment, as well as support for economic diversification. It also covers ethics & integrity and local territorial development in consultation with communities and local authorities.

In 2021, Eramet's CSR performance index was 104 (target 100), a confirmation the continued progress it has been making in this area. The Index is recognized by non-financial agencies.

A second road is in preparation, with the aim of going even further in terms of sustainable development.

Commitment to responsible mining (IRMA)

Eramet has opted to apply for IRMA membership in 2022 (The Initiative for Responsible Mining Assurance). Eramet has developed a road map to implement IRMA standards in its mines and plants.

In the case of Indonesia, WBN has received approval of the Board to initiate the plan for IRMA certification.

4 main pillars for CSR
Education, Health, Livelihood, Infrastructure...

Weda Bay Nickel, strongly supported by Eramet, plans to invest in Halmahera’s local communities
In 2021, just two years after it opened, the WBN mine became the world’s leading nickel mine. The year was also marked by the ramp-up of our CSR commitment based on dialogue with communities and authorities. This translates into strong community investment, which also generates local economic development.

Rian Amri
Public Affairs, Eramet in Indonesia.
Eramet’s new projects for Indonesia

1. A new nickel and cobalt plant in Halmahera to supply the EV industry.

2. Nickel exploration campaign to find new resources to supply the energy transition market.
After having a pioneering role in nickel ferroalloy production in Halmahera, Eramet is now moving forward with it plans to process nickel ore with a new major innovative plant project: a nickel/cobalt hydrometallurgical complex designed to supply the electric battery industry.

This time, Eramet is working with BASF, its German partner – the world’s largest chemical company and a leading supplier of high-performance cathode active materials (CAM) for electrified vehicles to battery producers and OEMs around the world.

**Projected impact**

- **Direct & indirect contribution to Indonesia’s economy**
  - 60 kt Ni & 7 kt Co in MHP
  - Production of value added products with associated tax and royalties
  - $2.2 - 2.5 bn
  - Total investment in HPAL plant, tailing and infrastructure (vs. average $300 k for NPI smelter)
  - $1.3 bn
  - Expected annual turnover
  - $3.1 - 3.7 bn
  - Potential GDP impact ($1.44 GDP generated per $1 FDI). Other impact includes indirect economic activities, local share of salaries and procurement

- **Employment & capability building**
  - 1,400 FTE
  - Job creation for technicians, engineers and administrative (not included construction period)
  - >95%
  - Local and national recruits
  - >17,600
  - Days of training & development (benchmarked from previous project)
  - 12,000
  - Indirect and induced jobs (benchmark: 8x direct jobs), including contractors, civil servants, agricultural workers, and general services

**Eramet in Indonesia: A landmark for the EV industry - September 2022**
Eramet’s environmental and social commitments

Eramet is developing a comprehensive CSR road map for Sonic Bay, based on:

- **environmental impacts mitigation**
  Water, biodiversity, tailing management

- **sharing of project economic added value with surrounding areas**
  Local employment, education, development of subcontractor network

- **support to local infrastructure development**
  Support to local authorities to help with the provision of necessary infrastructure to deal with the rapid development of industrial activities in Weda Bay: access to fresh water, medical services, traffic management, etc.

Eramet’s new nickel & cobalt project in Halmahera will meet all the highest international standards:

- **Complying with highest international Environmental, Social and Governance (ESG) standards:**
  ore production right down to processing and tailing management.

- **Responsible mining:** Sonic Bay will source sustainable ore from the Weda Bay mine which will operate in accordance with the IRMA standard.

- **Optimal value of Weda bay ore:** the HPAL technology deployed at Sonic Bay will unlock the optimal value of limonite ore produced by Weda Bay mine. No waste.

- **Minimizing emissions:** Commitment to not using coal power, but instead to reusing steam generated from the process.

- **No to Deep Sea Tailing Placement (DSTP):** a strong position on tailing management was taken by Eramet in 2020. Tailings will be managed by the adoption of dry-stack tailing. Progressive rehabilitation is thus made possible.

- **Enabling further downstream investment phases in the future:** a successful Sonic Bay Project will be the first step toward the development of a base metal refinery and a PCAM plant in Indonesia.

Exploration in Indonesia:

Eramet has launched a new exploration program for nickel & cobalt and other mineral resources. This worldwide investment aims to find new development opportunities, especially for metals needed for the energy transition. In Indonesia, a dedicated team is exploring in different parts of the archipelago.
The Eramet Group aims to become a reference in the responsible transformation of the Earth’s mineral resources, for living well together.

**Safety**
46% reduction in accidents

**Climate**
39% reduction in the Group’s carbon intensity since 2018

**CSR Performance**
104% (target 100)

**Responsible mining**
first self-assessments at mining sites according to the IRMA standard

We are remaining true to our goal of becoming a world leader in the development of responsible and economically sustainable nickel mines. Our mission is to support the energy transition that the world needs by supplying nickel and cobalt in accordance with the highest standards of mining practice.

Bruno Faour
General Delegate, Eramet in Indonesia