SUSTAINABILITY-LINKED FINANCING FRAMEWORK

May, 2023

eramet

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1. INTRODUCTION

1.1. About Eramet

Eramet is a French multinational **mining and metallurgy company** headquartered in Paris ("**Eramet**" or the "**Company**"). With its 9,090 employees worldwide and over 100 years of experience, the Company is a key player in the extraction and recovery of metals and the production of processing of high value-added alloys. Through these activities, it transforms the Earth's mineral resources to provide sustainable and responsible solutions to the growth of the industry and to the challenges of the energy transition. Its mining operations are mainly located in the French overseas territory of New Caledonia, in Gabon and in Senegal, with leading position in the production of ferronickel; high-grade manganese ore and mineral sands (e.g., zircon, titanium).

Eramet's notable ambition is to become a leading mining and metallurgy group that is respectful of its environment and makes a positive contribution to the areas in which it operates. It aims at **extending its portfolio in the critical metals for the energy transition**, being the only European mining entity with world-class mineral deposits on battery metals (i.e., nickel, cobalt and lithium) and the first European company to develop sustainable and large-scale lithium production.

Beyond its strategic investments in sectors of the future, Eramet and its subsidiaries taken as whole (the "**Group**") is also creating this sustainable performance through the quality and strength of its teams around the world, delivering operational excellence, innovation capability, an entrepreneurial spirit, openness and pragmatism. As a business partner of choice, Eramet also strives to be seen as a home for best talents that enables every individual to reach their full potential.

1.2. Eramet's Sustainability Strategy

Corporate social responsibility is at the heart of the Eramet project, with an ambition enrolled in its corporate purpose (*raison d'être*) in May 2021 to **become a reference for the responsible transformation of the Earth's mineral resources for living well together.**

With this in mind, the Group has chosen to join the Extractive Industries Transparency Initiative ("**EITI**") and to become a partner member of the Responsible Minerals Initiative ("**RMI**") to contribute to the improvement of best practices in the responsible sourcing of metals. With its subsidiaries, the Group is particularly committed to providing concrete responses to the Sustainable Development Goals ("**SDGs**"), the priorities defined by the United Nations (UN) for a better and more sustainable future for all. In line with this commitment, Eramet has joined the Global Compact, one of the main mechanisms initiated by the UN to support companies' voluntary commitments.

To crystallize its ambitions, in 2018 the Group implemented a societal commitment agenda that establishes a direct link between Corporate Social Responsibilities ("**CSR**") priorities and strategic guidelines. This "**CSR roadmap**" is structured around three core components, bringing together a total of 13 specific objectives to achieve by 2023:

1. COMMITMENT TO PEOPLE

Health and Safety of employees and subcontractors

The health and safety of Eramet's employees and subcontractors is an absolute prerequisite for sustainable performance. The Group is multiplying initiatives in the field, determined to achieve the objective set for 2023: to reduce the number of deaths to zero and halve the number of accidents. Eramet has reported a safety improvement with a 21% decline in the number of accidents in 2022 versus 2021 (Total recordable injury rate at 1,1 in 2022).

Diversity and inclusion

Eramet sees diversity and inclusion as a real lever for performance and transformation. Regardless of age, gender, disability, or social or ethnic origin, all employees must be able to flourish in the Group's various businesses and activities.

Commitment to communities

Eramet aims to become a company that contributes to public interest issues and generates value in the areas where it operates. Particularly in its relations with the communities near its sites, the Group wishes to **move from an approach of limiting and compensating for the impacts of its activities to a search for net benefits for the populations**, in line with its priorities and aspirations.

This is reflected in objective 5 of the CSR roadmap, "To be a valued and contributing partner to our host communities". Achievement of the objective is measured with two targets by 2023: 100% of the sites have set up a mechanism for dialog with local stakeholders; and 100% of the sites are implementing an investment program that contributes to local development, with a focus on youth. Support to population include provision of medical care, enhanced access to drinking water and learning conditions. In 2022, 100% of industrial and mining sites have a mechanism for dialogue with local stakeholders and implement a community investment program.

2. COMMITMENT TO ECONOMIC RESPONSIBILITY RESPONSIBLE BUSINESS

Mining resources and recycling metals

Eramet is permanently seeking solutions to utilize the lowest-grade ore, repurpose mining resources and foster recycling. It has implemented a **Circular Economy Action Plan** for the 2019-2023 period, with the goal to repurpose, through innovative actions, 2 million tons of materials previously considered tailings or waste.

Among improvement actions, the Group formalized in 2020 a new dedicated procedure, "Management of waste storage facilities", which follows the fundamental requirements of the "Global Industry Standard on Tailings Management" published in 2020 by the United Nations Environment Programme ("**UNEP**") and the International Council of Mines and Metals ("**ICMM**").

Recycling is also an integral part of the production process of Eramet's High Performance Alloys activity, with steelworks incorporating more than 85% of secondary raw materials (metal scraps, shavings, grindings) as an alternative to the use of virgin raw materials.

Ethics and compliance

The Group has set itself the ambition of becoming an ethical partner of choice. At the heart of this approach is its Ethics Charter, signed by all members of the Executive Committee, whose principles comply with the most stringent regulations and standards. A Compliance Program has been developed around the following pillars: ethical governance with a dedicated organization, regularly updated guidelines and tools, including a whistleblowing system, *IntegrityLine*, accessible to employees and all stakeholders. The Group also aims by 2023 at 100% of its sales and purchasing teams to be trained on anti-corruption every year.

Human rights

By 2023, Eramet aims to be a benchmark in terms of respect for human rights in its sphere of activity and to have developed a mature level of reporting as part of the Shift-Mazars UNGP Reporting Framework. The deployment of this approach is based on the human rights policy, on regular assessments with regular monitoring by Eramet's CSR Committee and by the creation in 2021 of Eramet's Social Impact and Human Rights Department.

3. COMMITMENT TO THE PLANET

Energy and climate footprint

Climate change is one of the main threats facing humanity in the coming decades. As a mining and metallurgical group whose operations generate large amounts of greenhouse gases, Eramet is a key stakeholder when it comes to tackling this issue. The Group is thus seeking to avoid and minimize its atmospheric emissions. Eramet's strategy focuses on **reducing scope 1 and 2 CO_2 emissions** and helping customers (scope 3 emissions) to reduce their greenhouse gas emissions by offering products and solutions that help to reduce their carbon footprint (e.g., production of metals essential for the energy and digital transition or contribution to aircraft weight reduction through the production of aluminum-lithium). The Group has committed to reducing its Scope 1 and 2 CO_2 emissions by 40% in absolute terms by 2035 compared to 2019, a step towards making the Group carbon neutral by 2050. This commitment was validated by the Science Based Targets initiative ("**SBTi**") in July 2021 and is at iso perimeter 2019. A second SBTi validated target focuses on **carbon emission**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

reduction in the value chain of Eramet (Scope 3), as the Company has committed that 67% of its suppliers and customers by emissions will have decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement by 2025.

Over 2019-2021, the Group achieved ~23%[1] carbon intensity reduction and has developed a decarbonization roadmap[2], which details the measures that need be implemented to pursue the efforts, such as the use of bio reductants in ore reduction or the use of natural gas instead of heavy fuel oil for electricity production.

By focusing on the **supply of metals used in batteries for e-mobility such as nickel and lithium as well as on the recycling of lithium-ion batteries**, Eramet also **aims to be a part of the solution in terms of the energy transition**. The Group has secured one of the world's most promising lithium deposits in Argentine. With regard to recycling, the Group has joined forces with Suez and BASF to create the ReLieVe ("Recycling of Li-on batteries for electric Vehicle") collaborative project.

Reducing Eramet's atmospheric emissions

Among the atmospheric emissions generated by Eramet's activity, **dust is the main pollutant** (except CO_2 emissions). The Group's mining operations generate relatively low levels of emissions. On the other hand, due to combustion, pyrometallurgical operations accounts for most of the emissions at Eramet's various sites. These emissions are of two types: channeled dust and diffuse dust. The first type, from plant chimneys is quantifiable, and hence has been set as a target: the Group aims to reduce its channeled dust emissions by 80% between 2018 and 2023. The target reduction for 2022 was -47% and the result exceeds the target with a -69% reduction. This new reduction target is supported by investment in a new filtration system, the coming on stream of which, in 2024, will see the achievement of the target delayed by a year. This improvement is due in particular to the action plan implemented on the agglomeration chain of the Moanda Industrial Complex (CIM) in Gabon and also, to a lesser extent, to operational control actions on each of the sites.

Protect biodiversity

The locations of Eramet's various mining and metallurgical activities have enabled it to acquire solid experience in relation to biodiversity and to build a network of internal specialists. Based on this experience, Eramet has formalised its commitments since 2015. They are the subject of a specific section in the Group's Environmental Responsibility Policy. The principle is simple: act by avoiding and reducing pressure. The Group has made the "mitigation sequence" the foundation of its biodiversity preservation strategy:

- Avoid: Eramet's first priority is to avoid negative impacts on biodiversity;
- Reduce: Eramet seeks to reduce impacts that cannot be avoided in order to reduce their duration, intensity and/or extent;
- Rehabilitate: Eramet undertakes to rehabilitate the areas affected by its activities as soon as possible, with a focus on the reintroduction of endemic species;
- Offsetting: Eramet undertakes to offset any significant residual impacts that cannot be avoided, reduced and, where applicable, rehabilitated.

[1] Calculated in accordance with KPI 2 Scope & Methodology as presented on p.9. This figure has been restated to cancel out the incidental decrease in carbon intensity as a result of the outage of an electric power plant unit in New Caledonia to represent the reduction in carbon intensity under a business as usual scenario.
[2] Eramet's CSR Roadmap shall be modified in due course.

The preservation of biodiversity, especially around its industrial sites, is a major challenge for the Group, which put it down as one of its priority axes in its CSR roadmap. It sets itself an objective to restore more surface area than the Group will impact over the 2019-2023 period, achieving a rehabilitation rate of 1.21 in 2022, meaning 20% more than the cleared areas.

This follows a long-lasting commitment of the Group in favor of the protection of biodiversity, with the first **rehabilitation works** launched by the Group in the 1970s. These long-term biodiversity commitments have been recognized in November 2021 as being SMART by the **act4nature** steering committee, a voluntary biodiversity alliance directed at French companies operating internationally.

Again in 2021, the Group created the Lékédi Biodiversity Foundation in Gabon to study, raise awareness and protect Gabon's biodiversity and support research projects.

Preserve water resources

Eramet strives to preserve the quality of water environments by **limiting erosion** at its mining sites, that are mainly located in countries with heavy rainfall and abundant water resources. The Group is committed, as part of its CSR roadmap to speed up the rate of site revegetation (hydroseeding and planting, spreading topsoil), which is one the most effective way to combat erosion and thereby protect the quality of water resources.

Major efforts are also made to maximize water recycling and therefore **decrease consumption**, with a special concern in the the Grande Côte Opérations site (GCO), in Senegal, as the operation of the mine uses two aquifers, one of which is very important to local inhabitants and the country in general.

The topic of minimizing water consumption is also central to R&D efforts by the Group to develop its own lithium extraction process. Through this initiative, a gain of over 30% water consumption per ton of lithium has been achieved over the course of the development of the Lithium Project in Argentina.

IRMA:
Eramet recognises the Initiative for Responsible Mining Assurance (IRMA) as the reference framework which the Group wishes to use in developing its mining-related activities and projects. IRMA is approved by numerous actors in the battery value chain, NGOs, and institutions connected with mining activities.
In 2022, self-assessments were carried out on the mining sites in Senegal and Argentina. In addition, an audit was conducted in the first quarter of 2022 to self-assess WBN's mining operations against the IRMA standard.

1.3. ESG Performance recognized by leading ESG agencies

Eramet ESG Performance is reflected in its ESG ratings. The Group also earned a A-, on the Climate Change questionnaire of the Carbon Disclosure Project's (CDP) 2022 ranking, placing Eramet in the top category of companies in its business sector. In addition, for the first time Eramet was evaluated by the CDP on the Water Security questionnaire and receive the score of B-. Eramet's Sustainalytics ESG Risk Rating also improved from 26.28 in 2021 to 26.1 in 2022. Eramet has received for the third year in a row the A score by the MCSI agency, in 2022. The 2021 update of the Vigeo Eiris ("**V.E.**") ESG assessment has assigned Eramet with a score of 66/100 which places Eramet in the 1st decile as in the V.E.'s previous assessment conducted in 2019. The Group also earned an overall rating of B by ISS-ESG and was awarded “Prime” status, granted to companies whose ESG performance exceeds the threshold of other companies in their industry. Finally, in a Wall Street Journal ranking that was released in 2020, Eramet appears among the 100 most sustainably managed publicly traded companies in the world.

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

B- rating
“Prime” status
ISS ESG *Corporate rating*
JUNE 2020

RATED
Note 26.1
Sustainalytics
SEPTEMBRE 2022

MSCI ESG RATINGS
Note A
JANVIER 2023

Note A - CDP Climat Change
Note B - CDP Water Security
DÉCEMBRE 2022

B rating
CDP *Climate change*
DECEMBER 2021

1.4. Rationale for the Sustainability-Linked Financing Framework

Driven by an in-depth transformation, Eramet has clearly defined ambitions to become a strategic player in the energy transition and committed to strong sustainability objectives.

The development of a Sustainability-Linked Financing Framework allows Eramet to team-up with its financial stakeholders along the Company’s long-term strategic and sustainable objectives. As such, any Sustainability-Linked Financing instruments issued under this Framework will enable Eramet to align its sustainability objectives with its financing strategy. It represents an additional step in Eramet’s commitment to Sustainable Finance, after the signing of its Sustainability-linked Revolving Credit Facility in July 2021.

2. SUSTAINABILITY-LINKED FINANCING FRAMEWORK

The Eramet Sustainability-Linked Financing Framework (“**Framework**”) aligns with the International Capital Markets Association (“**ICMA**”) Sustainability-Linked Bond Principles (“**SLBP**”, June 2020) and the Sustainability-Linked Loan Principles (“**SLLP**”, February 2023), which provide market guidance on the recommendation of structuring features, disclosure and reporting. Hence, it has been structured according to the following sections:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification

As the ESG market continues to evolve, the rise of new standards and/or potential changes in the SLBP and SLLP may be incorporated into futures versions of this Framework. The Framework is applicable to any outstanding Sustainability-Linked Bonds/Loans issued under this Framework by Eramet or its subsidiaries. Sustainability-Linked Financing are instruments for which the financial and/or structural characteristics vary depending on whether the issuer or borrower has achieved pre-defined Sustainability Performance Targets.

2.1. Selection of Key Performance Indicators ("**KPIs**")

Eramet has selected three KPIs for this Framework, because they are core, relevant and material to Eramet's business.

Note that, baselines and historical figures associated to each KPI exclude the subsidiaries Aubert & Duval, Erasteel and Sandouville's operations, that are either divested or in the process of being divested.

KPI#1: Absolute Scope 1 & 2 GHG emissions reduction	
Definition	Absolute Scope 1 and 2 Greenhouse gas (GHG) emissions for a given year (measured on the 31st of December each year) compared to absolute GHG emissions of the baseline year.
Scope	Eramet Group's[3] own operations (i.e. due to the Company's activity), excluding the subsidiaries Aubert & Duval, Erasteel and Sandouville's operations, that are either divested or in the process of being divested.
Baseline	2019: 3,920 Mt of CO_2 equivalents
Methodology	Absolute scope 1 and 2 greenhouse gas emissions for all operated entities of the Eramet Group are measured by an absolute figure of greenhouse gas emissions in metric Megatonnes of CO_2 equivalents for a given calendar year (measured on the 31st of December of each year). The reported figure in Megatonnes of CO_2 equivalents is prepared in accordance with the rules of the Greenhouse Gas Protocol.
KPI#2: Carbon intensity, Scope 1 & 2 GHG emissions	
Definition	Scope 1 and 2 Greenhouse gas (GHG) emission intensity for a given calendar year (measured on the 31st of December each year) compared to GHG emissions intensity of the baseline year.
Scope	Eramet Group's[4] own operations (i.e. due to the Company's activity), excluding the subsidiaries Aubert & Duval, Sandouville and Erasteel operations, that are either divested or in the process of being divested. [5]
Baseline	2019: 0.363 metric tonnes of CO_2 equivalents per metric ton of production

[3] In accordance with the Greenhouse Gas Protocol, direct emissions (scopes 1 and 2) of the joint ventures in which Eramet does not hold the controlling interest, are recorded in scope 3 in proportion to the Group's percentage of shareholding.
[4] Direct emissions (scopes 1 and 2) of the joint ventures in which Eramet does not hold the controlling interest, are recorded in scope 3 in proportion to the Group's percentage of shareholding.
[5] Note also that emissions of SETRAG (~50 ktCO_2/year), a subsidiary of Eramet's subsidiary Comilog, are not accounted for, as SETRAG's business is the transportation of people where emissions are not measured in tonnes of products and are not in line with the core business of Eramet. Therefore, SETRAG's emissions are considered immaterial as it represents 1.4% of the Company's total emissions and does not affect the overall applicability.

Methodology	Eramet's scope 1 and 2 emissions' figure is derived by dividing the absolute Scope 1 and 2 greenhouse gas emissions in metric tonnes of CO_2 equivalents for a given year by the total metric tonnes of production ready to be sold. The reported figure in metric tonnes of CO_2 equivalents is prepared in accordance with the rules of the Greenhouse Gas Protocol. In its calculation Eramet makes sure to avoid double counting of transshipped quantities in tonnes related to its logistics operations from Moanda. Only the tonnes of product sold by DFIP are taken into account (tonnes of production from the Moanda mine are excluded). However, the emissions related to such operations are well taken into account for the purposes of calculation of KPI2. $$KPI2 = \frac{\begin{array}{c} Scope\ 1\ and\ \ 2\ GHG\ emissions\ in\ metric\ tons\ of\ CO2e \\ (including\ production\ and\ logistics\ operations) \end{array}}{\begin{array}{c} Total\ metric\ tonnes\ of\ production \\ (excluding\ transhipped\ quantities\ related\ to\ its\ logistics\ operations \\ from\ Moanda) \end{array}}$$

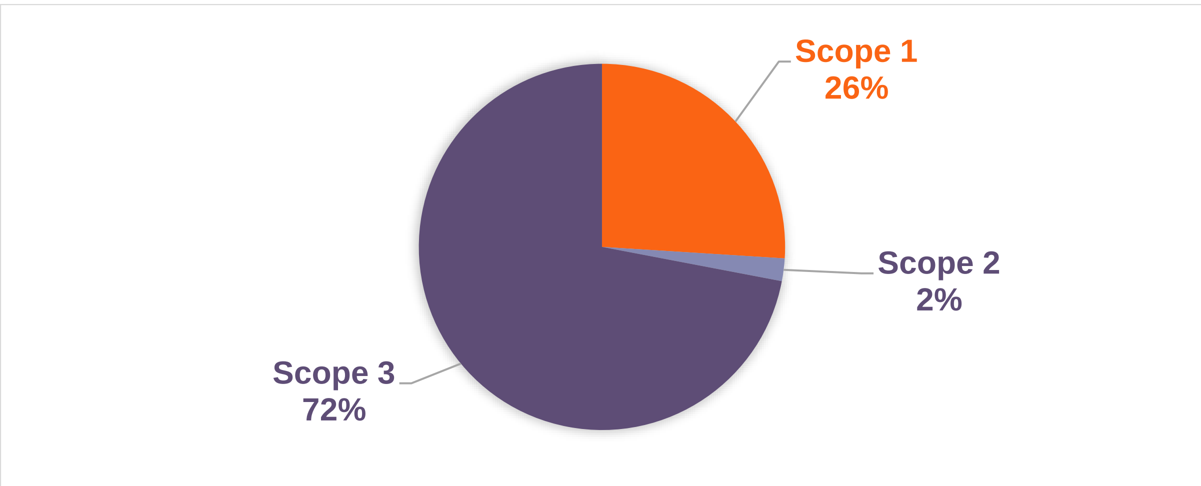
KPI#3: Share of suppliers and customers by emissions having decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement	
Definition	Share of suppliers and customers by emissions having decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement or more ambitious (measured on the 31st of December each year)
Scope	All suppliers and customers (except traders) of the Eramet Group. Covering Eramet's scope 3 emissions, across all categories outlined in the GHG Protocol Corporate Value Chain standard (excluding trading companies in category 10 - "Processing of Sold Products"). The scope of the KPI does not include the subsidiaries Aubert & Duval, Erasteel and Sandouville's operations, that are either divested or in the process of being divested. Eramet estimates that the KPI3 will address the material part of its Scope 3 emissions, 83% as reported for 2019, *i.e.* 8.2 Mt of CO_2 equivalents. The baseline is calculated by applying the share of suppliers and customers having decarbonisation targets in place that adhere to the SBTi criteria for well-below 2°C a target ambition.
Baseline	~30% in 2021
Methodology	On an annual basis, Eramet multiplies its total revenues from customers and the spend on suppliers with emission factors to calculate its Scope 3 carbon footprint for all categories outlined in the GHG Protocol Corporate Value Chain standard (excluding trading companies in category 10 - "Processing of Sold Products"). The emission factors are based on relevant international databases (ADEME, Life Cycle Inventorie of Metals, AIE when physical quantities are known, otherwise the spends/sales and associated "monetary" emission factors from Quantis database (validated under the GHG Protocol)). The share of suppliers and customers by emission having decarbonization targets consistent with the well-below 2°C scenario of the Paris agreement for a given calendar year (measured on the 31th of December) is calculated based on a subsequent assessment of revenues from customers and the spend on suppliers that have this type of decarbonisation targets

	This methodology is in accordance with SBTi Target Validation Protocol[6]. The application of science based decarbonization targets by customers and suppliers will be assessed based on: 1. mapping the suppliers and customers of the Eramet Group in sectors where SBTi guidance is available with the publicly available dataset of companies with SBTi validated targets as published on the SBTi website (https://sciencebasedtargets.org/companies-taking-action), and: 2. assessing suppliers and customers on having decarbonization targets in place that adhere to the SBTi criteria for a well-below 2°C target ambition. As Eramet is committed to continuous improvement of its Scope 3 reporting, the emissions factors mentioned above may be updated over time or will be superseded by actual customer and supplier emission data to improve the quality of the Scope 3 reporting.

Materiality

The three selected KPIs are core to Eramet's strategy to reduce its CO_2 emissions and are addressing the **decarbonization challenge**, that is of vital importance to the mines, metals and alloys' industries. Decarbonization is indeed becoming an essential part of the "license to operate", with metals & mining companies facing both an increasing demand for the materials essential to the energy transition and a growing pressure to decarbonize operations that are highly energy intensive. Fully aware of the driving and structural role that can be played by industrial operators who provide the global industry with raw materials, Eramet aims to reduce its carbon footprint by controlling its emissions, developing its lowest-carbon activities and supplying metals essential to the energy transition. Eramet is hence transforming its industry and providing solutions to tackle the crucial climate challenge.

ERAMET 'S CARBON FOOTPRINT (2019)
excluding Aubert & Duval, Sandouville and Erasteel: 13.8 Mt of CO_2 equivalent



[6] Target-Validation-Protocol.pdf (sciencebasedtargets.org)

KPI #1 and KPI #2 address Eramet's Scope 1 and 2 emissions

Eramet's scope 1 emissions refer to on-site direct emissions, resulting mainly from the transformation of ore through pyrometallurgy, for which there is currently no economically viable alternative technological solution. **Scope 2 emissions** refer to indirect emissions linked to electricity and heat purchases. Thanks to a high proportion of carbon-free electricity, emissions linked to electricity are low, at around 0.323 Mt of CO_2 equivalents (in 2019). In 2019, the baseline year for both KPI 1 and KPI 2, Eramet's total Scope 1 and 2 emissions amounted up to 3,920 Mt of CO_2 equivalent and accounted for 28% of the Company's total Scope 1, 2 and 3 emissions. Hence, reducing these emissions scopes is a key part of the Company's strategic objective to contribute to climate change mitigation.

KPI #3 addresses Eramet's Scope 3 GHG emissions referring to all the emissions that occur in Eramet's value chain. In 2019, these emissions amounted up to 9,900 Mt of CO_2 equivalent and accounted for 72% of the Company's total Scope 1, 2 and 3 emissions. The largest share of Eramet's scope 3 emissions comes from the "processing of sold products", meaning the emissions of the consumers of mining products. Other scope 3 emissions include upstream Scope 3 emissions related for example to the purchased goods and services or to the transportation of raw materials supplied. KPI#3 prompts Eramet's suppliers and customers to reduce their emissions to ensure they set their own science based targets by 2025 and commit to decarbonization targets that adhere to the SBTi criteria for a well-below 2°C target ambition. Given the share of the Company's total emissions targeted by this KPI and the potential to drive significant emission reductions throughout the Company's value chain, this KPI is another key priority under the Company's CSR strategy.

2.2. Calibration of Sustainability Performance Targets ("**SPTs**")

Summary of available KPIs and SPTs

All Sustainability Performance Targets' pace are aligned with the Group's decarbonization roadmap that was submitted to the international consortium SBTi as part of its approval process in September 2021, which recognizes the ambition of the target and its consistency with the Paris Agreement.

The applicable KPI(s), Sustainability Performance Target(s) and related observation date(s) for a given Sustainability-Linked Financing will be specified in the relevant documentation of the specific transaction.

Summary of available KPIs, SPTs and observation dates[7]							
	2019	**2020**	**2021**	**2022**	**2025**	**2030**	**2035**
Absolute Scope 1 & 2 GHG emissions (in Mt)	3.920	3.817	3.896[8]	3.767[8]			-40% vs 2019 (≤ 2.352)
Carbon Intensity, Scope 1 & 2 GHG emissions (in tCO_2/t)	0.363	0.313	0.283[8]	0.281[9]	-35% vs 2019 (≤ 0.236)	-40% vs 2019 (≤ 0.218)	
Share of suppliers and customers by emissions having decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement	28%	27%	30%	33%	67%		

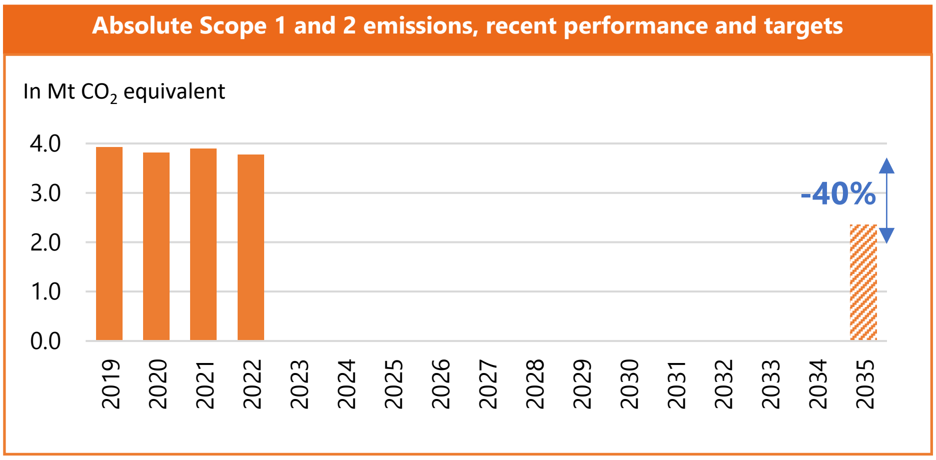
[7] Excluding subsidiaries Aubert & Duval, Erasteel and Sandouville's operations

[8] These figures have been restated to cancel out the incidental decrease in carbon emissions / intensity as a result of the outage of an electric power plant unit in New Caledonia to represent the carbon intensity under a business as usual scenario. Hence, these figures are more representative datapoints in the decarbonization trajectory.

[9] idem

Sustainability Performance Targets, Baseline and Ambitiousness

<table>
<tr><th colspan="2">SPT for KPI#1 : Absolute Scope 1 & 2 GHG emissions reduction</th></tr>
<tr><td>SPT</td><td>-40% by 31-12-2035 versus 2019 (or ≤2.352 Mt in 2035)</td></tr>
<tr><td>Baseline</td><td>Full calendar year of 2019: 3.920 Mt</td></tr>
<tr><td>Ambitiousness</td><td>



The reduction target for 2035 set by Eramet has been validated by **SBTi** in September 2021. This validation ensures that the commitment is compatible with the “well-below the 2°C” scenario of the Paris Agreement.

Eramet is one of the few companies in the mining sector with a SBTi validated target, which makes it an industry leading target.

The most significant improvements in absolute terms depend on breakthrough innovations to production processes (see below – levers to achieve SPT), most of them at the research & development status and expected to take some time to materialize. To complement this long-term absolute target, Eramet has set short and medium terms targets on improving its carbon intensity.
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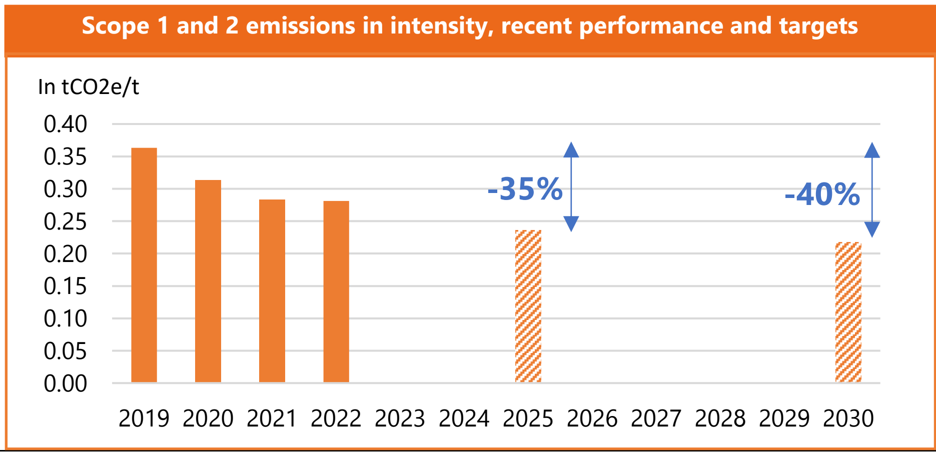
<table>
<tr><th colspan="2">SPT for KPI#2: Carbon Intensity reduction, Scope 1 & 2 GHG emissions</th></tr>
<tr><td>SPTs</td><td>-35% by 31-12-2025 versus 2019 (or ≤0.236tCO_2/t by 2025)
-40% by 31-12-2030 versus 2019 (or ≤0.218tCO_2/t by 2030)</td></tr>
<tr><td>Baseline</td><td>Full calendar year of 2019: 0.363 tCO_2/t</td></tr>
<tr><td>Ambitiousness</td><td>



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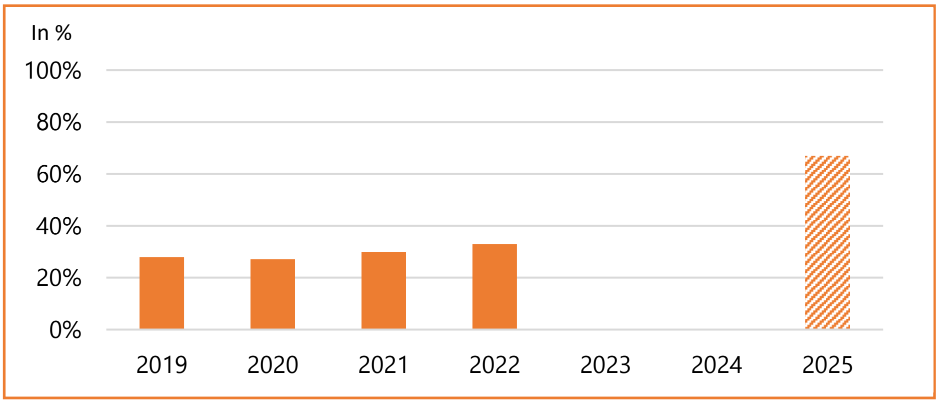
	The reduction pace is set in line with the decarbonization roadmap that was submitted to the **SBTi** as part of its review and approval process, ensuring the target is consistent with the Company validated long-term absolute emission target (i.e., -40% by 2035 of absolute emission), which has been recognized in accordance with a well-below 2°C pathway. This target is ambitious, especially considering that Eramet 's carbon intensity is already quite low compared to its peers thanks to: (i) Its pyrometallurgies activities based in France and Norway where the electric intensity is very low, as well as in Gabon where Eramet uses electricity generated by hydroelectric dams. (ii) Strong decrease in carbon-intensity over the past years driven by: o A change in activity mix by opting to ramp-up mining activities, which are much less emissions-intensive than the Group's other activities, especially pyrometallurgy activity, o The implementation of measures to improve energy efficiency and help decarbonize the energy we use, such as the reduction of its energy consumption through the construction of two wind farms in Norway or the use of electric conveyors with energy recovery for transporting ore at Comilog in Gabon

SPT for KPI#3: Share of suppliers and customers by emissions having decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement	
SPT	67% by 31-12-2025
Ambitiousness	**Share of suppliers and customers by emissions having decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement**  To address Eramet's Scope 3 emissions, that account for most its carbon footprint, Eramet is among the first ones of its industry to have engaged with SBTi on such commitment on its supply chain. Commitments encompassing all scope 3 emissions are very few amongst mining industry players. Some actors have set partial targets, covering for example only the shipping emissions. Eramet aims at ensuring that the suppliers and customers set the targets that adhere to the SBTi criteria, meaning that this ambition is aligned to well-below 2°C scenario. This target is ambitious considering 2021 and 2022 performance and the

	number of suppliers and customers concerned, to whom Eramet has to engage with. Such SPT requires Eramet's suppliers and customers to set reduction targets, applying for example the contraction method[10], which would unavoidably positively impact Eramet's Scope 3 absolute emissions.

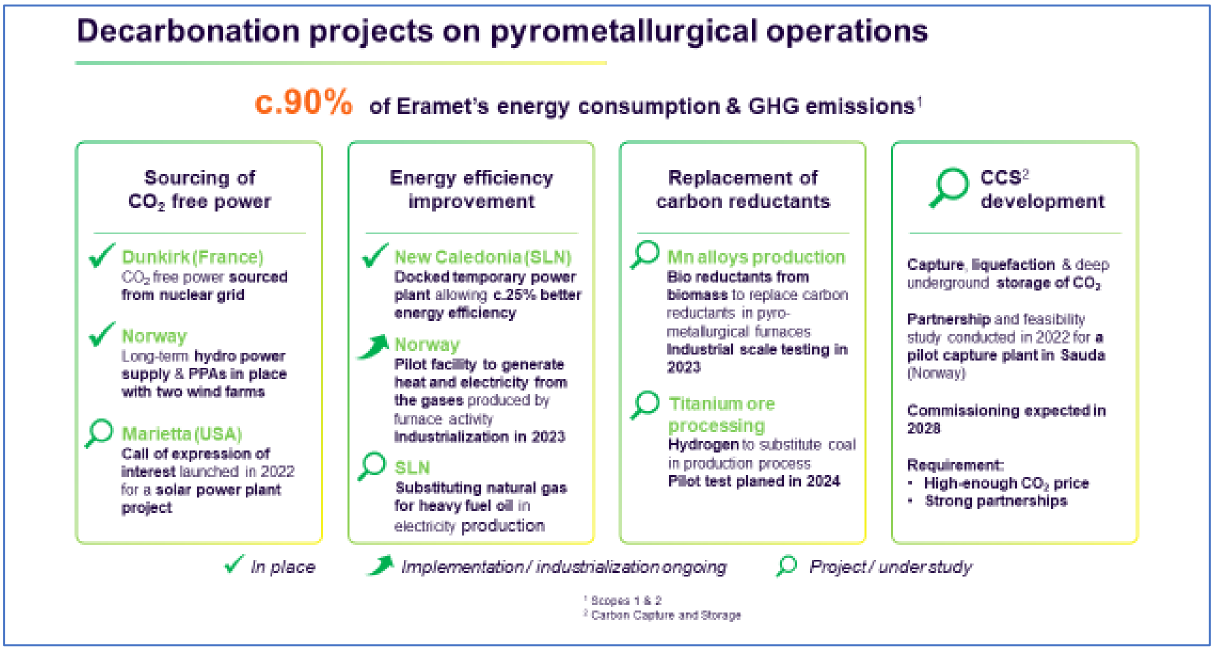
Levers to achieve SPTs

Achieving SPTI #1 and SPT #2 will require activating all available levers, including:

- **Short and medium term levers, such as:**
  - Use of **renewable energy in its operation** and sourcing of **CO_2 free power** for pyrometallurgy operations (e.g., solar plant at Grande Côte in Senegal; securing energy from wind farms in Tysvaer and Buhei, Norway and the installation of a solar energy unit at its facility in Les Ancizes, France.)
  - Introduction of **new mobility solution** (e.g., electric trucks, use of electric conveyors) on mining operations
  - Replacing oil-fired plants at its Doniambo, New Caledonia facility with an **offshore LNG power plant**

- **Breakthrough innovations to production processes**, most of them still at the research and development stage or first pilots and expect to materialize after 2025:
  - **Use of bio reductant and hydrogen** to decarbonize its pyrometallurgical production process, that rely of fossil coal. Eramet launched in 2021 a pilot projects in Norway for the production of manganese and titanium slag, respectively replacing carbon materials with bio carbon (produced from biomass and wood waste) and hydrogen. **Carbon Capture & Storage**, including the capture of the CO_2 produced by metallurgical furnaces and its deep underground storage.

[10] SBTi-manual.pdf (sciencebasedtargets.org)



Achieving SPT #3 will entail great deal of effort for the Company to enroll into its sustainability journey an increasing number of its counterparts through the observed period. This is achievable through the following actions:

- **Supplier engagement** and procurement policy and choices: structural engagement including establishment of a criterion related to suppliers' positioning on climate change on all purchases that would be weighted in the final decision, questionnaires sent through supplier's management systems on their positioning and initiatives related to climate change

- **Customer engagement** and product and service design: including offering customers products with low carbon content and/or expertise in how to decarbonate the processing of Eramet's metals, business model innovation

- **Dedicated discussion set up with significant suppliers and customers** to articulate specific joint decarbonization actions

Overall the management of suppliers and customers through the lens of science-based targets allows Eramet to improve the accuracy of its Scope 3 reporting as well as to have real positive influence on the emission reduction. The thorough and responsible action plan implemented by Eramet around SPT3 encompasses the largest possible coverage of Scope 3, representing a real challenge for the mining industry players where the Scope 3 is rarely reported or the reduction targets go beyond 2030 horizon

2.3. Financial Characteristics

The financial characteristics of Eramet Sustainability-Linked Financing instruments can vary depending on whether the included KPIs meets the predefined SPTs (as specified in section 2.2 of this Framework). The applicable adjustment and therefore the resulting impact on the financial characteristics for a given instrument will be specified in the relevant documentation. The proceeds of the Eramet Sustainability-Linked Financing instruments will be used for general corporate purposes.

The following sections outline the various approaches for impacting the financial characteristics of Eramet Sustainability-Linked Bonds.

- **A coupon step-up during the lifetime of the bond**
  In case this approach is applicable, failure to meet one or more SPTs will result in a coupon step-up applicable to all interest periods following the observation date (starting therefore on the next coupon payment falling after such observation date and applicable until maturity of the bond). If only some of the SPTs used in an instrument are met on a given observation date, an intermediary step-up could apply.

- **A premium paid at maturity of the bond**
  In case this approach is applicable, failure to meet one or more SPTs will result in an additional cash payment on top of the principal amount to bondholders at maturity of the bond.

In the case of Sustainability-Linked Loans, a **margin adjustment** in the form a premium or a discount will be applied depending on whether Eramet meets one or more of the SPTs. The specific margin adjustment mechanism will be specified in the loan documentation.

2.4 Reporting

On an annual basis and until the maturity of a Sustainability-Linked Bond or Loan, Eramet will provide investors and/or other stakeholders up-to-date information deemed to be relevant for the assessment of the applicable KPIs and SPTs (as outlined in section 2.1 and 2.2 of this Framework, respectively) in its universal registration document report or any equivalent or standalone report or document. The report will include:

- the performance of the selected KPIs against the predefined SPTs, including baselines and historical trajectory where relevant,
- any information enabling to monitor the level of ambition of the SPTs (e.g., any update in the issuers or borrowers' sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPTs).

Following the observation date of any of the Sustainability Performance Targets, a report confirming the KPIs performance relative to the SPTs will be provided.

Reporting will be made readily available on Eramet's website for all Sustainability Linked Bonds issued under the present Framework. and covered by an assurance statement of the statutory auditor (please refer to section 2.5 of this Framework for more details).

2.5 Verification

Verification and Assurance

Independent assurance will be provided by a qualified external auditor, which will assess Eramet's performance level against the KPIs and related SPTs, on an annual basis and until the maturity of the instrument. This annual assurance report will be included in the Eramet's universal registration document report or any equivalent or standalone report or document.

Additionally, a specific **Verification Assurance Report** will be provided by the auditor at time of a target observation date for a given SPT, based on which a potential adjustment of the financial characteristics of a specific Sustainability-Linked financial instrument will be triggered.

Second Party Opinion

Eramet has appointed Sustainalytics to provide a Second Party Opinion (SPO) on the Framework. The SPO verifies the Framework's alignment with the Sustainability-Linked Bond Principles, the Sustainability-Linked Loan Principles as well as its alignment with the ICMA Climate Transition Finance Handbook. The Second Party Opinion report will be made available on the Investor Relations section of the Eramet corporate website.

Recalculation

The legal documentation of a Sustainability-Lined Financing instrument may include a recalculation provision to take into consideration potential exceptional events, such as significant evolution in methodology or perimeters (acquisition and/or disposal) or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/or pro-forma adjustments of baselines or KPI scope.

In the event of any change, which occurs between the issue date of Sustainability-Linked Bonds and the Sustainability Performance Target Date (i) in the Group's perimeter (due to an acquisition, a merger or a demerger or other restructuring (*scission* or *apport partiel d'actifs*), an amalgamation, a consolidation or other form of reorganisation with similar effect, a spin-off, a disposal or a sale of assets); (ii) in or any amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the Group; or (iii) to the methodology for calculation of any KPI to reflect changes in the market practice or the relevant market standards, which, individually or in aggregate, has a significant impact on the level of any SPT or any KPI baseline (each, a "**Recalculation Event**"), the relevant SPT may be recalculated in good faith by the Company to reflect such change, provided that an independent external verifier has independently confirmed that the proposed revision is consistent with the initial level of ambition of the relevant SPT taking into account the Recalculation Event.

Disclaimer

The information contained in this Framework, unless differently specified in this Framework, has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. This Framework is intended to provide non exhaustive, general information.

This Framework contains certain forward-looking statements that reflect Eramet management's current views with respect to future events and financial and operational performance of the Group. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding present and future business strategies and the environment in which Eramet operates, and involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results or other events, to be materially different from those expressed or implied by these forward-looking statements due to any number of different factors, many of which are beyond the ability of Eramet to control or estimate including, but not limited to, future market development, or changes in the regulatory environment. These forward-looking statements and information are not guarantees of future performances.

Forward-looking statements speak only as of the date of this document and Eramet expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements included in this document to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Such forward-looking statements are for illustrative purposes only.

This document is not intended to be and should not be construed as providing legal or financial advice.

This Framework does not constitute a recommendation or advice regarding any debt securities or loans of Eramet or any of its subsidiaries or its affiliates. This Framework is not, does not constitute, nor it should be interpreted as, or form part of, any offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of, any solicitation of any offer to underwrite, subscribe for or otherwise acquire or dispose of, any debt securities (including any sustainability-linked debt securities) issued, to be issued by, Eramet or any of its subsidiaries or its affiliates in the U.S. or in any other jurisdiction.

Any decision to buy or invest in debt securities that may be issued by Eramet or its subsidiaries or affiliates from time to time, including any sustainability-linked debt securities, shall be made solely and exclusively on the basis of the information set out in the pertinent prospectus or offering document in accordance with all applicable laws (including selling restrictions) provided in connection with the offering of such debt securities, and not on the basis of the Framework.

Any decision to grant a loan to Eramet or any of its subsidiaries or its affiliates shall be made solely and exclusively on the basis of the relevant documentation relating to it and not on the basis of the Framework.

Thus, this Framework does not constitute (i) a prospectus or other offering document and no debt securities have been or will be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the U.S. or any other jurisdiction; or (ii) a prospectus within the meaning of Regulation (EU) 2017/1129, as amended.

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