

Annual report of due diligence assessments related to human rights and decent working conditions – 2023

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General information

Organisation

Eramet Norway AS is fully owned by the French mining and metallurgy group Eramet, listed on the French stock exchange. The Group operates in 20 countries and had 9,090 employees at the end of 2022.

Eramet Norway is part of the Group's manganese business unit, which consists of the following units:

- Ownership in Comilog, Gabon - manganese smelter and mining operation
- Ownership in SETRAG, Gabon - rail company
- Comilog Dunkirk, France - manganese smelter
- Eramet Marietta, Ohio, USA - manganese smelter

With its three manganese smelters in Porsgrunn, Sauda and Kvinesdal, Eramet Norway AS is part of the manganese alloys activity along with the Gabon smelter, Comilog Dunkirk and Eramet Marietta.

Eramet Norway had 552 employees at the year's end, Mr. Roger A. Westgård is CEO, and operating profit in 2022 was NOK 445 million.

In addition, Eramet Norway has an ownership in Georg Tveit AS, a quartz quarry located in Kragerø, Norway. Georg AS Tveit is the main supplier of quartz to our smelters in Porsgrunn and Kvinesdal.

Eramet Norway's Board of Directors is chaired by Mr. Bjørn Kolbjørnsen, who is also the director of the Group's manganese alloys activity, a part of the manganese business unit. The board consists of representatives from both ownership and employees, totalling eight members and two observers. Meeting quarterly, the board decides on matters of great importance to the company, as well as ensuring that it is managed in accordance with strategy, guidelines, and legislation.

Products

Eramet Norway provides manganese alloys to the global steel industry. Our three smelters produce ferromanganese and silicomanganese alloys which are used in steel manufacturing to increase its strength, toughness, and heat resistance. Refined ferromanganese is used particularly in steel for the automotive industry, while silicomanganese is widely used in construction steel.

Our products are:

- Ferromanganese (FeMn):
 - High Carbon FeMn
 - Medium Carbon FeMn 1,0-1,5%
 - Low Carbon FeMn 0,5%
- Silicomanganese (SiMn)
 - Standard
 - Low Carbon SiMn

Eramet Norway works continuously to improve its resource efficiency and utilisation, and as such, the company circulates large quantities of materials internally, and the following by-products are sold externally:

- Manganese Oxygen Refining (MOR) dust
- Energy-rich furnace gas

- Recovered electrical and thermal energy
- Silica Green Stone (SiGS)

Markets

The Group sold 698,000 tonnes of manganese alloys in 2022, of which Eramet Norway's share amounted to 496,758 tonnes. In 2022, the Group's six manganese smelters sold more than 80% of its alloys to customers in Europe and North America. Eramet Norway had a similar sale distribution.

Our market shares of the standard products SiMn and HCFMn are relatively low, while Eramet Norway is the world leading with a high market share of our main product, refined FeMn.

Group's commitment

In 2017, the Eramet Group initiated a transformation program to improve strategically, administratively, and digitally. Central in this transformation was the idea that as a mining and metals company of the future we must lead the way. As a result, Corporate Social Responsibility (CSR) constitutes to be the core of all strategic decisions. This obviously also include work to ensure that the Group is regarded as a responsible player and an ethical and preferred business partner, that work to ensure human rights and decent working conditions for everyone involved with the Group.

In 2021, the Group adopted purpose to "become the reference for the responsible transformation of the Earth's mineral resources for living well together", and as a subsidiary Eramet Norway is fully committed to the Group's roadmap for corporate social responsibility. The roadmap reflects the UN Sustainable Development Goals and consists of 13 goals divided into three main areas (See illustration to the right).

The Group is well on its way to achieve the targets for 2023. To assess the overall progress of the roadmap, Eramet measures its performance annually against the CSR Performance Index. In 2022, the Group achieved the indicator 115 (Base target = 100).

- 21% reduction in injury rate vs 2021 (FR2: 1.1), among the lowest in the industry
- >600 stakeholders consulted to confirm our priorities (ESG materiality index)
- 40% reduction in CO₂ intensity (CO₂ per tonne outgoing product, Scope 1 and 2)
- Rehabilitation rate >1 since 2019 (biodiversity)
- >44,000 people gained access to clean water through new or reopened sources

Actions to ensure human rights and decent working conditions

As fully owned by the Eramet Group, all of the Group's policies and guidelines also apply to Eramet Norway in addition to Norwegian legislation.



Commitment to people

1. Ensure the health and safety of employees and subcontractors
2. Build skills and promote talent and career development
3. Strengthen employee engagement
4. Integrate and foster the wealth of diversity
5. Be a valued and contributing partner of our host communities



Be a responsible economic player in daily life

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



Commitment to the planet

11. Reduce our atmospheric emissions
12. Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity
13. Reduce our energy and climate footprint

Eramet Norway requires that all employees adhere to high ethical standards. Employees are obliged to familiarise themselves with, keep updated on and comply with the company's ethical guidelines and other policies on ethics and conduct in the company, including, but not limited to;

- HSE policy (Published in our [Sustainability Report](#) (in Norwegian) available on eramet.no)
- [Health Policy](#) (Available on eramet.com)
- [Safety Policy](#) (Available on eramet.com)
- [Ethics Charter](#) (Available on eramet.com)
- [Human Rights policy](#) (Available on eramet.com)
- [Human Resources Management Policy](#) (Available on eramet.com)
- [Purchasing Policy](#) (Available on eramet.com)
- [Responsible Lobbying Policy](#) (Available on eramet.com)
- [Anticorruption Policy](#) (Available on eramet.com)
- [Anti-Corruption Code of Conduct](#) (Available on eramet.com)
- [Suppliers Code of Conduct](#) (Available on eramet.com)
- [Risk Management Policy](#) (Available on eramet.com)
- Guidelines for gifts and hospitality (internal policies)
- Guidelines for Export Control
- Procedure Know Your Customer
- Whistleblowing (See 'Whistleblowing and complaint mechanisms' in this report)
- Procedure Know Your Supplier
- Group Policy Procurement
- Employee Onboarding Policy
- Guidelines for Community Involvement

Eramet Norway follow all applicable legislation and agreements, as well as the national guidelines for working life. 'Personalhåndboken' (the staff handbook), available to all employees on our intranet, contains descriptions of policies and regulations, routines, and committees. This is the basis for the following practices:

- Standardised and systematic work that safeguards the employer's role, including wage policy and the negotiated collective agreement that safeguards working and wage conditions
- Systematic work related to career mobility and competence development for the individual employee
- Comprehensive programs to protect employees' health in high risk related work operations, including periodic health checks, assessment by health professionals, and workplace assessment, including detailed requirements for our occupational health services

- Systematic work to reduce safety risks, including protective equipment for all affected employees. Provide training on health and safety risks and best working practices to employees. Conduct risk assessment of employees' health and safety, as well as training in health and safety issues for subcontractors who work at our plants
- Regular employee surveys that include the entire Group
- Standardised recruitment processes to meet current requirements for safeguarding candidates
- Organised meeting arenas for employees and unions, among others Bedriftsutvalget (Business committee) and Arbeidsmiljøutvalget (working environment committee) (in accordance with national legal requirements)
- The Group has extensive whistleblowing procedures: employees can either notify their manager, HR or one of the safety delegates (verneombudene), or report by submitting a statement via the intranet page or calling the whistleblowing hotline (see 'Whistleblowing and complaint mechanisms' in this report for more information)

Requirements for suppliers

The Eramet Group is committed to be a responsible purchaser, and as such have strict requirements for our suppliers, which include detailed ethical guidelines for suppliers and other relevant purchasing guidelines. Our requirements clearly state that we expect all our suppliers to respect the Universal Declaration of Human Rights and the International Labour Organization's (ILO) core conventions.

The following procurement guidelines promote human rights and accountability in our supply chain:

- Eramet Group's Human Right Policy - [LINK](#)
- Eramet Group's Purchasing Policy - [LINK](#)
- Eramet Group's Safety Policy - [LINK](#)
- Eramet Group's Ethics Charter - [LINK](#) (Norwegian edition [LINK](#))
- Eramet Group's Health Policy - [LINK](#)
- Eramet Group's Anti-corruption Policy - [LINK](#)
- Eramet Group's Responsible Lobbying Policy - [LINK](#)
- Eramet Group's Risk Management Policy - [LINK](#)
- Eramet Group's Supplier Code of Conduct

Please visit [Policies & Charters | Eramet](#) for more information.

Whistleblowing and complaint mechanisms

All employees have been informed that they can notify their manager, local HR representative, HR director, trade union representative or one of the local safety delegates (verneombudene) if needed.

It is important for Eramet Norway to clearly demonstrate its ethical corporate culture at all levels. In 2020, the Group introduced a whistleblowing system that enables all stakeholders, both internal and external, to report undesirable behaviour, corruption, and ethics violations.

There are three different ways to report:

- By contacting manager, HR, trade unions representative or one of the safety delegates (verneombudene)
- Report via the website: <https://eramet.integrityline.org>
- Call +47 35 69 78 04. The service is available 24/7 and has Norwegian instructions.

Very few cases have been reported the last three years. All cases have been related to employees or subcontractors working at Eramet Norway's plants. Due to the nature of the cases, they have not resulted in any major consequences or changes for those involved or for Eramet Norway as a company.

The Group has an 'Ethics & Compliance' department which also includes a network of:

- 17 Ethics & Compliance Managers, appointed by the Executive Committee. They are responsible for ensuring that our Ethics Charter and procedures are implemented and followed in their respective areas. They receive reports from employees and ensure they are escalated internally.
- 55 Ethics & Compliance Ambassadors appointed by the Ethics & Compliance Director, after consultation with the relevant Ethics & Compliance Manager. Every location will have an ambassador on hand to educate and assist employees who experience ethical dilemmas.

At Eramet Norway, the role of Ethics & Compliance Manager is always held by a member of the company's management team. We also have an Ethics & Compliance Ambassador, a role assigned to our HR Director.

In addition, the International Anti-Corruption Day is marked every year, and information and awareness campaigns are organised regularly. There is also a comprehensive anti-corruption training module and ethical guidelines available to all employees of the Eramet Group.

Negative consequences and risks

Our internal procedures, policies and routines ensure that we conduct responsible sourcing by assessing risk and minimising negative consequences. Measures include supplier registration, risk assessments, supplier dialogue and follow-ups / audits, which are described in more detail below.

All our suppliers must register in our supplier system, and they are regularly assessed in accordance with CSR and ethics. Suppliers are classified according to three risk categories:

- Critical
- Sensitive
- Normal

How often suppliers are assessed depends on the risk level and the contract size. In our communication with suppliers, we always emphasise our standards and the high expectations we require from them and their supply chains.

To ensure compliance with the expected standards, we rely on independent third parties combined with frequent physical presence in terms of audits and ESG benchmarking tools. This work is conducted by the Group's head office and is based on 'Group Procedure – Evaluation of CSR performance and supplier ethics'.

The procedure describes how we work to identify and implement relevant and effective measures, to assess and mitigate the risks associated with CSR and suppliers' compliance with our Code of Conduct. It includes both current and possible future negative impacts our suppliers may contribute to, and this will, among other things, help to identify, assess, and reduce the risk of human rights violations. The procedure applies to the entire Group, including Eramet Norway as a subsidiary.

The following departments in the Group are directly involved:

- The Public Affairs Department and the members of the Responsible Purchasing Committee
- Legal Department
- Ethics and Compliance Department
- Risk Management Department

In addition, everyone who works in purchasing, lead buyers, customers, and suppliers, contributes to ensure compliance. The governing and supreme body for this work is the Responsible Purchasing Committee, which consists of:

- Group Purchasing Director
- Group Director for Ethics and Compliance
- Supplier Performance Development Coordinator
- Representatives from the departments Public Affairs, Legal and Risk Management

If deemed necessary due to the level of risk, external independent third parties are used to conduct audits and analyses of suppliers.

Since 2017, the Group has engaged EcoVadis, which follows up the suppliers' work on the environment, ethics, and social responsibility, including, but not limited to, working conditions and compliance with human rights. The Group also uses the 'Thompson Reuters-World Check One' as a tool to conduct its own analyses, in addition to internally developed questionnaires, to map CSR and responsible business conduct. The method used depends on the size of the contract and the level of risk identified. The level of risk also determines the frequency of the examinations.

The Group has 'Lead Buyers' who are responsible for the procurement of critical goods and major procurement categories. 'Lead buyers' work across all the Group's subsidiaries, and the purpose is to ensure efficiency by gathering purchasing power and market understanding. Our organisation with 'Lead buyers' also enables the individual lead buyer to possess expertise on human rights risks and decent working conditions for their respective goods and procurement categories.

Eramet Norway, through its purchasing department, uses its own contract terms and conditions to ensure that our subcontractors have decent working conditions. When entering into new contracts, we consider, among other things, whether there are contractual terms that compromise the employees' working conditions. In some cases, we have required an auditor's declaration from contracting parties on pay and working conditions in at-risk-industries.

The purchasing department has routines for regularly conducting audits of health, safety, the environment, and ethics, in addition to checking pay and working conditions at our suppliers.

The Norwegian Procurement department works closely with the head office to ensure that we work only with responsible suppliers. Furthermore, we use our purchasing power to influence our suppliers to contribute positively to responsible supply chains.

Purchases in Eramet Norway

Raw materials and energy account for a large part of Eramet Norway's operating costs. The manganese ore is sourced from the Group's mines in Gabon and from South Africa, and reduction agents were mainly imported from Eastern Europe in 2022. Renewable energy is our largest national cost element, though silicon sources are also purchased from Norwegian suppliers. National costs account for approximately 42% of our total operating and investment costs.

Human rights mapping

In addition to the established routines for suppliers described above, the Eramet Group conducted an overall human rights mapping in autumn 2023, using Deloitte as an independent third party. The human rights mapping also included Eramet Norway and aimed to identify areas where we may have a negative impact on our own operations and in our supply chain.

Risks in our supply chains

Possible negative consequences and risks were a key part of the human rights mapping carried out at group level. The survey emphasised the work with suppliers that have contracts with Eramet Norway and suppliers within the group. The purchasing department in Norway and key lead buyers contributed to the process of identifying negative consequences and risks. The risk assessment is based on a desk top review, document analysis, as well as known industry and geographical risk assessments.

The following risk areas in Eramet Norway's supply chain were identified as significant:

- Risk of poor health and safety for workers in the mineral and raw material supply chain

In addition, the following risk areas were identified:

- Risk of poor wages and working conditions for suppliers of cleaning, transport, and construction services
- Risk of poor labour rights in the coal and coke supply chain
- Risk of human rights violations in the work clothing supply chain

No actual adverse consequences were identified in the due diligence assessment.

Our initiatives

Eramet Norway has been working for a long time to ensure that we make responsible purchases. We consider our well-established procurement practices and guidelines to be among our most important

measures to reduce the risk of negative impact on fundamental human rights and decent working conditions. Through our close follow-up of higher-risk suppliers, we reduce the likelihood of negative impacts on people and communities.

We get a further positive effect because of our organisation with lead buyers on the major procurement categories. The individual lead buyer possesses expertise regarding human rights risks and decent working conditions for their respective goods and procurement categories.

Our measures include:

- Supplier registration in joint database
- Risk assessments
- Supplier dialogue
- Supplier follow-ups / audits

As described under 'Negative impacts and risks', suppliers are regularly assessed in accordance with CSR and ethics. Here we use established and reputable methods and independent third parties:

- EcoVadis, which follows up the suppliers' work on the environment, ethics, and social responsibility
- 'Thompson Reuters-World Check One' is used as a tool to conduct its own analyses
- ESG benchmarking programs

The above is used in combination with self-developed questionnaires to map CSR and responsible business conduct. This is combined with conducting our own audits of and visits to suppliers to uncover risk factors. In addition, we have also established specific measures where we work more closely with individual suppliers to develop and support their improvement measures within employee safety.

Eramet Norway provides its full support to the sanctions introduced due to Russia's attack on Ukraine in February 2022. These sanctions directly affected us as we had raw material suppliers, primarily of coke, in Russia and our involvement with them was immediately terminated and alternatives were identified. New logistics solutions were also identified and adopted.

In continuation of the human rights mapping, an action plan of identified risk areas will be established which will contribute to the follow-up of identified risk areas. The purchasing department will play a key role in following up risk areas related to Eramet Norway's supply chain.

Persons responsible for this report

This report is compiled in accordance with our understanding of the Consumer Authority's guide for reporting, available at <https://www.forbrukertilsynet.no/apenhetsloven/redegjorelse>

Our HR, purchasing, quality, finance, and communications departments have been involved in the work of writing this report.

The report was presented at Eramet Norway's board meeting in Kvinesdal on the 22nd of June, 2023.

Roger A. Westgård
CEO
Eramet Norway AS

Bjørn Kolbjørnsen
Board chairman
Eramet Norway AS