



2020 reporting on financial transparency of the Group

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MEMORANDUM RELATING TO THE 2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP (1/2)

The “accounting” directive 2013/34/EU was adopted in June 2013 and implemented into French law through the Law n° 2014-1662 of December 30th, 2014 (Article L.225-102-3of the Code du commerce). Those texts require large companies active in the extractive industry or the logging of primary forests to publish a report on payments to governments on an annual basis.

This obligation is directly inspired by the Extractive Industries Transparency Initiative (EITI) which ERAMET voluntarily integrated in 2011. The main goal of the EITI is to fight corruption by encouraging transparency on money transfers between mining, oil and gas companies and countries hosting those economic activities.

The payments to be declared shall include the payments in cash or in kind, made as a single payment or as a series of related payments, for an amount equal to or above 100.000 euros within a financial year. The following subsidiaries of the ERAMET Group are subject to this obligation:

- SLN – Le Nickel (France – New Caledonia);
- Comilog SA (Gabon);
- Maboumine (Gabon);
- Eramet South Africa (South Africa);
- Grande Côte Opérations SA (Senegal); and
- Eramine Sud America SA (Argentina);
- Eramet Cameroun (Cameroun).

Detailed information on the subsidiaries of the ERAMET Group is available in chapter 2 of the 2019 Universal Registration Document of the ERAMET Group, available on the website www.eramet.com.

Payments of the following types shall be taken into account:

- Production entitlements;
- Taxes levied on the income, production or profits of the companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sale taxes;
- Royalties;
- Dividends;
- Signature, discovery and production bonuses;
- License fees, rental fees, entry fees and other considerations for licenses and/or concessions; and
- Payments for infrastructure improvements.

MEMORANDUM RELATING TO THE 2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP (2/2)

In the absence of any precise legal compelling definition, the types of payments have been defined according to the EITI guidance. For the sake of clarity, the various types of payments have been separated into two general categories: payments imposed on the legal entity as a commercial entity and payments imposed on the legal entity as mining operator.

In 2019, the following subsidiaries did not make payments greater than 100.000 euros : Maboumine, Eramet South Africa, Eramine Sud America, Eramet Cameroun.

This report was approved by the Board of Directors of ERAMET SA on May 26th, 2020.

2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP – PAYMENTS PER CATEGORY (1/4)

Payments per category		Definitions	Countries	Legal Entities	Paid Amount (in euros)*	Public authority receiving the payment
Payments imposed on the legal entity as a commercial entity	Taxes levied on the income, production or profits of companies	<i>Taxes levied on the profits of a company's upstream activities, excluding taxes levied on consumption such as value added taxes, personal income taxes or sale taxes.</i>	France (New Caledonia)	Société Le Nickel (SLN)	11 909 075	Public Treasury (Directorate Tax Services New Caledonia) (a) (b)
			Gabon	Comilog SA	271 277 075	Ministry of Finance of Gabon (c)
			Sénégal	Grande Cote Opérations SA	-	
	Dividends	<i>A payment to a partner or shareholder out of the profit of a company as a return on the investment made.</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	68 543 854	Société Equatoriale des Mines and Caisse des Dépôts (d)
			Sénégal	Grande Cote Opérations SA	-	
	Payments for infrastructure improvements	<i>Payment required by contract law or tax law (e.g. road building)</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	145 038	Public Treasury of Gabon (g)
			Sénégal	Grande Cote Opérations SA	372 269	Thies Region (h)

(*) The exchange rate used is the 2019 average rate used for the consolidation of the ERAMET Group accounts, i.e. 119.33174 for Pacific Franc in New Caledonia and 655.957 for CFA Franc in Gabon and Senegal. The amounts reported correspond to all of the disbursements made by the various entities and are not prorated according to the percentage of ERAMET Holding. These ownership percentages are indicated in Chapter 2 of the 2019 Universal Registration Document of the ERAMET Group, available on the website www.eramet.com.

2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP – PAYMENTS PER CATEGORY (2/4)

Payments per category		Definitions	Countries	Legal Entities	Paid Amount (in euros)*	Public authority receiving the payment
Payments imposed on the legal entity as mining operator	Bonuses	Production Bonus	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
		Signature Bonus	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
		Discovery Bonus	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
	Royalties	Payments made to the government to compensate it for the right to extract (and purchase) a non-renewable natural resource. Most royalties are either ad valorem (based on a percentage of the value of output, e.g., 5% of the value of the minerals produced) or per unit (based on a fixed amount, e.g. \$10 per ton).	France (New Caledonia)	Société Le Nickel (SLN)	484 131	Public Treasury (New Caledonia Tax Services Branch) (a)(f)
Gabon			Comilog SA	28 704 787	Ministry of Mines of Gabon	
Sénégal			Grande Cote Opérations SA	7 593 355	Ministry of Mines of Senegal (d)	

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2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP – PAYMENTS PER CATEGORY (3/4)

Payments per category		Definitions	Countries	Legal Entities	Paid Amount (in euros)*	Public authority receiving the payment
Payments imposed on the legal entity as mining operator	Production entitlements	<i>This is the host government's share of the total production. This production entitlement can either be transferred directly to the host government or to the national state-owned company. Also, this stream can either be in kind and/or in cash.</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
	Export duties	<i>Payments to the host government and/or national state-owned company for exporting minerals.</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	21 070 224	Ministry of Mines of Gabon
			Sénégal	Grande Cote Opérations SA	-	
	Licence fee	<i>Payments to the host government and/or national state-owned company for receiving and/or commencing exploration and/or for the retention of a licence or concession.</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
	Entry fee	<i>Payments to the host government and/or national state-owned company for performing exploration work and/or collecting data (entry fees). These are likely to be made in the pre-production phase.</i>	France (New Caledonia)	Société Le Nickel (SLN)	-	
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
	Rental fee	<i>Annual fee collected according to the surface of the land to which the title applies or which is granted to the company.</i>	France (New Caledonia)	Société Le Nickel (SLN)	1 025 147	Other authority
			Gabon	Comilog SA	-	
			Sénégal	Grande Cote Opérations SA	-	
Various	<i>Land contribution on built and undeveloped properties</i>	France (New Caledonia)	Société Le Nickel (SLN)	-		
		Gabon	Comilog SA	277 683	Ministry of Finance of Gabon	
		Sénégal	Grande Cote Opérations SA	-		
TOTAL					411 402 638	

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2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP – PAYMENTS PER CATEGORY (2/2)

(a) Amounts collected on behalf of the provinces and collectivity of New Caledonia.

(b) This amount includes the payments of the patent.

(c) This amount covers the payment of corporate tax, withholding tax on the payment of dividends as well as the payment of a transactional agreement as part of the resolution of a tax audit.

(d) This amount corresponds to the payment of the share of the dividend paid in 2019 paid to the Gabonese State for the 2018 financial year.

(e) This amount covers the payment of the land contribution.

(f) This amount represents the payment of the surface royalty. However, an administrative dispute is ongoing regarding the nature of the surface royalty, to determine whether it is a fee for public occupation or a tax. Litigation is pending before the Council of State before which the SLN appealed in cassation against the judgment of the Administrative Court of Appeal rendered in 2018 and dismissed. A cassation appeal was expected in 2019 but as of today no date has been fixed for the rendering of the decision by the Council of State.

(g) Contribution to the training of Gabonese.

(h) GCO's "compulsory" social program for the execution of works or equipment for the benefit of villagers affected by mining.

2020 REPORTING ON FINANCIAL TRANSPARENCY OF ERAMET GROUP – PAIEMENTS PER COUNTRIES AND LEGAL ENTITIES

Countries / entities	Taxes levied on the income, production or profits of companies	Payments for infrastructure improvements	Dividends	Royalties	Export duties	Rental fee	Production entitlements	Various fees	Paid amount in 2019 (in euros)*
France (New Calédonia) / Société Le Nickel (SLN)	11 909 075		68 543 854		484 131			1 025 147	81 962 207
Gabon / Comilog SA	271 277 075	68 543 854	145 038		28 704 787			21 347 907	390 018 661
Senegal / Grande Côte Opération SA		372 269		7 593 355					7 965 625
Group Total									411 402 638

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