



# ANNUAL SUSTAINABILITY REPORT 2022

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# ANNUAL SUSTAINABILITY REPORT 2022

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The world's leading provider in mineral-based specialties for industry, Imerys delivers high value-added, functional solutions to a great number of industries, ranging from process manufacturing to consumer goods. The Group draws on its understanding of applications, technological knowledge and expertise in materials science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys contributes essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, adsorption and water repellency. Imerys meets ambitious targets to develop responsibly, focusing on people, the environment and corporate governance.

# Interview with Patrick Kron (Chairman of the Board) and Alessandro Dazza (Chief Executive Officer)



**“THE GROUP IS SUCCESSFULLY REPOSITIONING ITSELF IN FASTER-GROWING MARKETS. IT IS NOW MORE FOCUSED AND DYNAMIC, AND READY FOR FUTURE PROFITABLE GROWTH.”**

**PATRICK KRON**  
Chairman of the Board

## What has changed for Imerys in 2022?

— **Patrick Kron:** The business model of Imerys has proven to be resilient and profitable through various crises in recent years. After having successfully completed its organizational transformation over the past couple of years, Imerys launched important strategic moves in 2022 with the divestitures of certain businesses in order to focus on more attractive markets. The Group is successfully undergoing a profound change in terms of exposure to fast-growing markets. It is now more profitable, focused and dynamic, and ready for the future. Imerys is set to deliver superior growth and attractive shareholder return.

— **Alessandro Dazza:** We made two major steps with the divestiture of our High Temperature Solutions business area (HTS) and the planned one of most of our assets serving the paper market. These moves are important to position Imerys on its core activity: specialty minerals for fast-growing markets.

The Group is now exposed to five key markets: Construction, Consumer goods, Automotive, Energy & Electronics and Industry. Imerys is

particularly well positioned to capture growth from society megatrends in green energy, sustainable construction and natural solutions for consumer goods, which represent 85% of its revenue.

We have been investing heavily in these areas, as evidenced by recent projects: the Emili project to extract lithium in France, the expansion of our Graphite & Carbon production capacities for conductive additives for Li-ion batteries in Belgium and Switzerland, the construction of a greenfield plant in China to serve growing demand of minerals for polymers lightweighting, a further capacity expansion in the US to serve the pharmaceutical industry and the ramp up and development of our calcium aluminate-based solutions for dry mix mortars in emerging markets.

## Why do you feel the new purpose and vision are important for the future development of the Group?

— **P.K.:** The articulation of Imerys purpose and vision shall guide the decisions we take every day and provide the framework for our future development. We are committed to unlocking better futures through sustainable solutions and making our planet a better place for future generations. Our vision is to lead the global specialty minerals industry. This translates into four key strategic objectives for Imerys: delivering organic growth above underlying markets, with a strong focus on fast-growing markets aligned with sustainability-related market trends, customer-driven innovation and commercial excellence; pursuing bolt-on acquisitions; leveraging our superior ESG profile as a competitive advantage and generating profitability above the industry average.

— **A.D.:** Our core values will help unlock better futures for our people, our customers and our planet. We embody them in a concrete way in our daily work, in our decision-making processes and in our actions. Firstly, every person matters. We believe our people are our greatest strength. Health & safety, listening to every voice, respect & inclusion are equally important. Building an environment where we can all thrive will unlock our collective potential.



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**42%**

Greenhouse gas emission reduction target for 2030 versus 2021 (scopes 1 and 2, tons of CO<sub>2</sub> equivalent)

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**€720 M**

Current EBITDA in 2022

**€406 M**

Capital expenditures in 2022

Secondly, as a partner of choice, we are committed to growing long-term value with our customers and to developing mutually beneficial relationships based on trust and innovation. Thinking about performance, we always need to strive for better. We lead with innovation to unlock the sustainable potential of minerals. We strive for continuous improvement in everything we do and help our customers meet their challenges. And last but definitely not least, sustainability. As enablers of tomorrow, we should always strive to protect the future of our people, our business, the communities in which we operate, and the world in which we live. Our ambition is to become an even more sustainable business for the long term.

### How can sustainability support the growth strategy of the Group?

— **P.K.:** Minerals are essential to our societies, economies, and the daily lives of millions of people around the world. And the emergence of new technologies in response to climate change creates new needs and uses for mineral resources to support the transition to net zero economies.

It is our responsibility to meet rising expectations from all stakeholders in our industry. Employees, customers, local communities, authorities, public opinion and investors expect transparency and strong actions to reduce our global impact on our planet.

The Board of Directors carefully examines these ESG aspects and makes sure they are properly included both in our long-term strategy and in our current priorities. To that end, we have appointed Mrs Véronique Saubot, one of our Board members, as referent for all ESG matters.

— **A.D.:** Megatrends create many new opportunities but also high responsibilities for our industry. An example: an electric vehicle requires six times more minerals to be produced than a combustion engine car. Part of our mission is to embed responsible and sustainable thinking into everything we do as a business. We are the leader in sustainability



**“WE ARE AMONG THE LEADERS IN SUSTAINABILITY IN OUR INDUSTRY AND WILL CONTINUE TO SET THE BAR HIGH REGARDING ENVIRONMENTAL AND SOCIAL STANDARDS TO DRIVE OUR LONG-TERM DEVELOPMENT.”**

**ALESSANDRO DAZZA**  
Chief Executive Officer

in our industry and need to continue to set the bar high regarding environmental and social standards to secure our long-term development.

We have appointed a Chief Sustainability Officer at the Executive Committee and have updated our sustainability targets for the next three years. We have submitted updated SBTi targets aligned with a 1.5 °C trajectory. The Group has committed to reduce its CO<sub>2</sub> emissions by 42% in absolute terms (tCO<sub>2</sub>) by 2030 with 2021 as a base year.

Our customers' needs are changing. Not only do they ask for new products, but they are eager for sustainable solutions. We are here to support them. Innovation will play a critical role in helping them achieve their own sustainability goals. We have extended our Science & Technology capabilities with the inauguration of our first synthetic minerals pilot unit at our Lyon Technology Center in France and have developed a comprehensive network of partners among experts, universities and start-up ecosystems. Furthermore, Imerys is actively working on the recyclability and reuse of minerals.

# 1 IMERYS, THE WORLD'S LEADING SUPPLIER OF MINERAL-BASED SPECIALTY SOLUTIONS FOR THE INDUSTRY

As the world's leading supplier of mineral-based specialty solutions for the industry, Imerys delivers high value-added, functional solutions to a wide variety of industries, ranging from process manufacturing to consumer goods.

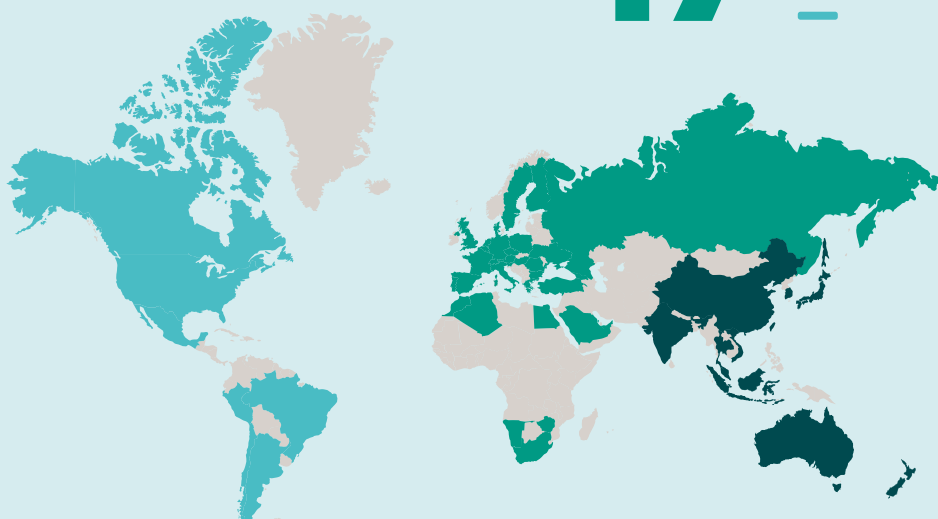
The Group draws on its understanding of applications and its technological knowledge and expertise in material science to deliver innovative solutions by beneficiating its mineral resources or creating synthetic minerals and formulations. Imerys contributes essential properties to its customers' products and their performance,

including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, adsorption or water repellency. The Group pursues a number of ambitious goals in terms of environment, social and governance (ESG) to achieve responsible growth over time.

## 2022 CONSOLIDATED REVENUE (%)

### EUROPE, MIDDLE EAST AND AFRICA

**47** %  
OF REVENUE



### AMERICAS

**32** %  
OF REVENUE

### ASIA PACIFIC

**21** %  
OF REVENUE

## 2022 KEY FIGURES

**€4.3 BN**  
Revenue

**14,000**  
Employees

**€3.1 BN**  
Market capitalization  
(31/12)

**42**  
Industrial presence (number of countries)

**133**  
Commercial presence (number of countries)

**30,000**  
Customers

**#1**  
In 75% of markets

|  | 2020      | 2021      | 2021      | 2022                 |   |
|--|-----------|-----------|-----------|----------------------|---|
| MAIN FINANCIAL INDICATORS*                         | Reported  |           | Restated  |                      | Medium-term objectives  |
| <b>Results and profitability</b> (€ millions)      |           |           |           |                      |   |
| Revenue  | 3,799     | 4,383     | 3,665     | 4,282                | Annual organic growth of 3-5% (average 2023-2025)                                 |
| Change at constant scope and exchange rates        | -10.7%    | +15.6%    | -         | +12.5%               |   |
| Current EBITDA                                     | 631       | 761       | 648       | 720                  | Current EBITDA margin at 18-20% (in 2025)   |
| Current EBITDA margin                              | 16.6%     | 17.4%     | 17.7%     | 16.8%                |   |
| Current operating income                           | 299       | 452       | 358       | 439                  |   |
| Current operating margin                           | 7.9%      | 10.3%     | 9.8%      | 10.2%                |   |
| Operating income                                   | 138       | 385       | 291       | 318                  |   |
| Net income from continuing operations, Group share | 167       | 288       | 232       | 284                  |   |
| Net income, Group share                            | 30        | 240       | 240       | 237                  |   |
| Capital employed                                   | 5,174     | 5,253     | 5,253     | 4,700                |   |
| <b>Data per share</b> (€)                          |           |           |           |                      |   |
| Net income from continuing operations, per share   | €2.03     | €3.40     | €2.69     | €3.28                |   |
| Net income per share                               | €0.37     | €2.83     | €2.14     | €2.04                |   |
| Dividend per share                                 | €1.15     | €1.55     | €1.55     | €3.85 <sup>(1)</sup> | Dividend per share growing in line with current earning per share                 |
| <b>Balance Sheet and Cash Flow</b> (€ millions)    |           |           |           |                      |   |
| Net current free operating cash flow               | 373       | 255       | 216       | 6                    |   |
| Capital expenditure                                | 262       | 336       | 312       | 389                  | Capital expenditures to reach approx. €400 million per year between 2023 and 2025 |
| Net financial debt                                 | 1,508     | 1,451     | 1,451     | 1,666                |   |
| Net financial debt/current EBITDA                  | 2.4x      | 1.9x      | 1.9x      | 2.3x                 |   |
| Equity   | 2,956     | 3,242     | 3,242     | 3,385                |   |
| Gearing  | 51%       | 45%       | 45%       | 49%                  |   |
| Financial resources                                | 2,81      | 2,86      | 2,86      | 2,71                 |   |
| Moody's/Standard & Poor's rating                   | Baa3/BBB- | Baa3/BBB- | Baa3/BBB- | Baa3/BBB-            | Commitment to Investment Grade rating   |

Δ For further details on the definition and reconciliation of alternative performance measures, see chapter 5, paragraph 5.5 of the Universal Registration Document.

|   | 2021 restated | 2022 | Target 2022 |
|---|---------------|------|-------------|
| <b>Our commitments to our people</b>  |               |      |             |
| <b>Occupational health &amp; safety:</b>  |               |      |             |
| Total recordable accident frequency rate <sup>(2)</sup>   | 2.53          | 2.43 | < 2.50      |
| Average level of maturity of operational sites  | 2.90          | 3.00 | 3.00        |
| <b>Diversity and inclusion:</b> proportion of women within the Group's senior management team <sup>(3)</sup>  | 26%           | 26%  | 30%         |
| <b>Our commitment to our customers</b>  |               |      |             |
| <b>Business ethics and responsible purchasing management:</b> proportion of suppliers assessed against environmental, social and governance                 | 35%           | 57%  | 50%         |
| New Product Developments scored as SustainAgility Solutions   | 70%           | 75%  | 50%         |
| <b>Environmental, social and economic impact of products:</b> proportion of product portfolio measured against environmental social and governance criteria | 21%           | 55%  | 40%         |
| <b>Our commitment to our planet</b>   |               |      |             |
| <b>Environmental impact management:</b> proportion of audits conducted against an environmental maturity matrix   | 90%           | 100% | 100%        |
| <b>Biodiversity and rehabilitation:</b> level of completion of the biodiversity improvement program   | 100%          | 93%  | 100%        |
| <b>Climate change strategy:</b> % reduction in CO <sub>2</sub> e emissions by million euro of revenue compared to 2018 <sup>(4)</sup>                       | -10%          | -31% | -23%        |

\* Results for 2021 and 2022 have been restated to reflect the results from continuing operations excluding the High Temperature Solutions business area (HTS) whose contemplated disposal was announced on July 28, 2022. According to IFRS 5, HTS is accounted for as a discontinued operation and reported under 'Net income from discontinued activities' (its revenue, expenses and pre-tax profits are not presented in the consolidated income statement). The assets serving the paper markets whose contemplated disposal was announced on September 9, 2022, are accounted for as non current assets held for sale and therefore included in the consolidated income statement (continuing operations).

(1) Proposal made by the Board of Directors and submitted for approval at the Shareholders' General Meeting.

(2) Includes all accidents without lost time whenever a healthcare professional is involved in the treatment, even if only for first aid.

(3) The definition of Senior Manager was updated in 2020 to exclude Executive Committee members. Proportion of women on the Executive Committee is reported as a separate indicator in chapter 3 of the Universal Registration Document

(4) Scopes 1 & 2 – Greenhouse gas emissions expressed in tons of CO<sub>2</sub>e equivalent.

## 1.1 IMERYS AND ITS BUSINESS ECOSYSTEM

### 1.1.1 WORLD'S LEADING SUPPLIER OF MINERAL-BASED SPECIALTY SOLUTIONS

**WITH €4,282 MILLION OF REVENUE IN 133 COUNTRIES, IMERYS IS THE WORLD'S LEADING SUPPLIER OF MINERAL-BASED SPECIALTY SOLUTIONS.**

**Imerys offers value-added solutions which are designed to meet the specific, technical requirements of each customer and can be split into three categories:**

- **Functional additives:** integral part of the formulation of customers' products, but account for only a minor share of the finished product manufacturing cost (e.g. talc improves the rigidity of polymers used in the automotive industry, calcium carbonate makes plastic films breathable for use in baby diapers, or calcium aluminates are used in self-leveling, quick-drying cement floor screeds).
- **Mineral components:** critical constituents in the formulation of customers' products (e.g. mineral solutions for paints and coatings, or fused alumina in industrial abrasives).
- **Process enablers:** essential in customers' manufacturing processes, but are not found in the end product (e.g. diatomaceous earth used to filter liquids or to extract proteins from blood plasma by fractionation).

### HIGH ADDED-VALUE SOLUTIONS TO DIFFERENT END MARKETS

Imerys's specialty minerals solutions serve five specific end markets, supported by three megatrends: sustainable construction, green mobility and energy, and natural solutions for consumer goods.



#### CONSTRUCTION & INFRASTRUCTURE

- Additives for paints (such as interior decorative paints) and coatings (marine protection, facade coating, can coating, etc.).
- Components used in the construction industry, such as insulation ceiling tiles.
- Functional additives for plastics and thermoset.
- Additives for adhesives and sealants.
- High-performance binders for dry mix mortars and floor screeds in the construction industry.



#### CONSUMERS & HEALTHCARE

- Minerals for technical ceramics and traditional ceramics (floor and wall tiles, large slabs, sanitaryware and tableware).
- Functional additives for plastics and thermoset.
- Additives for rubber
- Fillers and coatings for board and packaging.
- Filtration agents for liquids and blood plasma.



#### ENERGY & ELECTRONICS

- Components for the production of high-purity silicon metal used to manufacture aluminum alloys, electronics and solar panels.
- High-tech graphite and carbon-based solutions for manufacturing and industry (i.e. lithium-ion batteries, alkaline batteries, polymers, fuel cells, carbon brushes and many others).



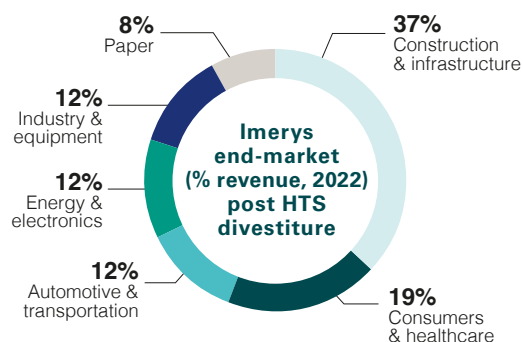
#### AUTOMOTIVE & TRANSPORTATION

- Functional additives for plastics and thermoset.
- Additives for rubber.
- Additives for paints.
- Ultra-fine alumina for high-performance abrasives.



#### INDUSTRY & EQUIPMENT

- Alumina and zirconia for abrasives (e.g. industrial cutting discs and grinding discs).
- Refractory minerals for high temperature processes (e.g. refractory linings).



Source: Imerys estimates.



## 1.1.2 A DIFFERENTIATED VALUE PROPOSITION



### WE SUCCEED THROUGH

**Best-in-class resources, operations and technologies**

**Customer application knowledge and market-driven innovation**

**Geographical footprint and growing underlying markets**

**Leading positions in most markets**

**Ambitious sustainability targets**

#### 1 High quality mineral resources and industrial assets

Imerys owns a broad portfolio of mineral resources, which effectively underpins a large proportion of its supply of raw materials, as well as highly efficient industrial assets using a wide variety of exclusive industrial technologies and processes.

Imerys operates over 83 mineral deposits throughout the world and mines and/or processes more than 30 different minerals. The Group continues to replace and develop its mineral reserves and resources, ensuring it maintains an average of 20 years of mineral reserves.

The minerals extracted from mines owned by Imerys or purchased from third parties are systematically processed or synthesized by the Group into mineral solutions designed to enhance the properties required for their end-use applications and meet the specifications of its customers.

#### 2 Proprietary industrial processes and technologies

The Group masters specific expertise and know-how in the following conversion processes:

- Mechanical treatments: purification, refining, micronization, screening, drying, molding, cycloning, elutriation, classification, flotation, mixing, etc.
- Heat treatments: high temperature calcination, fusion, sinterization, etc.
- Chemical treatments: synthesis, crystallization, precipitation, coatings, etc.

The mineral solutions marketed by Imerys normally account for a relatively small portion of its customers' production costs, but they add key properties to their products or industrial processes. Imerys solutions are sold as powders, grains, granules, blends, pastes or aqueous dispersions. Depending on the product, production cycles range from a few days to several weeks.

The Group's permanent quest for excellence in its products, production

resources and assets, people and safety led it to introduce a program designed to continuously improve its industrial processes and performance, called Imerys Industrial Improvement (I-Cube).

#### 83 Mineral deposits throughout the world

By defining common indicators and standards, as well as developing and sharing best practices, Imerys aims to optimize industrial production (through improved energy efficiency, management of resources and waste/discharges, safety, etc.), and empower employees.

As part of its operations excellence program I-Cube, Imerys is implementing an Industry 4.0 approach in its operations. So far 20 pilot sites have

paved the way towards the use of digital tools as an additional lever to accelerate improvement of processes and operations. This program will bring a host of benefits to its sites and mines, including real-time monitoring and use of data analytics for process optimization, remote control through augmented reality, quality control through computer vision and machine learning, digital mine supervision and inspection with drones imagery, fleet management optimization using smart sensors and improved safety trainings thanks to virtual reality.

### 3 Innovative, reliable and sustainable solutions aligned with societal megatrends

The Group's innovation strategy builds on its ability to combine minerals with applications to provide customers with creative solutions to improve the characteristics of their products. Innovation is key to help Imerys maintain its leadership position in the market and respond effectively to

the major technological challenges facing manufacturing companies going forward. In recent years, Imerys has organized its innovation efforts around end markets to better respond to customers' needs.

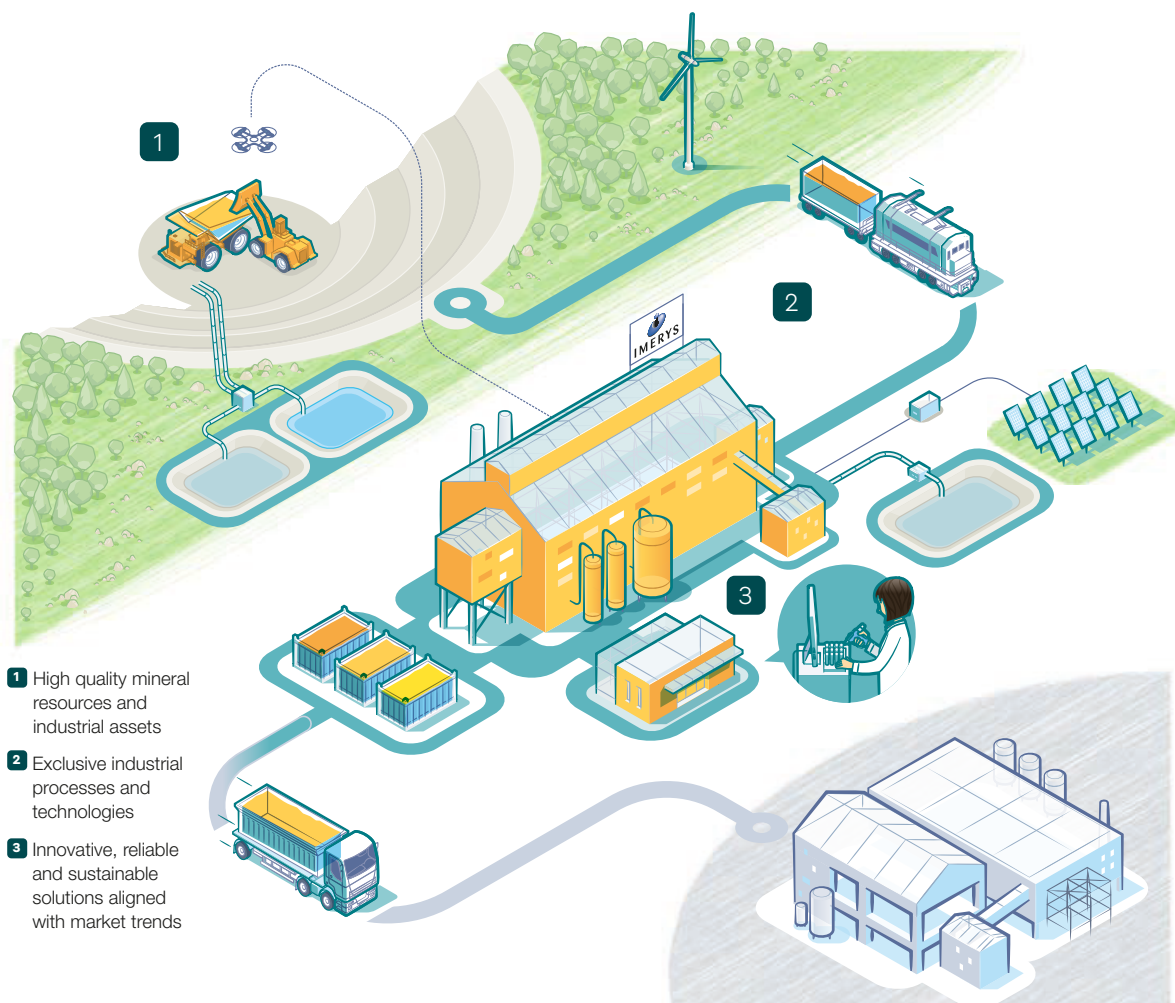
New products are the result of a continuous flow of innovations driven by new ideas and by upgrades of the existing product range. In 2022, Imerys launched more than 80 new mineral solutions improving the repositioning of the Group mainly around three megatrends: sustainable construction, green mobility and energy, and natural solutions for consumer goods.

Imerys protects its innovations as part of its intellectual property strategy: it holds over 2400 pending and granted patents and industrial models at the end of 2022.

Imerys's ambition is to proactively steer the overall product and project portfolios towards improved sustainability performance. Every new project is systematically assessed against environmental and social

Over  
**2,400**  
pending and  
granted patents  
and industrial  
models

criteria and the Group aims to have 75% of new products to be launched in 2025 ranked as "SustainAgility™ Solutions"<sup>(1)</sup>. In 2021, a pilot range of Pioneer SustainAgility Solutions was launched, with clear and measurable environmental and social benefits and aligned with market megatrends. This range presently encompasses solutions for recycled plastics, cosmetics, cartonboard, reusable kiln furniture, automobile plastics, agriculture and animal feed, with the ambition to progressively expand the range. This is yet another step taken to support our customers in adopting leading sustainability solutions thanks to Imerys's product variety.



(1) Based on the SustainAgility Solutions Assessment framework, a "SustainAgility Solution" is a product in an application that has scored within the two highest categories of the four possible categories (A+ or A).



### 1.1.3 GENERAL STRUCTURE AND SEGMENTS

The market-focused organization of the Group is built around two segments:

- The Performance Minerals segment, split in EMEA (Europe, Middle East and Africa), Americas and APAC (Asia Pacific), serving the plastics, rubber, paints & coatings, board & packaging, adhesives, filtration, life sciences, ceramics, building products, and renewable energy markets.
- The High Temperature Materials & Solutions business, serving the refractory, abrasives and building & infrastructure markets on a global base.

This simplified organization with a limited number of management layers brings the Group closer to its customers and allows it to meet their needs in a more efficient way. The Senior Vice Presidents of the business areas report directly to the Chief Executive Officer.

Support functions (Finance, IT, Human Resources, Sustainability, Legal and Strategy) are centralized at Group level and operate as business partners to the different business areas, while Innovation and Operations report directly into the business areas.

The Group's organization will enable Imerys to achieve its full organic-growth potential, further improve its competitive position and create value over the long term in a highly competitive environment.

| SEGMENTS                            | PERFORMANCE MINERALS  |                                |                                    | HIGH TEMPERATURE MATERIALS & SOLUTIONS                         |
|-------------------------------------|---|--------------------------------|------------------------------------|--|
| <b>Business area</b>                | Performance Minerals, Europe, Middle East and Africa  | Performance Minerals, Americas | Performance Minerals, Asia-Pacific | Refractory, Abrasives & Construction                           |
| <b>Core markets</b>                 | > Plastics, Rubber, Paints & Coatings, Adhesives, Board & Packaging<br>> Ceramics and Building Products<br>> Filtration & Life Sciences<br>> Green Energy |                                |                                    | > Refractory<br>> Abrasives<br>> Construction & Infrastructure |
| <b>2022 Revenue</b><br>(€ millions) | <b>€2,853</b>   |                                |                                    | <b>€1,434</b>  |

Δ For further details on 2022 earnings, please see the Comments by Segment in chapter 5, section 5.3, and Information by Segment in the Consolidated Financial Statements in chapter 6 of the Universal Registration Document.

## 1.2 OUR GROWTH STRATEGY

### 1.2.1 IMERY'S PURPOSE AND VALUES

#### 1.2.1.1 WORLD'S LEADING SUPPLIER OF MINERAL-BASED SPECIALTY SOLUTIONS

Imerys has unveiled in 2022 its purpose: **Unlocking better futures, for our people, our customers and our planet.**



#### Why we exist | Our Purpose

**UNLOCKING BETTER FUTURES FOR OUR PEOPLE, OUR CUSTOMERS AND OUR PLANET**

#### What we aim to do | Our Vision and Mission

**WE AIM TO LEAD THE SPECIALTY MINERALS INDUSTRY BY :**

##### EMPOWERING

our people to thrive in a safe and inclusive workplace.

##### APPLYING

our expertise to serve our customers with commercial and operational excellence.

##### LEVERAGING

our capabilities and resources to expand our presence in fast-growing markets.

##### INNOVATING

the products and technologies of tomorrow in a digital world.

##### EMBEDDING

responsible and sustainable thinking into all that we do.

As we unlock better futures, our vision and mission will drive us to outperform in our markets and create measurable, long-term value for all our stakeholders.

#### How we will do it | Our Values

##### EVERY PERSON MATTERS.

Creating a safe, healthy, and inclusive environment

##### PARTNER OF CHOICE.

Helping our customers solve tomorrow's challenges

##### STRIVE FOR BETTER.

Continuously learning, improving and innovating

##### ONE TEAM TOGETHER.

Collaborating for better results

##### ENABLERS OF TOMORROW.

Protecting the planet and the future through our actions.



## 1.2.2 PROVEN AND RESILIENT BUSINESS MODEL, DELIVERING SUPERIOR PERFORMANCE

### 1.2.2.1 A PROVEN AND RESILIENT BUSINESS MODEL

Bolstered by an organization structured around its core markets, mining resources, high quality industrial assets, unrivaled technological and industrial processes, innovative solutions and leading positions in most of its markets, Imerys has many strengths to guarantee sustained value creation for its key stakeholders over time.

#### ASSETS

##### HUMAN RESOURCES

**14,000** employees in **49** countries  
**74%** of employees have benefited from at least one training course

##### ENVIRONMENTAL RESOURCES

**Signatory of the French Business Climate Pledge** to combat climate change and emission reduction targets approved by the **Science Based Target initiative (SBTi)**

**Member of act4nature** and 3-year partnership with UMS Patrimoine Naturel for biodiversity

##### PEOPLE AND SOCIETY

**Signatory of the UN Global Compact** and alignment with the **Sustainable Development Goals (SDGs)**

##### FINANCIAL RESOURCES

**Equity:** €3,385 M

**Net debt:** €1,666 M  
(49% of equity and 2.3x of current EBITDA)

**Investment grade credit rating:**  
BBB- (S&P), Baa3 (Moody's)

##### INDUSTRIAL AND COMMERCIAL RESOURCES

210 industrial sites and 83 mines in 42 countries

**Investment** in maintenance and development: €406 M

**I-Cube** industrial improvement program rolled out at 180 sites

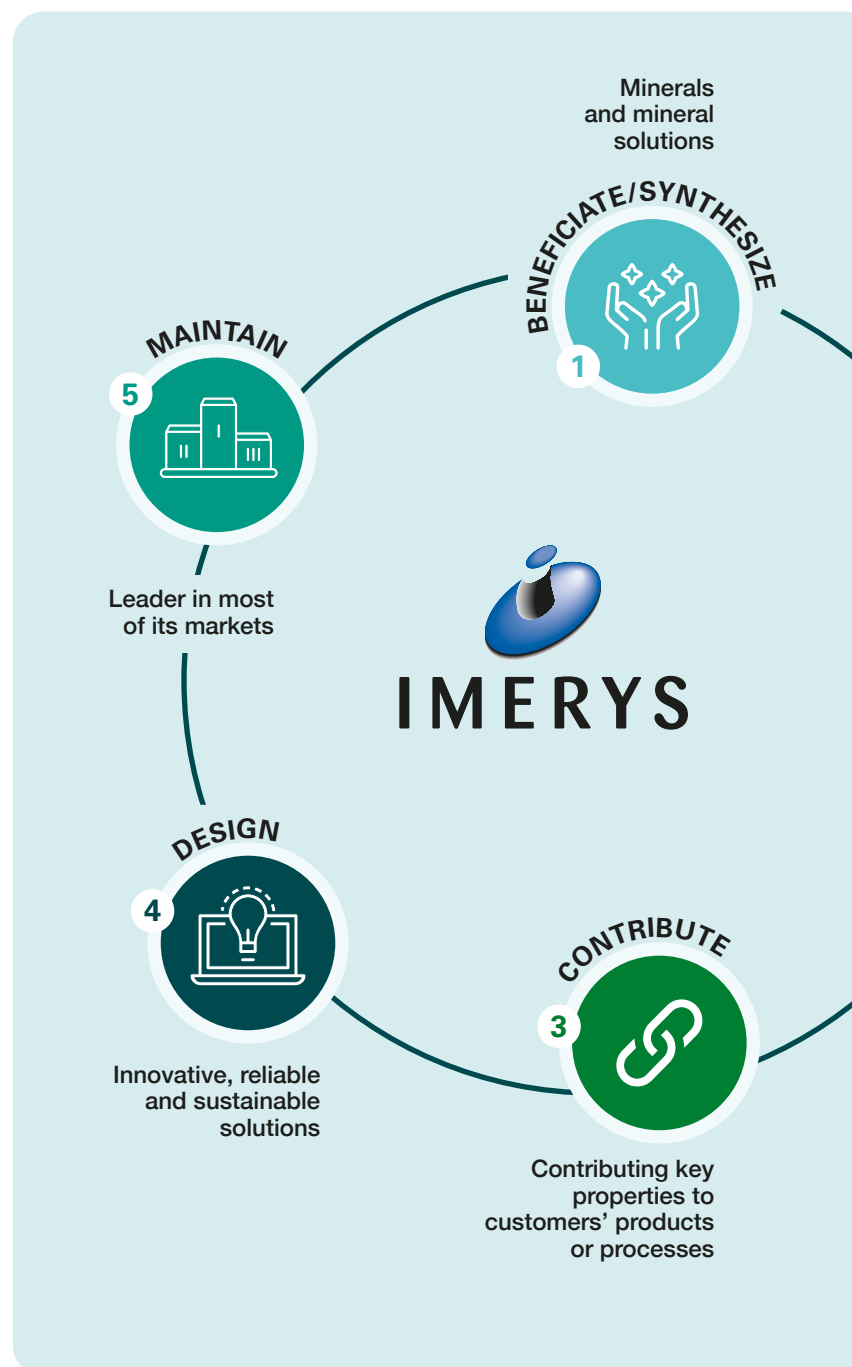
##### INTELLECTUAL RESOURCES

Portfolio of 2,400 **patents**

300 people working in 8 **R&D centers**

**More than 80** new products

#### BUSINESS MODEL



## IMPACT IN 2022

### TRANSFORM



Exclusive processes and technologies

High quality industrial assets

### HUMAN RESOURCES

**Safety:** 2.43 Total Recordable Injury Rate

**Equality and diversity:** 26% of women in the Group's senior management team

### ENVIRONMENTAL RESOURCES

**Fight against climate change:**

31% reduction in tons of CO<sub>2</sub> equivalent emitted per euro of revenue since 2018

### PEOPLE AND SOCIETY

**Local community engagement:**

40 new community engagement initiatives launched

**Business conduct and responsible purchasing:**

45% suppliers assessed

**Sustainable, eco-friendly solutions:**

implementation of a method to screen and assess the environmental sustainability of products

### LIFE CYCLE ANALYSIS (LCA)

190 products analyzed

### FINANCIAL RESOURCES

**Current EBITDA:** €720 M (margin on revenue 16.8%)

**Net current free operating cash flow:** €105 M (before strategic capex)

**Dividend per share:** €3.85\*

### INDUSTRIAL AND COMMERCIAL RESOURCES

30,000 customers across 133 countries

Market leader in 75% of its activities

\* Proposal made by the Board of Directors and submitted for approval at the Shareholders' General Meeting.

## VALUE CREATED FOR STAKEHOLDERS

### IMERYS

€4,282 M

Revenue

### SUPPLIERS

€2,681 M

(Raw materials, consumables used and external expenses)

### EMPLOYEES

€873 M

Salaries and social security contributions, bonuses and investments

### STATES

€142 M

(of which €104 M of corporate tax)

### SHAREHOLDERS

€142 M

(of which €131M of dividend)

### BANKS

€36 M

(debt servicing costs)

## 1.2.3 A LONG-TERM, PROFITABLE AND SUSTAINABLE GROWTH

**THE GROUP AIMS TO DEVELOP SUSTAINABLE AND INNOVATIVE SOLUTIONS FOR AND WITH ITS CUSTOMERS, IN A PROFITABLE WAY, WHILE PRESERVING THE PLANET AND FULFILLING ITS SOCIAL RESPONSIBILITY TOWARDS ALL STAKEHOLDERS.**

Imerys is actively managing its business portfolio through a regular review of performance and strategic alignment. Next to few small disposals of non core assets, the divestiture of the High Temperature Solutions business and the contemplated divestiture of most of the assets serving the paper market would make Imerys a pure specialty minerals player, less cyclical and aligned with global megatrends. These moves will

make the Group even more resilient, profitable and faster-growing.

- A resilient business model, as market leader, with strong track record of execution, favorable price/cost balance, diverse applications and geographies;
- Focused on long-term growth and well positioned on growing underlying markets benefiting from megatrends;
- With strong cash generation from operating activities and proceeds from divestitures;
- A leader in sustainability, the reference in the specialty minerals industry;
- Offering attractive returns to shareholders;
- With further growth opportunities thanks to the Emili project (lithium extraction), rising demand for “green” minerals and opportunistic M&A for both bolt-ons and/or transformative transactions.



**The Group has set strong ambitions for the medium term (2023-2025):**

- uplifting organic growth to +3-5% per year on average <sup>(1)</sup> through a combination of portfolio repositioning, commercial initiatives and investment in fast-growing markets;
- improving margin thanks to productivity enhancements, volumes growth and increased exposure to higher-profitability businesses;
- maintaining an investment grade rating and an attractive shareholders return.

### 1.2.3.1 INVESTING IN FAST-GROWING MARKETS

**Imerys offers solutions that anticipate needs of fast-changing markets, driven by the emergence of:**

- new lifestyles (urbanization, population aging, health and well being, mobility, recycling, etc.);
- new economic models (collaborative economy, sharing economy, automated manufacturing, etc.);
- technological progress (Internet of Things, renewable energy, 3D printing, etc.);
- changing expectations from stakeholders (sustainable development, climate change, transparency, ethical conduct, etc.).

With solutions used in a number of industries, Imerys has a central role to play at the heart of the substantial shifts the future will bring.

Following its active portfolio management efforts and completion of the announced business divestitures, Imerys will be simplified with 85% of the Group's end markets aligned with three megatrends which will drive future growth: Green mobility and energy, Sustainable construction and Natural solutions for consumer goods.

The other key end market, industry & equipment, corresponds mostly to Imerys's specialty abrasives market, supported by GDP growth, and where the Group is a global leader.

<sup>(1)</sup> Assuming no significant slowdown in 2023.

Imerys holds strong world leadership positions in green mobility and energy, such as conductive additives materials for lithium-ion batteries, lightweighting minerals for polymers, high purity quartz for photovoltaic and electronics, and minerals-based filter aids for biofuel purification. All these solutions are enablers for the decarbonization journey.

## Green mobility and energy, to fight climate change

To deal with global warming, it is necessary to exercise even tighter control over the environmental footprint and develop appropriate solutions by promoting green mobility and energy.

### MOBILE ENERGY

Imerys Graphite & Carbon is a specialty business producing synthetic graphite and carbon black and other graphite-based products. Imerys graphite and carbon products are prized solutions for the production of lithium-ion batteries used to power new-generation electric vehicles, where they boost energy density and shorten charging times. Conductive additives are a key ingredient for the performance of batteries even though they account for only a small share of the end product cost. Imerys graphite and carbon products are also an essential component for sustaining the rapidly growing Fuel Cells market which provides environmentally friendly solutions, e.g. for heavy duty vehicles, using hydrogen as a fuel. Graphites and carbons are also used in the production of thermally conductive polymers for auto parts serving the same trends.

### Imerys benefits from:

- technological leadership, fueled by a constant R&D effort;
- leading market position serving all TOP15 battery makers but also Tier-1 players;
- a dynamic market environment, driven by strong demand for lithium-ion batteries following electric vehicle (EV) adoption.

As a result, Imerys is strongly positioned to capture future market growth and has almost doubled revenues between 2018 and 2021. Imerys has announced in 2022 €80 million investments for an additional production line for high purity carbon black at its plant in Willebroek, Belgium, as well as a new line for specialty synthetic graphite in Bodio, Switzerland. These new development projects add to the €100 million already invested over the past two years to address the strong growth of the EV market worldwide. This ambitious capacity expansion program is in progress to double Imerys Graphite and Carbon revenue again by 2025 and support the world's energy transition.

### SUSTAINABLE ENERGY

Imerys offers a variety of solutions aiming at offering sustainable energy, such as high purity quartz for photovoltaic and electronics, and minerals-based filter aids for biofuel purification:

- Imerys holds a 50% share in The Quartz Corporation (TQC), a joint venture between Imerys and Norsk Mineral (a Norwegian company). TQC provides extremely high purity quartz solutions for crucibles used in the making of solar panel semiconductors and glass fibers;
- the Group is also present in the biofuel purification market. Imerys solution consists in removing through filter aids unwanted contaminants from fats, oils and greases used in bio-diesel and aviation fuel plants.

### LIGHTWEIGHTING

Imerys serves the Automotive & Transportation end markets in many ways, such as talc in the tires, abrasives in the breaking pads, and carbonates in the paints or in the adhesives. One of the key contributions to safe and sustainable cars comes from high performance lightweighting solutions for

plastics. Plastics are essential for making vehicles lighter and for enhancing special functionalities such as electrical conductivity or sound damping. Imerys minerals, combined to the specific High Aspect Ratio technology, bring solutions to the compounders and automotive OEMs by ensuring high plastics mechanical performance while maintaining safety and other properties.

### Imerys benefits from:

- a strong R&D leadership and continuous industrial investments and innovation to support growth;
- a fast-growing market with push and pull dynamics;
- a push from regulation to reduce vehicles CO<sub>2</sub> emissions through more and more stringent standards;
- a pull from the market, as demand for EVs is growing with end consumers increasingly turning to clean energy vehicles, and therefore to lighter technologies.

Imerys is the undisputed leader in this market and has announced in 2022 a €40 million investment to build a new manufacturing facility in China to produce specialty talc grades for polymers lightweighting in the automotive industry. With this investment, Imerys is poised to capture the significant growth opportunities offered by the EV industry in Asia. The commissioning of the new plant is expected in the beginning of 2023 and will support Imerys ambition in this market.

## World #1 in conductive additives for lithium-ion batteries

**"AN ELECTRIC VEHICLE REQUIRES SIX TIMES MORE MINERALS TO BE PRODUCED THAN A COMBUSTION ENGINE CAR."**



# Sustainable construction, to help urbanization and rarefaction of resources

The world's population is expected to reach 10 billion by 2050, with the majority of people living in cities. To deal with urbanization, it is necessary to develop sustainable construction solutions that will stand up to the challenges of tomorrow, such as growing demand in the construction and renovation of infrastructure.

Imerys is a key player in Sustainable Construction, which is showing sizable development opportunities in the next 5 to 10 years driven by the need to reduce CO<sub>2</sub> in the construction industry. Through its wide range of innovative mineral solutions for sustainable building materials, the Group is ready to meet the challenges its customers face.

Construction & Infrastructure is the largest business of the Group, representing 40% of end markets served (in new construction, renovation and infrastructure), growing with and beyond such markets. Imerys is thus a key contributor and a partner of choice to sustainable construction thanks to a wide range of minerals and solutions, in mortars, ceramics, paints, coatings, insulation materials and other applications. Imerys is serving sustainable construction through a comprehensive range of minerals and solutions, from performing and long-lasting materials, insulating enablers up to low carbon footprint products. Imerys's unique calcium aluminates binders as well as the wide range of minerals solutions are addressing these various challenges thanks to an in-depth understanding of customers and end markets needs.

## HIGH PERFORMANCE AND SUSTAINABLE BUILDING

Imerys offers unique solutions serving various end markets and enabling significant reduction of environmental footprint. Some examples are the following:

- dry mix mortar, #1 application in this business, a fast-growing market

strongly supported by the renovation industry and more specifically the progressive sophistication of the flooring technology. This product has sustainable benefits such as lower product consumption, safer working conditions, higher quality and reduction of waste;

- calcium aluminates-based solutions, contributing to an improved sustainability of waste water infrastructures from acid corrosion;
- insulation solutions, such as mineral foam insulation for buildings (insulation properties while providing fire resistance and mechanical strength) and expanded minerals (contributing to high performance
- renders for the external thermal insulation composite systems by being lightweight and fast drying).

In these markets, Imerys is delivering rapid growth driven by capacity additions.



21% Drymix mortar

19% Ceramics

18% Paints & Coatings

6% Lightweight/Insulation

36% Others

## DECARBONIZATION SOLUTIONS

Imerys has a comprehensive offer to help customers in construction meet their CO<sub>2</sub> emissions reduction target, from concrete to flooring and from plastics to paints. Some examples are the following:

- green cement: Imerys has a unique portfolio of minerals that contribute to Cement Clinker Substitution up to 70%, while speeding up hardening time of low carbon concrete. Such minerals are kaolinite clay, metakaolin, fine grade perlite, and calcium aluminate mineral accelerator;
- minerals in plastics for construction, enabling replacement of petrochemical products while exceeding product performances in pipe, siding and appliances. Calcium carbonates have a higher thermal conductivity than polymers, which lead to higher cycle times, production efficiency and throughput.

## CIRCULAR MATERIALS

Population growth places a strain on natural resources and disrupts traditional consumption models. To deal with the rarefaction of resources, it is necessary to advocate for the sustainable use of resources and bolster environmental and ethical standards. Imerys is working on various initiatives around the circular economy, with a focus on circular and bio sourced materials. This is obviously becoming increasingly important in all markets served. One example are the Remined™ products, a portfolio of 100% LEED certified pre-consumer recycled calcium carbonates from of Imerys's US assets. By offering a sustainable product range to industries such as carpet, flooring, mortars and adhesive, the Group enables its customers to meet sustainability targets and reduce carbon footprint, while contributing to their LEED credits (US Certification for green building).

**N**atural solutions for consumer goods is the 2nd largest end market for Imerys, serving packaging, food & beverage, healthcare, tableware, animal food and agriculture. It tends to be recession resilient and offers above-average growth rates. Imerys's minerals cover several applications and provide strong value while representing a small cost component for customers.

### FEEDING THE WORLD

**Imerys provides sustainable solutions to improve food output by increasing crop yields with mineral-based solutions to improve productivity of arable land for organic or conventional farming:**

- wollastonite and diatomite-based solutions: biostimulant effects to increase plants' resistance to natural forces such as pests and diseases;
- expanded perlite: exceptional water conservation thanks to its absorbing properties;
- perlite and diatomite minerals: primary ingredients in Imerys's mechanical insecticide solutions, natural alternative to harmful chemical pesticides;
- mineral-based coatings: safely applied directly to fruits and vegetables, preventing crop damage by reflecting UV radiation and infrared heat which allows the crop to stay cooler and reduce spoilage.

Imerys mineral solutions are also used in diverse applications in animal feed, such as functional additives for adsorbing harmful toxins present in feed or for replacing chemically produced nutrient carriers.

### GOOD HEALTH AND WELLBEING

**Imerys offers various products to improve good health and well being:**

- ultra-high purity filter aid for blood plasma fractionation, with Imerys's proprietary technology for mineral purification with state-of-the-art facility to meet strict pharmaceutical and regulatory requirements;
- natural solutions for cosmetics for replacing microplastics and chemicals in cosmetic formulations, for instance by carbonates as soft-focus agent, by kaolin as mattifying agent or replacement of titanium oxide in bar soap and toothpastes, and perlite in body and face scrubs as microbeads plastic alternative.

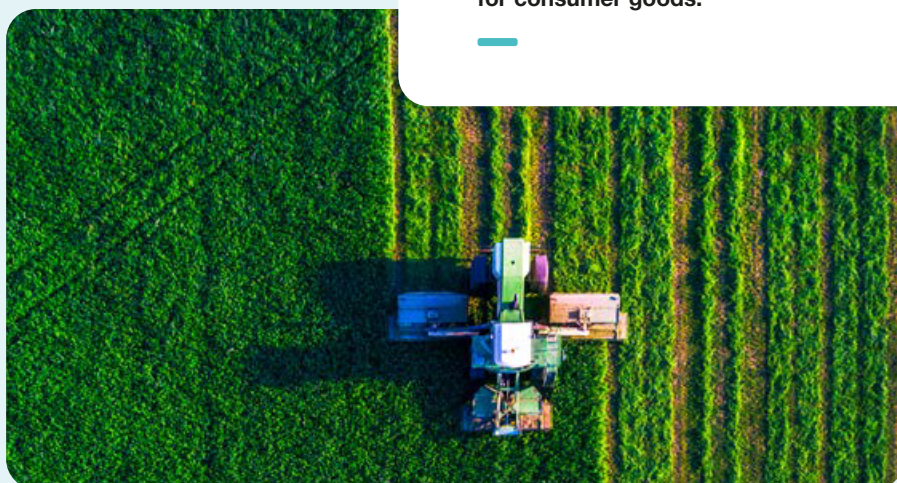
In all these markets, Imerys is running ambitious development and innovative projects with profitability above Group's average.



29% Board & Packaging  
18% Food & Beverage  
16% Healthcare  
10% Tableware (ceramics)  
9% Animal Food & Welfare  
7% Agriculture  
11% Others

## Natural solutions for consumer goods, to support demographics and healthier living

**Countries are confronted with the rapid aging of their population and the explosion of healthcare costs. To deal with population growth and the increase in life expectancy, it is necessary to develop more sustainable methods of farming and innovative solutions for the pharmaceutical industry, and more generally natural solutions for consumer goods.**



## Lithium: a game changer

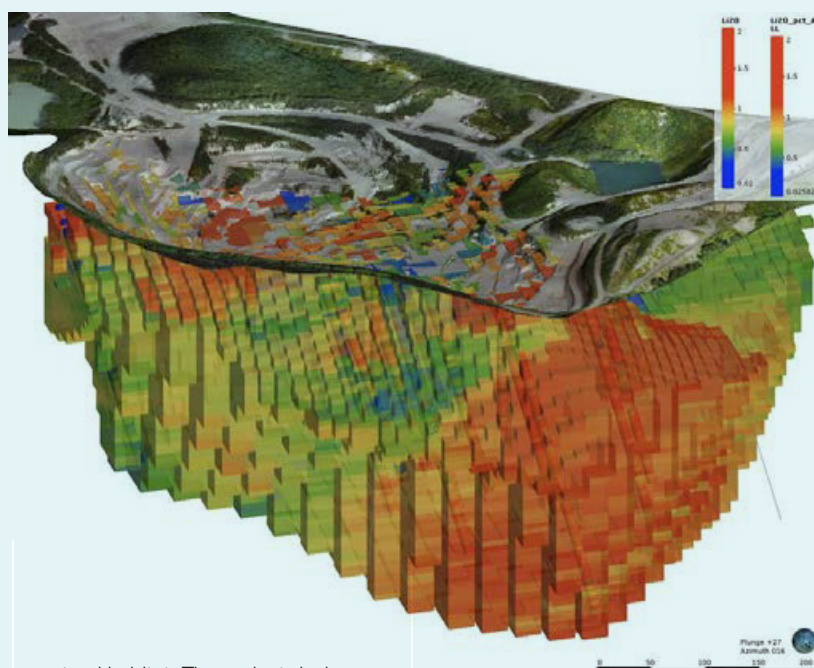
Imerys announced in October 2022 a landmark lithium exploitation project (the Emili project) at its Beauvoir site (Allier département of France), which has been producing kaolin for ceramics since the late 19<sup>th</sup> century.

Upon successful completion, the project would contribute to the French and European Union's energy transition ambitions. It would also increase Europe's industrial sovereignty at a time when car and battery manufacturers are heavily dependent on imported lithium, which is a key element in the energy transition with a consumption expected to grow exponentially in the coming years. It would be one of the European Union's largest lithium mining projects and could, once fully operational, equip the equivalent of 700,000 electric vehicles with lithium-ion batteries.

Building on its experience and knowledge of local biodiversity, Imerys intends to put forward a responsible project that respects the environment and local communities, in accordance with its code of conduct and international standards. In particular, Imerys commits to developing the project in line with IRMA Standard, which is the benchmark for responsible mining.

In this framework, the Group intends to use underground mining methods in order to minimize the impact on

Cartography of Beauvoir's lithium deposit (France)



natural habitat. The project design would be developed with the involvement of all local private and public stakeholders in order to devise a responsible industrial project.

As well as reducing the impact on its ecosystem, Imerys would target low CO<sub>2</sub> emissions from its operations, with the aim to produce lithium with less than half of the CO<sub>2</sub> emissions of typical existing hard rock lithium operations in the world. Examples of CO<sub>2</sub> reduction initiatives would include an electric mining fleet, transport by underground pipelines, trains, or the use of the French low-carbon electricity mix.

Once the laboratory and industrial pilot phases are completed, production and commercialization are expected to begin within the next five years. It is anticipated that 1,000 direct and indirect jobs and an international center of excellence for lithium extraction from hard rocks will be created in the Auvergne-Rhône-Alpes region.

**34,000  
tons**  
Production  
target of lithium  
hydroxide per  
year from 2028

### 1.2.3.2 SOLID AND LONG-TERM VALUE CREATION

#### BEST-IN-CLASS COMMERCIAL PRACTICES

The Group is aiming to generate organic growth above underlying markets, supported by best-in-class commercial practices, an organization built around customers and markets, differentiated business mandates and priority given to high growth regions.

- Imerys's market-oriented organization helps improve proximity to customers and is supported by its commercial excellence program. The organization leverages the benefits of a broad portfolio of mineral specialties and the opportunities to cross-sell several complementary mineral products to customers ("one-stop-shop"). Commercial excellence helps take a personalized approach to key accounts and bolster partnerships with customers while optimizing value selling, pricing and opportunity management.
- The Group takes a tailored approach to managing its operations, allocating resources to markets with the most promising outlook for growth. In more mature business areas, Imerys seeks to generate cash and optimize its cost structure.

#### INNOVATION PUSH IN NEW PRODUCTS AND TECHNOLOGIES

Innovation has been placed within the business areas in order to develop new products in closer collaboration with customers and optimize local technical support. Imerys's innovation strategy is based on four pillars:

##### Driving an Innovation culture

The Group launches an average of 80 new products every year. It has built a network of international talents with PhDs and scientists coming from different industries and academic backgrounds, and collaborates with outside universities (e.g. Massachusetts Institute of Technology). Science & Technology organization is also ensuring day-to-day technical support to customers.

##### Sustainability as a lever for growth

Each innovation project is assessed according to the SustainAgility Solutions Assessment (SSA) framework, which is aligned with the Portfolio Sustainability Assessment (PSA) framework developed by the World Business Council for Sustainable Development (WBCSD). Imerys's target for 2025 is that 75% of new products launched will have environmental and/or social benefits. Imerys has also launched a specific label for products having the highest sustainability rating.



##### Addressing global challenges through a market-driven innovation

Innovation teams are organized by markets or applications to make sure the Group develops solutions, applications and services based on market trends and customers needs.

Imerys also creates development partnerships through open innovation at its customers premises and tech days. The Group has been recognized as a key innovative supplier on multiple occasions by its customers.

##### Exploring all mineral opportunities

The Group's innovation projects cover:

- **Natural Minerals:** majority of Imerys sales and development efforts, and include sustainable solutions for global megatrends, replacement of oil-based materials, as well as process innovations.
- **Circular Solutions:** key questions around availability of resources, recyclability and sustainability, waste reduction and regeneration.
- **Synthetic Minerals:** development of new functionalities (tailor-made solutions) for high value, niche applications, new processes with enhanced sustainability and reduced energy consumption. The Group has inaugurated in May 2022 a new pilot unit project that enables molding of very high-performance minerals. This enables Imerys to create minerals with high technology properties complementary to its existing product offering.

#### OPERATIONAL EXCELLENCE, SUPPORTED BY A CULTURE OF CONTINUOUS IMPROVEMENT

The Group is committed to improving its current EBITDA margin thanks to operational excellence and a culture of continuous improvement. Imerys can rely on an organization that facilitates swift decision making, as the number of managerial layers has been reduced and managers have been empowered with greater responsibility. Three key programs are supporting Imerys operational excellence: I-Cube for continuous improvement of our operations, Industry 4.0 digital transformation with pilot plants deploying the most advanced technologies for cost effective and sustainable production, and STEP for optimized purchasing through transversal expertise. The combination of these programs is supporting the Group's profitability delivering savings above 3% of costs of goods sold.

Inflation has clearly been a major topic in 2022: raw materials and logistic costs have reached unprecedented high levels, as well as energy, especially in Europe. The Group reacted rapidly and decisively to the new situation, while preserving the relationship with its customers base, and managed to deliver on profitability expectations also in such a difficult context.

**80**

Number of new products launched every year



## 2 AN INTEGRATED APPROACH TO SUSTAINABILITY

### 2.1 VISION AND AMBITION

The growing demand for the minerals that are essential to our lives, our homes and our economies means pressure on natural systems. The Group's purpose and core values are presented in *chapter 1, section 1.2.1 of the present Document*, and in full alignment with this Imerys aims to extract and transform minerals and materials responsibly over the long term and deliver sustainable solutions that benefit society. The Group is committed to playing a role in society, to meeting its obligations to the countries and communities within which it does business, to acting as a responsible environmental steward and to contributing to sustainable development through its operations and portfolio of solutions.

In 2018, the Group launched its sustainability program named SustainAgility. The SustainAgility program was developed duly considering the 2030 Agenda for Sustainable Development<sup>(1)</sup> and major international framework agreements such as the United Nations Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the International Labour Organization (ILO) Fundamental Conventions.

The SustainAgility program is articulated around three axes:



#### Empowering our people

Making sure employees stay healthy and safe, safeguarding human rights and labor practices, nurturing talent, promoting diversity, equity and inclusion and engaging with local communities.



#### Growing with our customers

Behaving ethically, operating fairly, ensuring responsible purchasing, and advancing sustainable products and processes.



#### Caring for our planet

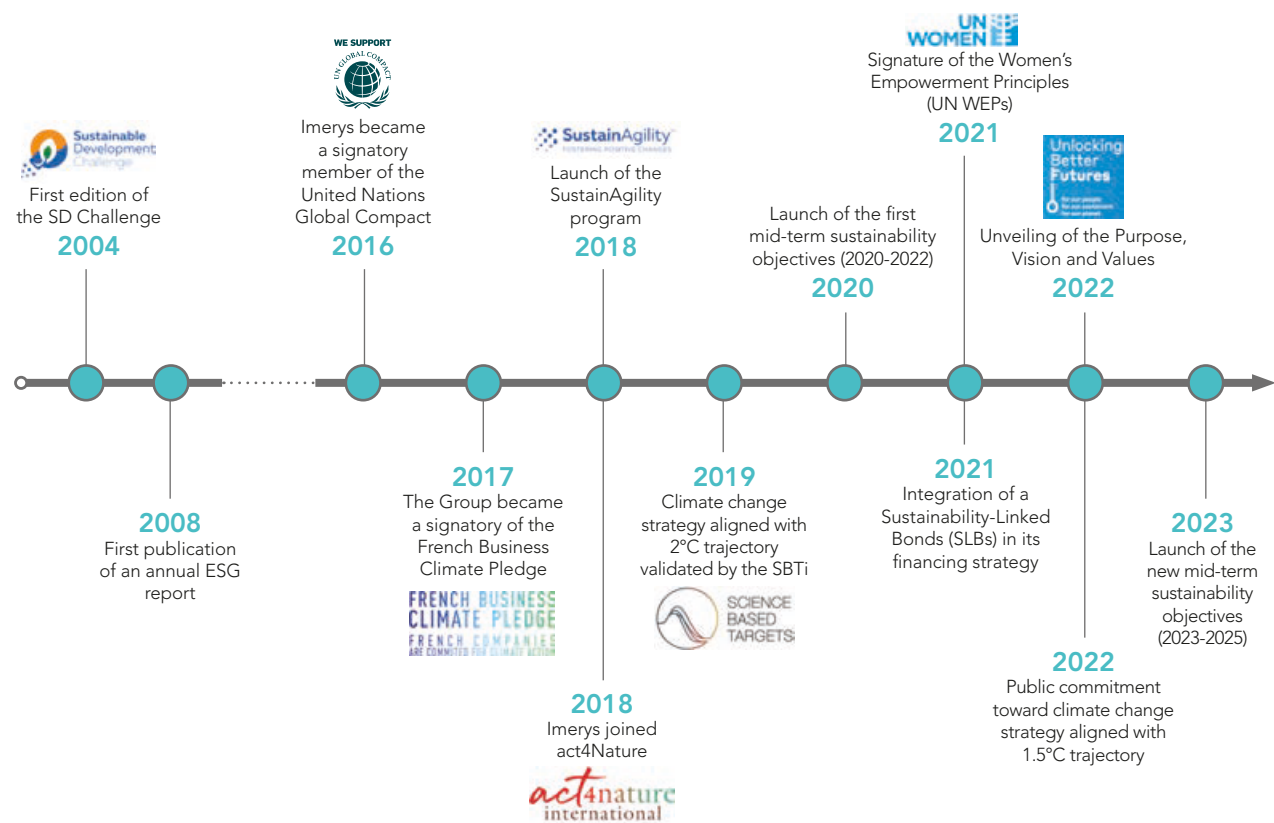
Protecting the environment, promoting natural resources efficiency, respecting biodiversity and acting on climate change.

SustainAgility articulates the Group's comprehensive approach to doing business in a way that creates value for internal and external stakeholders. This approach is supported by a series of dedicated programs that are developed and rolled-out in an iterative fashion. The ultimate goal to be achieved through SustainAgility is to further embed sustainability within the Group strategy and drive systematic continuous improvement of environmental, social and economic aspects in all Group activities,

thereby continuing to reduce risks, create new opportunities and build capacity for long-term shared value creation to Unlocking Better Futures. A continuous improvement approach, new projects, and scientific studies continue to be developed and deployed based on a reinforced framework of solid policies, procedures, improved tools, training, as well as a series of maturity matrices upon which Group sites are assessed and against which action plans are developed.

<sup>(1)</sup> The 2030 Agenda for Sustainable Development, with the Sustainable Development Goals (SDGs) at its core, was adopted by member States of the United Nations in September 2015. The 2030 Agenda is a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide.

# KEY MILESTONES IN IMERY'S SUSTAINABILITY JOURNEY

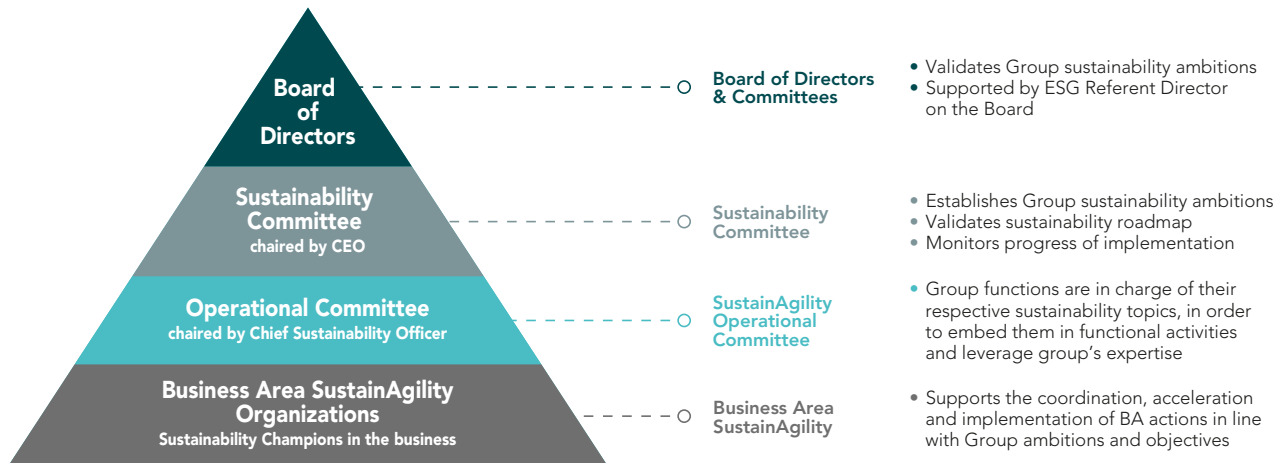


## 2.2 A ROBUST GOVERNANCE

Imerys' Executive Committee, under the stewardship of the Board of Directors, defines the ambition and objectives of the Group with respect to Environmental, Social and Governance (ESG) matters in order to promote long-term value creation through the SustainAgility program. In 2021, the Board of Directors appointed an independent Director as ESG Referent Director with the mandate to assist the Board and its Committees (Strategy, Appointments, Compensation and Audit) to ensure that the strategic orientations set by the Board adequately integrate long term environmental and social risks and opportunities. The Board of Directors reviews the Group ESG performance and programs twice annually as a minimum, in addition to any specific review related to an ESG topic that falls within the remit of each of the Committees (i.e. the Nomination Committee's review of diversity performance, the Audit Committee's review of risks, including climate-related risks, and the Strategic Committee orientation and monitoring of the SustainAgility program). In addition, in 2022, Imerys nominated a Chief Sustainability Officer to the Executive Committee.

The SustainAgility program, led by the Chief Sustainability Officer, is overseen by a Sustainability Committee that is chaired by the Group CEO. The Sustainability Committee meets quarterly and has the responsibility to establish the Group sustainability ambition, validate key milestones and guide and monitor implementation on progress towards the Group objectives. The SustainAgility Operational Committee helps to build on the progress achieved over the past years and to accelerate the implementation of a consistent and comprehensive approach to sustainability within the six pillars of SustainAgility. This SustainAgility Operational Committee, chaired by the Group Chief Sustainability Officer and composed of functional leaders as well as sustainability directors and sponsors of each Business Area, is responsible for coordinating the implementation of the SustainAgility program.

✓ For more information on the Group Governance, see chapter 4 of the Universal Registration Document.



## 2.3 CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

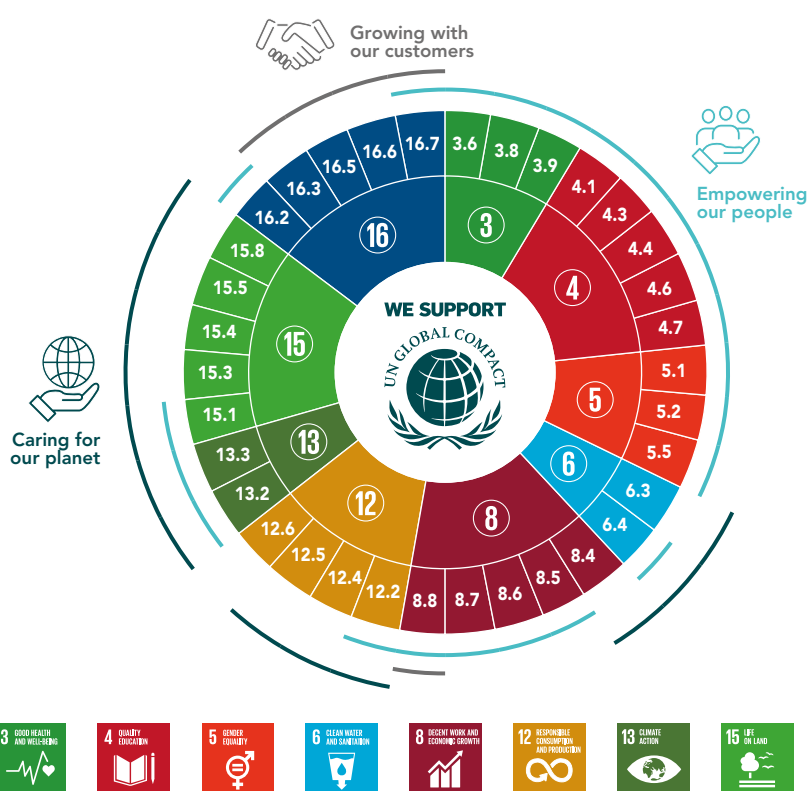
In 2016, Imerys became a signatory member of the United Nations Global Compact (UNGC) and has committed to supporting and base its business approach on the 10 Principles of the UNGC derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. In accordance with these Principles, the Group is committed to publish its annual Communication on Progress (COP).

In September 2015, 193 member States of the United Nations adopted 17 Sustainable Development Goals (SDGs) with the aim to end extreme poverty, protect the planet and ensure

prosperity for all within a new universal agenda. Imerys supports the ambitions of this global program and has duly identified within the SustainAgility program policies and practices within its operations that directly or indirectly contribute to the SDGs.

The Group is specifically focusing on concretely contributing directly to the nine SDGs listed below, which indirectly contribute to the rest of the SDGs as well.

Within this chapter, the Group sustainability commitments, objectives and results against 2022 objectives, as well as new objectives and targets for 2025, are presented in the context of continuous progress made towards the UNGC Principles and the nine UN SDGs.



✓ For more information on Imerys' contribution to the SDGs, see the film "Fostering positive changes in the world of industrial minerals".



## 2.4 STAKEHOLDER ENGAGEMENT

### 2.4.1 FOSTERING CONSTRUCTIVE DIALOGUE AND ENGAGEMENT

The Group depends on the solid long-term relationships it develops with its key stakeholders; respecting the countries, communities and environments across the globe where its operations are located. As such Imerys considers itself accountable to a wide variety of stakeholders, both internal and external. Identifying stakeholders and gaining an understanding of their needs and expectations is a critical step to foster constructive dialogue and engagement.










The list of stakeholders groups with whom Imerys engages in various capacities across the globe includes but is not limited to: customers; government authorities; employees and employee representative bodies; local communities; non-governmental organizations (NGOs) and associations; rating agencies, experts

and analysts; scientific research and educational institutions; shareholders, investors & banks; and suppliers and subcontractors.

Imerys faces both challenges and opportunities in its interactions with the communities surrounding its sites, which need to be continuously identified, assessed and managed. More generally, Imerys contributes to a multitude of regional, national and international economies and through local employment and purchasing, it creates concrete socio-economic benefits to employees, to suppliers and subcontractors, thus, helping to fight poverty and contribute to sustainable development.

✓ *For more information on the local community engagement, see section 4.2 of the present document.*

The table below represents the major dialogue channels with stakeholders. It is not exhaustive.

| Stakeholder   | Major Dialogue Channels   | Department   |
|---|---|--|
|  <b>Customers</b>  | Co-innovation programs<br>Online publication of environmental information on products<br>seller/customer meetings<br>Customer service assistance  | Quality, Customer service,<br>Science & Technology,<br>Operations, Sales, Sustainability     |
|  <b>Government authorities</b>                            | Communication on Progress via the United Nations<br>Global Compact<br>Periodic meetings with public authorities, legislators<br>Contribution to public policy through open consultations<br>(via professional associations)                                   | Sustainability, Legal, Operations,   |
|  <b>Employees &amp; employee representative bodies</b>   | Periodic employee satisfaction survey<br>Regular communication and dialogue (in-person and digital)<br>Social dialog with employee representation bodies  | All functions, Communications,<br>Human Resources  |
|  <b>Local communities</b>                                | Consultation meetings<br>Community programs<br>Open days<br>Grievance mechanisms  | Sustainability, Operations,<br>Human Resources   |
|  <b>NGOs &amp; associations</b>                          | Consultation meetings<br>Local and national partnerships<br>Employee volunteering   | Sustainability, Health and Safety,<br>Operations   |
|  <b>Rating agencies, experts &amp; analysts</b>          | Quarterly conference calls analysts to present financial<br>and extra-financial information<br>Response to extra-financial rating questionnaires<br>Periodic meetings to discuss performance  | Sustainability, Finance,<br>Investor Relations   |
|  <b>Scientific research and educational institutions</b> | Partnership programs<br>Research collaboration<br>Internships and research grant projects<br>Sponsorship and charitable projects<br>Employee volunteering   | Science & Technology,<br>Human Resources, Sustainability,<br>Operations, Businesses, Finance |
|  <b>Shareholders, investors &amp; banks</b>              | Capital Market Day<br>Quarterly press release and conference calls with investors<br>and analysts to present financial and extra-financial information<br>Regular meetings with shareholders and institutional<br>investors to present strategic developments | Finance, Investor Relations,<br>Sustainability   |
|  <b>Suppliers and subcontractors</b>                     | Purchaser/supplier meetings<br>Suppliers' Day<br>Supplier visits and audits   | Procurement,<br>Science & Technology, Businesses,<br>Operations, Sustainability, Legal       |

## 2.4.2 EXTERNAL AND INTERNAL RECOGNITION

Imerys aligns its strategy on key issues under the United Nations Sustainable Development Goals (SDGs) and global climate scenarios in coherence with its business model and global footprint. This holistic approach to sustainability allows the Group to greatly mitigate risks and also brings tangible value added through a greater attractiveness to its internal and external stakeholders. The Group's firm commitment to sustainability has been recognized by leading ESG rating agencies.

For the past 19 years the Group has organized a company-wide competition called the Sustainable Development Challenge (SD Challenge), which serves as an impetus to develop and share best practices, innovations, and technological solutions, each

contributing to the Group sustainability commitments and supporting progress towards several UN Sustainable Development Goals. In total, over 2,096 initiatives have been submitted in the competition since it was launched. The 2022 edition saw a record participation with 429 SD Challenge projects submitted, up from 343 entries in 2021. To be considered for the SD Challenge, a project must have concretely contributed to specific sustainability themes and focused on creating shared value, contributing to sustainable innovation, and achieving long-term sustainable results together with local partners. Imerys is committed to ensuring that the Group SD Challenge continues to inspire greater awareness and understanding of material sustainability themes and continues to serve as a platform to support the realization of the Group sustainability ambition.

✓ For more information on Group SD Challenge initiatives, see [www.imerys.com](http://www.imerys.com).

# 3 STRATEGY AND PERFORMANCE

## 3.1 DOUBLE MATERIALITY SUSTAINABILITY RISKS AND OPPORTUNITIES

In 2022, in the context of the definition and preparation of the new mid-term objectives (2023-2025), Imerys conducted a **double materiality assessment**<sup>(1)</sup> in order to:

- further integrate stakeholder expectations on environmental, social and governance (ESG) topics;
- consider financial and extra-financial threats and opportunities facing the Group;
- define material sustainability priorities for the next 3-year cycle of objectives (2023-2025).

The materiality assessment has been conducted in collaboration with Imerys's stakeholders through several means of consultations, including one-to-one interviews, global surveys, trend analysis, regulatory landscape reviews, and desk research. Stakeholders including customers, employees and employee representatives, professional associations, banks and investors, throughout the regions and markets in which Imerys operates were consulted in the process. Nearly 100 targeted stakeholders were consulted and provided insights.

### METHODOLOGY 2022

The process followed can be summarized in three phases: **framing**, **engagement** and **analysis and validation**.

The **first phase of framing** focused on the research and analysis required to identify and verify a list of potentially significant ESG issues, including but not limited to: the identification of megatrends potentially affecting Group business in the future, the [2030 Agenda for Sustainable Development](#), an assessment of operational risks related to sustainability themes as well as a review of selected climate change, biodiversity, responsible purchasing, diversity, equity and inclusion, and circular economy approaches. This research was supplemented by an assessment against

the applicable Sustainability Accounting Standards Board (SASB) Industry Standards, the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, a review of external ESG rating agencies indices, feedback on Imerys sustainability performance and a review of the Group senior leadership seminar takeaways and feedback to identify the perception of strengths and areas for improvement. As a result, a preliminary list of potentially significant issues was elaborated and validated by internal operational and functional experts.







A **second phase of engagement** with both external and internal stakeholders was then conducted. The Imerys global employee engagement survey launched in early 2021 was used to gain confidential and anonymous insights and feedback from across the Group. Consultation on the sustainability themes from senior managers, employee representatives and stakeholders was gained through a survey questionnaire and face-to-face meetings.

The **third phase involved analysis and validation**. In this last phase additional desk research on the evolution of the EU regulatory framework, as well as societal megatrends were integrated into the analysis. Each topic has been assessed on a scale from "Stable" to "High" based on the perceived trend in stakeholder expectations, where "Stable" represents expectations remaining steady over the next 5 years and "High" represents rapidly evolving and growing stakeholder expectations over the next five years. The results are visually represented in the materiality matrix by the size of the bubble associated with the topic. Finally, the results of the second and third phases were superimposed on the results of the Group risk mapping to obtain the double materiality. The final assessment and the results were then presented and validated by the Sustainability Committee, the Executive Committee, and the Board of Directors.

(1) The concept of double materiality requires that both impact materiality and financial materiality perspectives be applied in their own right without ignoring their interaction. This definition is published in the report of the EFRAG, 2021.

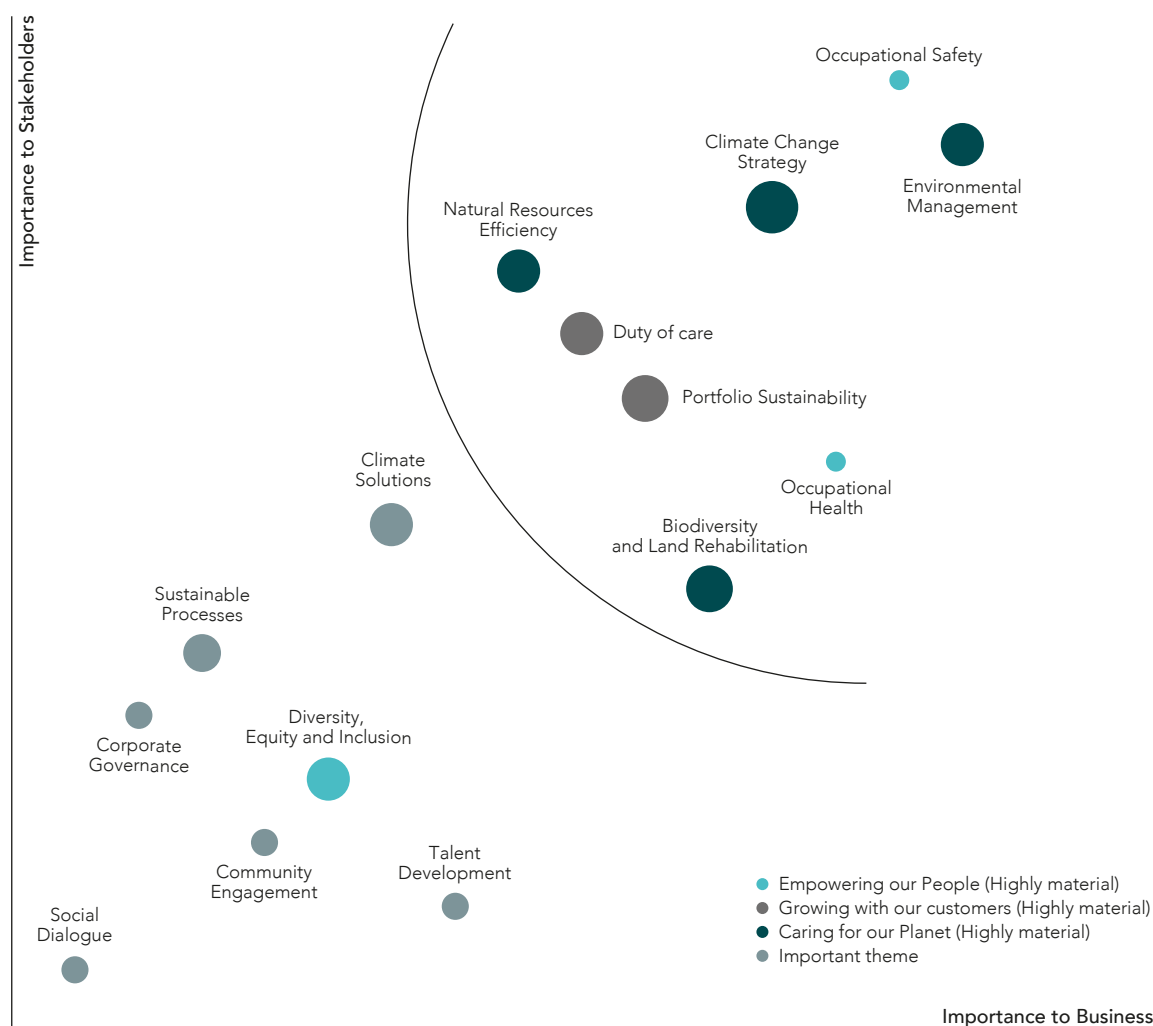
## DEFINITION OF THE TOPICS

Imerys material sustainability challenges and opportunities are summarized below under the six SustainAgility pillars:

| Axis   | SustainAgility pillar   | Potential sustainability challenges and opportunities   | Materiality     | 5 years trend evolution |
|--|---|---|-----------------|-------------------------|
| <b>Empowering our people</b><br>        | <b>Safety &amp; Health</b><br>     | <b>Occupational Safety:</b> Ensuring a safe place to work for employees and contractors.  | ✓<br>Core value | Stable                  |
|  |   | <b>Occupational Health:</b> Managing workplace health and wellbeing of employees and contractors by defining an internal framework for identifying, evaluating, controlling and mitigating common occupational health risks.  | ✓<br>Core value | Stable                  |
|  |   | <b>Diversity, Equity and Inclusion:</b> Creating a consciously inclusive workplace, where all employees feel valued and are offered equal opportunities, and to extend our inclusive culture throughout our supply chain. Promoting and supporting diversity, equity and inclusion within Imerys activities, covering age, disability, nationality, religion, gender and sexual orientation among others.   | ✓<br>Core value | High                    |
|  |   | <b>Talent Development:</b> Creating opportunities for employees, empowering them within the organization, helping them to develop professional capabilities and benefit from diverse career paths. Supporting internal evolution and career moves across the Group.   |                 | Stable                  |
|  | <b>Human Capital</b><br>          | <b>Community Engagement:</b> Identifying, assessing and managing interactions with the communities surrounding its sites. Contributing to regional, national and international economies and through local employment and purchasing, to create concrete socio-economic benefits to employees, to contractors and suppliers, thus, helping to fight poverty and contribute to sustainable development.  |                 | Stable                  |
|  |   | <b>Social Dialogue:</b> Building constructive, open dialogue with its employees and their representatives in accordance with local regulations and implementing best practices in matters of workforce management. Establishing and maintaining this open dialogue to reduce inequality within and among countries.   |                 | Stable                  |
|  |   | <b>Duty of Care</b> includes <b>Labor Practices</b> (Human Capital), <b>Responsible Purchasing</b> (Business Conduct) and <b>Business Ethics &amp; Compliance</b> (Business Conduct). Complying with local legislation where Imerys operates and respecting internationally-recognized human rights particularly in terms of non-discrimination, privacy, child labor, forced labor, compensation and working hours; incorporating environmental, social and governance requirements into Imerys operations and purchasing processes to reduce risks and help Imerys ensure our own and the ethical performance of supplier partners. | ✓               | High                    |
|  | <b>Business Conduct</b><br>      | <b>Corporate Governance:</b> Ensuring the Group continually improves its functioning and management, in an atmosphere of transparency, duly respecting the expectations of investors and other stakeholders.  |                 | Stable                  |
| <b>Growing with our customers</b><br> | <b>Sustainable Solutions</b><br> | <b>Portfolio Sustainability:</b> Identifying risks and opportunities and developing products that provide sustainable solutions to society (in terms of environmental and/or social benefits) over their whole life cycle, from the extraction of raw materials until the end-of-life, including but not limited to climate, circularity, etc.  | ✓               | High                    |
|  |   | <b>Sustainable Processes:</b> Developing economically-sound processes that minimize negative environmental and social impacts of products while conserving energy and natural resources.  |                 | Medium                  |

| Axis   | SustainAgility pillar  | Potential sustainability challenges and opportunities  | Materiality | 5 years trend evolution |
|--|--|--|-------------|-------------------------|
| Caring for our planet<br> | Environmental Stewardship<br> | <b>Environmental Management:</b> Identifying and reducing the environmental risks and impacts of operational activities.   | ✓           | High                    |
|  |  | <b>Natural Resource Efficiency:</b> Reducing the consumption of natural resources during operations, such as mineral resources and water.  | ✓           | High                    |
|  |  | <b>Biodiversity &amp; Land Rehabilitation:</b> Respecting the ecosystems surrounding Group operations and preserving biodiversity throughout the life of a mine, including the rehabilitation.   | ✓           | High                    |
|  | Climate Change<br>            | <b>Climate Change Strategy</b> includes <b>Climate Change Adaptation</b> and <b>Mitigation</b> . Reducing greenhouse gas emissions, including direct emissions, indirect emissions from consumption of purchased electricity, as well as any other indirect emission from purchased materials or transportation. | ✓           | High                    |
|  |  | <b>Climate Solutions:</b> Developing low-carbon disruptive innovations aiming to significantly reduce GHG emissions.   |             | High                    |

## IMERY'S DOUBLE MATERIALITY RESULTS 2022



✓ For more information on Group Sustainability Reporting Methodologies, see chapter 7 of the present document.



## 3.2 IMERY'S SUSTAINABILITY ROADMAP

The results of the 2022 materiality assessment show a strong alignment between internal and external stakeholders expectations. The materiality assessment results confirm that the topics that had been defined as highly material priorities in 2018, remain highly material in 2022 (nine of the ten 2022 highly material topics were also defined as highly material in 2018). In addition to the highly material topics identified in 2018, Imerys stakeholders, and in particular Imerys customers, have expressed growing expectations with regards to the circular economy, which is

evidenced by a significant move of Natural Resource Efficiency in the materiality matrix. The most significant changes relative to 2018 were noted for Climate Change, Duty of Care and Natural Resources Efficiency, all of which increased in importance for both business and external stakeholders.

At the end of 2022, the results of the materiality assessment described in *the present chapter* were used to define four strategic focus areas encompassing the Group mid-term sustainability objectives:

| Empowering our people                    |   | Growing with our customers                             |  | Caring for our planet |
|--|---|--|--|-----------------------|
| 1. Reinforce our maturity on core values | 2. Sustain business ethics in the whole value chain | 3. Accelerate the development of sustainable solutions | 4. Strengthen our commitments to preserve the planet |                       |

### 1. Reinforce our core values

Ensuring the **Safety & Health** of Group employees as well as contractors is a core value. Being a safe place to work is also a cornerstone of Imerys' sustainability. Due to the inherent nature of industrial activities, Imerys employees, contractors, customers' employees may be exposed to risks that, in the event of failings in the safety management hierarchy of controls summarized in *section 4.1 of the present document*, could result in a fatality, life-changing injury, occupational accident, or health effects. The highest risks activities managed through the "Serious 7" protocols are related to the risk of contact with hazardous energy, interaction with mobile equipment and machinery, working at heights, as well as ground control in surface mines. Occupational health risks in mineral mining and processing activities include ambient dust, noise and vibration. Limited quantities of chemicals are also used during industrial processes and in the laboratories for quality assurance and research and development. Certain jobs also involve manual handling or repetitive tasks with the potential to cause ergonomic problems.

Ensuring a diverse, equitable and inclusive environment is part of the same core value with safety and health and is crucial to the Group's long-term strategy. While in the 2018 and in 2022 materiality assessment, **Diversity, Equity and Inclusion** were not assessed as the most material, the Group is fully committed to accelerate and pursue its efforts on gender, nationality, disability and other dimensions of diversity, in full alignment with its new Diversity, Equity and Inclusion program and industry best practices presented in *section 4.2 of the present document*.

### 2. Sustain business ethics in the whole value chain

Ensuring ethical business conduct in a rapidly evolving global business environment is achieved through strong corporate governance, which is the foundation upon which the Group is built. Yet as business practices and regulations evolve, risks emerge with regards to **Business Ethics and Compliance** and **Responsible Purchasing**. The Group may inadvertently be linked to partners who do not respect the Group Code of Business Conduct and Ethics ("the Code") and the specific Group Environmental Social and Governance Standards applicable for suppliers. This risk requires continual adaptation of Group systems and processes and has been an area of particular focus since 2017. Through the reinforcement of

internal controls and Group compliance programs, this risk has been significantly reduced. Yet the risk of Group suppliers not identifying compliance risks and not preventing serious violations of human rights, fundamental freedoms, health & safety of people and environment in their organization and in their own purchasing is still considered material. Additional details on these risks and a focus on their identification is presented in *section 5.1 of the present document*.

### 3. Accelerate the development of sustainable solutions

Imerys is fully aware of stakeholder expectations for the Group to reduce the environmental footprint of its products while at the same time to provide sustainable solutions aligned to global megatrends. **Portfolio Sustainability** that incorporates environmental and societal criteria contributes to the development of sustainable business opportunities. The technological expertise within Imerys places the Group in an excellent position to continuously improve the process efficiency and production methods of its operations. At the same time, the Group's innovation capacity together with its awareness of global megatrends enables the Group to harness opportunities for new product developments, duly considering sustainability drivers and stakeholders' expectations.

### 4. Strengthen our commitments to preserve the planet

Imerys' extractive activities have the potential to modify natural habitats. Group operations may have adverse impacts on local ecosystems and biodiversity, or on water resources in the event of accidental environmental incidents, which may for example, cause the release of discolored water or the release of dust. The techniques used for processing industrial minerals are primarily physical (crushing, milling, and sorting) but also include thermal processes such as calcination and fusion, which result in water consumption, waste and air emission generation. Through sound **Environmental Management**, the Group ensures responsible environmental stewardship in full compliance with environmental obligations, duly identifying environmental risks and mitigating impacts. Group operations are required to have an effective Environmental Management System (EMS) to identify and control significant environmental

risks, optimize resource consumption and ensure **Natural Resources Efficiency**, whether processing of minerals or water consumption, and preserve **Biodiversity**<sup>(1)</sup>.

Imerys is conscious of the urgent, global, systemic and irreversible risks associated with climate change and is aware of the global trend towards an economy that is low carbon or carbon neutral. Group operations generate greenhouse gas emissions directly through consumption of energy generated from fossil fuels or production of emissions linked to industrial processes. Indirect emissions are generated through purchased energy as well as through various other activities within the value chain, in particular through transportation and purchase of materials. Imerys is committed to reducing the impacts of its activities on **Climate Change**. For the transformation of industrial minerals, this requires ensuring greater energy efficiency







through new technologies and processes as well as integration of renewable energy sources amongst other levers to combat climate change. While potential climate change impacts linked to Group operations did not emerge amongst the most material topics in the 2018 materiality assessment, in 2022 climate change emerged as a highly material theme. As such, Imerys shall continue to focus on this theme as a high priority in line with the long-term emission reduction targets that have been set and are described in *section 6.2 of the present document*. In 2021 the Group performed a climate risk and opportunity scenario analysis in line with the recommendations of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), which are presented in *section 6.2 of the present document*. The climate risk and opportunity scenario analysis was used to inform the Group risk mapping exercise presented in *chapter 2, section 2.1.2 of the Universal Registration Document*.

### 3.3 OBJECTIVES AND PERFORMANCE











In 2022, the Group defined mid-term sustainability objectives based on the double materiality assessment process and results presented in *the present chapter*.

The Group sustainability commitments, specific objectives for each of the **sustainability priority themes** as well as the performance indicator and timeline to achieve the objective are presented in the following table and sections together with their alignment to UNGC Principles and the UN Sustainable Development Goals to which they contribute. Each of the Group's sustainability mid-term objectives has been translated to objectives for each Business Areas with a dedicated action plan and monitoring in place. These mid-term objectives and targets likewise serve as the basis for individual performance targets linked to variable compensation for the Group CEO, Executive Committee, senior management as well as other managers across the organization as summarized in *section 4.2 of the present document and chapter 4, section 4.3 of the Universal Registration Document*.

During 2022, the Group made a series of acquisitions and divestitures, which are described in *chapter 1 of the present document*. The potential impacts of these modifications in the Group operating perimeter for the periods ended on December 31, 2021 and December 31, 2022 on non-financial indicators have been restated to reflect the results from continuing operations excluding the High Temperature Solutions (HTS) business area to present a perimeter consistent with the Consolidated perimeter of the Group as per IFRS 5. Although prior-year restatements have not been subject to external auditing, total balance of continuing operations and HTS business in footnotes can be reconciled with prior year data selected for limited assurance review. The Group mid-term objectives and 2022 targets are not impacted by the divestiture and therefore have not been restated.

| Contribution to SDGs  | Group Objectives   | Performance 2022 | Target 2022 | Target 2025 |
|---|--|------------------|-------------|-------------|
| <b>Empowering our people</b>  |  |                  |             |             |
| <b>Health &amp; Safety</b>  |  |                  |             |             |
| <b>Safety</b>   | Improve Group Safety Culture Maturity <sup>(1)</sup> across all Business areas   | 3.0              | 3.0         | 3.3         |
|    |  |                  |             |             |
| <b>Health</b>   | Improve Group occupational health performance against 2019 baseline assessments  | +33%             | +30%        | -           |
|     | Increase the global Occupational Health action plan improvement rate   | New              | -           | 75%         |
| <b>Human Capital</b>  |  |                  |             |             |
| <b>Diversity, Equity &amp; Inclusion</b>  |  |                  |             |             |
|    | Increase the number of women in senior management  | 26%              | 30%         | -           |
|   | Fully implement the Group Diversity and Inclusion 3-year program   | 83%              | 100%        | -           |
|   | Increase the score of the Diversity, Equity & Inclusion Index <sup>(2)</sup> (including KPIs related to Gender, Nationality, Disability and inclusion) | New              | -           | 100%        |

(1) Other environmental aspects such as hazardous substances and noise and vibration may be significant at a local level and as such are managed accordingly within the site Environmental Management System. They are not considered material at the global level.

| Contribution to SDGs  | Group Objectives   | Performance<br>2022 | Target<br>2022  | Target<br>2025  |
|---|--|---------------------|-----------------|-----------------|
| <b>Growing with our customers</b>   |  |                     |                 |                 |
| <b>Business Conduct</b>   |  |                     |                 |                 |
| <b>Ethics and Compliance</b>  | Improve the external sustainability rating of the Group compared to 2022 assessment  | 69                  | > 64            | +7%             |
|     |  |                     |                 |                 |
| <b>Responsible Purchasing</b>   | Deploy a sustainability rating scheme of Group suppliers (by spend)  | 53%                 | 50%             | 75%             |
|     |  |                     |                 |                 |
| <b>Sustainable Solutions</b>  |  |                     |                 |                 |
| <b>Product sustainability</b>   | Assess the Products in Application Combinations (PAC) of Imerys product portfolio (by revenue) according to sustainability criteria <sup>(3)</sup>                       | 55%                 | 40%             | 75%             |
|     |  |                     |                 |                 |
|   | Ensure the Group New Product Developments are scored as SustainAgility Solutions <sup>(4)</sup>  | 75%                 | 50%             | 75%             |
| <b>Caring for our planet</b>  |  |                     |                 |                 |
| <b>Environmental Stewardship</b>  |  |                     |                 |                 |
| <b>Environmental Management</b>   | Reduce environmental impacts through the deployment of a continuous improvement program and conduct 100% of environmental audits using the environmental maturity matrix | 100%                | 100%            | -               |
|       |  |                     |                 |                 |
|   | Reduce environmental impacts by assessing the maturity level of sites against environmental management requirements <sup>(5)</sup>                                       | New                 | -               | 100%            |
| <b>Natural resource efficiency</b>  | Improve water management by ensuring major sites <sup>(6)</sup> comply with new water reporting requirements   | New                 | -               | 100%            |
|    |  |                     |                 |                 |
|   | Improve mineral resources efficiency by ensuring priority sites (by mineral waste volume) comply with new mineral wastes reporting requirements                          | New                 | -               | 80%             |
| <b>Biodiversity &amp; land rehabilitation</b>   | Achieve all objectives defined within Group Act4nature commitment and renew engagement for an additional midterm cycle by the end of 2021                                | 100%                | 100%*<br>* 2021 | -               |
|    |  |                     |                 |                 |
|   | Ensure that 100% of Group sites with quarries or mines will have defined a Biodiversity Action Plan in line with the requirements of the Group biodiversity protocol.    | 93%                 | 100%            | -               |
|   | Reduce impact on biodiversity by filling our Act4nature commitments and conducting biodiversity audits on the priority sites   | New                 | -               | 20              |
| <b>Climate Change</b>   |  |                     |                 |                 |
| <b>Climate Change Strategy</b>  | Reduce Group scope 1 & 2 greenhouse gas emissions by 36% relative to revenue (tCO <sub>2</sub> eq/€M) by 2030  | -31%                | -               | -23%            |
|    |  |                     |                 |                 |
|   | Reduce Group scope 1 & 2 greenhouse gas emissions (tCO <sub>2</sub> eq) by 42% from 2021 base year in alignment with a 1.5°C trajectory by the end of 2030               | New                 | -               | -42%*<br>* 2030 |
|   | Engage our suppliers (by spend) to have science based targets  | 49%                 | 71%*<br>* 2023  | -               |

Notes:




- (1) Maturity Level 3 corresponds to Proactive level on the Imerys Safety Culture Maturity Matrix where Imerys Safety System is "fully implemented, employees are engaged and contribute actively".
- (2) Imerys' Diversity, Equity & Inclusion Index is a composite metric used to track diversity, equity and inclusion across a range of dimensions including gender balance, pay equity, nationality, disability, as well as inclusion.
- (3) The Group portfolio is assessed using the SustainAgility Solutions Assessment methodology, which is based on the World Business Council for Sustainable Development's Portfolio Sustainability Assessment framework.
- (4) Based on the SustainAgility Solutions Assessment framework a "SustainAgility Solution" is a product in an application that has scored within the two highest categories of the four possible categories.
- (5) Environmental Management requirement as defined by Imerys protocols and measured by the environmental maturity matrix, which is based on leading international environmental standards.
- (6) Major sites refer to withdrawal > 1 Mm<sup>3</sup> or located in water stress zones.

## 4 EMPOWERING OUR PEOPLE

### 4.1 SAFETY & HEALTH

#### Imerys' Commitment

Ensure that Health and Safety is a core value by developing and continually improving our health and safety culture and systems, with all our partners, to achieve an injury-free workplace

| Contribution to SDGs  | Group Objective   | Performance 2022 | Target 2022        | Target 2025 |
|---|---|------------------|--------------------|-------------|
|  <b>Safety</b> | Improve Group Safety Culture Maturity <sup>(1)</sup> across all Business Areas  | 3.0              | 3.0 <sup>(1)</sup> | 3.3         |
|  <b>Health</b> | Improve Group occupational health performance against 2019 baseline assessments | +33%             | +30%               | -           |
|                | Increase the global Occupational Health action plan improvement rate            | New              | -                  | 75%         |

<sup>(1)</sup> Maturity Level 3 corresponds to Proactive level on the Imerys Safety Culture Maturity Matrix where Imerys Safety System is "fully implemented, employees are engaged and contribute actively".

Safety & Health are core values for all Imerys operations worldwide. The Group is committed to developing a proactive Safety & Health culture through partnerships amongst management, employees, contractors, suppliers, visitors and the communities in which it operates. The Group is likewise committed to a continuous improvement cycle of Safety & Health performance; setting objectives, reporting, auditing and reviewing. The personal involvement of each individual within Imerys is considered essential to achieving an incident-free workplace. The Safety & Health framework is fundamental to the Group's success and contributes to SDG 3 to ensure healthy lives and promote well-being for all at all ages and concrete contributes to SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

#### 4.1.1 OCCUPATIONAL SAFETY

The Group has a dedicated Safety Committee, chaired by the CEO and composed of each of the Business Area Senior Vice-presidents and functional Senior Managers of the Group. The Safety Committee meets at least twice a year and monitors the Group progress on all Safety objectives and programs. Main health and safety indicators are reviewed on a monthly basis during every Executive Committee meeting.

Imerys requires each operation to have an effective Safety Management System (SMS). Programs are built within the Group Imerys Safety System framework (ISS) based on 3 pillars: compliance, continuous improvement and training & communication. The ISS risk management framework is based on the hierarchy of controls (elimination, substitution, engineering controls, administrative controls and personal protective equipment). To support the development of an effective safety culture, the Group has developed a Safety Culture Maturity (SCM) matrix based on four key elements: leadership and accountability, compliance and continuous improvement, Behavior-Based Safety (BBS) and an integrated approach. The

SCM matrix, built considering internationally recognized standards for safety management and aligned to the fundamentals of the Imerys safety protocols and procedures, helps operations to conduct gap analyses and drive their improvement plans in partnership with industrial teams and safety professionals. In 2019, the occupational safety maturity of all Group operations were categorized using the SCM matrix. As a result of the comprehensive assessment, sites have continued to develop specific site-level safety action plans. **The mid-term 2022 target was for the Group Business Areas to achieve a Level 3 maturity by the end of 2022, which corresponds to 'Proactive' level, where the Imerys Safety System is fully implemented, employees are engaged and contribute actively to safety.** At the end of 2022, the result of the most recent assessment shows the Group Business Areas maturity of 3.0, which represents an achievement of the Group's mid-term objective for 2022. The SCM matrix was revised at the end of 2022 in order to update requirements, integrate additional tools and practices, and prepare the referential to be used for the next Safety Culture Assessment cycle to be started in 2023.

From the beginning of the Covid-19 outbreak, Imerys focused on ensuring the safety of its employees and partners while maintaining business continuity. Imerys established a dedicated Crisis Management Team to handle the unprecedented situation and set up a strict monitoring process under the supervision of the Executive Committee. Local management teams adapted activities daily based on the guidelines from the Crisis Managements Team. The Group developed a Covid-19 specific protocol, compliant with international and national authorities. This Protocol outlines recommendations for the management and control of the specific Covid-19 epidemic within all Group operations, technology centers and offices. The situation and its evolution continued to be followed throughout 2022 with measures adapted as needed.



Given the importance of Behavior-Based Safety as an essential component within an effective safety culture, Imerys' operations either implement specialized BBS programs or integrate behavioral factors into regular safety inspections. Improvement in BBS is also supported by a dedicated section in the aforementioned Group Safety Culture Maturity matrix.

Safety compliance requirements for each Imerys operation include not only local laws and regulations, but also the Group's policies, protocols and procedures. The Group Environment, Health and Safety (EHS) Audit Team conducts approximately 60 comprehensive onsite EHS compliance audits or Safety Culture Maturity Assessments annually. For 2022, of the 63 audits and assessments planned for the year, 54 were completed, which represents 86% of the plan. Corrective actions are tracked by Corporate and Business Area EHS teams through to completion using a web-based software system.

Training and awareness of the Group Safety & Health system are achieved through various communication and training activities often developed in local languages. These activities include: Safety Summits, Imerys Safety University (ISU), web seminars, the digital learning paths delivered through the Group e-learning platform "Imerys Learning Hub" and the Group Welcome Sessions for new managers. Other initiatives are managed at regional, hub or site level and include job-related safety training and regular safety toolbox meetings. Training on EHS topics increased by 17% in 2022 relative to 2021 (see section 4.2 of the present document). The Group safety training focuses in particular on the "Serious 7" to address highest risk areas: lock out, tag out, try out, electrical safety, machine guarding and conveyor safety, mobile equipment, working at heights, ground control and forklift safety.

The Group recognizes the pivotal role that senior management plays within the Group safety culture. Their ability to effectively engage with all employees at site level on safety is fundamental to continually improve safety performance. The Group Safety Summits focus on strengthening Visible Felt Leadership (VFL) within the most senior leadership, while the Imerys Safety University focuses on a tailored approach to coach site managers on how to cascade Visible Felt Leadership within their supervisory teams. At the end of 2022, 35,666 VFL and BBS interactions were recorded through our Group Health and Safety reporting platform.

In 2021, the Group launched Safer Together, in order to build on the progress achieved over the past years and to strengthen the implementation of a consistent and comprehensive approach to Health and Safety. Safer Together aims to promote a strong

Health and Safety culture within 4 new key pillars that will help to structure the Health & Safety projects – Being positive about Safety, Placing health and safety above all, Taking responsibility and Looking out for each other. Safer Together encompasses all the existing Imerys Health & Safety programs such as protocols, training, Take 5, Serious 7, safety alerts and accident analysis, Safety Connect Day and Visible Felt Leadership.

In 2022, the annual Imerys Connect Day (formerly Safety Connect Day) brought together all employees and subcontractors across industrial sites, laboratories, and offices to focus on the theme "The Challenges of a Changing World". The 2022 edition saw employees and subcontractors coming together to discuss the important topics of Workplace Safety, Process Safety, Mental Health as well as Climate Change.

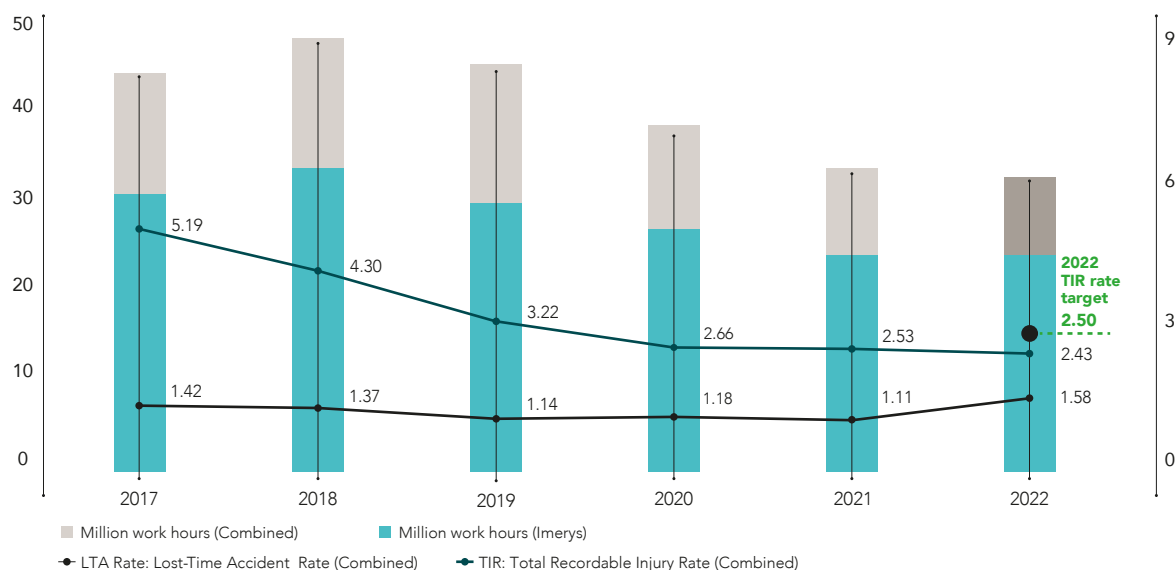
The Group has an internal Safety & Health incident reporting process. Imerys tracks and analyzes safety performance for both employees and contractors on a monthly basis using lagging indicators for fatalities, life-changing injuries, lost-time and non-lost-time accidents at all levels of the Group. The Group likewise collects and assesses leading indicators such as near misses, at-risk conditions or behaviors reported, the number of workplace inspections or risk assessments performed, the percentage of site employees that have attended safety training events or safety meetings, and the number of safety observations or interventions. The platform facilitates the collection of details related to any incident, helps to identify the critical factors to prevent further accidents and strengthens the management of incidents across the Group.

Incident investigations are conducted and corrective actions are implemented at site level with follow-up by Business Area teams. Safety alerts are issued whenever a fatality, a life-changing injury or a Significant Potential Incident (SPI) occurs to share root causes and lessons learned. An SPI is any reported incident that has the potential to result in a fatality regardless of the actual severity. Where appropriate, corrective actions identified through an incident investigation are directly integrated into the next update of Group safety protocols to reduce the risk of recurrence. In 2022, 51 safety alerts related to SPIs were shared across the Group.

✓ *For more information on Group safety reporting methodologies and metrics, see section 4.1 of the present document.*

✓ *For more information on Supplier Health and Safety requirements, see section 5.1 of the present document.*

## GROUP LOST TIME ACCIDENT RATE



As of December 2022, the combined LTA rate of the Group was 1.58 and the combined Total Recordable Injury Rate (TRIR)<sup>(1)</sup> was 2.43. Despite a strong rebound of the production activity from the pandemic in almost all Imerys industrial sites, the Group achieved the 2022 target TRIR, which was set at 2.50 and continues to observe continuous improvement across Group operations. The increase of the combined LTA rate in 2022 is mostly due to more hand-related incidents, slips and falls compared to the previous years. Regular awareness campaigns on these subjects were implemented during the year to limit additional incidents. Tragically, a fatal incident occurred in Imerys Bauxite underground mine in Greece on October 5, 2022. The Group shall continue its unyielding focus on continuously improving safety performance and work towards its goal to achieve an injury-free workplace.

### 4.1.2 OCCUPATIONAL HEALTH

For Imerys, managing workplace health and wellbeing of the Group's employees and contractors is a core value. Imerys occupational health protocols outline an internal framework for controlling and mitigating common occupational health risks. Imerys operations identify the range of occupational health risk scenarios, evaluate and risk assess them and develop control plans proportional to the risk. As part of this program, appropriate information, instruction and training are provided. Occupational health practices are systematically reviewed to look for improvement, simplification and standardization. Compliance with regulations and the Group's Occupational Health protocols are reviewed regularly through the Group EHS audit program.

In 2019, led by the Group Industrial Hygienist, the Group defined its occupational health strategy starting with a comprehensive baseline assessment and gap analysis. The baseline assessment focused on industrial workplace health risk identification, assessment, control, monitoring and review processes. The baseline assessment was performed to have an objective evaluation of practices and performance at a site level and provides the information needed to generate an action plan to close out any gaps, focusing on short, medium and longer term actions. By the end of 2020, all sites across the Group were assessed against the baseline assessment criteria. Based on the completed assessments the Group developed a comprehensive 5-year occupational health action plan, focusing on the following four pillars: risk and general management, systems, training and protocols. **The Group mid-term occupational health performance target was to improve by 30% against the first baseline assessments.** At the end of 2022, the Group occupational health performance improved by 33% against the baseline assessments. As such, the 2022 mid-term target was met.

The Group developed an Occupational Health Maturity Matrix which will, as with the other matrices in the Group "I-Cube" and SustainAgility programs, be used to support the global program deployment in a continuous improvement cycle.

The Group occupational health programs implemented cover a range of health and hygiene aspects, with a particular emphasis placed on the management of airborne contaminants, vibration and noise. Across Group locations, health plans and programs are based on site occupational health risks, which integrate wellness initiatives. Wellness and occupational health campaigns are supported by Human Resources, external occupational health nurses/physicians and internal health and safety personnel as well as communication teams.

(1) TRIR: A recordable injury is an injury that requires medical treatment other than first aid.

All Group operations participate in the European Social Dialogue Agreement (SDA) on workers' health protection through the good handling and use of crystalline silica and products containing it and have reported on specific aspects of their implementation through participation in a program organized

by the European Network for Silica (NEPSI)<sup>(1)</sup>. NEPSI reporting campaigns are conducted every two years. In 2022, when the last campaign was conducted, all of Imerys' concerned sites reported into NEPSI.




## GROUP REPORTED OCCUPATIONAL ILLNESSES

|  | 2022     | 2022<br>discontinued<br>activities | 2021     |
|--|----------|------------------------------------|----------|
| Occupational illnesses with lost time    | 1        | 0                                  | 0        |
| Occupational illnesses without lost time | 0        | 0                                  | 0        |
| <b>Total</b>                             | <b>1</b> | <b>0</b>                           | <b>0</b> |

## 4.2 HUMAN CAPITAL

### Imerys' Commitment

Develop our Human Capital by respecting internationally recognized human rights and labor practices as set out in our Code of Business Conduct and Ethics, investing in the talent and skills of our employees, engaging in constructive social dialogue and fostering a culture of workplace diversity, equity and inclusion based on mutual respect

| Contribution to SDGs   | Group Objective   | Performance<br>2022 | Target<br>2022 | Target<br>2025 |
|--|---|---------------------|----------------|----------------|
|    | Increase the number of women in senior management   | 26%                 | 30%            | -              |
|  | Fully implement the Group Diversity and Inclusion 3-year program  | 83%                 | 100%           | -              |
|  | Increase the score of the Diversity, Equity & Inclusion Index <sup>(1)</sup><br>(including KPIs related to Gender, Nationality, Disability and inclusion) | New                 | -              | 100%           |

(1) Imerys' Diversity, Equity and Inclusion Index is a composite metric developed to track diversity, equity and inclusion across a range of dimensions including gender balance, pay equity, nationality, disability, as well as inclusion.

Human capital is at the heart of Imerys' business success. Imerys seeks to create an environment that promotes employee's development as a key element of growth and transformation. The Group HR policies and practices are based on fairness, openness and mutual respect. The long-term objectives of the Group are to identify, attract, select and retain talented people; develop and provide essential competencies; share ideas, projects and best practices across the organization; and ensure transparency and compliance with both legal requirements and Imerys' policies and processes. Through constant engagement on these subjects the Group contributes to SDG 4 to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; to SDG 5 to achieve gender equality and empower all women and girls; and to SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

### 4.2.1 LABOR PRACTICES

Imerys strives to promote mutual respect in all practices and dealings with its employees, and outside contractors. Imerys recognizes that management of relations with employees is critical to the creation of an environment in which all employees can excel. The Group is committed to comply with local legislation in force in the countries where it operates and to respect internationally-recognized human rights, as set out in the International Bill of Human Rights and provisions of the fundamental conventions of the International Labour Organization

(ILO), particularly in terms of non-discrimination, privacy, child labor, forced labor, compensation and working hours. The Group is committed to respect human rights, avoid complicity in human rights abuses and provide access to remedy, in line with the UN Guiding Principles on Business and Human Rights. Imerys endeavors to have a positive impact through its employment practices upon the welfare of employees, which likewise has both indirect and induced positive impacts also on surrounding communities and thereby contribute to SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The Group Code of Business Conduct and Ethics spells out the fundamental principles and shared commitments to ethical behavior, including respect of human rights and labor practices. The Code applies to all Imerys employees, including those of its subsidiaries, as well as Imerys business partners. Managers at Imerys have a particular responsibility to ensure its daily application because of their roles and responsibilities with regards to Group operations. Imerys recognizes the right to freedom of association and the right to collective bargaining, which is clearly articulated within the Group Code as well as within the related HR policies, protocols and procedures. Approximately 67% of Group employees are covered by Collective Bargaining Agreements (CBAs). These CBAs commonly include subjects such as health and safety, work organization and working hours, training, compensation and benefits, and equal opportunities.

(1) NEPSI: the European Network for Silica is composed of employees and associations of European companies that have signed the multi-sectoral social dialogue agreement.

Imerys is fully committed to taking effective measures to end discrimination and to eradicate child labor and forced labor. Compliance with the Code and protocols on human rights and labor practices, including preventing child labor and forced labor, is included within due diligence assessment for new projects and within the scope of internal auditing missions for the Group existing activities. Protocols on prohibition of child labor and forced labor have been in place since 2009.

Since 2019, the Group has offered training and awareness raising sessions on Human Rights based on UN Guiding Principles. The purpose of these sessions is to train groups of employees on human rights and the UN Guiding Principles and support the identification of any potential human rights risks in. As in-person training sessions remained a challenge for much of 2022 due to a range of Covid-19 restrictions, e-learning modules related to Human Rights were made available to employees. Dedicated sessions will be delivered in the future to progressively cover specific countries and key functions.

The Group has developed a global and comprehensive program (Global Benefits Management) and has mapped all the healthcare,

death and disability benefits provided to its employees to ensure that the corresponding levels of coverage are progressively harmonized across the Group, in line with local regulations and market practice and managed in a structured and efficient way.

The Group Pension Committee governance principles, objectives and operating modes are applicable to all Imerys units.

To support mental health and well-being of employees the Group has developed a mental health guide for employees and for managers to help them support their teams. Mental health and wellbeing was likewise one of the focus themes for the Imerys Connect Day in 2022. The Group is also committed to raise awareness on the importance of physical activity and the benefits it provides on mental health. Depending on the country, employees have access to gyms located in the workplace, have discounts on entrance to gyms, or even have their sports subscription reimbursed. Some local initiatives related to running programs and walking challenges are also implemented for example in South Africa and China.

✓ *For more information on the Code of Business Conduct and Ethics, see section 5.1 of the present document.*

## EMPLOYMENT

|  | 2022          | 2022<br>discontinued<br>activities | 2021 <sup>(2)</sup> |
|--|---------------|------------------------------------|---------------------|
| <b>Registered employees</b>                                    | <b>13,892</b> | <b>3,096</b>                       | <b>13,822</b>       |
| of which permanent employees                                   | 13,028        | 2,625                              | 12,960              |
| of which non-permanent employees (fixed term)                  | 864           | 471                                | 862                 |
| <b>External employees (Full-Time Equivalent)<sup>(1)</sup></b> | <b>3,532</b>  | <b>2,395</b>                       | <b>3,793</b>        |

(1) External employees refer to all non-Imerys companies or independent contractors who agree to perform services on Imerys facilities regardless of duration. Total worked hours done by external employees are converted by Full-Time Equivalent.

(2) 2021 Total registered employees related to discontinued activities represented 3,086 employees.

At the end of 2022, compared to December 2021, the Group's registered headcount remains stable. The external recruitment, the mutual agreements and retirements are equivalent to 2021. While 2021 redundancies were still impacted by the Group transformation program from 2018, in 2022 redundancies decreased by 24%. The voluntary departures increase by 23%, which is explained by the COVID crisis as this limited the number of departures during 2021. In 2022, in addition to the divestiture of HTS, 233 employees left the Group as a result of other divestitures.

## Social Dialogue and Employee Engagement

The Group strives to build constructive, open dialogue with its employees and their representatives in accordance with local regulations and implements best practices in matters of workforce management. Establishing and maintaining this open dialogue is a means to contribute to SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Internal communication campaigns aim to provide all employees with information that can help them understand the Group's strategy, environment and activities, build their sense of belonging and help to strengthen the Group identity. Information is actively shared across the Group via various means, including through a collaborative digital platform "OnImerys", which supports daily communication and collaboration. This platform hosts essential information, documentation and protocols, but also social feeds and workspaces, tools and business applications. The intranet is optimized to enable employees to use tools and resources in an agile way – including smartphone access to Group level applications. The intranet facilitates the sharing of projects, initiatives and successes throughout the Group. It is likewise a platform to share information and support discussion on specific topics within specialized communities.

To "communicate and collaborate" is a central part of Imerys' Leadership Behaviors, and as such the Group privileges regular managerial face-to-face dialogue to share key information within teams. To complement this form of dialogue, the Group launched various video messages and question and answer sessions with the Group CEO and senior leaders to facilitate open exchange with employees.

In April of 2017, Imerys launched its first global employee engagement survey “Your Voice”. In 2021, the Your Voice survey was conducted again and extended to include deskless and remote workers in addition to the digital workers who were included in the 2017 survey. The survey was conducted confidentially and anonymously offering employees to express their position on a wide range of topics. The questionnaire, available in 26 languages, was shared with all employees across all Imerys countries and businesses. The global response rate reached 88% (over 13,000 employees), which provided the Group with clear signals on employee engagement levels and on Group strengths and areas for improvement. The results of the survey showed high levels of engagement and enablement across the Group (68% and 73% respectively), driven by a strong loyalty to Imerys (71%), which is 10 points above the industrial norm. When compared to the industrial benchmark of data collected from over 2.4 million employees in 195 organizations operating across industrials sector, feedback from Imerys employees is above the benchmark for nearly all topics. The Your Voice results provide rich insights to help guide the development of global and local improvement action plans.

Imerys is committed to engaging in constructive dialogue with employee representatives. In Europe, the European Works Council (EWC) covers Group employees in 20 countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom.

The employee delegation consists of 15 members, each representing different nationalities. In 2022, one plenary session was held and the EWC’s five officers met five times during the year. The EWC officers act as liaison between representatives and Imerys management. The EWC is informed and consulted on Group strategic decisions, including major projects such as the divestiture of HTS, for which, three meetings were held and upon which the EWC gave an opinion. The EWC has also been associated with other key projects related to changes in the Group’s activities.

A EWC agreement was signed on May 24, 2022, covering 2022-2026. The term of office of elected representatives of the EWC is four years. Discussions with the EWC likewise include updates with regards to business performance, safety, environment, employee engagement, and diversity, equity and inclusion amongst other topics.

Notwithstanding efforts to engage in constructive social dialogue, labor strikes may still occur. In 2022, 2,925 hours were lost due to labor strikes (20,723 in 2021), of which 1,240 hours in Greece, 1,064 hours in Italy, 392 hours in France, 188 hours in Belgium and 41 hours in Spain.

## 4.2.2 TALENT DEVELOPMENT

Talent and skill management is essential to maintain an innovative, engaged and motivated workforce and to ensure strong long-term growth within the Group. The Group talent road map continues to improve Human Resources processes focusing on talent acquisition, employer branding, internal mobility,

professional learning, development and retention. All of these processes contribute to the development of human capital in Imerys and thus work towards SDG 4 to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The Group aims to create opportunities for employees, empowering them within the organization, helping them to develop professional capabilities and benefit from diverse career paths. Supporting internal evolution and career moves across the Group is a priority. Imerys is committed to ensuring its employees’ development and specialized committees meet regularly to discuss internal mobility and promotions.

Imerys Leadership Behaviors, in consistency with the Group values, are an integral part of the entire talent management cycle, including recruitment, onboarding, performance, as well as development and succession plans. In order to develop leadership and managerial skills, annual reviews are composed of a shared evaluation between employees and their line managers based on these principles.

To ensure that Imerys not only attracts the right people for the right positions, but also that the process generates a positive candidate experience, fosters diversity among our workforce and facilitates integration within Imerys, the Group applies a global recruitment policy. This policy addresses five key stages in the recruitment process: preparation, sourcing, selection, decision and onboarding.

The Group is committed to continuously diversify and increase the Group’s training program through a blended learning approach, enabling employees to actively lead their own development and learning experience. The Group’s entire learning offer was redeveloped in 2021 and is hosted on a platform called the “Learning Hub”, which brings together all in-class training and digital learning courses. The Learning Hub is accessible to all Imerys employees with Imerys email accounts, which represents over 10,000 employees across the Group. In-class training and e-learning courses cover safety, environment, finance, management and leadership, project management, commercial excellence and industrial marketing, and basics of geology and mining amongst other topics. Learning resources are available in English and many are also available in other languages including French, Brazilian Portuguese, German and Chinese. Since 2020, the Group has continued to invest in the development of multiple new digital courses. Traditional in-person training programs, such as those related to mining and resource planning, have been designed to be delivered in a virtual format. Global training courses that support fundamental topics of the Group Code of Conduct, including training on environmental management, cybersecurity, and range of diversity, equity and inclusion themes, while open to all, are made mandatory for targeted populations. For example, at the end of 2022, 79% of senior managers and people managers were trained on unconscious bias, 44% of senior managers, people managers and functional experts completed the training on environmental topics, and 75% of connected workers completed a series of cybersecurity courses. Imerys likewise promotes the use of the [UN Global Compact Academy<sup>\(1\)</sup>](#) as a means to enrich the training offering on numerous ESG topics for all the Group digital learners through the Learning Hub.

(1) The UN Global Compact Academy provides Participating companies of the UN Global Compact with access to digital expert-led and interactive how-to sessions designed to help companies align their business strategy with the Ten Principles of the UN Global Compact and the UN SDGs.



The Group is committed to continuously invest in its workforce and provide opportunities for its employees to develop new skills. Since 2020, the Group has used a digital global onboarding program to create global consistency for onboarding of new recruits, and offer a streamlined and supportive approach and a centrally managed process, which give each newly recruited employee clear knowledge about Imerys in their first 90 days. The onboarding program guides new recruits through valuable information including: Imerys' organization and tools, markets, customers, mandatory training (including the Code of Business Conduct and Ethics, safety, diversity, equity and inclusion, cybersecurity, and sustainability) as well as Business Area, function, and country-specific content. This onboarding is linked to the Learning Hub training platform, with a dedicated workflow that ensures that all new connected workers receive key messages and information directly after arrival. The Group also runs an onboarding program for operational workers across the Group. This onboarding defines the minimum requirements to control health and safety risks related to the onboarding period for new operational workers for which Imerys has managerial authority, and/or can influence strongly and directly, at any Imerys industrial sites. The aim of the onboarding program is to ensure that all new workers are adequately trained and competent to safely perform their assigned tasks.

The Group likewise focuses on induction training for Imerys' new plant managers to help them understand the Group's approach to operational excellence and continuous improvement, covering topics such as safety, processes, finance, HR, environment, as well as I-Cube.

A global internal mobility policy provides a streamlined process to develop employees by exposing them to new challenges and new businesses within Imerys; to respond to employees' aspirations to evolve; to facilitate the collaboration between all businesses; and contribute to reinforce the Group culture and mindset.

The Group compensation and benefits systems and policies aim at ensuring both market competitiveness and internal consistency, while being driven by a clear pay-for-performance objective. Imerys uses a Position Evaluation System to define roles based on a systematic grading approach. Using common grades throughout the world, Imerys ensures internal consistency by providing equal pay for work of equal value and provides a rational basis for the maintenance of its pay structure. This process uses data to benchmark remuneration against the market, which helps drive Imerys principle of equal opportunities and drive transparency and consistency in compensation practices across Business Areas, Functions and Departments.

Fixed compensations are reviewed on a yearly basis under the close coordination of the Human Resources Function, supported by regular local and/or sectorial surveys, and conducted with strict financial discipline. In order to reward both personal and collective financial performance, short-term variable pay schemes consist of both individual and shared objectives. In 2022, the Imerys CEO, all of the Executive Committee and most senior managers had individual objectives linked to the achievement of the Group's mid-term sustainability objectives. Long-term compensation programs are fully aligned to the Group's long-term financial objectives. The Group endeavors to align its remuneration practices across the world with international standards.

✓ For more information on the Executive Compensation, see chapter 4, section 4.3 of the Universal Registration Document.

## GROUP TRAINING HOURS

|   | 2022           | 2022<br>discontinued<br>activities | 2021 <sup>(1)</sup> |
|---|----------------|------------------------------------|---------------------|
| <b>Number of trained employees</b>      | <b>12,170</b>  | <b>2,882</b>                       | <b>12,969</b>       |
| <b>Number of training hours by year</b> | <b>234,840</b> | <b>32,935</b>                      | <b>220,499</b>      |
| Environment, Health & Safety            | 123,563        | 14,484                             | 105,961             |
| Technical skills                        | 89,446         | 13,472                             | 98,415              |
| Management                              | 21,831         | 4,980                              | 16,122              |

(1) 2021 Total number of trained employees and training hours related to discontinued activities represented respectively 2,778 employees and 37,374 hours.

In 2022, 74% of employees<sup>(1)</sup> in the Group have benefited from at least one training program in the year. The total number of training hours increased in 2022 by 6.5% relative to 2021, as new digital learning courses continued to be developed and delivered.

(1) The training hour's percentage is based on the number of employees during the year.

### 4.2.3 DIVERSITY, EQUITY AND INCLUSION

The Group is committed to promote a culture based on mutual respect and appreciation at all levels, where the value and contribution of each individual is welcomed and recognized. Imerys does not tolerate any form of discrimination or harassment towards its employees, contractors or candidates for employment on the basis of gender, age, nationality, citizenship, ethnicity, religious status, educational background, sexual orientation, physical and mental abilities, marital and parental status, political affiliation or any other dimension. The Group's long-term ambition is to create a consciously inclusive workplace, where all employees feel valued and are offered equal opportunities, and to extend an inclusive culture throughout our supply chain. While the Group has not yet reached its full ambition, it is fully committed to accelerate its efforts to promote diversity, equity and inclusion at all levels across the Group and as such contribute further to SDG 5 to achieve gender equality and empower all women and girls and SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The Diversity and Inclusion Charter, signed by the Group CEO, has been translated in 22 languages and is posted across Group sites. The Charter clearly articulates the shared commitment to achieving greater diversity, as well as inclusion across the Group. Starting from 2019, with broad participation from employees across functions and geographies, the Group has analyzed the key drivers and challenges and structured its first 3-year Diversity and Inclusion program (2020-2022). The Group has a Diversity, Equity and Inclusion Steering Committee in place, composed of four Executive Committee members as well as functional Senior Managers, to ensure the program is successfully implemented and the objectives achieved. The Diversity, Equity and Inclusion Steering Committee is facilitated by the Group Diversity, Equity and Inclusion team, who is responsible for the planning, coordinating and implementing the defined actions in close collaboration with Business Areas and functions. **The Group's mid-term Diversity and Inclusion specific and time-bound objective was twofold: to increase the number of women in senior management to 30% and to fully implement the Group Diversity and Inclusion program by the end of 2022.** This program sets out the building blocks of a more inclusive workplace, addressing areas for improvement centered around: decision process and governance, training and awareness, human resources policies, communication and physical accessibility of Group sites. The deployment of the 3-year program began in 2020. At the end of 2022, the third year of its deployment, 26% of senior managers were female and 83% of the 3-year plan had been implemented, including the creation and animation of an internal network of Diversity and Inclusion Ambassadors, the offer of customized training sessions on diversity and inclusion at all levels across the Group and the launch of numerous awareness and communication campaigns across Group sites.

While the Group's diversity and inclusion targets were not fully achieved by the end of 2022, Diversity, Equity and Inclusion continues to be a material topic and will remain a priority for the next mid-term cycle, in order to ensure continued progress towards the Group's longer term ambition. During the course of 2022, the Group defined its new 3-year Diversity, Equity and Inclusion program (2023-2025), with a specific focus on equity added to the new program. The design of the program involved analyzing current data, engaging with employees across hierarchical levels and geographies, identifying the current maturity level and envisioning the diversity, equity and inclusion maturity level of 2025, as well as the necessary intermediate steps.

The Group has set targets for 2025 that are ambitious yet achievable in the defined time frame. A composite metric approach – a Diversity, Equity and Inclusion Index – will be used to track diversity, equity and inclusion in the areas of gender balance, pay equity, nationality, disability, as well as engagement scores deriving from employee engagement surveys.

The Group is committed to develop programs focused on achieving greater diversity as well as inclusion both at global and local levels and to respect and promote the principle of non-discrimination and equal opportunity, in particular with regards to human resources management. To this effect, Group HR policies and practices are a key element of the diversity, equity and inclusion plan and are regularly updated to include specific diversity, equity and inclusion principles and requirements at the appropriate steps within each process, ensuring that these updates are also reflected in country HR policies. Diversity, equity and inclusion requirements are likewise a key component of the Group Leadership Behaviors, the behavioral model against which the Group formal performance appraisals are conducted.

To create a truly inclusive culture, the Group continues to work to eliminate barriers, to raise awareness on the effects of implicit or unconscious bias and to help employees develop effective strategies for ensuring that such biases do not undermine Group efforts to ensure a diverse and fulfilling workplace for all. To this effect the Group focuses considerable efforts on various training courses, from the onboarding program for new employees, to the provision of additional resources and tools within the Learning Hub – the Group internal learning platform. Training on anti-discrimination was rolled out in 2020 to all our employees with access to Imerys Learning Hub, followed by a training on Unconscious Bias in 2021 and a training on Implementing Diversity into the daily working life in 2022. At the end of 2022, 62% of senior managers and people managers completed the training. Internal workshops were offered to functional management teams to raise awareness and provide concrete actions on how to lead by example on inclusive behaviors. The Group leadership programs were also adapted to include dedicated sessions focusing on unconscious bias and conscious inclusion and 81% of senior managers completed a 3.5 hour inclusive Leadership training to support their capacity to drive inclusive leadership. The same training was also conducted for the Executive Committee members, indicating the top management commitment on the topics of diversity, equity and inclusion.

The Group launched three communication and awareness campaigns in 2022 focusing on gender, LGBTQ+ and disability. These campaigns were accompanied by dedicated toolkits for all employees including foundational elements, Group's position and actions on these dimensions and individual tangible actionable points. Group's internal network of ambassadors also ensure continuous improvement towards key diversity, equity and inclusion issues by acting as messengers, enablers and role-models towards a consciously inclusive workplace. On March 14, 2022, the Group CEO, on behalf of Imerys, signed the United Nations Women's Empowerment Principles (WEPs). By signing the WEPs, Imerys commits to take bold steps to advance gender equality in the workplace, marketplace and community and accelerate its efforts to create a more gender-inclusive and equal organization aligned with the Group's long-term ambition. Imerys also started using the WEPs gender gap analysis tool, to measure progress over time, benchmark against industry standards, and leverage equality resources in a continuous improvement cycle.

In 2022, management teams held open diversity and inclusion discussions sessions with their employees across several Group sites. A series of workshops on disability inclusion were also conducted. The key takeaways from these workshops were used as input points in the new Group Diversity, Equity and Inclusion program (2023-2025). The Group also defined the purpose and guiding principles for Employee Resource Groups (ERGs) with the aim to launch them in the years to come.

Within the Purchasing policy, and in keeping with the commitments outlined in the Group Diversity and Inclusion Charter, the Group has also articulated its ambition to ensure inclusive sourcing. Inclusive sourcing is the proactive business process of sourcing

products and services from previously under-used suppliers, including but not limited to, local Small Medium Enterprises (SMEs), suppliers that are certified as at least 51% owned, operated and controlled by one or more minority, woman, LGBTQ+, veteran, person with a disability, aboriginal-indigenous person, or a historically underutilized business defined by the local country. This process helps to create competitive intelligence and advantage whilst sustaining and progressively transforming part of the Group supplier panel to quantitatively reflect the demographics of the community in which it operates by recording transactions with diverse suppliers. The intent of inclusive sourcing is not to promote positive discrimination towards diverse suppliers, but to ensure potential suppliers are identified and given the opportunity to compete to win based on merit on a level playing field.

Within the context of the 2022 SD Challenge, diversity, equity and inclusion commitments continue to be given greater visibility, encouraging employees across the Group to develop and submit concrete projects. Initiatives were carried out in China, South America, the United States, India and South Africa covering a wide range of dimensions, each essential to achieve a more diverse, equitable and inclusive mindsets in the workplace. As an example, in 2022 the winning project submitted in the SD Challenge Diversity and Inclusion category in the United States involved the creation of a Women's Empowerment Forum. Another focused on the development of a women in mining program for women in South Africa and a third involved the development of a dedicated action program for all employees of a specific business area.

√ For more information on the Imerys 2020 Gender Equality Index, see [www.imerys.com](http://www.imerys.com).

## GENDER DIVERSITY

| Percentage of Registered headcount by gender                    | 2022 | 2022 discontinued activities | 2021 |
|---|------|------------------------------|------|
| Percentage of female Board members                              | 40%  | -                            | 40%  |
| Percentage of female Executive Committee members <sup>(1)</sup> | 20%  | 0%                           | 10%  |
| Percentage of females in Senior Management roles <sup>(2)</sup> | 26%  | 31%                          | 26%  |
| Percentage of females in Manager/Expert/Professional roles      | 31%  | 18%                          | 30%  |
| Percentage of females in Paraprofessional roles                 | 13%  | 12%                          | 13%  |
| Percentage of females in the Group                              | 19%  | 14%                          | 18%  |

(1) The Group General Counsel is part of the Executive Committee. Following the departure of Frédérique Berthier-Raymond in October 2022, this function is assumed on a provisional and interim basis by Denis Musson, former Group General Secretary until 2018. As such, Denis Musson is excluded from this figure, as he is not part of Imerys registered headcount.

(2) The definition of Senior Manager within this table excludes Executive Committee members, as they are presented above as a separate category.

In 2022, the number of female senior managers as a proportion of all senior managers reduced slightly due to a small number of departures, as well as the internal promotion of two senior managers to the Executive Committee. These appointments increased the number of females on the Executive Committee,

but reduced the number of females in the senior manager population. The overall proportion of women in other roles within the Group have remained relatively stable over the past years. Efforts to increase the proportion of women in all levels of the organization shall continue in the coming years.

## DISABILITY

|  | 2022 | 2022<br>discontinued<br>activities | 2021 <sup>(1)</sup> |
|--|------|------------------------------------|---------------------|
| Number of employees with a disability                | 189  | 41                                 | 195                 |
| Percentage of Registered headcount with a disability | 1.4% | 1.3%                               | 1.4%                |

(1) 2021 Total number of employees with a disability related to discontinued activities represented 45 employees.

The Group remains committed to creating an environment where employees of all physical and mental abilities are accepted and valued and this shall remain a key element of the Group Diversity, Equity and Inclusion program for the years to come. The percentage of the Group's registered headcount with a declared disability has remained stable over the past several years. In 2020, the Group launched a baseline assessment related to the accessibility of all Group sites for people with physical disabilities. Following this initial assessment, the Group

aims to progressively work to identify facilities where appropriate investments shall be made to increase accessibility, and subsequently create additional opportunities for employees with physical disabilities. The Group also launched its first awareness campaign on disability inclusion in 2022 and is committed to increase the percentage of registered headcount with a disability, having set a specific metric target for 2025, as part of the Diversity, Equity & Inclusion Index.

## AGE AND SENIORITY

|  | 2022 | 2022<br>discontinued<br>activities | 2021 |
|--|------|------------------------------------|------|
| <b>Percentage of Registered headcount by age bracket</b> |      |                                    |      |
| Less than 30 years                                       | 12%  | 13%                                | 12%  |
| From 30 to 39 years                                      | 26%  | 28%                                | 26%  |
| From 40 to 49 years                                      | 28%  | 30%                                | 27%  |
| From 50 to 54 years                                      | 14%  | 13%                                | 14%  |
| More than 55 years                                       | 20%  | 17%                                | 21%  |
| <b>Percentage of Registered headcount by seniority</b>   |      |                                    |      |
| Less than 10 years                                       | 58%  | 60%                                | 55%  |
| More than 10 years                                       | 42%  | 40%                                | 45%  |
| of which more than 20 years                              | 20%  | 15%                                | 20%  |

The Group age pyramid structure has remained relatively stable over the past years, which provides a solid basis for the Group to continue to grow and develop internal skills and competencies and ensure solid technical and managerial expertise. To further support and build on the benefits of an age-diverse workforce, Imerys continues to recruit across all age brackets. In 2022, 41% of new permanent recruits were less than 30 years old and 5% were over 50 years of age.

In addition to the dimensions of diversity that are summarized above, a total of over 92 different nationalities are represented within the Group permanent employee headcount, and 16 different nationalities are represented amongst senior managers.

### 4.2.4 COMMUNITY ENGAGEMENT

Imerys commits to building a legitimate 'social license to operate' in the communities and countries in which it operates. The Group sees this as an essential foundation for its business activity. Imerys therefore aims to enter into dialogue and engage with key stakeholders in a spirit of transparency and good faith. Working around the world, Imerys' operations and employees are part of the local communities that surround Group sites and are seen as representatives of the Group. As such, the Group actively encourages sites and employees to contribute to the socio-economic development of their

respective communities by not only identifying and understanding stakeholders' needs and expectations, but also by actively contributing talents and skills and supporting initiatives that create shared value. Working in a collaborative and constructive manner with local partners, communities, associations and other stakeholders helps the Group contribute to numerous SDGs through its operations.

### LOCAL STAKEHOLDER ENGAGEMENT

Imerys recognises that proactive, inclusive, accountable, and transparent stakeholder engagement is more likely to result in optimal outcomes for both communities and the Group.

The Group Stakeholder Management and Community Relations framework, by defining the roles and responsibilities of all parties involved, provides a process for mapping stakeholders and defining appropriate engagement and communication plans per stakeholder group. It includes a local grievance process in addition to the Group alert mechanism described in [section 5.1 of the present document](#). Each stakeholder group is assessed considering several parameters such as role, involvement, potential impact/issues, and expectations in order to measure their interest in and influence on Imerys activities as well as impact of Imerys operations on each stakeholder group.

Since its creation, the SD Challenge has helped develop and share best practices in stakeholder and local community engagement. For example, the winner in the Community Engagement category in 2022 was the Mission Urja. Imerys invested in the generation and distribution of clean electricity to 50 families in India, by using a nearby waterfall. The project improved the local living conditions, and contributed to safety, education and business employment opportunities. So far, the investment has led to 61,600 kWh per year being generated. In addition, a carbon emission study was carried out to calculate the carbon footprint of the project.

In Canada, one of Imerys sites is close to the First Nations Atikamekw community of Wemotaci. In 2022, Imerys and the “Conseil des Atikamekw de Wemotaci” signed a Development Agreement that will be valid for the entire life of the mine. This framework outlines Imerys’ long-term commitment to instill open, constructive dialogue and generate economic opportunities for the local community, not only through financial contribution to support development of a cultural heritage center but also through employment and local sourcing opportunities for community members.

## COMMUNITY SPONSORSHIP AND CHARITABLE DONATIONS

Contributions to local communities in the form of local sponsorship and charitable donations are common practice in the business world as they can facilitate constructive local relationships, generate positive impacts by supporting the activities of local associations and help ensure that engagement actions are developed and rolled-out via partners who have local knowledge and expertise as well as a long term mandate. The Group’s Community Sponsorship and Charitable Donations process ensures that the Group’s approach to community sponsorship and charitable donations is aligned with the Group’s Stakeholder Management and Community Relations framework and also that appropriate reporting, accounting and approvals to avoid the risks of improper conduct are in place.

Through its community engagement efforts, Imerys’ priority is to support education within neighboring communities, promote equal opportunities and focus its actions towards young adults, women and girls, and people in socially fragile situations in the areas surrounding the Group operations.

In addition to the direct efforts made locally through the Group operations across the world, Imerys continues to sponsor and collaborate with education partners operating in France and internationally. At Group level, partnerships have been established with *Alliance pour l’Éducation – United Way*<sup>(1)</sup>. Imerys is a member of the Alliance pour l’Éducation – United Way Coordination Committee together with other large French companies. In September 2017, Alliance pour l’Éducation – United Way launched a new program: “Défi Jeunesse”. Built upon the

framework established by the French Ministry of National Education, the program aims to support young people in secondary school through personalized training, internships, orientation sessions and discovery of the professional world. Since 2020, Imerys has collaborated with Alliance pour l’Éducation – United Way to offers high school students the possibility to complete the mandatory program *Stages de 3<sup>ème</sup>*, a work experience created by the Ministry of Education of France to provide students with the opportunity to discover the professional world, to confront the concrete realities of work, and to discover their vocational orientation.

Imerys has likewise supported the *Fonds Dan Germiquet* since its creation. The Dan Germiquet Fund provides merit-based scholarships to international students who have chosen to integrate l’École Nationale Supérieure de Géologie de Nancy (ENSG). The Dan Germiquet Fund was established ten years ago to honor the memory of Dan Germiquet, who was for many years Imerys’ Vice President for Geology and Mine Planning. Education was close to Dan Germiquet’s heart and he was closely involved with the life of the National School of Geology and its students. Since 2014, 43 students have graduated as a result of the scholarship provided through the Dan Germiquet Fund. By financing international students to obtain their diplomas from the National School of Geology, the Fund also provides a valuable springboard for long and fruitful careers. Engineers who graduate from the school are highly employable scientific experts who often move to leading positions in the mining sector. The intellectual skills acquired at the school, including handling complex data and uncertainty, also equip students for a range of other careers in industry, management, and research. In December 2022, the Group signed a five-year agreement as a founding member of the newly created *Geol Nancy Foundation*. This new Foundation will host Imerys’ long-term commitment to the Dan Germiquet Fund.

Since 2020, Imerys has participated in the *Chaire Industrie Minérale et Territoires*, which supports an interdisciplinary approach to scientific research related to mining and geology with four leading French universities. The main objective is to develop a new methodological corpus integrating human and social sciences with the fundamental scientific and technical disciplines inherent in the extractive sector.

In 2022, Imerys signed a new academic-industrial partnership with Beijing University of Chemical Technology (BUCT) – Paris Curie Engineer School that opens the doors to international careers for young talent with valuable local insight and skills. The French-made internship program has been designed to match European equivalents, in line with European Union standards, allowing local students to gain international experience before deciding to take their skills abroad. Interns will also be offered French classes and will be able to work in French half-time as their language skills progress.

(1) *Alliance pour l’Éducation – United Way* is a non-profit organization whose mission is to co-build programs through which private, public and solidarity actors commit to collectively address education, health, economic stability issues across France.







## 5 GROWING WITH OUR CUSTOMERS

### 5.1 BUSINESS CONDUCT

#### Imerys' Commitment

Ensure exemplary Business Conduct by maintaining the highest standard of business ethics and compliance, respecting and implementing fair operating practices, ensuring responsible purchasing.

| Contribution to SDGs   | Group Objective   | Performance 2022 | Target 2022 | Target 2025 |
|--|---|------------------|-------------|-------------|
| <b>Ethic and compliance</b><br>    | Improve the external sustainability rating of the Group compared to 2022 assessment | 69               | > 64        | +7%         |
| <b>Responsible Purchasing</b><br>  | Deploy a sustainability rating scheme of Group suppliers (by spend)                 | 53%              | 50%         | 75%         |

Ethical business conduct is the foundation upon which Imerys' business is built. At its core, Imerys is Unlocking Better Futures together with stakeholders through ethical behavior and fair operating practices and by ensuring it collaborates with responsible value chain partners. This solid foundation is also a guarantee and a source of confidence for Group employees, customers and society at large, as exemplary conduct is proof of reliability and long-term sustainability. In addition to all the other SDGs referred to in this chapter, Imerys' commitment to responsible business conduct contributes to SDG 16 to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Imerys is committed to sound corporate governance as a means to ensure the Group continually improves its functioning and management, in an atmosphere of transparency, duly respecting the expectations of investors and other stakeholders. Regular dialogue between the Chief Executive Officer, the Executive Committee and the Board of Directors plays a decisive role in defining and implementing the Group's strategy, including with regards to the Group's sustainability ambition. Imerys follows the recommendations of the *AFEP-MEDEF Corporate Governance Code* applicable to French-listed companies.

✓ For more information regarding Corporate Governance, see chapter 4 of the Universal Registration Document.

#### 5.1.1 ETHICS AND COMPLIANCE

Imerys is committed to exemplary business conduct, ensuring ethical behavior and fair operating practices throughout all Group activities. In the spirit of continuous improvement, Imerys assesses its sustainability policies, actions and results annually through a comprehensive EcoVadis<sup>(1)</sup> sustainability assessment, sharing these results openly with internal and external stakeholders. Imerys has been assessed annually by EcoVadis since 2014. **The mid-term target for the Group was to improve its sustainability rating based on the EcoVadis assessment (relative to 2019).** At the end of 2022, the Group's EcoVadis assessment results corresponded to 69 out

of 100, placing Imerys in the 93<sup>rd</sup> percentile of all companies assessed and thereby meeting the mid-term improvement target set for 2022.

The Group has a dedicated Ethics Committee, chaired by the Group General Counsel and composed of Executive Committee members and functional Senior Managers of the Group. The Ethics Committee sets out ethics-related priorities, monitors the achievement of the related objectives, ensures the adequacy, effective dissemination of and training on ethics-related codes, policies and procedures and ensures the adequacy of the systems in place for confirming compliance. The Ethics Committee is likewise responsible for monitoring ethics-related misconduct, reported either via the alert system or other channels. The Ethics Committee meets regularly throughout the year, reviews the updated bribery and Duty of Care risk maps every two years or every year if there is an event triggering a yearly update, reviews the Vigilance Plan every year and provides a report to the Board Audit Committee at least annually.

Imerys Code of Business Conduct and Ethics (the Code) summarizes the principles of ethical behavior the Group expects from all of its employees, suppliers, and other partners. The umbrella principles set forth in the Code are supported by a series of policies and protocols applying to both the general conduct of Imerys and the individual conduct of each employee. The subjects covered by the Code include compliance with laws and regulations, protection of environment and human rights, relations with local communities and trade unions, safety & health, diversity, equity and inclusion, confidentiality, prevention of fraud, prevention of corruption, prevention of insider trading and conflicts of interest, protection of the Group's assets, fair competition, transparency, and integrity.

The Code is a "living document", regularly reviewed and updated, under the supervision of the Ethics Committee, in order to take into account internal and external changes and developments in applicable international regulations. This Code, introduced by the Group CEO, and translated into 23 languages, applies to all Imerys employees, Imerys controlled joint ventures, and partners with whom Imerys does business.

(1) EcoVadis is a recognized leader used across industries to assess sustainability performance based on 4 pillars: environment, labor and human rights, ethics and sustainable procurement.

The Group works continuously to strengthen its programs related to ethics and compliance. The purpose of these programs is to identify risks, implement preventive measures and detect non-compliance with local and international rules and regulations related to the fight against corruption and anti-competitive behaviors, the respect of international sanctions and embargoes, and the protection of personal data, human rights, health, safety and environment in Group operations around the world as well as within the Group value chain.

The Group compliance programs are supported by numerous policies and procedures linked with the Code of Business Conduct and Ethics, including but not limited to, the Group Antibribery, Antitrust, Personal Data Protection, Gifts and Hospitality, Conflict of Interest, Duty of Care, Donations, and Stakeholder Management and Community Relations policies and procedures. All the aforementioned policies and procedures as well as other policies and procedures clearly outline the process, reporting and necessary levels of control to ensure compliance with the policies and procedures.

The Group tax policy is fully in line with the best international standards with respect to anti-tax avoidance and tax evasion practices. The Group operates in countries chosen solely for industrial or commercial purposes and does not enter into artificial arrangements for tax planning purposes. It is committed to full compliance with its tax obligations, paying the right amount of tax in the right country at the right time.

Imerys fully supports the principle of open and accountable management of mineral resources. To this effect, and in accordance with the provisions of article L. 225-102-3 of the French Code of Commerce, Imerys reports on payments greater than or equal to €100,000 made in favor of governmental authorities by Group entities conducting activities in exploration, prospecting, discovery, development or extraction of minerals. This report is filed with the French Register of Commerce and available on the website of the Company as per the conditions prescribed by the Law.

✓ *For more information on the Group Code of Business Conduct and Ethics and Imerys Supplier ESG Standards, see [www.imerys.com](http://www.imerys.com).*

✓ *For more information on the Audit Committee, see chapter 4 of the Universal Registration Document.*

✓ *For more information regarding Imerys Report on payments to governments in 2022, see [www.imerys.com](http://www.imerys.com).*

### 5.1.2 RESPONSIBLE PURCHASING

Imerys believes that high standards in all environmental, social and governance areas are essential for all of its business operations across the globe. The Group expects its Suppliers to adhere to the same principles as elaborated within the Group Code.

In 2018, Imerys launched its Supplier Environmental, Social and Governance Standards ("Supplier ESG Standards"). These Supplier ESG Standards, based on the Group Code and Sustainability Charter and aligned with Imerys' SustainAgility ambition, have been translated into 23 languages. The Supplier ESG Standards, which must be acknowledged and complied

with, are applicable to all Suppliers and form an important part of the Group Purchasing policy. Based on The Code, Group requirements for all suppliers are clearly defined within the Supplier ESG Standards. The Group Purchasing policy clearly defines the roles and responsibilities, requirements, reporting and necessary approvals of the purchasing processes.

In 2019 the Group began the roll-out of a comprehensive responsible purchasing program. A key element of this iterative program was based on the assessment of supplier sustainability performance based on a comprehensive review of human rights, labor, ethics, environmental and supply-change management practices. **The mid-term target for the Group was to deploy a sustainability rating scheme covering at least 50% of Group Suppliers (by spend) by the end of 2022.** At the end of 2022, the Group supplier sustainability rating scheme based on EcoVadis covered 53% of Group suppliers (by spend), thus surpassing the mid-term target set for 2022.

### 5.1.3 VIGILANCE PLAN

In accordance with article L. 225-102-4 of the French Commercial Code, the Vigilance Plan (the "Vigilance Plan") aims to set out the reasonable measures of vigilance put in place within the Group to identify risks of and prevent severe impacts on human rights, fundamental freedoms, human health and safety and the environment resulting from the activities of the Group as well as those of Group subsidiaries as defined in point II of article L. 233-16 of the French Commercial Code, as well as the activities of subcontractors and suppliers, in France and abroad with which Imerys has an established commercial relationship, where such activities are linked to this relationship (hereafter collectively referred to as Suppliers). This Vigilance Plan summarizes the key elements of the Group's "Duty of Care" program.

The Group has established a Duty of Care Protocol setting out Imerys' approach to protecting human rights, fundamental freedoms, human health and safety and the environment and the structure and functioning of its Duty of Care program. It provides guidance to Imerys' employees regarding their Duty of Care responsibilities and identifies how Duty of Care is to be managed within the Group.

## GOVERNANCE

Every Imerys Associate has a key role to play in preventing and detecting human rights, health and safety and environmental risks related to Imerys' operations and its Suppliers in his/her daily work. In addition, a clear allocation of responsibilities has been established to design, implement and monitor an adequate and effective Duty of Care program.

- **Audit Committee:** every year, the Audit Committee reviews the performance and effectiveness of the Duty of Care program through the Ethics Committee's report.
- **Executive Committee:** the Executive Committee has established the Ethics Committee to assist the Executive Committee in ensuring the Group's operations are conducted ethically, in particular in accordance with Duty of Care regulations. It is regularly informed of the performance and effectiveness of the Duty of Care program by the Chair of the Ethics Committee.

- **Ethics Committee:** the Ethics Committee is accountable for the design and monitoring of the Duty of Care program. This includes ensuring that the Duty of Care protocol and related documents are adequate, monitoring the Duty of Care risk mapping, validating the Vigilance Plan, monitoring training plans and other awareness-raising measures, ensuring that sufficient human and financial resources are available to efficiently implement the program, assessing the performance and effectiveness of the program, and identifying new ideas to improve this program. The Ethics Committee provides an annual report to the Audit Committee of the Board of Directors.
- **Antitrust & Compliance General Counsel:** the Antitrust & Compliance General Counsel reports to the Group General Counsel & Company Secretary. S/He is responsible for the Duty of Care program. This includes defining and rolling out the Duty of Care protocol and related procedures, defining and implementing the Duty of Care objectives which are part of the Ethics & Compliance road map, monitoring training and communication plans, providing the Ethics Committee with indicators to assess the performance and effectiveness of the program. S/he is supported by the Group Chief Sustainability Officer, the Group Chief Human Resources Officer, the Group Health and Safety Vice President and the Group Sustainable Purchasing Director in the designing and monitoring of the duty of care program.

## DUTY OF CARE RISK MAPPING PROCESS

The Group operates in different geographies across the world, with its largest operational footprint in Europe (approximately 47%) and North America (approximately 32%). Risk mapping is essential to monitor risks related to human rights, health and safety and the environment. The Group has established a specific risk mapping process to identify, assess and prioritize, human rights, health, safety and environmental risks within its operations and those of its subsidiaries as well as those of its Suppliers in different geographical areas, herein referred to as the "Duty of Care risk mapping process". The results of the Duty of Care risk mapping process are integrated as appropriate with the Group overall risk mapping as presented in [chapter 2, section 2.2.3 of the Universal Registration Document](#).

A series of dedicated interviews with key representatives of both businesses and support functions were conducted starting in 2017 to design the initial version of the duty of care risk frameworks, including potential risk scenarios. These interviews were complemented by additional consultations with external agencies and non-governmental organizations to collect feedback on the framework and process. The consolidated risk framework was presented to the Executive Committee and validated, and on this basis a first list of potential human rights, health, safety and environmental risk scenarios was developed.

The initial Group Duty of Care risk mapping for two first pilot geographic areas were conducted in 2018. These workshops brought together experts representing diverse functions, including but not limited to legal, operations, sales, purchasing, logistics, human resources, sustainability, and finance within the geographic area being assessed. These first workshops confirmed the validity of the Duty of Care risk mapping framework in addition to generating the assessment's results. The second phase of geographic mapping was conducted in 2018 through questionnaires and interviews with business leaders from each of the remaining geographic areas where the Group operates. Between 2019 and 2020 additional risk mapping workshops were conducted to continue to reinforce the level of assessment done in the geographic areas initially covered by the expert reviews, thereby completing the full cycle of risk mapping for the five geographic areas (Europe, North America, Asia-Pacific, South America, and Middle East & Africa). In 2021 the risk mapping was updated for South America.

The purpose of these workshops are to assess the effectiveness of current mitigation measures of each risk scenario for the Group operations and to identify the highest Supplier-related risks per purchasing categories (criticality). The risk mapping workshops systematically include a review and eventual update of the risk scenarios to ensure that the list is comprehensive.

As of 2021 when the last risk mapping was updated, Duty of Care risk register, covering the human rights, health, safety and environmental risks includes 15 potential risk scenarios.

The potential human rights risk scenarios covered: forced labor/human trafficking/modern day slavery, child labor, freedom of association and the right to collective bargaining, diversity/discrimination/equal opportunity, living and working conditions, management of security forces as well as various health, safety and environmental risks. These risks are considered across a range of potentially impacted parties, including the Imerys employees, third-party employees, local communities, as well as specific populations such women, children, indigenous people, and migrant workers.

In order to prioritize actions with regards to Imerys' Suppliers, the criticality risk of each human rights, health, safety and environmental scenario was ranked by taking into account a "composite country index" based on the EcoVadis Country risk score<sup>(1)</sup>, which combines a range of indices including but not limited to the *Corruption Perceptions Index*<sup>(2)</sup>, *Human Freedom Index*<sup>(3)</sup> and *Environmental Performance Index*<sup>(4)</sup>. These country risks are then scored using the economic weight of purchased goods and services to assess the final risk impact and exposure.

(1) The EcoVadis Country risk score is a composite Index that covers risks across four themes: environment, health & social, human rights and governance.

(2) The Corruption Perceptions Index is published annually by Transparency International and ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and business people, uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean.

(3) The Human Freedom Index is published by the Fraser Institute in conjunction with the Economic Freedom Network, a group of independent research and educational institutes in 90 nations and territories worldwide. It presents human freedom based on a broad measure that encompasses personal, civil, and economic freedom.

(4) The Environmental Performance Index is produced jointly by Yale University and Columbia University in collaboration with the World Economic Forum and ranks 180 countries on 24 performance indicators across ten issue categories covering environmental health and ecosystem vitality.

The risk map updates are reviewed and approved by the Ethics Committee. The Duty of Care risk map is updated every two years, with an optional update every other year in case of the occurrence of a triggering event<sup>(1)</sup>. The next risk map update is planned to be conducted in 2023.

✓ *For more information on the Group risk management process, see chapter 2 of the Universal Registration Document.*

✓ *For more information on the evaluation of climate-related risks related to Group operations, see section 6.2 of the present document.*

## ASSESSMENT AND MAIN CONTROLS

The Group assesses its operations and the situation of its Suppliers taking into account, *inter alia*, the Duty of Care risk maps developed through the risk management process.

### Imerys operations and Group subsidiaries assessments and main controls

The Group assesses human rights, health and safety and the environmental risks within Group operations, including identification, analysis and ranking processes. To mitigate and prevent these risks, Imerys implements high standards and strict rules relating to human rights, health and safety and the environment (amongst other themes) in all Group operations across the globe. These standards and rules are expressed in the Imerys Code of Business Conduct and Ethics and Sustainability Charter, completed by policies, protocols and procedures. This framework defines clear requirements for all Group operations. Implementation of Group policies, protocols and procedures are the responsibility of all business and support functions. The effectiveness of these control measures is regularly assessed as part of the Duty of Care risk mapping process (part 1 of the risk mapping). In addition, the Group assesses its sustainability policies, actions and results annually through a comprehensive independent Ecovadis sustainability assessment, sharing the results with internal and external stakeholders.

Details on the management of occupational Safety & Health risks are presented in [section 4.1 of the present document](#), management of human rights risks are presented in [section 4.2 of the present document](#) and management of environmental risks are presented in [chapter 6 of the present document](#).

### Imerys Suppliers assessments

Based on the Duty of Care risk mapping process covering human rights, health, safety and environmental scenarios associated with Supplier categories, and the country risk index, the Group has identified potential salient human rights, health, safety and environmental risks within its value chain. At Group level, four salient risks identified include:

- potential impacts on Supplier workers exposed to occupational health or safety risks;
- potential impacts on Supplier workers related to labor practices, including wages, working time, general work conditions;
- potential increases in air or land pollution due to Supplier operations; and
- potential impacts on Supplier workers due to discriminatory practices.

Following the assessment of each purchasing category, for all the human rights, health, safety and environmental scenarios assessed, the “most-at-risk” Supplier category is considered related to the supply of talc, bauxite and mica within the Raw Material Supplier category.

At the individual Supplier level, the Group regularly assesses its Suppliers at the onboarding stage and throughout the business relationship, focusing on most-at-risk and strategic Suppliers.

The individual Supplier assessment process comprises:

1. the assessment of Suppliers at the onboarding stage. This process is defined in the Group Purchasing policy. It includes a Suppliers' Compliance Due Diligence procedure to decide whether or not to enter or renew a business relationship with a Supplier. The procedure takes into account the result of the Duty of Care risk mapping and Supplier's sustainability rating (e.g. EcoVadis score). This procedure has been applied to the existing most-at-risk Suppliers above a certain spend;
2. the assessment of our Supplier panel above a certain spend through a sustainability rating scheme (e.g. Ecovadis). The Group Sustainable Purchasing Director is in charge of designing and monitoring the deployment of this process.

At the end of 2022, 53% of Group Suppliers by spend have been assessed. These assessments cover over 968 Suppliers and represent all categories of Suppliers, including over 61% of raw material Suppliers by spend.

(1) A triggering event is considered a significant horizontal integration (leading to new country or business), a significant vertical integration (leading to new business and or new purchase category), or a significant incident highlighting the existence of a new scenario and/or important change in the criticality of potential impact assessment.



## Imerys Suppliers risk prevention and mitigation measures

The Group implements prevention and mitigation measures, in particular:

- suppliers are required to acknowledge and comply with the Group Imerys Supplier ESG Standards and the Supplier EHS Policy;
- in case of doubt on compliance with Imerys Supplier ESG Standards, Imerys may verify the alignment of Suppliers with the Supplier ESG Standards through the use of self-declaration, self-assessments, or assessments by Imerys teams;
- while Imerys is fully committed to support Suppliers' development and continuous improvement, Suppliers must be able to demonstrate that they can meet the minimum criteria and where any gaps are identified, through formal or informal assessments or audits, Suppliers must be willing to develop a Corrective Action Plan within an agreed timeframe;
- the Group focuses in particular audits of Suppliers ranked as "most-at-risk" based on the Group risk mapping and assessment process described above. In specific cases the Group may conduct additional due diligence or specialized external third-party audits prior to or after contract award.

Within the most-at-risk category of raw material Suppliers, the purchasing organization has launched an audit program with both internal and external auditors. Internal auditors have been trained and completed SA8000 Social Accountability<sup>(1)</sup> Auditing training. External third party audits are conducted by certified auditors against SA8000 Standard. In 2022, nine audits were performed, representing 33% of targeted most-at-risk Suppliers.

In 2022, the Group likewise launched a dedicated campaign to ensure compliance with the United States Uyghur Forced Labor Prevention Act (UFLPA).

## ALERT MECHANISM

Enabling stakeholders, internal and external, to safely voice concerns and having the infrastructure and support in place to hear and deal with those concerns is a cornerstone of good governance and is the core of Imerys' Code. The Group's "Speak up!" system enables reporting via internal channels, albeit via the employee's manager, HR, or other functions, or directly via a dedicated digital platform at [www.speak-up.imerys.com](http://www.speak-up.imerys.com). The Group digital alert system, operated by an independent qualified third party and open to all employees and external parties, enables the reporting of any suspected violations of the Group Code. Reports can be made either by telephone or via the Speak up! platform. Both telephone and web platform reporting are available in all main Imerys languages 24 hours per day, seven days per week. This platform safeguards confidentiality throughout the entire process.

Based on the facts presented in all preliminary reports, the Group assigns an investigative team of trained, in-house professionals in the relevant fields to conduct the investigation. The investigative team collects and reviews documents, conducts interviews, and performs any other tasks necessary to come to a conclusion about the allegations in the report. Imerys encourages its employees and stakeholders to share any information believed to represent a threat to the ethical conduct of its business. Communication and awareness raising campaigns are conducted to ensure information on Speak up! is well known and the information is visible externally on the Group website. Accordingly, Imerys and its employees shall take no action in retaliation against any person for making a good faith report or participating in an investigation under the alert system policy.

The Ethics Committee is responsible for the alert system and establishes a periodic assessment of all reported cases in its Annual Report that is presented to the Audit Committee.

## MONITORING AND EVALUATION OF THE EFFECTIVENESS OF CONTROL MEASURES

In 2022, 38 cases of suspected violations of the Group Code were reported through Speak up! Ten of these cases were reported by external stakeholders. The reported cases were thoroughly reviewed and investigated as per the Group policy. Following investigation, six of the reported cases were confirmed to be cases of violations of the Group Code. The confirmed violations related to suspicions of moral harassment (3), safety (1), and two cases of non-compliance with internal policies (2). Once the reported cases are confirmed, appropriate remedial actions are defined, implemented and are monitored by the Internal Audit and Control department.

Another means of measuring the effectiveness of control measures takes place during the Duty of Care risk mapping workshops where participants review the mitigation effectiveness of existing control measures for each of the human rights, health, safety and environmental risk scenarios. The consolidated review of internal mitigation effectiveness assessed the level of current control as "adequate" for nearly all scenarios and in some cases as "requires minor improvements". For scenarios where minor improvements are required, specific actions have been identified and are monitored by the Ethics Committee as well as by the functional teams responsible for each action.

The verification of compliance with the Group Code and other Group policies and protocols is conducted through different internal assessment processes at both local and Group level. Such processes are led by different functions within the Group organization, including but not limited to Legal, Sustainability, Health and Safety, Mining and Resources Planning and Internal Control as described in *chapter 2, section 2.2 of the Universal Registration Document*.

✓ For more information with regards to the requirements of the "Duty of Care" law, see the correlation table included in *chapter 9, section 9.5.5.2 of the Universal Registration Document*.



(1) The SA8000 Standard is an auditable certification standard that measures the performance of companies in eight areas of social accountability in the workplace: child labour, forced labour, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation. <https://sa-intl.org/programs/sa8000/>.



## 5.2 SUSTAINABLE SOLUTIONS

### Imerys' Commitment

Innovate and grow the Group portfolio by assessing the sustainability of products, processes and services in order to contribute solutions for society

| Contribution to SDGs   | Group Objective  | Performance 2022 | Target 2022 | Target 2025 |
|--|--|------------------|-------------|-------------|
| <b>Product sustainability</b><br>  | Assess the Products in Application Combinations (PAC) of Imerys product portfolio (by revenue) according to sustainability criteria <sup>(1)</sup> | 55%              | 40%         | 75%         |
|  | Ensure the Group New Product Developments are scored as SustainAgility Solutions <sup>(2)</sup>  | 75%              | 50%         | 75%         |

(1) The Group portfolio is assessed using the SustainAgility Solutions Assessment methodology, which is based on the World Business Council for Sustainable Development's Portfolio Sustainability Assessment framework.

(2) Based on the SustainAgility Solutions Assessment framework a "SustainAgility Solution" is a product in an application that has scored within the two highest categories of the four possible categories.

Imerys is committed to providing high-quality products to its customers, and indirectly, to end-users through sound, responsible and sustainable product management. By identifying and understanding the implications and opportunities linked to the global market trends presented in *chapter 1, section 1.1.2 of the present Document*, the Group is able to maximize the positive impacts linked to its business and satisfy current and future market and customers' needs. The Group's commitment to sustainable portfolio management and sustainable processes is a means to contribute to SDG 12 to ensure sustainable consumption and production patterns and to SDG 13 to take urgent action to combat climate change and its impacts.

### 5.2.1 PRODUCT SUSTAINABILITY

The overarching goal of Imerys' portfolio management is to identify and minimize the health, safety, environmental, and social impacts of all of Group products throughout their lifecycle, while maximizing their economic benefits and positive impacts to customers and their end consumers.

#### PRODUCT STEWARDSHIP

Imerys is committed to the safety of its products in their intended applications and to meeting the regulatory requirements of the markets in which the Group operates, which is achieved through the Group product stewardship organization and program. Overall product stewardship governance is the responsibility of the Product Stewardship Governance Committee. The committee, which meets on a quarterly basis, is chaired by Imerys' CEO and is composed of members of the Executive Committee as well as the Global Product Stewardship VP and functional leaders. Imerys' Product Stewardship program is delivered through a dedicated product stewardship organization.

The Group employs state-of-the-art analytical methods, equipment, and testing to ensure that product regulatory assessments and associated decisions are driven first and foremost by sound science. The Group continually evaluates testing protocols and invests in innovation in health, safety, and sustainability across product ranges, locations, and production processes to ensure

continuous improvement. These measures enable the Group to produce high-quality products, meet customers' expectations and operate in a stringent, dynamic regulatory environment.

For certain minerals, the Group applies the Mine to Market Mineral Management (M4) program, both for owned and external deposits. Owned deposits are those the Group operates itself. Those deposits are thoroughly vetted for geological properties and employ careful mine planning. The Group may also source from a select number of high-quality external deposits. During the vetting stage, thorough preliminary testing is conducted to ensure the site meets the M4 program standards. Thorough ongoing testing is then conducted before any material from these sites is accepted and materials that do not meet quality standards at any point are rejected.

### ASSESSING PRODUCT PORTFOLIO AGAINST SUSTAINABILITY CRITERIA

Going beyond compliance, Imerys is committed to developing materials and expertise to deliver relevant and innovative market-driven solutions to support the growth of the Group while at the same time delivering sustainable solutions to society. The capacity to quantify the environmental and social impacts and steer the Group's product portfolio to ensure long-term product sustainability is a key theme within the Group SustainAgility program. Imerys launched its SustainAgility Solutions Assessment framework, which has been designed in line with the World Business Council for Sustainable Development (WBCSD)<sup>(1)</sup> guidelines for Portfolio Sustainability Assessments (PSA)<sup>(2)</sup>, so as to objectively measure the sustainability of Imerys products and identify their environmental and social impacts. The SustainAgility Solutions Assessment (SSA) framework provides a systematic, high quality, scientifically robust and transparent approach to review products and services based on several criteria, ultimately scored on two factors: **Sustainable Value Creation** – the balance between the economic value created and the environmental impact and **Market Alignment** – the level of sustainability-related benefits or challenges (based on an evaluation of public data and thorough review from key stakeholders).

(1) The WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world by making more sustainable businesses more successful.

(2) Portfolio Sustainability Assessments (PSA) is a methodological framework to proactively steer product portfolios towards improved sustainability outcomes [https://docs.wbcsd.org/2017/10/Framework4Port\\_Sustainability.pdf](https://docs.wbcsd.org/2017/10/Framework4Port_Sustainability.pdf).

Within the SustainAgility Solutions Assessment framework, the Sustainable Value Creation is based on the quantification of the products' environmental footprints or eco-profiles from "cradle-to-gate", using a Life Cycle Assessment (LCA) methodology following the requirements of ISO 14040 & ISO 14044<sup>(1)</sup> as well as recognized tools, software and LCA public databases. Imerys manages its own product database, which is continuously updated to include the most recent industrial or innovation data. Including the new assessments done in 2022, 189 product eco-profiles have been completed since 2018, covering the full range of Imerys mineral and product families, including Kaolin, Refractory minerals, Talc, Perlite, Diatomaceous Earth, Mica, Carbonate, Wollastonite, Bentonite, Calcium aluminates, Graphite and Carbon Black. In 2022, Imerys also joined ScoreLCA<sup>(2)</sup> to participate in the future development of Life Cycle Assessment practice thanks to a collaboration between industrial, institutional and scientific actors.

SustainAgility Solution Assessments and Product Life Cycle Assessment are overseen by the Group Climate and Portfolio Sustainability VP and managed by a dedicated team both at corporate level and in the different Business Areas with direct links to all other functions (marketing, operations, product stewardship, Sciences & Technology, etc.). Having a dedicated SSA team makes it possible to develop a high level of competencies needed for in depth analysis of results, for systematic assessment of new products and for data sharing with customers.

**The mid-term target was to assess Imerys Products in Application Combinations (PACs) against sustainability criteria, covering at least 40% of Imerys product portfolio (by revenue), and to ensure at least 50% of Group New Product Developments were scored as "SustainAgility Solutions" by the end of 2022.** As of the end of 2022, 55% of the Group portfolio by revenue was assessed, which represents more than 350 Product in Application Combinations (PACs). Within the innovation portfolio, 75% of the launched projects (in 2022) have been rated as SustainAgility Solutions, in the top 2 categories ranked A+ and A. As such both of the mid-term targets for 2022 were achieved.

## PORTFOLIO MAPPING

For both the Sustainable Value Creation and the Market Alignment assessments, each Product in Application Combination (PAC) is given a rating, ranging from A+, indicating a PAC that demonstrates an extremely positive result or strong sustainability-related benefits, to C, indicating a PAC that requires improvement or presents sustainability-related risks. The ratings of both the Sustainable Value Creation and the Market Alignment assessments are combined and used to determine the final scoring within the four categories below:

|                         |  |  |
|-------------------------|--|--|
| <b>Pioneer (A+)</b>     | The highest rating, for products and services with an outstanding sustainability performance compared to the reference on the market | <b>SustainAgility Solutions</b>  |
| <b>Enabler (A)</b>      | A sustainable product or service aligned with sustainability market trends   | Products ranked in both A and A+ categories (PIONEER and ENABLER) are considered as SustainAgility Solutions |
| <b>Transitioner (B)</b> | A product or service that is neutral from a sustainability perspective, and creates value in the market it serves                    |  |
| <b>Learner (C)</b>      | A product or service with an existing or potential sustainability challenge in one or both factors, and that requires improvement    |  |

Based on the results of the deployment of the SSA methodology, Imerys is able to objectively categorize a portion of its portfolio based on sustainability criteria. The main findings of the 2022 mapping, based on 55% of the Group portfolio by revenue, show that 86% of the PACs that have been assessed are rated as SustainAgility Solutions, meaning that a large portion of the Group's portfolio deliver measurable sustainability benefits to society. As this is a partial assessment of the Group's portfolio, the revenue breakdown will evolve over time as additional PACs are assessed.

| <b>Revenue Breakdown by SSA Matrix Categories</b> | <b>Turnover 2022 (€M)</b> |
|---|---------------------------|
| SustainAgility Solutions – Pioneer                | 265                       |
| SustainAgility Solutions – Enabler                | 1,768                     |
| Transitioner                                      | 127                       |
| Learner   | 210                       |
| Not yet evaluated                                 | 1,912                     |

(1) ISO 14040: 2006 describes the principles and framework for life cycle assessment and ISO 14044: 2006 specifies requirements and provides guidelines for life cycle assessment.

(2) SCORELCA is a French association that aims to promote a positive, shared and recognised evolution of global environmental quantification methods at the European and international level, in particular of life cycle assessment (LCA). <https://scorelca.org>.

## METHODOLOGY UPDATE

Based on the first phase for the implementation of the SSA methodology, the shadow costs used for the impact valuation of Climate Change and Water Use have been updated in 2022 respectively from €80 to €100 per metric ton CO<sub>2</sub> eq. and from €1/m<sup>3</sup> to €3/m<sup>3</sup> of water to reflect latest updates in the literature and the greater importance of these indicators.

The new shadow cost for climate change has been determined based on the future CO<sub>2</sub> prices estimated by the International Energy Agency (IEA) in its World Energy Outlook published in 2021, following different scenarios. The value of €100 per metric ton CO<sub>2</sub> eq has been selected to be aligned with Imerys' commitments on Climate Change, *i.e.* following the 1.5°C trajectory. Shadow cost used in this process of Portfolio Sustainability Assessment is based on a medium term approach (5-10 years horizon), and thus the calculation methodology differs from the one for carbon price (set at €80/tCO<sub>2</sub>eq) used for decisions of investment (CAPEX approval process).

New water stress shadow cost has been calculated thanks to the Total Economic Value (TEV) methodology using the global average water stress index calculated by the United Nations' Food and Agriculture Organisation (FAO) adapted to Imerys' sites localisation.

✓ *For more information on the Imerys SustainAgility Solutions Assessment framework and methodology, see [www.imerys.com](http://www.imerys.com).*

## SUSTAINAGILITY SOLUTIONS: PIONEER CERTIFICATE

The Group aims to help drive sustainable innovation in the specialty minerals industry, pushing the boundaries of Group products to meet customers' needs while at the same time offering sustainable solutions that meet global environmental and social challenges. The **Pioneer certificate**, introduced in 2021, facilitates the identification of sustainable solutions for Imerys customers and stakeholders. It aims to provide

quantitative and qualitative information about the environmental and social footprint of solutions with outstanding sustainability performance, helping customers to straightforwardly consider such criteria in their purchasing decisions.

Whether it's supporting carbon-free mobile energy or sustainable construction, developing alternative packaging or more sustainable food production, or designing longer-lasting solutions to reduce materials consumption across a range of industries, the Group is continually advancing its product portfolio and assessing it against sustainability criteria to adapt to changing customer needs. Within the context of the 2022 SD Challenge, the focus on this ambition continued to increase. A total of 17 new initiatives were submitted across the Group covering a wide range of markets and final applications including bioplastics, board packaging, paint, agriculture, cosmetics, water filtration, refractories and animal feed. As an example, the winner of the product sustainability category is the recent innovative Sewper® Liner Solution for Wastewater Infrastructure, a dry, ready-to-use, high-performance mortar that serves as a protective coating against H<sub>2</sub>S biogenic corrosion for newly-casted concrete wastewater infrastructure assets, such as wastewater treatment plant lift station, channels and reservoirs exposed to H<sub>2</sub>S liberated from incoming wastewater. Imerys carried out an in-depth year-long comparison with the most commonly used alternative, BPA epoxy resin, and found many clear environmental advantages to using mineral solutions to protect mineral assets. The LCA study concluded that, as a result of superior durability and a reduction in waste generated, Sewper® Liner scored better on all impact categories, including greenhouse gas (GHG) emissions, primary energy consumption, air acidification and water consumption. It also shows reduced human and environmental exposure to harmful and/or toxic substances, as BPA is an endocrine disruptor and contains VOC.

✓ *For more information on the Group strategy and growth drivers, see chapter 1, section 1.2.2 of the present document.*

## 5.3 EU SUSTAINABLE FINANCE TAXONOMY

### 5.3.1 REPORTING SCOPE

Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) considered for this reporting cover the full array of Imerys's activities and correspond to the scope of consolidation of its financial statements.

### 5.3.2 ELIGIBILITY OF IMERYS ACTIVITIES

The analysis of the eligibility of Imerys activities was carried out with regard to the European Regulation 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment within the European Union ("the Taxonomy Regulation"), and the Delegated Act Climate of the Taxonomy Regulation ("the Disclosures Delegated Act"). As per the Disclosures Delegated Act, two activities of the Group are currently eligible: the Manufacture of carbon black and the Manufacture of cement clinker, cement or alternative binder.

Both of the aforementioned eligible activities are considered to significantly contribute to the environmental objective related to climate change mitigation. The Group considers that these two eligible activities do not contribute substantially to the climate change adaptation objective and therefore the Group has focused exclusively on reporting towards the climate change mitigation objective. The climate change adaptation objective has nevertheless been assessed together with the other "Do No Significant Harm" (DNSH) criteria.

As per Article 10 (2) of Regulation (EU) 2020/852, these activities are classified as transitional activities, in so far as they are activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

## MANUFACTURE OF CARBON BLACK<sup>(1)</sup>

Classified under NACE code C20.13, the manufacture of carbon black is an essential component in the value chain to transition to electric vehicles for the mobile energy market. Transitioning to electric vehicles is a key priority in the fight against climate change. Imerys is the leading supplier of highly conductive carbon-based solutions for lithium-ion batteries used in electric vehicles. These value-added solutions contribute to the transition from fossil fuel based energy to sustainable energy, by providing crucial materials which boost energy density and shorten charging times of lithium-ion batteries.

## MANUFACTURE OF CEMENT (CEMENT CLINKER, CEMENT OR ALTERNATIVE BINDER)<sup>(2)</sup>

Classified under NACE code C23.51, the manufacture of those products are part of Refractories, Abrasives and Construction business activity. They support the transition to sustainable construction by providing building chemicals solutions. Building chemicals are experiencing strong growth today, as they reduce the carbon footprint of cement and concrete. An essential point when the building sector alone represents 40% of CO<sub>2</sub> emissions. Imerys produces calcium aluminates for the building industry, wherein these additives improve the productivity of concrete, in particular by accelerating their hardening. Imerys also manufactures calcium aluminate based mortar to protect sewer systems against biogenic corrosion, offering an extended service life, and as a consequence lowering consumption of raw material, reduced labor and less trucking needs reducing the utility owners greenhouse gas emissions, as well as reduced asset down time increasing productivity and lowering the risk for untreated water to be released into the environment.

### 5.3.3 NON ELIGIBLE ACTIVITIES – IMERYS MINING AND TRANSFORMATION ACTIVITIES

The Taxonomy Regulation defines eligible activities as those that have the greatest impact on climate change and thus offer the greatest potential for reducing greenhouse gas emissions. Currently these include, in particular, the production and sale of energy, means of transport and transportation services, and real estate development and renovation.

Imerys main activities, *i.e.* Mining and quarrying, are not within the current scope of eligible activities addressed by the Disclosures Delegated Act.

Consequently, given the restricted list of eligible activities defined at this stage, Imerys' climate-related initiatives are not fully reflected in the key performance indicators presented herein.

However, the June 2019 Taxonomy Technical Report recognised the contribution that the sector must play in meeting the objective of a climate-neutral Europe by 2050 and recommended analysis of the sector's role in the delivery of raw materials in a sustainable and responsible way. These activities are therefore within the prioritized sectors covered within work of the European Commission's Platform on Sustainable Finance as they are enabling other activities to make a substantial contribution to one or more of the six objectives.

As a matter of fact, mineral exploration can provide a significant contribution to the achievement of the European Green Deal. It is considered that mineral exploration, when conducted according to international best practices, can play a significant role in the future sustainability of the continent when measured against the four criteria specified in the Taxonomy Regulation:

- to reach the goals of the Paris Agreement requires a quadrupling of mineral raw material requirements for clean energy technologies by 2040;
- responsibly conducted mineral exploration of the resource potential has a direct impact on climate adaptation by reducing dependence on trans-global supply chains;
- recycling may relieve some of the pressure on primary supply. Nevertheless, given increasing demand for mineral raw materials recycling will not eliminate the need for continued development of new resources;
- discovery of resources and development of new mining operations within a well-regulated resource jurisdiction, including Europe will, by example, have a global impact on promulgating best practice and the adoption of best available technologies.

Technical Screening Criteria (TSC) for mining and quarrying activities do not yet exist for the environmental objectives to which these activities contribute. As such, the Group's mining-related economic activity are not reflected within the financial figure presented above. These figures are likely to evolve as a function of the evolution of the eligibility scope.

✓ *For additional details on the sustainable solutions within Imerys' portfolio, see section 5.2.1 of the present document.*

### 5.3.4 FINANCIAL INDICATORS AND METHODOLOGY

In accordance with Article 8 of the Taxonomy Regulation (EU) 2020/852, Imerys' disclosure covers the taxonomy eligibility of the activities described in section 5.2 of the present document. For the quantification of eligible activities as well as alignment the revenue, capital expenditure (CapEx) and operating expenditure (OpEx) resulting from products or services associated with eligible economic activities have been determined as per the definitions of Annex I of the Delegated Act supplementing Article 8 of the Taxonomy Regulation.

(1) Section 3.11 of the annex 1 of the Commission Delegated Regulation (EU) 2021/2139.

(2) Section 3.7 of the annex 1 of the Commission Delegated Regulation (EU) 2021/2139.

The Group has presented its activities related to climate change mitigation. The Group activities have not been reported as substantially contributing to climate change adaptation and Technical Screening Criteria do not exist for the other four environmental objectives for Imerys' eligible activities, thus there is no risk of double counting of the Revenue, CapEx or OpEx indicators reported below. Likewise, Imerys' two eligible economic activities are separate business activities as indicated above in this section, and as such there is no risk of double counting of the reported taxonomy KPI.

- **Revenue:** Revenue recognized in accordance with IFRS standard (IAS 1).
- **CapEx:** CapEx constituting expenses related to eligible activities calculated based on the increases in tangible and intangible assets for the year before revaluation, Depreciation and Amortization and excluding changes in fair value and increases related to business combinations (IAS 16, IAS 38, IAS 40, IAS 41, IFRS 16).
- **OpEx:** Non-capitalized direct costs related to research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures related to the day-to-day servicing of items of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

Revenue, capital expenditure and operating expenditure presented in the tables below have been retrieved directly from financial statements, without estimations. Revenue and capital expenditures are reported as per section 6.1 of the Consolidated financial statements. The capital expenditure reported is related to assets or processes that are associated with Taxonomy-eligible economic activities, and to some capex plan that will enable some eligible activity to be aligned within 5 years. No individual capital expenditure other than those associated with the Taxonomy-eligible economic activity reported above have been identified as of December 31, 2022.

Market practice on the application and interpretation of certain terms under the Taxonomy Regulation and its Disclosure Delegated Acts has not yet settled as the legislation is new. It may be that, as market practice develops and the Taxonomy is developed further, Imerys' disclosures may evolve over time. Efforts to ensure a comparable reporting are assured through explanations of KPIs (Key Performance Indicators) variances presented below the results.

### 5.3.5 ELIGIBILITY KEY PERFORMANCE INDICATORS

In 2022, Imerys eligible activities represent 14% of Revenue, 21% of CapEx and 11% of OpEx, as shown in the summarized table below:

| (€M and %)                            | 2022         |     |            |     |            |     | 2021 restated* |     |            |     |            |     |
|---------------------------------------|--------------|-----|------------|-----|------------|-----|----------------|-----|------------|-----|------------|-----|
|                                       | Revenue      |     | Capex      |     | Opex       |     | Revenue        |     | Capex      |     | Opex       |     |
| <b>Taxonomy Non Eligible activity</b> | 3,664        | 86% | 341        | 79% | 215        | 89% | 3,141          | 86% | 316        | 84% | 197        | 92% |
| <b>Taxonomy Eligible activity</b>     | 617          | 14% | 90         | 21% | 28         | 11% | 524            | 14% | 60         | 16% | 17         | 8%  |
| <b>Total all activities*</b>          | <b>4,282</b> |     | <b>431</b> |     | <b>242</b> |     | <b>3,665</b>   |     | <b>376</b> |     | <b>214</b> |     |

\* Results for FY 2021 and FY 2022 have been restated to reflect the results from continuing operations excluding the High Temperature Solutions Business Area (HTS) whose contemplated disposal was announced on July 28, 2022.

Revenue, CapEx and OpEx of eligible activities increased in 2022 compared to 2021. The significant increase in eligible revenue is due in particular to the increase in carbon black sales, supported by the growth in the mobile energy market. Likewise, the increase in CapEx is mainly due to the increase of investment in carbon black production capacity to meet the increasing demand for its specialty conductive additives, in particular for lithium-ion batteries.

### 5.3.6 ALIGNMENT OF ELIGIBLE ACTIVITIES

The assessment of compliance has been done with the criteria set out in Article 3 of Regulation (EU) 2020/852 and the Technical Screening Criteria, included in the Disclosure Delegated Act related to the mitigation climate change objective.

The following tables show the results of eligibility and alignment of Imerys' activities with the Taxonomy Regulation. Their formats correspond to those of the templates for Key Performance Indicators for non-financial companies in Annex II of the Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.



## REVENUE

| Economic Activities   | NACE Code/<br>Taxonomy code | Absolute Turnover<br>€M | Proportion Turnover<br>% | Substantial Contribution criteria |                                | DNSH Criteria<br>(Do No Significant Harm) |                                  |                                   |                         |                             |                                    |                           |       | Taxonomy Aligned proportion Turnover Year N<br>% | Taxonomy Aligned proportion Turnover Year N-1<br>% | Category Enabling Activity/Transitional Activity<br>(E/T) |
|---|-----------------------------|-------------------------|--------------------------|-----------------------------------|--------------------------------|---|----------------------------------|-----------------------------------|-------------------------|-----------------------------|------------------------------------|---------------------------|-------|--|--|---|
|   |                             |                         |                          | Climate change mitigation<br>%    | Climate change adaptation<br>% | Climate change mitigation<br>Y/N          | Climate change adaptation<br>Y/N | Water and Marine Resources<br>Y/N | Circular Economy<br>Y/N | Pollution prevention<br>Y/N | Biodiversity and Ecosystems<br>Y/N | Minimum Safeguards<br>Y/N |       |  |  |   |
| A. Eligible Activities                                      |                             |                         |                          |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |
| A.1 Eligible Taxonomy Aligned                               |                             |                         |                          |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 498.2                   | 11.6%                    | 100.0%                            | 0.0%                           |   | Y                                | Y                                 | Y                       | Y                           | Y                                  | Y                         | 11.6% |  |  | T   |
| Turnover of eligible Taxonomy-aligned Activities (A.1)      |                             | 498.2                   | 11.6%                    |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           | 11.6% |  |  |   |
| A.2 Eligible Not Taxonomy-aligned activities                |                             |                         |                          |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 6.9                     | 0.2%                     |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           | 0.0%  |  |  |   |
| Manufacture of carbon black                                 | 3.11/C20.13                 | 112.0                   | 2.6%                     |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           | 0.0%  |  |  |   |
| Turnover of eligible not Taxonomy-aligned activities (A.2)  |                             | 118.9                   | 2.8%                     |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           | 0.0%  |  |  |   |
| Total Eligible activities (A.1+A.2)                         |                             | 617.2                   | 14.4%                    |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           | 11.6% |  |  |   |
| B. Non-Eligible Activities                                  |                             |                         |                          |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |
| Turnover of non-eligible activities (B)                     |                             | 3,664.4                 | 85.6%                    |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |
| Total (A+B)   |                             | 4,281.6                 | 100.0%                   |                                   |                                |   |                                  |                                   |                         |                             |                                    |                           |       |  |  |   |

## CAPEX

| Economic Activities   | NACE Code/<br>Taxonomy code | Absolute Capex<br>€M | Proportion of Capex<br>% | Substantial Contribution criteria |                                | DNSH Criteria (Do No Significant Harm) |                                  |                                   |                         |                             |                                    |                           |      | Taxonomy Aligned proportion of capex Year N<br>% | Taxonomy Aligned proportion of capex Year N-1<br>% | Category Enabling Activity/Transitional Activity (E/T) |
|---|-----------------------------|----------------------|--------------------------|-----------------------------------|--------------------------------|--|----------------------------------|-----------------------------------|-------------------------|-----------------------------|------------------------------------|---------------------------|------|--|--|--|
|   |                             |                      |                          | Climate change mitigation<br>%    | Climate change adaptation<br>% | Climate change mitigation<br>Y/N       | Climate change adaptation<br>Y/N | Water and Marine Resources<br>Y/N | Circular Economy<br>Y/N | Pollution prevention<br>Y/N | Biodiversity and Ecosystems<br>Y/N | Minimum Safeguards<br>Y/N |      |  |  |  |
| A. Eligible Activities                                      |                             |                      |                          |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |
| A.1 Eligible Taxonomy Aligned                               |                             |                      |                          |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 35.2                 | 8.2%                     | 100.0%                            | 0.0%                           |  | Y                                | Y                                 | Y                       | Y                           | Y                                  | Y                         | 8.2% |  |  | T  |
| Manufacture of carbon black                                 | 3.11/C20.13                 | 1.2                  | 0.3%                     | 100.0%                            | 0%                             |  | Y                                | Y                                 | Y                       | Y                           | Y                                  | Y                         | 0.3% |  |  | T  |
| Capex of eligible Taxonomy-aligned Activities (A.1)         |                             | 36.4                 | 8.4%                     |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           | 8.4% |  |  |  |
| A.2 Eligible Not Taxonomy-aligned activities                |                             |                      |                          |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 0.6                  | 0.1%                     |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           | 0.0% |  |  |  |
| Manufacture of carbon black                                 | 3.11/C20.13                 | 53.4                 | 12.4%                    |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           | 0.0% |  |  |  |
| Capex of eligible not Taxonomy-aligned activities (A.2)     |                             | 54.0                 | 12.5%                    |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           | 0.0% |  |  |  |
| Total Eligible activities (A.1+A.2)                         |                             | 90.4                 | 21.0%                    |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           | 8.4% |  |  |  |
| B. Non-Eligible Activities                                  |                             |                      |                          |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |
| Capex of non-eligible activities (B)                        |                             | 340.9                | 79.0%                    |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |
| Total (A+B)   |                             | 431.3                | 100.0%                   |                                   |                                |  |                                  |                                   |                         |                             |                                    |                           |      |  |  |  |

## OPEX

| Economic Activities   | NACE Code/<br>Taxonomy code | Absolute Opex<br>€M | Proportion of Opex<br>% | Substantial Contribution criteria |                           | DNSH Criteria (Do No Significant Harm) |                           |                            |                  |                      |                             |   | Minimum Safeguards | Taxonomy Aligned proportion of capex Year N | Taxonomy Aligned proportion of capex Year N-1 | Category Enabling Activity/Transitional Activity (E/T) |
|---|-----------------------------|---------------------|-------------------------|-----------------------------------|---------------------------|--|---------------------------|----------------------------|------------------|----------------------|-----------------------------|---|--------------------|---|---|--|
|   |                             |                     |                         | Climate change mitigation         | Climate change adaptation | Climate change mitigation              | Climate change adaptation | Water and Marine Resources | Circular Economy | Pollution prevention | Biodiversity and Ecosystems |   |                    |   |   |  |
| A. Eligible Activities                                      |                             |                     |                         |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |
| A.1 Eligible Taxonomy Aligned                               |                             |                     |                         |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 24.0                | 9.9%                    | 100.0%                            | 0.0%                      |  |                           | Y                          | Y                | NA                   | Y                           | Y | Y                  | 9.9%  |   | T  |
| Opex of eligible Taxonomy-aligned Activities (A.1)          |                             | 24.0                | 9.9%                    |                                   |                           |  |                           |                            |                  |                      |                             |   |                    | 9.9%  |   |  |
| A.2 Eligible Not Taxonomy-aligned activities                |                             |                     |                         |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |
| Manufacture of cement clinker, cement or alternative binder | 3.7/C23.51                  | 0.2                 | 0.1%                    |                                   |                           |  |                           |                            |                  |                      |                             |   |                    | 0.0%  |   |  |
| Manufacture of carbon black                                 | 3.11/C20.13                 | 3.4                 | 1.4%                    |                                   |                           |  |                           |                            |                  |                      |                             |   |                    | 0.0%  |   |  |
| Opex of eligible not Taxonomy-aligned activities (A.2)      |                             | 3.6                 | 1.5%                    |                                   |                           |  |                           |                            |                  |                      |                             |   |                    | 0.0%  |   |  |
| Total Eligible activities (A.1+A.2)                         |                             | 27.6                | 11.4%                   |                                   |                           |  |                           |                            |                  |                      |                             |   |                    | 9.9%  |   |  |
| B. Non-Eligible Activities                                  |                             |                     |                         |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |
| Opex of non-eligible activities (B)                         |                             | 214.6               | 88.6%                   |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |
| Total (A+B)   |                             | 242.2               | 100.0%                  |                                   |                           |  |                           |                            |                  |                      |                             |   |                    |   |   |  |

The tables above show that a majority of Imerys eligible activities are aligned with the EU Taxonomy Requirements.

- In 2022, 14.4% of Imerys activities are eligible under the EU Taxonomy.
- 11.6% of Imerys activities are aligned according to the Technical Screening Criteria applicable to their respective economic activities.

## SUBSTANTIAL CONTRIBUTION CRITERIA

- Nearly all Imerys **cement clinker activities** (corresponding to 99% of cement clinker revenue) are contributing substantially to climate change mitigation.
  - Only one production site is marginally above the threshold of 0.7222 tCO<sub>2</sub>e per tonne of product; the Group is launching feasibility studies to improve the energy efficiency of this site in order to comply with EU GHG emission criteria in the future.
- Imerys **carbon black activities** are eligible but not aligned with the European Taxonomy on the climate change mitigation criteria.
  - The Technical Screening Criteria is based on the EU ETS product benchmark for the manufacture of “furnace carbon black” used for the tyres industry.
  - Imerys’ high value added “conductive carbon black” has different properties to furnace carbon black and is not generated through the same process.
  - However, in line with its efforts to continuously reduce greenhouse gas emissions, Imerys is pursuing an energy recovery project planned to be completed by 2025, which will reduce emissions to meet the criteria.
  - Imerys began the energy recovery project in 2022. Consequently, while no revenue associated with the carbon black activity is aligned, the CapEx related to the energy recovery project (€1,2 million, out of the €54.6 million invested in 2022 for carbon black activities) is considered part of a “CapEx plan” to allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a period of five years. Therefore, this portion of the CapEx has been isolated and reported as “aligned”.

## DO NO SIGNIFICANT HARM CRITERIA

With regard to the “Do No Significant Harm” (DNSH) criteria set out in Article 3 of Regulation (EU) 2020/852 for the applicable environmental objectives, Imerys has verified and validated that all its eligible activities comply with the DNSH criteria, local and internal requirements on the following environmental objectives:

- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

The DNSH criteria related to the “Transition to a circular economy” objective is not applicable to the manufacture of carbon black or the manufacture of cement clinker, cement or alternative binder as per the Disclosure Delegated Act.

## MINIMUM SAFEGUARDS

With regard to the criteria “Minimum Safeguards”, as set out in its Code of Business Conduct and Ethics, Imerys is committed to respect internationally recognized human rights and standards, in particular the International Bill of Human Rights, the Guidelines of the Organisation for Economic Co-operation and Development (OECD), the provisions of the fundamental conventions of the International Labor Organization (ILO), the U.N. Guiding Principles on Business and Human Rights and to comply with local legislation in force in the countries where it operates.

The Group sustainability program and reporting approach is based on these frameworks. Through the “Duty of Care” program Imerys has validated the alignment of its eligible activities to the Minimum Safeguards.








✓ *For more information on the Group Vigilance Plan and Duty of Care program, see section 5.1 of the present document.*

## 6 CARING FOR OUR PLANET

### 6.1 ENVIRONMENTAL STEWARDSHIP

#### Imerys' Commitment

Act as responsible environmental stewards by assessing environmental risks and continually improving control measures to reduce adverse environmental impacts, maximizing the efficient use of natural resources and conserving and creating biodiversity value

| Contribution to SDGs  | Group Objective   | Performance 2022 | Target 2022     | Target 2025 |
|---|---|------------------|-----------------|-------------|
| <b>Environmental Management</b>   | Reduce environmental impacts through the deployment of a continuous improvement program and conduct 100% of environmental audits using the environmental maturity matrix          | 100%             | 100%            | -           |
|    | Reduce environmental impacts by assessing the maturity level of sites against environmental management requirements <sup>(1)</sup>  | NEW              | -               | 100%        |
| <b>Natural resource efficiency</b>  | Improve water management by ensuring major sites <sup>(2)</sup> comply with new water reporting requirements  | NEW              | -               | 100%        |
|    | Improve mineral resources efficiency by ensuring priority sites <sup>(3)</sup> (by mineral waste volume) comply with new mineral wastes reporting requirements by the end of 2025 | NEW              | -               | 80%         |
| <b>Biodiversity &amp; land rehab.</b>   | Achieve all objectives defined within Group Act4nature commitment and renew engagement for an additional midterm cycle by the end of 2021   | 100%             | 100%*<br>* 2021 | -           |
|    | Ensure that 100% of Group sites with quarries or mines will have defined a Biodiversity Action Plan in line with the requirements of the Group biodiversity protocol.             | 93%              | 100%            | -           |
|   | Reduce impact on biodiversity by filling our Act4nature commitments and conducting biodiversity audits on 20 priority sites <sup>(3)</sup>  | NEW              | -               | 20          |

(1) Environmental Management requirement as defined by Imerys protocols and measured by the environmental maturity matrix, which is based on leading international environmental standards

(2) Major sites refer to withdrawal > 1 Mm<sup>3</sup> or located in water stress zones.

(3) Priority sites for mineral waste are defined by volume. Priority sites for biodiversity audits have been defined as sites with a quarry that extract more than 1 million tons per year, or are located within a radius of 5 km in an area classified as IUCN<sup>(1)</sup> category I, II or III, or are located in a biodiversity hotspot within a radius of 5 km in an area classified IUCN category IV.

Imerys is committed to respect regulations, to minimize negative environmental impacts associated with its operations and to ensure an environmental conservation approach. For this purpose, Imerys ensures it has identified and assessed the environmental risks related to its activities and implemented measures and controls to prevent and limit negative impacts. The efficient use of resources such as minerals and water is therefore at the core of the Group's concern. In parallel, aware of the importance of maintaining functional ecosystems where it operates, Imerys places a special focus on biodiversity preservation. By efficiently exploiting the resources at its disposal and creating positive biodiversity value in the long term, Imerys is committed to SDG 6 to ensure availability and sustainable management of water, to SDG 12 to ensure sustainable consumption and production patterns and SDG 15 to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

#### 6.1.1 ENVIRONMENTAL MANAGEMENT

Imerys' Environmental Charter, signed by the Group CEO and reviewed regularly, forms the basis of the approach taken to the monitoring and continuous improvement with regards to the environment. Environmental stewardship rests upon the implementation of a robust Environmental Management System (EMS), which is a key factor to improve operating efficiency while reducing environmental impacts. Imerys requires each operation to have an effective EMS enabling it to identify and establish controls for significant environmental risks. The mandatory EMS requirements for all activities are covered by Group-wide environmental protocols, which include eight pillars aligned to the core elements of international standards for environmental management systems: policy, aspects and impacts, legislative and regulatory requirements, objectives and targets, roles and responsibilities, training, emergency response, and auditing. The environmental protocols specify the internal requirements applicable to all operations. They define the responsibilities of site-level and senior managers and Environment, Health and Safety (EHS) personnel in managing and controlling potential exposures and risks in order to prevent adverse environmental impacts and to reduce the environmental footprint of operations.

(1) International Union for Conservation of Nature (IUCN) is an environmental organization that focuses on conserving nature and accelerating the transition to sustainable development. They classified protected areas into six different management categories (I to VI). The definition of the management categories are available in the IUCN guidelines hereunder: <https://portals.iucn.org/>.



To continue to strengthen environmental management across the Group, a maturity matrix covering the critical elements of sound environmental management is used. This maturity matrix which, as with the other continuous improvement matrices deployed across the Group, is used to assess site level environmental performance and guide the development of action plans. To confirm compliance and conformity with regulations and Group protocols, Imerys operations are audited at regular intervals as per the Group auditing protocol.

**The mid-term environmental management target was for the Group to deploy the continuous improvement program and ensure that environmental audits were based on the defined maturity matrix.** The Group began the roll-out of the environmental maturity matrix and while the number of Environmental Management System audits conducted in 2021 was impacted by Covid-19 restrictions, as of 2022 100% of the environmental audits that were completed were based on the environmental maturity matrix, thereby achieving the mid-term target set for 2022.

In addition to implementation of mandatory EMS requirements, which are fully aligned with international standards, the Group encourages ISO 14001 and Eco-Management and Audit Scheme (EMAS) certifications. As of the end of 2022, 98 of 204 (48%) of Group operations are ISO 14001 or EMAS certified by external certification organizations.

Imerys tracks and analyzes environmental performance on a quarterly and annual basis at all levels of the Group.

Since 2018, the Group has been progressively deploying a new integrated solution to manage environmental legal compliance and regulatory monitoring. This solution supports the development of updated environmental legal registers, with regular alerts, register updates and regulatory assistance by environmental legal specialists for each country. To date approximately 79% of Group sites, including France, China, Greece, Netherlands, Thailand, US and Brazil sites are covered by dedicated tools for monitoring regulatory compliance. In addition to the new solution developed at Group level, sites across Imerys use various other tools to support regulatory monitoring locally.

## ENVIRONMENTAL INCIDENTS

The Group's ultimate aim is to have zero incidents, but when they do occur, each incident is thoroughly investigated as an opportunity to learn and prevent recurrence. The Group has a structured internal environmental incident reporting process. The Group incident reporting process is integrated in a digital platform to support the continuous improvement approach by helping operational teams to gain additional knowledge and understanding of the typologies and causes of the environmental incidents when they do take place and facilitate greater sharing of improvement actions across the Group.

The Group's environmental incident reporting includes detailed information and investigation of the environmental incidents, including its classification related to any release of dust, air emissions, noise, vibration, water, waste, harm to biodiversity, ground and soil or any other type of environmental incidents identified through any internal control, external inspection, or complaint from surrounding communities.

## ENVIRONMENTAL INCIDENTS

|   | 2022 | 2022<br>(discontinued activities) | 2021 <sup>(1)</sup> |
|---|------|-----------------------------------|---------------------|
| Number of environmental incidents (Level 3, 4 and 5) <sup>(2)</sup> | 14   | 1                                 | 9                   |

(1) 2021 None of the environmental incidents were related to the discontinued activities. However, two incidents that occurred in December 2021 were reported late in January 2022. The number of incidents in 2021 has been updated accordingly.

(2) Environmental incidents severity is determined by evaluating, financial, regulatory and reputational consequences from Level 1 (minor impacts) to Level 5 (catastrophic impacts).

In 2022, fourteen environmental incidents were reported within the Group with Level 3, 4 or 5 environmental impacts based on the Group incident reporting protocol, which consists of five reporting levels.

All the environmental incidents reported in 2022 were categorized as Level 3 (limited short-term harm to the environment, or non-conformity with a company or administrative standard) according to the Group reporting protocol. The incidents occurred in Switzerland, France, Brazil, Belgium, the United States and the United Kingdom, and were due to temporary exceedance of SO<sub>x</sub> limits as a results of a problem with the gas treatment system, subcontractor removal of topsoil prior to authorized planning, accidental discharge of water water effluents, and dust in the air due to a talc spillage out of silo, a small oil leak from near a fuel storage area. Incident investigations were conducted and all corrective actions were identified as per the Groupe protocol.

Incident investigations were conducted and all corrective actions were completed and incident reports closed as per the Group protocol.

✓ For detailed information on environmental incident reporting, see *Sustainability Reporting Principles 2022*.

## WASTEWATER MANAGEMENT

Wastewater discharge is managed and reviewed in the site-specific EMS in compliance with the corresponding regulatory limits. Any release of water that has a potential to create a nuisance is required to be reported into the Group environmental incident reporting platform described above. Each wastewater discharge incident is investigated as per Group protocol, and corrective action plans are followed until closure.

## WASTEWATER DISCHARGE INCIDENTS

|   | 2022 | 2022<br>(discontinued<br>activities) | 2021 <sup>(1)</sup> |
|---|------|--------------------------------------|---------------------|
| Number of environmental incidents related to wastewater discharge | 9    | 0                                    | 6                   |

(1) 2021 None of the wastewater discharge incidents were related to the discontinued activities. However, two incidents that occurred in December 2021 were reported late in January 2022. The number of incidents in 2021 has been updated accordingly.

Nine wastewater and/or storm water discharge incidents occurred in 2022, all categorized as Level 3. They are associated with the environmental incidents described above: temporary exceedance of suspended solid discharge thresholds, which were the result of strong rain and runoff events in particular and accidental discharge of effluents.

The Group continues to explore solutions to improve discharged water quality through the introduction of new technology and through improved monitoring on water discharge quality.

## WASTE MANAGEMENT

Imerys processes minerals using methods that are primarily mechanical and physical. As such the Group's activities generate relatively small quantities of domestic and industrial wastes. The Group is nevertheless committed to reduce waste generation through prevention, reduction, recycling and reuse as a means to contribute further to SDG 12 on sustainable consumption and production patterns.

Mineral waste, such as overburden and internal mining waste (tailings, off-specification materials, etc.) are usually stored on or near production areas at the quarries. Overburden and unused minerals are also used in many cases as backfilling or re-profiling materials in post-mining restoration work. As such, this material is not classified as waste.

In addition, Imerys' commitment to sound mineral resources management, technological improvements and newly-developed applications makes it possible to transform low-grade materials or tailings into marketable resources. The Imerys ReMined™ products, for example, produced from calcitic white marble, are 100% certified as pre-consumer recycled materials and eligible for various green building credits in the United States (e.g., LEED® Program, National Green Building Standard, NSF/ANSI 140).

## WASTE GENERATION AND RECYCLING

|   | 2022           | 2022<br>(discontinued<br>activities) | 2021 <sup>(1)</sup> |
|---|----------------|--------------------------------------|---------------------|
| <b>Total industrial waste (tons) of which:</b>    | <b>122,182</b> | <b>20,891</b>                        | <b>152,900</b>      |
| Non-recycled hazardous industrial waste           | 1,878          | 545                                  | 3,315               |
| Recycled hazardous industrial waste               | 1,380          | 118                                  | 1,818               |
| Non-recycled non-hazardous industrial waste       | 80,876         | 16,252                               | 90,505              |
| Recycled non-hazardous industrial waste           | 38,049         | 3,976                                | 57,262              |
| <b>Industrial waste generation/revenue (kg/€)</b> | <b>0.03</b>    | <b>0.02</b>                          | <b>0.04</b>         |

(1) 2021 Total Industrial waste related to the discontinued activities represented 13,273 tons.

The Group's activities generated 122 kt of industrial waste in 2022, 97% of which was non-hazardous. The decrease in waste generation compared to 2021 is primarily due to a decrease of the production. Secondly, the implementation of new reporting indicators allowed a better identification and separation of industrial wastes and mineral wastes generated due to plants and mines activity.

The industrial waste generation rate per Euro of revenue was 0.03 kg/€ in 2022. The intensity of waste generation has remained steady at a relatively low level for several years. The small amount of hazardous waste generated by most Imerys operations is principally chemical additives, residual oils and associated packaging waste.

The Group is committed to raise awareness on the importance of reducing food waste and organic waste, however, this impact is not material at Group level. The Group has approximately 2,033 employees in France at 30 operations. While most of these operations have dedicated areas where employees can

take breaks and eat their meals, the majority do not have canteens that provide prepared food. Some of the largest sites provide access to catered canteens, which are operated by third-party vendors. The waste generated from these third-party canteen facilities is not presently monitored. Likewise, the Group operations do not impact on animal welfare or responsible, equitable and sustainable food purchasing and as such these subjects are not reported on within *the present document*.

## AIR EMISSIONS MANAGEMENT

Several of the Group's mineral conversion processes use calcination, which can emit nitrogen oxide (NO<sub>x</sub>) and sulfur dioxide (SO<sub>x</sub>). The Group emission estimation methodology is described within a dedicated energy, emissions & production reporting protocol.

√ For more information on Group Sustainability reporting methodologies, see chapter 7 of the present document.

## GROUP SO<sub>x</sub> AND NO<sub>x</sub> EMISSIONS

| (tons)   | 2022        | 2022<br>(discontinued<br>activities) | 2021 <sup>(1)</sup> |
|--|-------------|--------------------------------------|---------------------|
| Sulfur dioxide (SO <sub>x</sub> )                  | 2,566       | 253                                  | 3,243               |
| <b>Sulfur dioxide generation/revenue (tons/€M)</b> | <b>0.60</b> | <b>0.26</b>                          | <b>0.88</b>         |
| Nitrogen oxide (NO <sub>x</sub> )                  | 6,444       | 257                                  | 5,603               |
| <b>Nitrogen oxide generation/revenue (tons/€M)</b> | <b>1.51</b> | <b>0.26</b>                          | <b>1.53</b>         |

(1) 2021 Total SO<sub>x</sub> and NO<sub>x</sub> related to the discontinued activities represented 110 and 115 tons respectively.

In 2022, due to minor adjustments on the calculation methodology implemented in the reporting tool, the 2021 total SO<sub>x</sub> and NO<sub>x</sub> emissions have been restated, which explains the slight difference with the total reported emissions in 2021.

The Group SO<sub>x</sub> and NO<sub>x</sub> emissions are mainly calculated from fuel consumption and are strongly linked to the changes of the fuel mix. At the end of 2022, the evolution of the fuel mix compared to 2021 led to an increase of NO<sub>x</sub> and a decrease of SO<sub>x</sub>. The Group continues its efforts to reduce both SO<sub>x</sub> and NO<sub>x</sub> emissions related to its operations through technological upgrades and investments.

### 6.1.2 NATURAL RESOURCES EFFICIENCY

The technological know-how of Imerys, as a world leader in industrial minerals, enables the Group to be in an excellent position to improve the yield of its mineral resources. At the same time, the strength of the Group's commercial network and strong innovation capacity maximize Group production value and capacity to optimize resource use efficiency across the globe, thereby contributing to SDG 12 to ensure sustainable consumption and production patterns. The Group is continuously improving the production processes by analyzing the environmental impacts associated with Group operations and exploring opportunities to contribute to a more circular economy.

### MINERAL RESOURCES OPTIMIZATION

Establishing and maintaining effective management of mineral resources is the core of what Imerys does. Mineral resources management is defined through a series of mining and resources planning policies, procedures and protocols, which are reviewed regularly. Each mining operation is required to have a Life of Mine Plan (LOM Plan) and create a detailed Five-Year Mine Plan. This approach enables the operations to maximize the efficient use of mineral resources.

In 2019, the Group updated the maturity matrices used to audit mineral assets. These matrices now focus on "Mineral Resources" and "Mineral Reserves" and are used to audit sites on a three to five year-cycle. As with other matrices in the "I-Cube" program

are used to drive continuous improvement and the development of action plans. Mineral resources and mineral reserves reports are aligned with the PERC<sup>(1)</sup> Standard for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the 'PERC Reporting Standard') as described in [chapter 7 of the present document](#). Imerys has aligned its internal standards to and is continuously improving its operations in line with the Global Industry Standard on Tailings Management<sup>(2)</sup>.

The Group aims to contributing to the Circular Economy by increasing 'Resource Recovery' as defined by the OECD<sup>(3)</sup> definitions of circular economy business models. Imerys contributes to Resource Recovery by finding new destinations for mineral wastes in another industry to avoid them becoming a waste, by supplying secondary materials to other industries/ customers and by valorising bi-products from mineral waste streams. Furthermore, the Group continues to identify opportunities across its markets where it is able to introduce reclaimed raw materials within existing product solutions in substitution of virgin raw materials, thereby contributing to a Circular Economy through a 'Circular Supply business model.

Opportunities to optimize mineral resource consumption are identified continuously during the implementation process of the "I-Cube" program and through other ongoing initiatives, including the Group SD Challenge. The Group is constantly seeking to develop ways to create a more sustainable, circular value chain and still produce high-performance end-products for customers. An example of this approach is demonstrated by four sites in the United Kingdom, which have recovered an estimated of 1.2 ktpa by applying dust and clay recovery management techniques, or the Mica recovery beneficiation process created in Kings Mountain (US), which increased mica recovery from 66% in 2014 to 84% in 2020. Similar projects are being investigated and developed in other areas across the Group.

(1) Pan-European Reserves & Resources Reporting Committee (PERC) is the organization responsible for setting standards for public reporting of exploration results, mineral resources, and mineral reserves by companies listed on markets in Europe.

(2) The United Nations Environment Programme (UNEP), the Principles for Responsible Investment (PRI) and the International Council on Mining and Metals (ICMM) launched the Global Industry Standard on Tailings Management in the context of the Global Tailings Review.

(3) OECD: Business Models for the Circular Economy Opportunities and Challenges for Policy <https://www.oecd.org/environment/business-models-for-the-circular-economy-g2g9dd62-en.htm>.

The industrial minerals industry is working in partnership with downstream industries on processes to increase recyclability. In 2018, IMA-Europe published a report entitled *"Recycling Industrial Minerals"*, where they studied publicly available data on recycling of glass, plastic, concrete and paper and concluded that a total of 40% to 50% of all minerals consumed in Europe are recycled<sup>(1)</sup>. While recycling rates of industrial minerals are relatively high, the Group is committed to continue to identify recycling opportunities and assess circular economy solutions, recognizing the global need to produce with less, for longer and smarter.

✓ For more information on Mineral Reserves and Resources, see chapter 7 of the present document.

✓ For more information on the "I-Cube" program, see chapter 1, section 1.1.2 of the present document.

## WATER MANAGEMENT

The Group is committed to ensure effective water management and to minimize the impact of its operations on water resources quantity and quality.

Imerys aims to continuously improve water management and water reporting based on leading international standards. Water withdrawals consist of 'operational water withdrawal', which refers to water that enters the operational water system and 'other managed water', which refers to water that is actively managed without intent to supply the operational water demand. Other managed water is, for example, water that is pumped from pits to allow production works. This water is not impacted by Imerys operation and is progressively distinguished from operational withdrawal in the reporting. Operational water withdrawals may be from a range of sources including groundwater, surface water, water from suppliers and other sources.

## GROUP WATER WITHDRAWAL

|  | 2022  | 2022<br>(discontinued<br>activities) | 2021 <sup>(1)</sup> |
|--|-------|--------------------------------------|---------------------|
| Total water withdrawals (millions of cubic meters)             | 68.13 | 0.64                                 | 56.97               |
| Total operational water withdrawals (millions of cubic meters) | 45.32 | 0.32                                 |                     |
| Water withdrawn from water groundwater                         | 40%   | 40%                                  | 45%                 |
| Water withdrawn from suppliers                                 | 8%    | 27%                                  | 7%                  |
| Water withdrawn from surface water                             | 36%   | 33%                                  | 43%                 |
| Water withdrawn from other sources <sup>(2)</sup>              | 16%   | 0%                                   | 5%                  |
| Water withdrawn/revenue (liters/€)                             | 15.91 | 0.65                                 | 15.55               |

(1) 2021 Total Water withdrawals related to the discontinued activities represented 0.28 Millions of cubic meters.

(2) Water obtained from sources other than water suppliers, groundwater or surface water (i.e. collection of rainwater or water obtained from customers).

Imerys continues to improve water withdrawal reporting. In 2022 new definitions were introduced within the internal water reporting requirements. As a result Total water withdrawal changes between 2021 and 2022 are in part related to the change in definitions, which makes comparison with previous years difficult.

The top 10 water users in the Group account for approximately 53% of total annual operational water withdrawal. Site-specific water management plans have been established at these sites. The plans include a description of current water use, water balance analysis, water accounting, water risk assessment and pertinent action planning to manage high priority water issues.

In 2021 Imerys used the World Resources Institute (WRI) "Baseline Water Stress" indicator within the Water Risk Filter (WRF) to assess current exposure to water stress. The WRI's "Baseline Water Stress" risk indicator measures the ratio of total annual water withdrawals to total available annual

renewable supply, accounting for upstream consumption. Based on the baseline assessment results, Imerys identified 65 sites with high or very high risk related to water stress. They are located on the West coast of America, in South Africa, India and around the Mediterranean basin. Among them, 11 have medium (> 100,000 m<sup>3</sup>) to high (> 1 Mm<sup>3</sup>) water (use or withdrawal). These sites have been defined as the priority for efforts to reduce water consumption.

Imerys also reports the amount of water recycled by its operations as recycling water reduces the amount of water being removed from natural habitats, thereby reducing the Group's water withdrawal. The Group is working towards the identification of innovative ways to reduce its water withdrawal. As an example, Imerys launched an internal contest in 2022, which aims to collect the best practices regarding water recycling, water conservation and water management. More than 40 sites participated and as an example the winner, the Zhejiang site implemented a project that reduced their water withdrawal by 50% by implementing a recycling process.

(1) IMA Europe report on *Recycling Industrial Minerals* gathers publicly available data on the recycling rate of the main applications and products in which industrial minerals are used as primary raw materials.

## GROUP WATER RECYCLING

|  | 2022  | 2022<br>(discontinued<br>activities) | 2021 <sup>(3)</sup> |
|--|-------|--------------------------------------|---------------------|
| Total water recycled <sup>(1)</sup> (millions of cubic meters) | 40.39 | 0.04                                 | 37.81               |
| Number of sites reporting recycled water                       | 54    | 7                                    | 60                  |
| Recycled water rate <sup>(2)</sup>                             | 0.47  | 0.11                                 | 0.40                |

(1) "Recycled water" as per the Group environmental reporting protocol is defined as used water or wastewater that is reintroduced back in the process or reused for another purpose.

(2) Recycled water rate: total recycled water/(total water withdrawal + total recycled water).

(3) 2021 Total Water recycled related to the discontinued activities represented 0.06 Millions of cubic meters.

### 6.1.3 BIODIVERSITY AND REHABILITATION

The question of impacts on the living world arises during the entire life cycle of a quarry, whether for the choice of the site, its operation, its rehabilitation or its post-rehabilitation land use. Imerys activities cause direct and indirect impacts on biodiversity. Imerys has a major responsibility to operate without net biodiversity loss. Aware of this responsibility, Imerys has been committed to preserving biodiversity for many years. Given the serious global threat to biodiversity, Imerys is committed to further structure and harmonize its approach in order to continue mobilizing the Group and its teams around this major issue. Imerys has designed and is implementing its biodiversity program to continue to contribute to SDG 15 to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

Rehabilitation is integrated into the Life of Mine (LOM) plan of each quarry operation at Imerys and is considered throughout the conduct of its activity until closure. Rehabilitation planning starts from the very initial phase of mine permitting as it is included in the environmental impact assessment of the projected site operations. As most countries define the regulatory framework for the preparation, submission, consultation and approval of environmental impact assessments for resource operational permits, in most cases rehabilitation plans are disclosed through a public consultation process prior to final approval.

Starting in 2017, the Group began performing a new assessment of the biodiversity issues associated with its operations, in collaboration with key stakeholders based on the EBEvie<sup>(1)</sup> approach, which resulted in a program designed to respond to the identified challenges. To support the development and implementation of the program, Imerys entered into a three-year scientific partnership (2018-2021) with the UAR Patrimoine Naturel<sup>(2)</sup>, ("PatriNat"), an umbrella organization bringing together the French National Museum of Natural History (MNHN), the French Agency for Biodiversity and the National Center for Scientific Research (CNRS). In addition, Imerys has committed to Act4nature International<sup>(3)</sup> initiatives

that have been launched by "Entreprises pour l'Environnement" (EpE)<sup>(4)</sup> and other partners with the aim of mobilizing businesses to protect biodiversity. **The mid-term target was for the Group to achieve all objectives defined within Group Act4nature commitment and renew engagement for an additional midterm cycle by the end of 2021.** At the end of 2020, as 93% of the objectives had already been achieved, Imerys enlarged the scope of its commitment by joining Act4nature International for a second phase (2020-2024). The Group completed 100% of the objectives defined in 2018 and likewise renewed the Group's scientific partnership with PatriNat for an additional three-year cycle (2021-2024). **Thus an additional one year target was set for 2022, to ensure that 100% of Group sites with quarries or mines had defined a Biodiversity Action Plan in line with the requirements of the Group biodiversity protocol.** Throughout 2022 and beyond, Imerys continued to work to fulfill its commitments under Act4nature International and as of the end of 2022, 65% of the 2024Act4nature International commitments have already been completed and 93% of Group sites have defined their Biodiversity Action Plans.

Within the context of Act4nature International, member partners have established ten common commitments to engage businesses to include biodiversity in their global development strategy. As a member of Act4nature international, Imerys renewed its signature related to the ten common goals and articulated its own program into specific commitments linked to the Act4nature International engagements. Imerys individual commitments have been built taking into account its own impact on biodiversity. These individual commitments are articulated around four pillars: scientific expertise & environmental strategy, actions against the causes of biodiversity loss, research and development and engagement with our stakeholders.

Progress in the development of the program has enabled Imerys to improve technical and scientific knowledge on biodiversity and roll-out actions to address the identified challenges toward each of the specific commitments made. Progress towards the 2021-2024 commitments made under Act4nature International are summarized below.

(1) EBEvie is a tool for assessing the interdependencies between companies and biodiversity developed by the French Ministry of Ecology, Sustainable Development and Energy.

(2) <http://www.patriinat.fr/fr/ums-patrimoine-naturel-346>.

(3) Act4nature is an initiative launched by EPE (Entreprises pour l'Environnement) and a number of partners with the aim of mobilizing companies to protect, promote and restore biodiversity.

(4) "Entreprises pour l'Environnement" (EpE), is a forum that gathers nearly 40 large French and international companies from all sectors of the economy to work together to better integrate the environment into both their strategies and their day-to-day management. <http://www.epe-asso.org/en/>.



## CONTINUOUSLY IMPROVE IMERYS ENVIRONMENTAL STRATEGY AND SCIENTIFIC EXPERTISE

In line with the commitments established and in order to ensure the continued integration of biodiversity stakes within Group operations, the Sustainability Committee ensures formal oversight of Imerys' biodiversity performance, where progress is reviewed quarterly. In addition, a dedicated Steering Committee with PatriNat has been established to govern the activities undertaken within the scientific partnership. This Steering Committee with PatriNat gathers together bi-yearly to follow-up on the program's status and to define actions to reach Group targets.

The diversity of Imerys' activities and geographic location translate into very diverse ecological, regulatory and maturity contexts depending on the site. In close collaboration with PatriNat, key tools are being developed to evaluate, integrate and monitor the operational management of biodiversity in quarries and plants. In 2021, the Group began the roll-out of a new environmental protocol governing biodiversity management across Imerys sites. The protocol outlines the management system requirements for taking into account all the impacts of Group operations on natural habitats, fauna and flora, at all sites and in all stages of a plant and/or mine life cycle with the ultimate goal of no-net-loss of biodiversity.

Working together with PatriNat Imerys co-developed internal guidelines that outline the actions to be implemented to ensure the protection of biodiversity throughout the life of Group quarries. In addition to the protocol, and supporting guidelines, Imerys designed a maturity matrix that aims to support sites in the assessment of biodiversity performance, this matrix offers also opportunity for the sites to go beyond the standards requirements and to implement improvement actions

In order to better evaluate its impacts, Imerys, with the support of PatriNat, carried out an assessment of its "Corporate Biodiversity Footprint (CBF). The Biodiversity footprint has been assessed on all the company's value chain (Scope 1, 2 and 3). The results of this first Group level assessment indicate that the main impact of Imerys activities is on land occupation.

## IMPLEMENT ACTIONS AGAINST THE MAJOR CAUSES OF BIODIVERSITY LOSS

The five causes of biodiversity loss are: habitat loss and degradation, species overexploitation, climate change, pollution, Invasive Alien Species (IAS). Imerys' commitment is to reduce the Group's impact on the main causes of biodiversity loss.

The baseline of reducing Group impacts on **habitat loss** is to be aware of risk sensitivity regarding sites location. The mapping of biodiversity stakes associated with Imerys operations is a fundamental starting point within the Group's biodiversity roadmap. Since 2019 Imerys has been collecting ecological data from its sites in France to assess the challenges and their ecological quality, as well as their potential to promote local

fauna and flora. Imerys has completed sensitivity mapping for all Group quarries across the world using the World Database of Protected Areas<sup>(1)</sup>. In 2022, this mapping was updated and extended to cover all Group sites including plants.

In addition, PatriNat has developed a multi-criteria tool to evaluate the sensitivity of Imerys' French mining sites at a national scale. This tool named "CARPO" for "Cartographie des potentiels écologiques" has been deployed on french sites, and will support the development of a multi criteria tool for an international tool.

The implementation and experimentation of biodiversity indicators is key for Imerys. Indicators are needed to measure the state of biodiversity and to support biodiversity action plan deployment. Trials have been launched with: "IQE" (*Indicateur de qualité écologique*) and with "BIRS" (Biodiversity indicator and reporting system), it will be tested in other sites worldwide in 2023.

The Groups approach to preserving biodiversity is based on the Mitigation Hierarchy<sup>(2)</sup>, which is a stepwise analysis that aims to avoid a net loss of biodiversity, manage biodiversity impacts and avert risk (avoid or prevent, minimize, rehabilitate, offset). Multiple trainings have been organized in order to raise awareness of the employee with the mitigation hierarchy, more particularly with the mining and resource planning team.

Main impact of the Group is on habitat loss and degradation. In order to reduce this impact, Imerys implement progressive rehabilitation where it is possible. This action is integrated in the biodiversity protocol and a specific follow up is consolidated at Group level in order to manage effectively rehabilitation surfaces.

The Group continues to work to integrate prevention and control measures on **Invasive Alien Species** and privilege the use of native species for revegetation. Additionally, Imerys works on the reduction of **chemical inputs** towards a zero pesticides policy on its green areas. The management of IAS as well as efforts to reduce chemical inputs are integrated in the environmental management system protocols, guidelines and maturity matrix described above.

## INITIATE AND CONDUCT STUDIES AND RESEARCH ON BIODIVERSITY AND ITS PRESERVATION

Contributions to scientific biodiversity research and development projects are key to addressing the global threats to biodiversity and Imerys is committed to supporting these efforts. Imerys defines an array of pilot sites in different biogeographical and regulatory backgrounds, in order to implement long term projects aiming to provide a solution to biodiversity issues. Imerys deployed pilot projects across sites in Brazil, Greece, and France. **Symbiosis** is an international project gathering scientific experts (*Institut de recherche pour le développement*, IRD, and local universities) and Imerys for the development of a Nature Based Solution allowing to improve soil property and revegetation in rehabilitation areas with the use of symbiotic microbes.

(1) World Database on Protected Areas (WDPA) is the most comprehensive global database on terrestrial and marine protected areas. It is a joint project between the United Nations Environment Programme (UNEP) and the International Union for Conservation of Nature (IUCN), managed by UNEP World Conservation Monitoring Centre (UNEP-WCMC).

(2) Mitigation hierarchy is a widely used scientific approach that aims to limit the negative impact on biodiversity based on a step methodology of avoiding, mitigating, rehabilitating and finally offsetting the impact.

PatriNat also deployed **ECOVAL** ("Évaluation de l'équivalence écologique") in various pilot sites. This analysis tool aims to compare biodiversity losses on impacted sites and the biodiversity gains in offsets areas. This allows Imerys to assess the ecological equivalence and the effectiveness of the ecological operations.

A **territorial mitigation strategy** has been defined for a site in France with the support of PatriNat and is currently being implemented. This project aims to integrate the mitigation hierarchy at each level of the mine life cycle and at a territory scale working together with a network of stakeholders.

## RAISE AWARENESS, TRAIN AND INVOLVE INTERNAL AND EXTERNAL STAKEHOLDERS

Imerys has implemented numerous activities with internal and external stakeholders to initiate greater awareness of biodiversity. The Group developed a pedagogical film on biodiversity for Group employees to share details on the program and raise awareness on biodiversity. An internal environmental community has been created and the Group organized educational sessions on biodiversity with employees which shall support the dissemination of good practices and biodiversity knowledge across the Group.

To support the objective to avoid a net loss, prevent and avoid negative impacts, Imerys continues to train staff on the application of the mitigation hierarchy in the preservation of biodiversity, including through a digital training course on biodiversity. The biodiversity course was mandatory for all Senior Managers as well as specific function and operational teams, and was also made openly available to all other employees. At the end of 2022, more than 600 employees had completed this training. The main objective of the module is the understanding of the impacts of Imerys' activities on biodiversity and gain insight into the strategy and actions implemented.

In 2021, an interactive workshop "Caring for our planet" focusing on biodiversity was conducted across all Group sites, offices and laboratories. The attendees participated in dedicated workshops that explained the causes of biodiversity loss and consisted of collaborative sessions where all employees worked to identify actions and solutions to reduce potential impacts. Imerys continues to participate in numerous external forums dedicated to biodiversity together with other industrial actors and associations, including in 2021, where Imerys participated in the International Union for Conservation of Nature (IUCN) World Conservation Congress.

PatriNat supports Imerys in the creation and conduct of training for Imerys employees and stakeholders. Conferences and workshops in 2022 focused on the dynamic management of biodiversity in active quarries and the conception of biodiversity action plans.

In parallel with the development of the Group biodiversity roadmap, sites across Imerys have continued to develop local initiatives aimed at supporting biodiversity and promoting innovative rehabilitation projects, both during and after mining activities. In 2022, the number of biodiversity initiatives in the SD Challenge competition continued to grow, with 37 entries, up from 27 in 2021.


Furthermore, as a result of the scientific studies undertaken in collaboration with partners on Imerys sites, 2,351 data entries on biodiversity were published in The National Inventory of Natural Heritage<sup>(1)</sup> and in the Global Biodiversity Information Facility (GBIF), thereby contributing to the dissemination of biodiversity data.

√ For more information on Imerys' 2021-2024 Act4nature International commitments, see [www.imerys.com](http://www.imerys.com).

## 6.2 CLIMATE CHANGE

### Imerys' Commitment

Reduce the impacts of climate change through the implementation of a long-term climate change strategy to support international commitments and global targets

| Contribution to SDGs  | Group Objective  | Performance 2022 | Target 2022 | Target 2023 | Target 2025 | Target 2030 |
|---|--|------------------|-------------|-------------|-------------|-------------|
|  | Reduce Group scope 1 & 2 greenhouse gas emissions by 36% relative to revenue (tCO <sub>2</sub> eq/€M) by 2030 compared to a 2018 baseline <sup>(1)</sup>   | -31%             | -           | -           | -23%        | -36%        |
|   | Reduce Group scope 1 & 2 greenhouse gas emissions (tCO <sub>2</sub> eq) by 42% from 2021 base year in alignment with a 1.5°C trajectory by the end of 2030 | New              | -           | -           | -           | -42%        |
|   | Engage our suppliers (by spend) to have science based targets  | 49%              | -           | 71%         | -           | -           |

(1) In line with the Group GHG Recalculation Policy, the change in perimeter due to 2022 discontinued activities did not trigger the recalculation of the 2018 base year.

Imerys recognizes that climate change is a global, systemic, and urgent challenge. In 2017, on the occasion of the international One Planet Summit, the Group became a signatory of the French Business Climate Pledge. Imerys remains fully committed members of The *French Business Climate Pledge*<sup>(2)</sup>.

Through this Pledge, Imerys publicly affirms its engagement to contribute to the collective efforts, drawing up a roadmap compatible with the international commitments formulated in the Paris Agreement and work towards SDG 13 to take urgent action to combat climate change and its impacts.

(1) The INPN is the reference information system for data related to Nature <https://inpn.mnhn.fr/accueil/donnees-referentiels>

(2) The French Business Climate Pledge is a public commitment made by French Companies to reduce greenhouse gas emissions.

The Group has been working to address climate change as a priority theme within the SustainAgility program since 2017. Cross-functional working groups have conducted comprehensive climate change benchmarks, assessed risks and opportunities, defined relevant KPI and targets and identified concrete levers for carbon reduction in the context of the long-term climate change strategy. The defined strategy covers every domain: organization, equipment, methods, technology, supplies, transportation, and renewable energies. The Group has defined Scope 1<sup>(1)</sup>, 2<sup>(2)</sup> and 3<sup>(3)</sup> emissions reduction targets, which were all approved by the SBTi in 2019. The Group has recently updated and resubmitted its Scope 1 and 2 targets to be aligned with a more ambitious 1.5°C trajectory. SBTi validation is expected by mid-2023.

The Group has aligned its 2022 climate disclosure with the Recommendations of the TCFD<sup>(4)</sup>. For the past 14 years, Imerys has participated in the CDP<sup>(5)</sup>. The Group 2022 CDP performance score is ranked as Level B, which places the Group in the second highest band, corresponding to management of climate issues in a concrete and systematic way. Imerys' comprehensive climate reporting through the CDP is publicly available.

✓ *For more information on Imerys reporting alignment with the TCFD, see chapter 7 of the present document.*

✓ *For more information on Imerys' climate specific reporting, see Imerys' 2022 CDP report.*

## 6.2.1 GOVERNANCE

Within its mission to promote long-term value creation, the Board of Directors, with the support from its Committees and the ESG Referent Director dedicated to sustainability-related issues, provides specific oversight with regards to climate risks and opportunities. The Group's climate strategy is validated and reviewed by the Board of Directors and progress towards established targets is included within the regular Board ESG updates. The Audit Committee has an oversight of climate-related risks through the review of the Group risk mapping exercise.

The Board oversight is complemented by the inputs of the Chief Executive Officer, the Executive Committee and the Sustainability Committee, led by the Chief Sustainability Officer.

The latter's mission is notably to establish the level of the Group's commitment, initiate and review climate-related risk and opportunity assessments, steer the climate change strategy development and monitor progress on implementation. The Climate and Portfolio Sustainability VP, under the Chief Sustainability Officer's responsibility, leads the climate change working groups and supports the assessment and implementation of the climate targets, actions plans and results. Each member of the Executive Committee has oversight of the climate-related risks and opportunities under their responsibilities, including but not limited to the Chief Financial Officer, responsible for ensuring the integration of climate risks and opportunities within Group financial planning and monitoring, the Chief Industrial Officer, responsible for integrating climate-related considerations within operations and purchasing processes, and the Senior Vice Presidents, responsible for managing climate-related risks and opportunities within their Business Areas.

To support the Group's shared decarbonization ambition, the annual variable compensation of the Group Chief Executive Officer and the long-term compensation shares are linked to the Groups GHG emission reduction targets. In the same manner, the Group's Executive Committee, senior managers and many functional and operational managers have annual variable compensation linked GHG emission reduction KPIs.

✓ *For more information on the Executive Compensation, see chapter 4, section 4.3 of the Universal Registration Document.*

## 6.2.2 STRATEGY

The principle climate-related risks and opportunities identified are associated with transitional risks linked to current or emerging regulatory requirements, increasing tax or carbon quotas, or costs of energy and raw materials in the market, and shifting customer preference, which may lead to the growth of existing products and services with lower emissions options and/or opportunities for new products and services. The Group is likewise exposed to physical risks due to climate change. The type and level of each risk determines the management method to mitigate, transfer, accept, adapt or control. These material risks and opportunities, their potential impacts as well as how they are taken into consideration within the business strategy and financial planning are described in the following sections.

(1) Scope 1: direct emissions from sources owned or controlled by the Group.

(2) Scope 2: indirect emissions from the consumption of purchased energy.

(3) Scope 3: all indirect emissions (not included in scope 2) that occur in the Group value chain, including both upstream and downstream emissions.

(4) The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) Recommendations published in 2017 are a widely adopted and accepted reference for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change.

(5) The CDP is a global environmental impact non-profit organization, providing a platform for all companies and cities to report information on their climate impacts.

## CLIMATE CHANGE OPPORTUNITIES

| Primary climate-related opportunity driver                         | Impact of climate-related opportunities and resilience of Group strategy   |
|--|--|
| Development and/or expansion of low emission goods and services    | <p>An assessment of climate-related risks and opportunities of the Group's products and markets has been conducted covering more than 80% of Imerys revenue in order to identify and quantify the main risks and opportunities (increase of volumes, better sales point) in the perspective of a low-carbon economy.</p> <p>Based on the results of the study, the expansion of a low-carbon economy would have no or a very limited impact on many of the products manufactured by Imerys. Some products, which represent approximately 29% of consolidated revenue, serve markets that offer significant climate-related opportunities. Performance Minerals are relatively low carbon products as most of them require a limited energy processing before being delivered to the market. Their various physical properties enable them to compete with chemical-based products in many applications. Among the main markets addressed by Imerys, plastics for automotive and life sciences for agriculture present significant climate opportunities for Imerys products. The drive towards a more circular economy is also providing opportunities across markets for Imerys products that can favor recycling of applications. Imerys' graphite and carbon product offering is driven by the strong growth of the electric vehicle automotive market, mainly for Li-Ion batteries but also for thermoplastics that represent great climate opportunities, combined with other mobile energy opportunities in electricity and energy storage. The calcium aluminate cement products within the Group portfolio likewise contribute to improve the CO<sub>2</sub> performance of building materials during the 'use phase' in the construction market (doubling lifetime or requiring less material).</p> <p>The large diversity of the Group's markets and locations as well as its customer-centric and market-driven organization are considered strengths, decreasing the dependency on specific markets and allowing an easier adaptation to market evolutions.</p> <p>In addition, Imerys has launched its SustainAgility Solutions Assessment framework, which is embedded in all Group processes and has been designed in line with the World Business Council for Sustainable Development (WBCSD) guidelines for Portfolio Sustainability Assessments (PSA), so as to objectively measure the sustainability of Imerys current portfolio, identify their environmental and social impacts and help continue to steer the Group portfolio towards low-carbon solutions.</p> |
| Development of new products or services through R&D and innovation | <p>In addition to the opportunities for the development and expansion of existing low emission goods and services quantified above, the Group has identified opportunities linked to the innovation of new products beyond the current portfolio. These latter opportunities, while identified, have not yet been quantified.</p> <p>The Group has positioned innovation at the heart of its strategy and an effective way to address risks and opportunities for its operations and portfolio related to climate change. Imerys SustainAgility Solutions Assessment framework is embedded within the innovation process, thereby ensuring that all projects in the innovation pipeline are thoroughly reviewed against defined environmental criteria, including climate change prior to approval. The Group set and achieved its target of 50% of new product launches as "SustainAgility Solutions" by the end of 2022, meaning a product in a given application that brings high social and environmental contribution to the downstream value chain and, at the same time, demonstrates a low environmental impact in its production phase. Innovation in this context includes Imerys' investment in adequate technology, development of new products to meet market needs and investment in industrial facilities using new manufacturing processes or new product lines. The Science &amp; Technology (S&amp;T) experts and specialists of the Group develop innovative solutions and products based on identifying the global megatrends, customers' expectations and needs, including developing solutions that support the transition to a low-carbon economy.</p>  |
| Use of more efficient production processes                         | <p>All initiatives linked to energy efficiency are gathered together within Operational Excellence, under the I-Nergize program, which aims to save energy and reduce carbon emissions on-site. A three-year roadmap of various actions has been defined after an assessment for each site (68 sites assessed by 2022, representing 79% of consolidated energy consumption). The program also includes a People Academy that helps develop the skills and competencies to support the assessment teams and standard reporting of results.</p> <p>The potential financial impact of more efficient production and distribution processes has been taken into account as a mitigation lever in the net financial impact of the climate-related transitional risks. These risks are linked to emerging regulations with carbon pricing mechanisms reported below.</p>   |

## CLIMATE CHANGE RISKS

### Transitional risks & primary climate-related risk driver

#### Impact of climate-related risks and resilience of Group strategy

|  |   |
|--|---|
| <b>Industrial risk and emerging regulations with carbon pricing mechanisms</b> | <p>In 2021, Imerys estimated that the negative net financial impact of the climate-related transitional risks on its current EBITDA in 2030 (after accounting for industrial mitigation actions such as energy efficiency and use of lower-emission energy sources, but before positive impact of commercial and marketing initiatives and increased demand for products and services) is between €15 million (for the Stated Policies Scenario) and €83 million (for the Sustainable Development Scenario). This represents an estimated net financial impact range between 2% and 11% of the current EBITDA (2021) of the Group. It is important to note that this estimate does not take into account other mitigation levers such as proactive actions that the Group is already implementing and will accelerate for tackling climate change and adapting its commercial strategy, which are expected to offset this risk. This study is based on 2020 and 2021 data and will be updated in 2023 to reflect the new Group operating perimeter and most recent IEA scenarios.</p> <p>To build resilience to climate change within the Group strategy, in 2019 Imerys defined its Scope 1 and 2 emission reduction target aligned with a 2°C trajectory, which were validated by the SBTi. Imerys has since updated and resubmitted its Scope 1 and 2 reduction targets to be aligned with a more ambitious 1.5°C trajectory. The Group has also launched a dedicated energy efficiency program "I-Nergize". Imerys carries out a centralized monitoring to evaluate its CO<sub>2</sub> position in the EU-ETS. All of the Group EU ETS concerned sites are integrated into I-Nergize. For the sites that generate process emissions, the Group is investigating carbon capture and storage technologies. A short-term milestone is a proven technology to reduce CO<sub>2</sub> emissions by working on a mineralization route that allows the formation of stable minerals; a long-term solution is to capture and use/store the carbon. Furthermore, the Group applies an internal carbon price (set at €80/tCO<sub>2</sub>e) for all energy-related projects and capital expenditure (CAPEX) projects impacting CO<sub>2</sub> emissions by ~1,000 tons (for projects over €150,000). Likewise, an evaluation of the CO<sub>2</sub> impact is integrated into all merger, acquisition and divestiture activities of the Group.</p> <p>Additional details on the Group's roadmap to achieve the targets set are provided within this chapter.</p> |
|--|---|

### Physical Risks & primary climate-related risk driver

#### Impact of climate-related risks and resilience of Group strategy

|  |   |
|--|---|
| <b>Chronic physical risk due to changes in precipitation patterns and extreme variability in weather patterns</b>        | <p>At the 2050 horizon under moderate (RCP 4.5 – 6) and high scenarios (RCP 8.5), the risk of water stress linked to the resource access will increase for 43 of the sites where actual risks of water stress have been mapped and 22 additional sites could have an increase of drought occurrence. Among the sites at risk of water stress, only eleven sites have medium (&gt; 100,000 m<sup>3</sup>) to high (&gt; 1 M m<sup>3</sup>) water withdrawal. The estimated impact of this risk is between 0 and €4 million.</p> <p>To respond to this risk, for the sites located in water scarcity areas, Imerys has defined specific requirements including the establishment of a comprehensive Water Management Plan (WPA) with a description of current water use, water balance analysis, water accounting, water risk assessment and pertinent action planning to manage high priority water issues. Additionally, various Imerys' sites have implemented projects linked to water recycling or water efficiency within the context of the Group's continuous improvement program.</p>  |
| <b>Acute physical risk due to increased severity and frequency of extreme weather events such as cyclones and floods</b> | <p><b>Flooding</b></p> <p>At the 2050 horizon under a moderate scenario (RCP 4.5 – 6) and a high scenario (RCP 8.5), the risk of flooding will increase for Group sites where a risk of flooding already exists. This increase, however, is only to a low to medium extent. The current risk of river flooding and/or sea level rise concerns 27 sites, with a total loss potential estimated at ~€120 million. The projected change in flood occurrence will significantly increase for one site located in China.</p> <p><b>Cyclones</b></p> <p>15 Imerys sites are exposed to a high risk of tropical cyclones. They are mostly located in Southeast Asia, and in the US. In 2050 under a high scenario (RCP 8.5) the sites at risk remain the same but the risk level increases for wind and flood hazards, which may increase the financial impact. The estimated impact of these risks is between 0 and €2 million.</p> <p>Regarding the management of risks which can cause property damage and operating losses associated with extreme climatic events, a specific process has been put in place by the Industrial Risk and Insurance Departments with the support of an insurance company renowned for its expertise in loss prevention engineering. The process integrates a study of the vulnerability of industrial sites to extreme weather events and natural disasters. The Group's industrial sites are regularly inspected. The risk prevention program is supplemented by an interdisciplinary working group tasked with identifying and prioritizing key industrial risks and defining risk prevention plans. In addition, Imerys conducts a Business Continuity Planning (BCP) exercise focusing on its most important assets in terms of contribution to the Group gross margin. Three to five sites are selected annually to perform a BCP in order to carry out a Business Impact Analysis that identifies and evaluates potential effects of events on operations which includes the implementation of appropriate recovery plans.</p> |

√ For more information on Imerys' climate risk and scenario analysis, see Imerys' 2022 CDP report.



In 2021, Imerys reiterated its confidence in its decarbonization roadmap by linking its financing strategy to its sustainability ambitions. Imerys became the first industrial minerals and mining company to include Sustainability-Linked Bonds (SLBs) in its financing strategy through the issuance of an €300 million SLB. The Group published its sustainable finance strategy within its Sustainability-Linked Financing Framework. For its first Sustainability-Linked Bond, Imerys' used its SBTi approved target to reduce greenhouse gas (GHG) emissions by 36% relative to revenue (tCO<sub>2</sub>/€M) by 2030 from a 2018 base year as a Specific Performance Target (SPT) and likewise set an intermediate SPT to reduce its greenhouse gas emission intensity by 22.9% by the end of 2025. The Group's sustainability program, as well as KPIs and action plans to achieve them, were thoroughly reviewed by an independent third-party auditor, Cicero Shades of Green, who issued a Second Party Opinion (SPO) confirming alignment with the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (SLBP).

Within the Group financial statements a number of estimates and judgments relating to the recognition and valuation of Imerys' assets and liabilities are stated. Within this context, the risks and opportunities related to climate change, together with other environmental consideration have been integrated within the estimates and judgements as described in *note 4 to the consolidated financial statements*.

✓ For more information on Imerys' 2021 Sustainability-Linked Bond, see [www.imerys.com](http://www.imerys.com).

✓ For more information on climate risks and opportunities in Group financial planning, see chapter 6, note 4 Estimates and Judgements of the Universal Registration Document.

### 6.2.3 RISK MANAGEMENT

In 2021 Imerys conducted a stress test and scenario analysis based on the International Energy Agency's (IEA) 2019 World Energy Outlook Report<sup>(1)</sup>. The risk and opportunity scenario analysis covered transitional risks (industrial risks, market-related risks and opportunities) as well as physical risks, the latter of which was updated in 2022. These studies assessed the financial exposure of the Group *versus* a combination of three time horizons (2030, 2040 and 2050) and three IEA scenarios.

- Current policies scenario (RCP 8.5) – continuation of the present path, without any additional changes in policy (>4°C).
- Stated policies scenario (RCP 4.5 – 6) – a sector-by-sector look at what has been put in place, as well as announced by governments around the world, to reach climate and other energy-related objectives (~3°C).
- Sustainable development scenario (SDS) (RCP 2.6) – a well-below 2°C pathway, the SDS represents a scenario to the outcomes targeted by the Paris Agreement (<1.5°C).

## INDUSTRIAL RISK ASSESSMENT

Policies designed to limit climate change are likely to vary widely by sector and country as governments chart a course to implement their Nationally Determined Contributions (NDC) to reduce emissions. Imerys operates 204 industrial sites across 42 different countries and as such is exposed to a range of climate change regulations including carbon taxes, emissions trading schemes and other fossil fuel taxes, designed to increase the cost of GHG emissions and stimulate action by the private sector to reduce emissions. Based on the energy intensity and carbon intensity associated with the Group's operations, the risk was quantified for 2030 and 2040 for each of the 3 IEA scenarios. The assessment presents the intrinsic risks as well as the net risks for the Group's EBITDA while considering i) the projected evolution over time of the energy and CO<sub>2</sub> prices and ii) the mitigation measures such as emission reduction levers towards the SBTi validated targets and increased energy efficiency.

## TRANSITIONAL MARKET RISK AND OPPORTUNITY ASSESSMENT

An assessment of climate-related risks and opportunities of the Group's products and markets has been conducted covering more than 80% of Imerys revenue and based on: end-markets trends analysis in the perspective of a low-carbon economy assessment of the potential risks and opportunities in the application of Imerys products, calculation of the carbon footprint of Imerys' products and estimation of their added-value in the final products. These studies have helped identify and quantify the main risks and opportunities (increase of volumes, better sales point) in the perspective of a low-carbon economy.

## PHYSICAL RISK ASSESSMENT

Acute physical risks can impact Group operations, potentially resulting in costs, asset damages and operating losses. An assessment of Imerys' exposure to climate-related physical risks has been carried out for Group-owned assets and facilities across the globe. The inherent risk has been quantified against climate change hazard maps representing the relative level of risk for various acute physical indicators (hurricanes, flooding, heatwave, sea level rise, coldwave, water stress, wildfire). The study includes scenario analysis considering two time horizons (2020 and 2050) *versus* a moderate scenario (RCP 4.5 – 6) and a high scenario (RCP 8.5). The experts consider that the low scenario (RCP 2.6) is no longer achievable by 2050; therefore, it has not been taken into account in the assessment.

The results of the climate risk and opportunity scenario analysis were used as primary input information within the Group's overall risk management approaching, which was reviewed in 2022 and is presented in *chapter 2, sections 2.1.2 of the Universal Registration Document*.

(1) The International Energy Agency is an autonomous intergovernmental organization established in the framework of the Organisation for Economic Co-operation and Development in 1974. The World Energy Outlook report provides strategic insight on the future of energy and energy-related emissions, providing detailed scenarios that map out the consequences of different energy policy and investment choices.

## 6.2.4 METRICS AND TARGETS

Imerys signed up to the Science Based Targets initiative (SBTi)<sup>(1)</sup> in 2018 and set greenhouse gas (GHG) emissions reduction targets, which were subsequently approved by the SBTi in 2019.

**Imerys aligned its climate change strategy to a 2°C trajectory scenario<sup>(2)</sup> committing to reduce Scopes 1 and 2 emissions by 36% relative to revenue by 2030 (from a 2018<sup>(3)</sup> base year) and for Scope 3 indirect emissions engaging with its suppliers to align with a science-based low-carbon trajectory by 2023.** At the end of 2022, Scope 1 and 2 emissions relative to revenue decreased by 31% from the 2018 base year, while 49% of the Group suppliers have already confirmed science-based emission reduction targets based on the first phase of the Group's supplier project initiated mid-2020. **Furthermore, Imerys has recently updated its Scope 1 and 2 emissions reduction targets to be aligned with a 1.5°C trajectory. As such, Imerys has committed to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year.** The new, more ambitious targets have already been submitted to the SBTi and the validation process is in progress.

## SCOPE 1 AND 2 EMISSIONS

The Group's Scope 1 emissions considered as direct emissions are generated both from the combustion of fuels to produce thermal energy and from chemical reactions of certain processes. Scope 2 emissions considered as indirect emissions are related to purchased electricity and steam consumption. Combined Scope 1 and 2 emissions represent approximately 45% of the Group's total emissions. As such, the strategy and action plans for both scopes are addressed by improving energy efficiency, switching to less carbon-intensive fuels (including biomass residues and electrification of processes), increasing the use of renewable energy and investing in research and development to reduce process-related emissions.

During the 2022 Imerys Connect Day, all employees and subcontractors across Imerys industrial sites, laboratories, and offices participated in a climate change workshop under the theme of "The Challenges of a Changing World". The Climate Change workshop initiated discussions on the cause and consequences of human activities on the climate, and on individual and collective actions. Participating groups discussed mitigating actions and adaptation strategies the Group can take for a better and more sustainable future.

## ENERGY EFFICIENCY

Imerys has an operational energy demand, especially in its mineral transformation processes that use thermal technologies

and its quarrying activities that use heavy equipment. Energy efficiency improvement makes it possible to use less energy to achieve the same level of productivity and consequently to contribute to climate change mitigation efforts. The Group energy efficiency strategy is based on three pillars from Group to plant level: management system, technical performance, and behavior. The management system structures the vision, objectives, performance tracking, policy and procedures. Technical performance is driven by asset optimization, operational performance as continuous improvement and technology change. Behavior is about awareness and the promotion of energy efficiency, which is reinforced with training, seminars, knowledge-sharing and a dedicated energy efficiency community.

Initiatives are driven collaboratively between the different operational and functional groups at Corporate, Business Area and site levels, including operations, industrial management, environment, geology and mining. The Group Corporate energy team is responsible for supporting plants with a dedicated energy efficiency methodology, defining the analysis and reporting standards and providing the necessary training to ensure consistency and reliability of the reported results. Detailed energy efficiency analysis is disclosed in a quarterly energy report. This analysis, together with the improvement plans, is reviewed by the Group senior management.

In 2019, the Group launched the "I-Nergize" program to evaluate sites' energy performance and improve energy efficiency, with a particular focus on top 68 energy consuming sites representing 79% of the Group's consumption. This program is based on an assessment methodology covering six main items: vision, process, maintenance, purchasing, renewables, and Energy Management System. The outcome of this program is to define a three-year roadmap of energy actions for each plant in order to improve energy efficiency and reduce GHG emissions. While the possibility to complete the site energy assessments was impacted by Covid-19 travel restrictions, as of the end of 2022, 68 sites have been assessed. These assessments have identified nearly 90 kt of CO<sub>2</sub>e that may potentially be saved.

Energy-related digital training modules are available within the Learning Hub to provide an overview of Imerys' energy strategy as well as knowledge and awareness on energy efficiency. In addition, internal knowledge databases have been created on Dryers, Rotary Kilns, Motors and Ball Mills to promote the best practice of industrial energy efficiency on key equipment used in Imerys. The Group has also conducted a series of virtual classes with more than 330 attendees on various specific energy-related topics such as Flash Dryers, Brainstorming methodology and Knowledge-base.

A dedicated energy community on the Group intranet serves as a platform to share knowledge, good practices and events related to energy.

(1) The Science Based Targets initiative collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the United Nations Global Compact (UNGC) supports companies to set targets and a clearly-defined path to reduce emissions in line with the Paris Agreement goals.

(2) The Paris Climate agreement in 2015 saw 195 of the world's governments commit to prevent the worst impacts of climate change by limiting global warming to below 2 degrees Celsius, often referred to as the 2°C scenario.

(3) In line with the Group GHG Recalculation Policy, the change in perimeter due to 2022 discontinued activities did not trigger the recalculation of the 2018 base year.

## TOTAL ENERGY CONSUMPTION AND BREAKDOWN BY ENERGY SOURCE

|  | 2022             | 2022<br>(discontinued<br>activities) | 2021 <sup>(3)</sup> | 2018              |
|--|------------------|--------------------------------------|---------------------|-------------------|
| <b>Total energy consumption<sup>(1)</sup> (MWh)</b>      | <b>7,800,146</b> | <b>373,459</b>                       | <b>8,823,763</b>    | <b>10,916,835</b> |
| <i>of which total renewable energy consumption (MWh)</i> | <i>320,216</i>   | <i>11,781</i>                        | <i>427,237</i>      | <i>-</i>          |
| Electricity  | 30.6%            | 20.1%                                | 30.6%               | 27.7%             |
| <i>of which renewable electricity</i>                    | <i>2.2%</i>      | <i>11.6%</i>                         | <i>2.0%</i>         | <i>-</i>          |
| Steam  | 2.0%             | 0.4%                                 | 2.2%                | 1.7%              |
| <i>of which renewable steam</i>                          | <i>39.5%</i>     | <i>0%</i>                            | <i>30.6%</i>        | <i>-</i>          |
| Hot water  | 0.0%             | 0%                                   | 0.0%                | <0.1%             |
| Natural gas  | 36.9%            | 39.4%                                | 38.1%               | 41.5%             |
| Other fossil fuels                                       | 27.9%            | 39.3%                                | 25.6%               | 26.7%             |
| Biofuels <sup>(2)</sup>                                  | 2.6%             | 0.8%                                 | 3.6%                | 2.4%              |

(1) Several Imerys sites use Combined Heat and Power (CHP) facilities. Excess electricity from these facilities is sometimes sold on the grid. The total energy consumption does not count the resold electricity.

(2) Biofuels consumption includes energy from vegetal material and residues, and biogases from anaerobic fermentation.

(3) 2021 Total Energy consumption related to the discontinued activities represented 265,735 MWh.

In 2022, due to minor adjustments on the 2021 data, the 2021 total energy consumption has been restated, which explains the slight difference with the total reported consumption in 2021.

Imerys' total energy consumption decreased by 12% in 2022, as compared to 2021, in line with the Group's decarbonization efforts. Moreover, the consumption of natural gas dropped by 15% due to both energy efficiency measures and significant price increases which triggered further cuts in natural gas consumption. Furthermore, the consumption of electricity decreased by 12% as a result of the I-Nergize program, which promotes the implementation of actions that improve energy efficiency, and due to a reduction in production.

## RENEWABLE ENERGY

The Group continues to support the transition to renewable energy, both by securing electricity coming from low-carbon sources and fuel switching from fossil fuels to other lower-carbon alternatives, including biomass residues. Different business models have been developed to promote the purchase of low-carbon electricity coming from renewable energy sources, including solar, hydro and wind power: on-site Power Purchase Agreements (PPA), off-site PPAs, certificates, lease agreement and direct investment for small scale projects. Due to a reduction in production, renewable energy consumption was lower in 2022, as compared to 2021.

|   | 2022           | 2022<br>(discontinued<br>activities) | 2021 <sup>(1)</sup> |
|---|----------------|--------------------------------------|---------------------|
| <b>Total renewable energy consumption (MWh)</b> | <b>320,216</b> | <b>11,781</b>                        | <b>427,237</b>      |
| Renewable electricity                           | 16.5%          | 74.2%                                | 12.9%               |
| Biofuels  | 64.0%          | 25.8%                                | 73.4%               |
| Renewable Steam                                 | 19.5%          | 0%                                   | 13.6%               |

(1) 2021 Total Energy consumption of renewable energy related to the discontinued activities represented 9,703 MWh.

In addition to the low-carbon power described above, the Group also has 15 renewable energy installations on-site that have been developed across Group sites: seven in the United Kingdom, seven in France, one in United States, accounting in total for 60 MW installed. These on-site installations provide renewable electricity to the local grid. The produced renewable energy from these installations is not reflected in the reported energy or CO<sub>2</sub> data consolidated.

✓ For additional details on Imerys energy reporting methodology, see Sustainability Reporting Principles 2022 on [www.imerys.com](http://www.imerys.com).

Biomass waste and residues, when feasible, are the preferred option within the Group to replace fossil fuels. Five Imerys plants are currently consuming biomass waste: wood chips, sawdust, animal waste, olive seeds and peanut hulls. The

largest ongoing biomass project is in Andersonville in the US, where ground peanut shells are combusted and used as an alternative energy source. The objective of the project is to gradually adjust the installation to modify the energy mix by integrating biomass waste as an energy source and thus significantly reduce fossil carbon emissions linked to operations. At the end of the project, the fuel mix will be modified, switching from a historical 100% coal supply to a ratio of 80% biomass fuel to 20% fossil fuels, which is expected to reduce around 3% of the Group's total annual GHG emissions. Similar feasibility studies have been launched for other sites. Fuel switching projects are also under implementation to completely remove coal consumption from all sites. For sites where biomass residues are unavailable, natural gas has been selected as the transition fuel to replace more carbon-intensive fossil fuels.

## GREENHOUSE GAS EMISSIONS DATA

The majority of the Group's greenhouse gas emissions are generated from the production of thermal energy by combusting natural gas and other fossil fuels. Alternatives to these energy sources, such as biomass waste and steam, are increasingly being studied and used. Process electrification for the production of thermal energy is an additional lever that is currently being assessed to further reduce these emissions.

Indirect emissions from the consumption of electricity are the second largest source of Imerys' GHG emissions. These emissions will continue to decrease in the next few years as a result of the Group's ambitious purchasing strategy of renewable electricity.

Moreover, some processes used in Imerys operations result in direct emissions of GHG (e.g. decarbonation of raw materials). New technologies are being studied to find and develop alternative production processes and solutions which emit less GHG. Some examples of the process innovation projects that are under consideration are carbon capture, utilization and storage (CCUS), the use of hydrogen to produce high-temperature heat, alternative chemical reactions, heat recovery, among others.

## GROUP GREENHOUSE GAS EMISSIONS

| (thousands of tons CO <sub>2</sub> equivalent, kt)         | 2022         | 2022<br>(discontinued activities) | 2021 <sup>(1)</sup> | 2018 <sup>(2)</sup> |
|--|--------------|-----------------------------------|---------------------|---------------------|
| Scope 1 CO <sub>2</sub> emissions                          | 1,428        | 76                                | 1,551               | 2,186               |
| Scope 2 CO <sub>2</sub> emissions                          | 702          | 28                                | 825                 | 1,135               |
| <b>Total CO<sub>2</sub> emissions(Scope 1 and Scope 2)</b> | <b>2,129</b> | <b>104</b>                        | <b>2,376</b>        | <b>3,320</b>        |
| Energy   | 83.1%        | 98.0%                             | 84.1%               | 83.6%               |
| Processes  | 16.9%        | 2.0%                              | 15.9%               | 16.4%               |

(1) 2021 Total GHG emissions related to the discontinued activities represented 71 thousands of tons CO<sub>2</sub> equivalent.

(2) In line with the Group GHG Recalculation Policy, the change in perimeter due to 2022 discontinued activities did not trigger the recalculation of the 2018 base year.

The Group's Scope 1 and 2 GHG emissions equaled 497 tCO<sub>2</sub>e per million euros of revenue in 2022, which represents a 31% decrease since the base year 2018. While part of this reduction comes from improvements in the reporting methodology, the Group's decarbonization efforts related to energy efficiency measures and the use of renewable energy account for the majority of it.

Furthermore, emissions dropped by 10% in absolute terms in 2022, as compared to 2021. Imerys emitted 247 ktCO<sub>2</sub>e less. Scope 1 emissions were cut by 8% (-123 ktCO<sub>2</sub>e) and Scope 2 were 15% lower (-124 ktCO<sub>2</sub>e). This significant emissions reduction is the result of increased energy efficiency measures and actions in several Imerys sites, the substitution of fossil fuels with biofuels, as well as country-specific efforts to reduce their own power grid carbon-intensity. The improved accuracy in Scope 2 emissions market-based reporting played a key role in accounting for these reductions.

✓ For additional details on the 2022 Third-party verification scope covering emission reporting and GHG KPI, see chapter 8 of the present document.

In 2021, a new energy and environmental reporting tool was deployed. This new tool was structured to facilitate the reporting of market-based and location-based greenhouse gas emission reporting.<sup>(1)</sup> The new tool was also structured to facilitate increased data reporting accuracy for renewable energy. With the design and implementation of the new reporting system, all emission factors used for the calculations were updated. The updated emission factors are based on the annually-reported Environmental Protection Agency (EPA), International Energy Agency (IEA) and Emissions and Generation Resource Integrated Database (eGRID) databases. As a result of this update, and in line with the [Group GHG Recalculation Policy](#), the change in calculation methodology triggered the recalculation of the 2018 base year in 2021. For 2021 and 2022 emission factors provided by the suppliers have been used for the market-based reporting.

Historical data as reported within the 2021 Universal Registration Document are presented below for comparison.

## SCOPE 3 EMISSIONS

Scope 3 is considered an indirect source of emissions, which based on Imerys' estimation as described below, represents about 57% of total Group emissions. Imerys is committed to address this challenge through science-based targets. The Group's main source of Scope 3 emissions is generated from the purchase of goods. **To mitigate this impact, Imerys defined a supplier engagement target to have 71% of suppliers (by spend) with science-based targets by 2023**, covering Scope 3 categories such as purchased goods and services, fuel and energy related activities (not included in Scope 1 or 2), upstream transportation and distribution, waste generated in operations and downstream transportation and distribution. These categories are estimated to represent around 95% of the Group's total Scope 3 emissions. As of the end of 2022, 49% of the Group suppliers, representing approximately 600 suppliers, have science-based emission reduction targets.

(1) According to the GHG Protocol, a location-based method for scope 2 emissions reporting reflects the average emissions intensity of grids on which energy consumption occurs. A market-based method reflects emissions from electricity that companies have purposefully chosen, i.e. it derives emission factors from contractual instruments.

## GROUP VALUE CHAIN SUPPLIERS

| Purchasing categories                     | Percentage of key purchases <sup>(1)</sup> | Upstream suppliers  |
|---|--|---|
| Raw materials <sup>(2)</sup>              | 30%  | Principally, but not exclusively, bauxite, zircon sand, soda ash, silica sand |
| Mining, industrial services and equipment | 23%  | Mining subcontractors, service vendors for maintenance and repair             |
| Transportation                            | 20%  | Freight by rail, truck and ship, and business travel                          |
| Energy                                    | 13%  | See energy mix above, counted in Scope 1 & 2 emissions                        |
| Chemicals and other consumables           | 14%  | Mainly chemicals and packaging materials                                      |

(1) The analysis was based upon the 2020 data; the total spend of above-mentioned categories represents approximately 86% of Group purchases.

(2) Imerys self-supplies approximately two-thirds of raw materials and purchases one-third externally.

## SCOPE 3 EMISSION ESTIMATION

Reliable emission data from Group suppliers is not readily available; as such the estimation of Scope 3 emissions does not yet represent a full calculation of all Scope 3 emissions linked with Imerys operations. However, in order to continue to improve the quantification and to identify potential levers to reduce Scope 3 emission, in 2021, Imerys launched a dedicated project to quantify the GHG emitted for goods and

services purchased by the Group based on the *GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. This quantification methodology and exercise, which covered 86% of Group purchases of goods and services data, was subsequently audited by one of the Group Statutory Auditors as per the attestation provided in *section 3.9. of the 2021 Universal Registration Document*. This Scope 3 purchasing estimation will be updated in 2023.

| Source of Scope 3 emissions                                       | Percent of Scope 3 emissions <sup>(1)</sup> | Emissions calculation methodology<br>Explanation  |
|---|---|---|
| Purchased goods and services                                      | 40.0%                                       | This category includes the purchased raw materials, mining services and contracts, chemicals, packaging, personal and IT services. For raw materials, chemicals, the calculation of the CO <sub>2</sub> e emissions is based on the quantity of each raw material / chemical (in tons) purchased multiplied by the corresponding Emission Factor (EF) of the raw material or chemical (i.e. kgCO <sub>2</sub> e/kg raw material or chemical). For mining services and contracts, packaging, and IT services the calculation is based on the spent for each subcategory using the Carnegie Mellon EIO-LCA methodology. For professional services, the data activity was based on cost spent in 2020 and the corresponding EF was determined through the financial report of the supplier company (interim, legal services, consulting...). |
| Downstream transportation and distribution                        | 21.8%                                       | The calculation of the CO <sub>2</sub> e emissions is based on the tonnage, distance and type of transport with a corresponding EF.   |
| Fuel-and-energy-related activities (not included in Scope 1 or 2) | 12.3%                                       | The EF of the grid losses were found in the International Energy Agency (IEA) 2017 report per country. Also a calculation of average power plant efficiency was realized in order to convert the thermal energy to thermal electricity.   |
| Upstream transportation and distribution                          | 11.8%                                       | The calculation of the CO <sub>2</sub> e emissions is based on the tonnage, distance and type of transport with a corresponding EF.   |
| Capital goods   | 6.6%  | This category includes the manufacturing, transportation, installation of equipment and services (waste is excluded and is reported in the Scope 3 waste generation category). The calculation is based on the cost of the different activities using the Carnegie Mellon EIO-LCA methodology.  |
| Investments   | 6.0%  | Based on the emissions of the Group's activity in two joint ventures (at 50%) and an associated company (at 25%) not accounted for in Scope 1 and 2 emissions. The GHG protocol average data method has been used. Calculations are based on Imerys' % on equity.   |
| Waste generated in operations                                     | 0.9%  | This category takes into account the industrial waste generated by Imerys   |
| Employee Commuting  | 0.6%  | This data is an estimate calculated using the Scope 3 Evaluator method based on the total number of Imerys' employees in 2020.  |
| Business travel of several regional headquarters                  | 0.1%  | For the travel, the calculation of the CO <sub>2</sub> e emissions is based on the distance traveled in km by Imerys employees.   |

(1) The calculation was based upon the 2020 Data and 2021 methodology as described above.

Imerys is taking action to reduce Scope 3 emissions, focusing in particular on purchased goods and services, however, efforts also target other sources of Scope 3 emissions, for example the integration of an internal carbon price within capital expenditure (CAPEX) projects favors machines with

greater fuel efficiency and the Group's Industry 4.0 project will help to monitor and reduce non-productive engine idling generating additional reductions in fuel consumption.

✓ For more information on Imerys' Scope 3 reporting, see *Imerys' 2022 CDP report*.



## 7 REPORTING METHODOLOGIES

### 7.1 ESG REPORTING METHODOLOGIES AND PROTOCOLS

Imerys group reporting complies with the French “*Déclaration de Performance Extra-Financière*” (DPEF) law<sup>(1)</sup> and other applicable French reporting obligations. The Group sustainability program and reporting approach is based on frameworks such as the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standards Board (SASB) standards for Metals and Mining, the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (“Core” option), the UN Global Compact, the UN Guiding Principles on Business and Human Rights, Organisation for Economic Co-operation and Development (OECD) Guidelines, International Organization for Standardization (ISO) 26000 and the ILO Fundamental Conventions.

The Group’s sustainability reporting covers all of the activities over which it exerts operational control. Protocols and guidelines exist at the Group level to regulate the collection and collation of human resources, health and safety, environmental and energy data from the Group’s operations.

The Group has also structured the processes for data consolidation and quality control to ensure the reliability and auditability of the reporting, including several layers of internal verifications. Under the regulatory obligations stemming from the “DPEF” law, the Group retains a third party to verify its sustainability reporting and compliance status. Deloitte provided the verification services for the 2022 reporting and issued the report *in chapter 8 of the present document*.

A correlation table with regards to the reporting requirements of the “DPEF” is presented in *chapter 9, section 9.5.5.1 of the 2022 Universal Registration Document*.

A correlation table with regards to the requirements of the “Duty of Care” law<sup>(2)</sup> is presented in *chapter 9, section 9.5.5.2 of the 2022 Universal Registration Document*.

A correlation table with regards to the recommendations of the TCFD and SASB industry standard are presented in the Group Sustainability Reporting Principles.

✓ *For detailed information on the reporting items, frequency, scope and collection systems within the Group, see Sustainability Reporting Principles 2022 on [www.imerys.com](http://www.imerys.com).*

## 7.2 SUMMARY OF KEY PERFORMANCE INDICATORS

The Group's Sustainability Key Performance Indicators (KPIs) have been defined and gradually evolved in accordance with pertinent international standards and regulatory framework mentioned above. The following table summarizes the KPI results of two consecutive years (2021-2022). The perimeter of each category is Group level unless explicitly indicated otherwise.

| Category                                       | KPIs  | Unit | 2022 | 2022<br>(discontinued activities) | 2021 | GRI   |
|--|---|------|------|-----------------------------------|------|-------|
| <b>Empowering our people</b>                   |   |      |      |                                   |      |       |
| <b>Safety &amp; Health</b>                     |   |      |      |                                   |      |       |
| Fatalities                                     | Fatalities – Imerys Employees                             | #    | 1    | 0                                 | 1    | 403-2 |
|  | Fatalities – Contractor Employees <sup>(1)</sup>          | #    | 0    | 0                                 | 0    | 403-2 |
| Life-changing injuries <sup>(2)</sup>          | Life-changing injuries – Imerys Employees                 | #    | 0    | 2                                 | 0    | 403-2 |
|  | Life-changing injuries – Contractor Employees             | #    | 2    | 0                                 | 2    | 403-2 |
| Lost-Time Accident rates <sup>(3)</sup>        | Imerys employees  | /    | 1.31 | 1.57                              | 0.96 | 403-2 |
|  | Contractor employees                                      | /    | 2.32 | 0.64                              | 1.49 | 403-2 |
|  | Combined rate (Imerys employees and Contractor employees) | /    | 1.58 | 1.15                              | 1.11 | 403-2 |
| Total Recordable Incident rates <sup>(4)</sup> | Imerys employees  | /    | 2.07 | 2.97                              | 2.32 | 403-2 |
|  | Contractor employees                                      | /    | 3.43 | 1.27                              | 3.08 | 403-2 |
|  | Combined rate (Imerys employees and Contractor employees) | /    | 2.43 | 2.20                              | 2.56 | 403-2 |
| Severity rates <sup>(5)</sup>                  | Imerys employees  | /    | 0.06 | 0.03                              | 0.06 | 403-2 |
|  | Contractor employees                                      | /    | 0.08 | 0.01                              | 0.04 | 403-2 |
|  | Combined rate (Imerys employees and other employees)      | /    | 0.06 | 0.02                              | 0.06 | 403-2 |
| Occupational illnesses                         | Occupational illnesses with lost time                     | #    | 1    | 0                                 | 0    | 403-2 |
|  | Occupational illnesses without lost time                  | #    | 0    | 0                                 | 0    | 403-2 |

| Category                      | KPIs  | Unit | 2022   | 2022<br>(discontinued activities) | 2021   | GRI   |
|-------------------------------|---|------|--------|-----------------------------------|--------|-------|
| <b>Human Capital</b>          |   |      |        |                                   |        |       |
| Employees                     | Year-to-end total headcount on payroll          | #    | 13,892 | 3,096                             | 13,822 | 102-8 |
|                               | Full-time employees                             | #    | 13,627 | 3,047                             | 13,579 | 102-8 |
|                               | <i>Female employees</i>                         | #    | 2,481  | 413                               | 2,360  | 102-8 |
|                               | <i>Male employees</i>                           | #    | 11,146 | 2,634                             | 11,219 | 102-8 |
|                               | Part-time employees                             | #    | 265    | 49                                | 243    | 102-8 |
|                               | <i>Female employees</i>                         | #    | 169    | 34                                | 154    | 102-8 |
|                               | <i>Male employees</i>                           | #    | 96     | 15                                | 89     | 102-8 |
|                               | Permanent employees                             | #    | 13,028 | 2,625                             | 12,960 | 102-8 |
|                               | <i>Female employees</i>                         | #    | 2,429  | 391                               | 2,275  | 102-8 |
|                               | <i>Male employees</i>                           | #    | 10,599 | 2,234                             | 10,685 | 102-8 |
|                               | Fixed-term contract                             | #    | 864    | 471                               | 862    | 102-8 |
|                               | <i>Female employees</i>                         | #    | 221    | 56                                | 239    | 102-8 |
|                               | <i>Male employees</i>                           | #    | 643    | 415                               | 623    | 102-8 |
|                               | External employees (Full-Time Equivalent)       | #    | 3,532  | 2,395                             | 3,793  | 102-8 |
| Employees by region           | Europe  | #    | 6,802  | 1,525                             | 6,571  | 102-8 |
|                               | <i>Permanent employees</i>                      | #    | 6,406  | 1,335                             | 6,195  | 102-8 |
|                               | <i>Fixed-term contract</i>                      | #    | 396    | 190                               | 376    | 102-8 |
|                               | Of which France                                 | #    | 2,033  | 211                               | 1,901  | 102-8 |
|                               | <i>Permanent employees</i>                      | #    | 1,882  | 204                               | 1,769  | 102-8 |
|                               | <i>Fixed-term contract</i>                      | #    | 151    | 7                                 | 132    | 102-8 |
|                               | Americas  | #    | 4,111  | 179                               | 4,168  | 102-8 |
|                               | <i>Permanent employees</i>                      | #    | 4,089  | 179                               | 4,150  | 102-8 |
|                               | <i>Fixed-term contract</i>                      | #    | 22     | 0                                 | 18     | 102-8 |
|                               | Asia-Pacific                                    | #    | 2,471  | 1,180                             | 2,576  | 102-8 |
|                               | <i>Permanent employees</i>                      | #    | 2,052  | 1,031                             | 2,143  | 102-8 |
|                               | <i>Fixed-term contract</i>                      | #    | 419    | 149                               | 433    | 102-8 |
|                               | Africa & Middle East                            | #    | 508    | 212                               | 507    | 102-8 |
|                               | <i>Permanent employees</i>                      | #    | 481    | 80                                | 472    | 102-8 |
|                               | <i>Fixed-term contract</i>                      | #    | 27     | 132                               | 35     | 102-8 |
| Employees by function         | Administration & Support                        | #    | 463    | 107                               | 482    | 102-8 |
|                               | Business Planning & Supply Chain                | #    | 963    | 169                               | 926    | 102-8 |
|                               | Finance   | #    | 791    | 123                               | 776    | 102-8 |
|                               | General Management                              | #    | 49     | 13                                | 45     | 102-8 |
|                               | Human Resources                                 | #    | 305    | 49                                | 301    | 102-8 |
|                               | Innovation/S&T                                  | #    | 332    | 65                                | 313    | 102-8 |
|                               | IT & Business Process                           | #    | 328    | 18                                | 277    | 102-8 |
|                               | Legal   | #    | 45     | 3                                 | 45     | 102-8 |
|                               | Operations                                      | #    | 9,692  | 2,053                             | 9,796  | 102-8 |
|                               | Sales & Marketing                               | #    | 924    | 496                               | 861    | 102-8 |
| Employees by Business Segment | Performance Minerals                            | #    | 7,880  | 0                                 | 7,947  | 102-8 |
|                               | <i>Americas</i>                                 | #    | 3,096  | 0                                 | 3,178  | 102-8 |
|                               | <i>Asia-Pacific</i>                             | #    | 1,409  | 0                                 | 1,524  | 102-8 |
|                               | <i>Europe Middle East and Africa</i>            | #    | 3,375  | 0                                 | 3,245  | 102-8 |
|                               | High Temperature Materials and Solutions        | #    | 4,233  | 2,889                             | 4,145  | 102-8 |
|                               | <i>High Temperature Solutions</i>               | #    | 0      | 2,889                             | 0      | 102-8 |
|                               | <i>Refractory, Abrasives &amp; Construction</i> | #    | 4,233  | 0                                 | 4,145  | 102-8 |
|                               | Ventures & Partnership                          | #    | 6      | 0                                 | 12     | 102-8 |
|                               | Group   | #    | 1,773  | 207                               | 1,718  | 102-8 |

| Category                             | KPIs  | Unit  | 2022    | 2022<br>(discontinued activities) | 2021    | GRI   |
|--------------------------------------|---|-------|---------|-----------------------------------|---------|-------|
| Absenteeism                          | Total absenteeism rate  | %     | 3.5%    | 3.7%                              | 3.2%    | 403-2 |
|                                      | Absenteeism rate by geographical region                             |       |         |                                   |         |       |
|                                      | Europe  | %     | 5.3%    | 5.9%                              | 4.5%    | 403-2 |
|                                      | Americas  | %     | 2.0%    | 0.4%                              | 1.9%    | 403-2 |
|                                      | Asia-Pacific  | %     | 1.6%    | 1.3%                              | 1.6%    | 403-2 |
|                                      | Africa & Middle East  | %     | 2.4%    | 1.4%                              | 3.0%    | 403-2 |
| Labor Practices                      | Employees under collective bargaining agreement <sup>(6)</sup>      | %     | 67%     | 36%                               | 67%     |       |
| Talent Development                   | Employees with regular performance and career development reviews   | %     | 34%     | 42%                               | 34%     | 404-3 |
|                                      | Employees who received training at least once in the reporting year | #     | 12,170  | 2,882                             | 12,969  |       |
|                                      | Total Training hours  | Hours | 234,840 | 32,935                            | 220,499 | 404-1 |
|                                      | Environment, Health & Safety  | Hours | 123,563 | 14,484                            | 105,961 | 404-2 |
|                                      | Technical skills  | Hours | 89,446  | 13,472                            | 98,415  | 404-2 |
|                                      | Management  | Hours | 21,831  | 4,980                             | 16,122  | 404-2 |
| Age                                  | Less than 30 years  | %     | 12%     | 13%                               | 12%     | 405-1 |
|                                      | From 30 to 39 years   | %     | 26%     | 28%                               | 26%     | 405-1 |
|                                      | From 40 to 49 years   | %     | 28%     | 30%                               | 27%     | 405-1 |
|                                      | From 50 to 54 years   | %     | 14%     | 13%                               | 14%     | 405-1 |
|                                      | More than 55 years  | %     | 20%     | 17%                               | 21%     | 405-1 |
| New registered hiring by age bracket | Less than 30  | %     | 41%     | 34%                               | 37%     | 401-1 |
|                                      | More than 55  | %     | 5%      | 12%                               | 7%      | 401-1 |
| Seniority                            | Less than 10 years  | %     | 58%     | 60%                               | 55%     | 405-1 |
|                                      | More than 10 years  | %     | 42%     | 40%                               | 45%     | 405-1 |
|                                      | of which more than 20 years   | %     | 20%     | 15%                               | 20%     | 405-1 |
| Gender balance                       | Female Board members  | %     | 40%     | -                                 | 40%     | 405-1 |
|                                      | Female Executive Committee members                                  | %     | 20%     | 0%                                | 10%     | 405-1 |
|                                      | Females in Senior management  | %     | 26%     | 31%                               | 26%     | 405-1 |
|                                      | Females in Manager/Expert/Professional roles                        | %     | 31%     | 18%                               | 30%     | 405-1 |
|                                      | Females in Paraprofessional roles                                   | %     | 13%     | 12%                               | 13%     | 405-1 |
|                                      | Total female employees  | %     | 19%     | 14%                               | 18%     | 405-1 |
| Disability                           | Employees with disability   | #     | 189     | 41                                | 195     | 405-1 |
|                                      | Employees with disability   | %     | 1.4%    | 1.3%                              | 1.4%    | 405-1 |
| Social Dialogue                      | Working hours lost due to strikes                                   | Hours | 2,925   | 699                               | 20,723  |       |
|                                      | Employee Engagement Survey Results                                  |       |         |                                   |         |       |
|                                      | Employee Engagement   | %     | -       | 71%                               | 68%     |       |
|                                      | Employee Enablement   | %     | -       | 76%                               | 72%     |       |
| Community Engagement                 | Sites with an updated stakeholder mapping                           | %     | 47%     | 53%                               | 47%     | 413-1 |
|                                      | New community engagement initiatives launched                       | #     | 40      | 13                                | 55      | 413-1 |

| Category   | KPIs  | Unit    | 2022    | 2022<br>(discontinued activities) | 2021    | GRI          |
|--|---|---------|---------|-----------------------------------|---------|--------------|
| <b>Growing with our customers</b>                              |   |         |         |                                   |         |              |
| <b>Business Conduct</b>  |   |         |         |                                   |         |              |
| Business Ethics and Compliance                                 | Independent Board members   | %       | 50      | -                                 | 50      | 405-1        |
|  | Reported violations of the Group Code of Business Conduct and Ethics                | #       | 38      | 2                                 | 19      | 412-1        |
|  | Total confirmed cases of violation of the Group Code of Business Conduct and Ethics | #       | 6       | 2                                 | 5       | 412-1        |
|  | <i>Confirmed internal grievance</i>   | #       | 6       | 1                                 | 3       |              |
|  | <i>Confirmed external grievance</i>   | #       | 0       | 1                                 | 2       |              |
| Responsible Purchasing   | Trainings on responsible purchasing   | #       | 189     | -                                 | 0       | 412-1        |
|  | Suppliers assessed  | %       | 53%     | 43%                               | -       | 308-1, 414-1 |
| <b>Portfolio Management</b>                                    |   |         |         |                                   |         |              |
| Product Sustainability   | Total Number of Life Cycle Assessments calculated for Group products                | #       | 189     | 22                                | 103     | 301-1        |
| <b>EU Sustainable Finance Taxonomy</b>                         |   |         |         |                                   |         |              |
| EU Sustainable finance Taxonomy non-eligible economic activity | Revenue   | €M      | 3,664   | 981                               | 3,141   |              |
|  | CapEx   | €M      | 341     | -                                 | 316     |              |
|  | OpEx  | €M      | 215     | -                                 | 197     |              |
| EU Sustainable finance Taxonomy eligible economic activity     | Revenue   | €M      | 617     | 0                                 | 524     |              |
|  | CapEx   | €M      | 90      | 0                                 | 60      |              |
|  | OpEx  | €M      | 28      | 0                                 | 17      |              |
| <b>Caring for our planet</b>                                   |   |         |         |                                   |         |              |
| <b>Environmental Stewardship</b>                               |   |         |         |                                   |         |              |
| Environmental Management                                       | ISO 14001 or EMAS <sup>(7)</sup> certified operations                               | %       | 48      | 53                                | 49      | 103          |
|  | Operations with Imerys 8-pillar EMS   | %       | 52      | 47                                | 51      | 103          |
|  | Environmental incidents   | #       | 14      | 1                                 | 9       | 307          |
| Waste production   | Total industrial waste  | Tons    | 122,182 | 20,891                            | 152,900 | 306-1        |
|  | <i>Non-recycled hazardous industrial waste</i>                                      | Tons    | 1,878   | 545                               | 3,315   | 306-2        |
|  | <i>Recycled hazardous industrial waste</i>  | Tons    | 1,380   | 118                               | 1,818   | 306-2        |
|  | <i>Non-recycled non-hazardous industrial waste</i>                                  | Tons    | 80,876  | 16,252                            | 90,505  | 306-2        |
|  | <i>Recycled non-hazardous industrial waste</i>                                      | Tons    | 38,049  | 3,976                             | 57,262  | 306-2        |
|  | Industrial waste generation / Revenue   | Kg/€    | 0.029   | 0.021                             | 0.042   |              |
| Air emissions produced   | Sulfur dioxide (SO <sub>x</sub> )   | Tons    | 2,566   | 253.11                            | 3,243   | 305-7        |
|  | Sulfur dioxide generation/revenue   | tons/€M | 0.60    | 0.26                              | 0.88    | 305-7        |
|  | Nitrogen oxide (NO <sub>x</sub> )   | Tons    | 6,444   | 257                               | 5,603   | 305-7        |
|  | Nitrogen oxide generation/revenue   | tons/€M | 1.51    | 0.26                              | 1.53    | 305-7        |



| Category                  | KPIs  | Unit                 | 2022      | 2022<br>(discontinued activities) | 2021      | GRI   |
|---------------------------|---|----------------------|-----------|-----------------------------------|-----------|-------|
| Water withdrawal          | Total water withdrawals                           | M cubic meters       | 68.13     | 0.64                              | 56.97     | 303-1 |
|                           | Total operational water withdrawals               | M cubic meters       | 45.32     | 0.32                              |           |       |
|                           | Water withdrawn from groundwater                  | %                    | 40.1      | 39.8                              | 45.2      | 303-1 |
|                           | Water withdrawn from suppliers                    | %                    | 7.7       | 26.9                              | 7.3       | 303-1 |
|                           | Water withdrawn from surface water                | %                    | 35.7      | 33.2                              | 42.7      | 303-1 |
|                           | Water withdrawn from other sources <sup>(8)</sup> | %                    | 16.4      | 0.1                               | 4.7       | 303-1 |
|                           | Total water recycled                              | M cubic meters       | 40.39     | 0.04                              | 37.81     | 303-3 |
|                           | Sites with recycled water reported                | #                    | 54        | 7                                 | 60        | 303-3 |
| <b>Climate Change</b>     |   |                      |           |                                   |           |       |
| Energy                    | Total energy consumption                          | MWh                  | 7,800,146 | 373,459                           | 8,823,763 | 302-1 |
|                           | of which total renewable energy consumption       | MWh                  | 320,216   | 11,781                            | 427,237   |       |
|                           | electricity                                       | %                    | 30.6      | 20.1                              | 30.6      | 302   |
|                           | of which renewable electricity                    | %                    | 2.2       | 11.6                              | 2.0       |       |
|                           | Steam   | %                    | 2.0       | 0.4                               | 2.2       | 302   |
|                           | of which renewable steam                          | %                    | 39.5      | 0                                 | 30.6      |       |
|                           | Hot water   | %                    | 0         | 0                                 | 0         | 302   |
|                           | Natural gas                                       | %                    | 36.9      | 39.4                              | 38.1      | 302   |
|                           | Other fossil fuels                                | %                    | 27.9      | 39.3                              | 25.6      | 302   |
|                           | Biofuels  | %                    | 2.6       | 0.8                               | 3.6       | 302   |
| CO <sub>2</sub> emissions | Total CO <sub>2</sub> emissions                   | kt CO <sub>2</sub> e | 2,129     | 104                               | 2,376     | 305   |
|                           | Scope 1 CO <sub>2</sub> emissions                 | kt CO <sub>2</sub> e | 1,428     | 76                                | 1,551     | 305-1 |
|                           | Scope 2 CO <sub>2</sub> emissions                 | kt CO <sub>2</sub> e | 702       | 28                                | 825       | 305-2 |
|                           | CO <sub>2</sub> emissions from Energy             | %                    | 83.1      | 98.0                              | 84.1      | 305-1 |
|                           | CO <sub>2</sub> emissions from Processes          | %                    | 16.9      | 2.0                               | 15.9      | 305-1 |
|                           | Scope 3 emission estimation                       | % of total emissions | 57        | 57                                | 57        | 305-3 |
|                           | Product carbon footprints calculated              | #                    | 189       | 22                                | 103       | 305-3 |

(1) Employees of a company under contract with Imerys, in charge of a specific operation on site or providing a service.

(2) A "life-changing injury" refers to a serious injury with permanent impact to the victim, such as amputation and disability.

(3) Lost-Time Accident (LTA) rate: (number of lost time accidents x 1,000,000)/number of hours worked.

(4) Total Recordable Incident Rate (TRIR): (number of lost time accidents and non-lost time accidents x 1,000,000)/number of hours worked.

(5) Severity rate: (number of lost days x 1,000)/number of hours worked.

(6) The survey on collective bargaining coverage is conducted every two years. The 2021 result refers to the 2020 survey.

(7) EMAS: Eco Management and Audit Scheme (European Standard).

(8) Water obtained from sources other than water suppliers, groundwater or surface water (i.e. collection of rainwater or water obtained from customers).

## 8 ATTESTATION OF COMPLETENESS AND MODERATE ASSURANCE REPORT OF ONE OF THE STATUTORY AUDITORS

### REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

*This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

#### Year ended December 31, 2022

To the Shareholders' Meeting,

In our capacity as statutory auditor of Imerys SA (hereinafter the "Company"), appointed as independent third party ("third party"), accredited by COFRAC under the number n°3-1886 rev. 0 (Cofrac Inspection accreditation, scope available on [www.cofrac.fr](http://www.cofrac.fr)), we have carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### CONCLUSION

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

#### PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

#### LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION RELATING TO THE STATEMENT

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

#### RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

#### RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to express a moderate assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

## APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

## MEANS AND RESOURCES

Our work mobilized the skills of five people and took place between November 2022 and March 2023 over a total duration of intervention of nineteen weeks.

To assist us in conducting our work, we called upon our specialists in terms of sustainable development and social responsibility. We conducted about twenty interviews with the persons responsible for preparing the Declaration, representing in particular the departments in charge of finance, risk management, compliance, human resources, health and safety, and the environment.

## NATURE AND SCOPE OF PROCEDURES

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a moderate assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures, and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important<sup>(1)</sup>; for certain information (including product sustainability and business conduct), our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.

(1) *Qualitative information: Approach of double materiality of risks and opportunities in terms of sustainability; Labor practices - Social dialogue and employee engagement: Your Voice survey; Process for assessing the product sustainability (SustainAgility Solutions); Environmental management system and incident management; Management of opportunities related to climate change.*

- For the key performance indicators and other quantitative outcomes<sup>(1)</sup> that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities<sup>(2)</sup> and covered between 10% and 52% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a moderate assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 15, 2023

One of the Statutory Auditors,

Deloitte & Associés

Olivier Broissand  
Partner, Audit

Catherine Saire  
Partner, Sustainability Services

(1) *Environmental quantitative information: Total quantity of industrial waste produced (hazardous and non-hazardous dangerous) ; Share of recycled waste; Total water withdrawals; Total energy consumption; Total CO<sub>2</sub> emissions (scopes 1 and 2); CO<sub>2</sub> emissions/revenue (scopes 1 and 2); Estimation of scope 3 CO<sub>2</sub> emissions; Emissions of sulfur dioxide (SO<sub>x</sub>) and nitrogen oxide (NO<sub>x</sub>); environmental incidents.*

*Social quantitative information: Total headcount as of December 31, 2022; External recruitments; Leavings (including mutual agreements, redundancies, retirements, voluntary terminations & others); Lost-time accident rate (Imerys and contractor employees); Accident severity rate (Imerys and contractor employees); Total number of occupational illnesses.*

(2) *Selected entities: Sandersville Calcine Plant – Performance Minerals Americas (USA), Marble Hill – Performance Minerals Americas (USA), White Stone – Performance Minerals Americas (USA), Lixhe – Performance Minerals EMEA (Belgium), Salin de Giraud – Performance Minerals EMEA (France), Beaujard – Performance Minerals EMEA (France), Ploemeur – Performance Minerals EMEA (France), Melbur – Performance Minerals EMEA (UK), Andersonville – Refractory, Abrasives, Construction (USA), Imerys Fused Minerals Greenville – Refractory, Abrasives, Construction (USA), Zhengzhou – Refractory, Abrasives, Construction (China), Thabazimbi – Refractory, Abrasives, Construction (South Africa).*





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Imerys – French Limited Liability Company (Société Anonyme)  
with a share capital of euros 169,881,910  
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