

# ADVANCED COMMUNICATION ON PROGRESS

## United Nations Global Compact 2020 - 2021

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



# IMERYS

## Statement of continued support of the United Nations Global Compact



Dear Stakeholders,

In 2016, Imerys became a signatory of the United Nations Global Compact and this year again we are pleased to reaffirm our commitment to the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We have made a long-term commitment to build our business on the UNGC Principles, integrating them within our corporate values and company processes. Our ambition is to unlock the sustainable potential of minerals by embedding sustainable thinking into everything we do.

We express our ambition through SustainAgility, which is about safeguarding the future – of our business, our people, the communities in which we operate and the world in which we live. It's about embedding sustainable thinking into every aspect of our business, from the day-to-day decision we make to our long term strategy. To unlock the sustainable potential of minerals we are empowering our people to provide innovative solutions to the environmental and societal challenges facing the world. We are caring for our planet by reducing emissions and playing a positive role in protecting local ecosystems and economies. And we're building for the future by seizing exciting new business opportunities to deliver sustainable solutions that will secure our long-term viability.

We are committed to dedicating considerable efforts to support the UNGC Principles and to engaging in collaborative projects that advance the broader United Nations Sustainable Development Goals. Our SustainAgility objectives, Group policies and operational practices contribute directly to **9** of the **17 UN Sustainable Development Goals**, considering that by focusing on these particular goals, we also contribute indirectly to the others.

Our annual Universal Registration Document serves as our Communication on Progress (COP) in implementing the Principles. To this effect, Imerys has made a clear statement of our commitment to our stakeholders and the general public within our 2020 Group Universal Registration Document, which is available on our Group website ([www.imerys.com](http://www.imerys.com)).

We have a duty to extract and transform minerals responsibly and sustainably over the long term to meet society's needs. SustainAgility is about much more than just ticking the boxes – it's about a shared sense of purpose to maintain a sustainable business and set us apart, now and long into the future.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Alessandro Dazza'. The signature is fluid and somewhat abstract, with a large loop at the beginning.

Alessandro Dazza

Chief Executive Officer

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Imerys, Societe Anonyme au capital de 159 208 570 € - 562 008 151 RCS Paris - SIRET 562 008 151 00119 - NAF 7010Z





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# UNIVERSAL REGISTRATION DOCUMENT

**including the Annual Financial Report**

# 2020

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.



The French version of this Universal Registration Document was filed on March 22, 2021 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The Universal Registration Document can be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a transaction note and if necessary, a summary and all the amendments made to the Universal Registration Document. The assembly then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The annual financial report included in the Universal Registration Document is a translation of the official version of the annual financial report which has been prepared in French, in format ESEF (European Single Electronic Format) and is available on the issuer's website.



# INTEGRATED REPORT

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“Our ambition is simple: we want to unlock the sustainable potential of minerals.”

PATRICK  
KRON

CHAIRMAN OF THE BOARD



# Interview

“Our management team has demonstrated commitment and flexibility. The results speak for themselves.”

ALESSANDRO DAZZA

CHIEF EXECUTIVE OFFICER

## What has the COVID-19 pandemic revealed about Imerys, according to you?

PATRICK KRON

I was impressed by the level of responsiveness, alignment and implementation capacity of Imerys during this unprecedented crisis. The management swiftly put in place a comprehensive action plan in order to protect the employees and to mitigate the impacts of Covid-19 pandemic. This ambitious plan received the full support of the Board of Directors in early April and was then successfully executed by the teams throughout the year with results beyond expectations.

The pandemic also revealed the resilience of Imerys' business model even under the most challenging circumstances. Imerys is

a leading specialty minerals company with a strong technical expertise, agile organization and long standing relationships with more than 15,000 customers in 142 countries in end markets from construction to consumer goods and industrial markets.

In this crisis context, the Group can rely on a solid financial structure and strong liquidity. Most importantly, Imerys benefits from the strong support of its shareholders, who have, to a large extent, opted for the payment of the 2019 dividend in shares, thus contributing to the strength of Imerys' financial structure which will allow us to seize potential development opportunities as they arise.

ALESSANDRO DAZZA

First of all, I want to express my gratitude to each and every one of my colleagues for their efforts and achievements during the year.

We have shown a great ability to collectively take on the sanitary and operating challenges posed by the crisis, while ensuring the continuity of our activities, especially the supply to our customers. We have managed to complete ongoing projects and to successfully adapt to new ways of working.

Our management team has demonstrated commitment and flexibility. The results speak for themselves: efficient cost management measures led to €131 million gross savings on fixed costs and overheads for the year 2020 and the focus set on cash generation translated into a net current free operating cash flow of €373 million. Imerys also demonstrated its engagement and social responsibility through donations to local communities around the world, as well as by providing funding to charities organizations engaged in fighting the pandemic.

### What do you expect from the transformation of the Group? Does the Covid-19 crisis change its development prospects?

**P.K.:** In 2019, the Group embarked on a transformation journey with clear objectives: increasing the focus on customers to better serve their needs, improving efficiency by streamlining the organization, building a more competitive industrial base and leveraging Imerys innovation potential.

The Group has made good progress through the implementation of the Connect & Shape transformation program. It can now rely on strong fundamentals and - at the same time - improved development prospects. The recent bolt-on acquisitions in Turkey, Taiwan and the USA, as well as the capacity expansion announced in synthetic graphite for Lithium-ion batteries show that we continue to invest for future growth, even in challenging times. I am convinced that Imerys will emerge from the Covid-19 pandemic stronger and ready to seize opportunities in the long term.

**A.D.:** Now that our new customer-focused organisation is largely operational and effective, I believe that Imerys is ready to take advantage of the expected recovery in its underlying markets. There is no shortage of opportunities in our business and this new organization gives us more levers. Minerals are a key component in our economies, our homes and our lives: from the calcium carbonates in toothpaste to the kaolin in bathroom tiles, from the graphite in the battery of electrical cars to the diatomite which filters the beverages we drink. Our products and solutions are needed everywhere and greatly contribute to higher living standards.

As part of our business strategy, we will continue to expand our presence in emerging economies and to develop our industrial assets with several projects underway to address growing demand in the most promising markets. We also plan to strengthen our

innovation capabilities in close collaboration with our customers. Finally, yet importantly, we will accelerate our Corporate Social Responsibility (CSR) commitments and initiatives, for which we have already been recognized with an Ecovadis Platinum rating, placing us among the top 1% of companies assessed.

### How will sustainable development change Imerys' strategy?

**P.K.:** Corporate social responsibility is an essential and critical topic in today's world: financial performance can not be dissociated from social and environmental performance. The Board of directors of Imerys plays an important role in overseeing the nature of the CSR commitments of the Group and the actions undertaken by the management to achieve them.

As the world's leading supplier of mineral-based specialty solutions, Imerys' technical knowledge and expertise place us in the best position to extract, source and transform minerals responsibly over the long term. Our ambition is simple: we want to unlock the sustainable potential of minerals.

**A.D.:** To achieve our CSR commitments, we have launched a comprehensive program called SustainAgility, with clear and measurable objectives aligned with the United Nations Sustainable Development Goals. These targets are embedded in our way of doing business everyday and all our people are engaged to drive the program and deliver on it. In a growing number of applications, minerals help to replace less environmentally friendly materials and give the end products characteristics, such as lighterweight, which support energy

reduction. We are scaling up our efforts to deliver new solutions to extend the life cycle of our minerals, recognizing both the society and our customers demand to produce better for longer.

We work closely with our local communities and we are determined to play a positive role in the development of local ecosystems and economies in the long-term.

We partner with recognised experts, such as the French Museum of Natural History, to better preserve biodiversity and the environment. In the global drive to combat climate change, we are committed to act by reducing carbon emissions in our operations by 36%, relative to revenue, by 2030. We are accelerating the pace of transition towards low-carbon energy and cleaner fossil fuels across all our businesses.

To drive the necessary change, we will work even closer with our customers, suppliers and other stakeholders, leading the way towards a more sustainable industry.

# €131M

GROSS SAVINGS  
ON FIXED COSTS  
AND OVERHEADS

# €373M

NET CURRENT  
FREE OPERATING  
CASH FLOW

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

### About Imerys

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, its technological knowledge and expertise in material science to deliver solutions by benefiting 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.



## Key figures

	2018	2019	2020	Medium-term objectives <sup>(1)</sup>
<b>Results and profitability</b> (€ millions)				
		(post IFRS 16)	(post IFRS 16)	
Revenue	4,590	4,354	3,799	
Change at constant scope and exchange rates	+3.4%	-3.8%	-10.7%	■ Organic growth in line with underlying markets in 2022
Current EBITDA	793	765	631	■ Gross cost savings of €100 million by 2022
Current EBITDA margin	17.3%	17.6%	16.6%	■ Gradual current EBITDA margin improvement in 2021 and 2022 <sup>(2)</sup>
Current operating income	562	439	299	
Current operating margin	12.2%	10.1%	7.9%	
Operating income	-89	229	138	
Net income from current operations	357	277	167	
Net income, Group share	560	121	30	
Capital employed	5,506	5,635	5,174	
<b>Data per share</b> (€)				
Net income from current operations, per share	€4.50	€3.50	€2.03	
Net income per share	€7.06	€1.53	€0.37	
Dividend per share	€2.150	€1.720	€1.150 <sup>(3)</sup>	■ Increase in dividend in line with the net income from current operations, with a flexible payout ratio
<b>Balance Sheet and Cash Flow</b> (€ millions)				
Net current free operating cash flow	286	348	373	
Capital expenditure	333	292	262	■ Annual capital expenditure between €300 million and €350 million
Net financial debt	1,297	1,685	1,508	
Net financial debt/current EBITDA	1.6x	2.2x	2.4x	
Equity	3,253	3,162	2,956	
Gearing	40%	53%	51%	
Financial resources	3,312	3,183	2,810	
Moody's/Standard & Poor's rating	Baa2 / BBB	Baa2 / BBB	Baa3/BBB-	■ Maintain a solid investment grade rating
<b>Main non-financial indicators</b> (see chapter 3 for the full list)				
<b>Occupational health &amp; safety:</b>				
■ Total recordable accident frequency rate <sup>(4)</sup>	4.32	3.22	2.66	■ Improve Group Safety Culture Maturity to Level 3 across all business areas by the end of 2022 <sup>(5)</sup>
■ Average level of maturity of operational sites	2.4	2.6	2.65	
<b>Diversity and inclusion:</b> proportion of women within the Group's senior management team <sup>(6)</sup>	19%	22%	26%	■ Increase the number of women in senior management to 30% by the end of 2022
<b>Environmental impact management:</b> proportion of audits conducted against an environmental maturity matrix	10%	25%	60%	■ Conduct 100% of audit using the environmental maturity matrix by the end of 2022
<b>Biodiversity and rehabilitation:</b> level of completion of the biodiversity improvement program	-	43%	93%	■ Achieve 100% of objectives defined within Group act4nature commitment by the end of 2021
<b>Climate change strategy:</b> % reduction in CO <sub>2</sub> e emissions by million euro of revenue compared to 2018 <sup>(7)</sup>	-	-11%	-12%	■ Reduce Group CO <sub>2</sub> emission by 36% relative to revenue (tCO <sub>2</sub> e/M€) by 2030
<b>Business conduct and responsible supply chain management:</b> proportion of suppliers assessed against environmental, social and governance criteria <sup>(8)</sup>	13%	16%	14%	■ Evaluate at least 50% of Group suppliers by spend by end of 2022
<b>Environmental, social and economic impact products:</b> proportion of product portfolio measured against environmental social and governance criteria	-	5%	6%	■ Assess at least 40% of Imerys product portfolio (by revenue) by the end of 2022

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

(1) Medium-term objectives announced at the Investor Day on June 13, 2019.

(2) Objective announced on February 17, 2021.

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

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

(5) 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.

(6) The definition of Senior Manager was updated in 2020 to exclude Executive Committee members, thus the percentages for 2019 and 2018 have been adjusted accordingly.

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

(8) By expenditure. In 2018 and 2019, this percentage represented the suppliers assessed within high risk categories and countries. In 2020 a new program was launched, including for some of the previously assessed suppliers.

**1.1.1 IMERYS AND ITS BUSINESS ECOSYSTEM**

**1.1.1.1 SPECIALTY SOLUTIONS WITH A DIFFERENTIATED VALUE PROPOSITION**

**SPECIALTY SOLUTIONS FOR A VARIETY OF MARKETS**

**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. zirconia

for oxygen sensors in combustion engine management systems, 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).

**Imerys' specialty minerals solutions address two well-defined market segments:**

**PERFORMANCE MINERALS:**

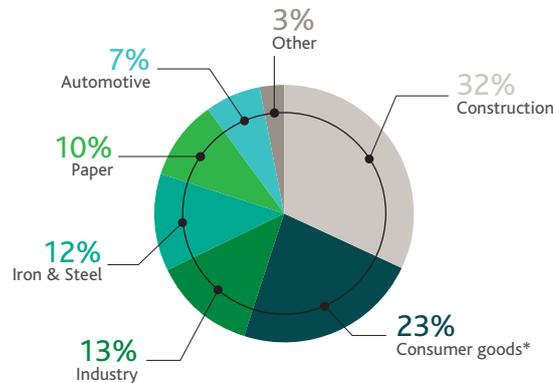
- Additives for paints (such as interior decorative paints) and coatings (marine protection, facade coating, can coating, etc.)
- Minerals for technical ceramics and traditional ceramics (floor and wall tiles, large slabs, sanitaryware and tableware)
- Components for the production of high purity silicon metal used to manufacture aluminium alloys, electronics and solar panels
- Components used in the construction industry, such as insulation ceiling tiles
- Functional additives for plastics and thermoset, used in the automotive, construction, packaging and hygiene industries

- Additives for rubber, especially tires, medical rubber and cables
- Additives for adhesives and sealants
- Fillers and coatings for graphic paper, as well as board and packaging
- Filtration agents for liquids and blood plasma
- Specialty graphites for mobile energy and precision industries (lithium-ion batteries for electric vehicles, brake pads, etc.)

**HIGH TEMPERATURE SOLUTIONS:**

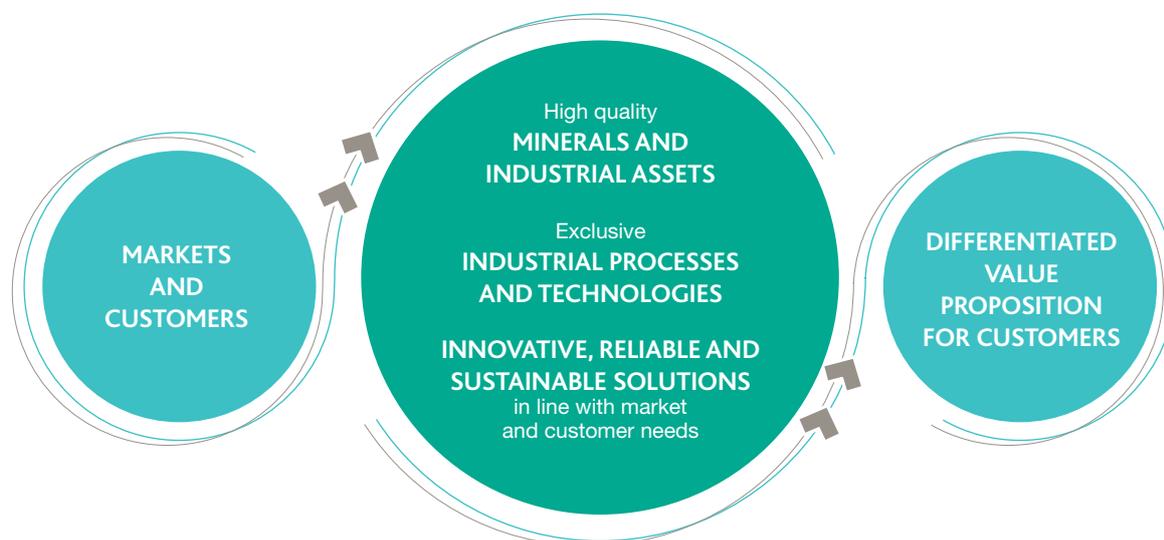
- Refractory minerals and solutions for high-temperature industrial processes (e.g. refractory linings and insulation materials to protect furnaces and boilers)
- Bentonite for foundry molds
- Alumina and Zirconia for abrasives (e.g. industrial cutting discs and grinding discs)
- High-performance binders for dry mix mortars and floor screeds in the construction industry

IMERYS' PRODUCTS AND SOLUTIONS SERVE MANY DIFFERENT INDUSTRIES SUCH AS CONSTRUCTION, PAPER AND BOARD, MOBILE ENERGY, STEELMAKING, AGRICULTURE, FOOD, AUTOMOTIVE AND COSMETICS.



\* Including food & beverages and health & cosmetics.  
Source: Imerys estimates.

## A DIFFERENTIATED VALUE PROPOSITION



### High quality mineral resources and industrial assets

Imerys possesses 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 102 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.

√ For further details on minerals, [see chapter 3 of the Universal Registration Document](#).

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**MINERAL DEPOSITS  
THROUGHOUT  
THE WORLD**

### Exclusive industrial processes and technologies

The Group possesses 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).

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. In 2020, the program was in place across 200 Group sites.

As part of its operations excellence program I-Cube, Imerys is implementing an Industry 4.0 approach in its operations. The first proof of concept (POC) initiatives were launched at the beginning of 2019. 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.

### INNOVATIVE, RELIABLE AND SUSTAINABLE SOLUTIONS IN LINE WITH MARKET TRENDS

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 2020, Imerys launched 70 new minerals solutions.

Imerys protects its innovations with an active industrial property policy: over 2,450 patents and over 30 industrial models were registered at end of 2020. Furthermore, to protect its extensive

product range, the Group owns around 4,000 trademarks as of December 31, 2020, including the Imerys brand, which is registered in 80 countries.

OVER

**2,450**

PATENTS AND OVER 30 INDUSTRIAL MODELS

Key new products launched in 2020 can be found in the following markets and applications:

MARKET	APPLICATIONS AND PROPERTIES
Electric vehicles	Increased performance of lithium-ion batteries for electric vehicles > Lower CO <sub>2</sub> emissions
Health & Beauty	Natural mineral solution for cosmetics > Offering sustainability
Animal Husbandry	Natural solutions for animals' wellbeing > Adsorptions of organic toxins
Industrial equipment	Ultra-fine alumina for high-performance abrasives > Improved resistance of abrasives
Industry	Additives for cryogenic insulation to store liquefied gas > Energy efficiency
Construction	Additives for large ceramic tiles > Lightweight slabs and less energy consumption
Automotive	Rigidity of plastics used in cars > Lighter vehicles
Refractories for high-temperature solutions	Solution for the cement industry > High corrosion resistance gunning material
Foundry	Bentonite-based binder > Improved molding precision and yield
Paints & Coatings	New additive for anticorrosion in powder coatings > Lightweight decorative renders in facade coatings
Packaging	Mineral based barrier coating for carton board and containers > Recyclability

1.1.1.2 MAJORTRENDS AND SOURCES OF OPPORTUNITIES

**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.); and
  - changing expectations from stakeholders (sustainable development, 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. Confronted with changing lifestyles, new economic models, accelerating technological progress and responsible development, the Group is ready to tackle the major challenges that will shape tomorrow's world.

## Long Term Trends



**URBANIZATION**

The world's population is expected to reach 10 billion by 2050, with the majority of people living in cities.

**CHALLENGES**  
**To deal with urbanization,** it is necessary to develop solutions that will stand up to the challenges of tomorrow, such as growing demand in the construction and renovation of infrastructure.

**EXAMPLES OF OPPORTUNITIES**

- **Imerys produces high performance binders** for self-leveling or quick drying floor screeds used in advanced construction/ renovation techniques.
- **Imerys develops additives for cements** that offer strong resistance to corrosion in wastewater infrastructure.
- **Imerys develops additives for adhesives** used in structural glazing.



**DEMOGRAPHICS AND EXTENDED LIFE EXPECTANCY**

Countries are confronted with the rapid aging of their population and the explosion of healthcare costs.

**CHALLENGES**  
**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.

**EXAMPLES OF OPPORTUNITIES**

- **Imerys develops filtration solutions** using diatomite for blood plasma fractionation to meet the growing needs of the pharmaceutical industry.
- **Imerys develops new ranges of products using minerals for agriculture** to deal with the challenges of a growing world population.



**CLIMATE**

Climate change poses an urgent, global, systemic and irreversible risk.

**CHALLENGES**  
**To deal with global warming,** it is necessary to exercise even tighter control over the environmental footprint and develop appropriate solutions.

**EXAMPLES OF OPPORTUNITIES**

- **Imerys develops conductive additives** to extend autonomy and reduce charging time for lithium-ion batteries used in electric vehicles.
- **Imerys develops sustainable solutions that make vehicles lighter** and strengthen plastics while reducing the total weight of components by up to 60%.
- **Imerys develops profitable solutions to refine and purify biodiesel.**



**RAREFACTION OF RESOURCES**

Population growth places a strain on natural resources and disrupts traditional consumption models.

**CHALLENGES**  
**To deal with the rarefaction of resources,** it is necessary to advocate for the sustainable use of resources and bolster environmental and ethical standards.

**EXAMPLES OF OPPORTUNITIES**

- **Imerys is recycling a growing proportion of raw materials** used in monolithic refractories for high temperature industries.
- **Imerys develops new abrasives** that reduce the consumption of energy and materials while enabling more cuts per unit of abrasive.
- **Imerys develops solutions to improve performance of recycled plastics** by improving the reach of poorly sorted post consumer waste.

**1.1.2 GENERAL STRUCTURE**

**The market-focused organization of the Group is built around two segments, grouping five business areas:**

- The **Performance Minerals** segment brings together three geographic business areas – Europe, Middle East and Africa (EMEA), Americas and Asia Pacific (APAC) – serving the plastics, rubber, paints & coatings, filtration, ceramics, building products, renewable energy and paper & board markets.

- The **High Temperature Materials & Solutions** segment regroups two business areas – High Temperature Solutions, and Refractory, Abrasives & Construction – serving the iron and steel, thermal, refractory, foundry, abrasives and building & infrastructure markets.

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 effective way. The Senior Vice Presidents of the five business areas report directly to the Chief Executive Officer.

Support functions (Finance, IT, Human Resources, Communications, 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 and further improve its competitive position to create value over the long term in a highly competitive environment, while also making savings on operating expenses.

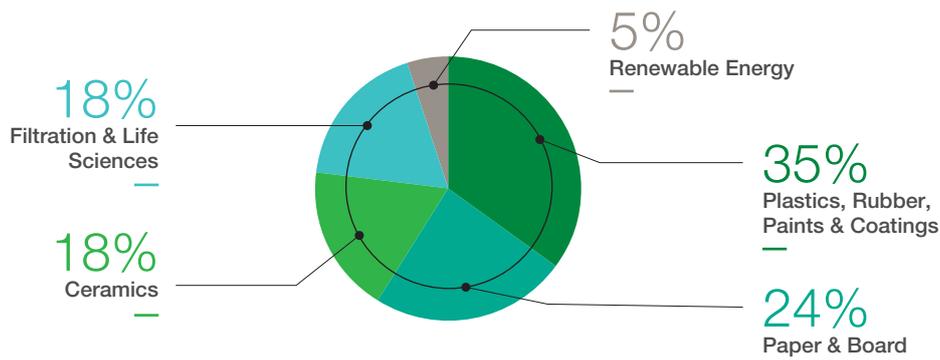
SEGMENTS	PERFORMANCE MINERALS			HIGH TEMPERATURE SOLUTIONS		
	Business area	Performance Minerals, Europe Middle East and Africa	Performance Minerals, Americas	Performance Minerals, Asia Pacific	High Temperature Solutions	Refractory, Abrasives & Construction
Core markets	> Plastics, Paints, Rubber & Coatings > Paper & Board > Ceramics and Building Products > Filtration & Life Sciences > Renewable Energy				> Iron & Steel > Foundry > Thermal	> Refractory > Abrasives > Building & Infrastructure
2020 Revenue (€ millions)	1,009	886	440	632		1,050

√ For further details on 2020 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.](#)

**PERFORMANCE MINERALS**

The Performance Minerals segment serves five main markets.

**2020 REVENUE (%)**



	PERFORMANCE MINERALS AMERICAS	PERFORMANCE MINERALS ASIA-PACIFIC	PERFORMANCE MINERALS EUROPE, MIDDLE EAST AND AFRICA
<b>KEY FIGURES</b>			
 <b>Revenue (€ millions)</b>	886	440	1,009
 <b>Number of customers</b>	3,300	7,500	8,000
 <b>Employees (as at December 31)</b>	3,020	1,518	3,092
 <b>Number of industrial sites</b>	66	38	64
 <b>Countries (industrial presence)</b>	6	14	17
 <b>Minerals</b>	8	16	15
<b>CORE MARKETS (REVENUE BREAKDOWN)</b>			
 <b>Plastics, Rubber, Paints &amp; Coatings, Adhesives</b>	38%	23%	39%
 <b>Paper &amp; Board</b>	20%	29%	24%
 <b>Filtration &amp; Life Sciences</b>	25%	11%	17%
 <b>Ceramics &amp; Building Products</b>	17%	16%	20%
 <b>Renewable Energy</b>	-	21%	-

## PERFORMANCE MINERALS

## PLASTICS, RUBBER, PAINTS &amp; COATINGS, ADHESIVES

**35%**  
REVENUE



### Plastics and Rubber

Imerys' wide portfolio of minerals enables the Group to offer a comprehensive range of solutions to make plastics and rubber more resistant, lighter and less expensive. The shape, color, particle size and purity of Imerys' plastics and rubber solutions make them effective fillers to bolster the production of lightweight components for vehicles, household appliances, electronics, PVC tubes and cables, as well as hygiene, medical devices and food packaging. The mineral solutions help for example to minimize the weight of vehicles and therefore reduce consumption, or to improve performance of recycled plastics. Carbon-based solutions are used for their exceptional thermal or electrical conductivity, in particular for the future electrical vehicles. Some minerals are also used for permeable plastic films in the hygiene and medical fields.



#### MINERALS

Carbon black/ Carbonate/ Diatomite/ Expanded graphite/ Graphite/ Kaolin/ Mica/ Talc/ Wollastonite

#### MARKET POSITIONS

**World #1** in minerals for breathable polymer films

**World #1** in talc for plastics

**World #1** in wollastonite for plastics

### Paints and Coatings

Paints and coatings meet rigorous standards and growing performance expectations in terms of durability (weather and corrosion resistance etc.), lightweight renders and facade coatings, aesthetics and healthy lifestyle. Drawing on the strength of its unique portfolio of minerals and its excellent command of optical, mechanical and rheological properties, Imerys provides manufacturers of architectural paints and industrial coatings with the fillers and functional additives that best suit the various types of paints and coatings (water- and solvent-based, powder, etc.).



#### MINERALS

Carbon black/ Carbonate/ Diatomite/ Kaolin/ Mica/ Perlite/ Synthetic graphite/ Talc/ Wollastonite/ Zirconia-based chemicals

#### MARKET POSITIONS

**World #1** in mica for high-performance coatings

**World #1** in talc for paints

**World #1** in wollastonite for paints & coatings

**World #1** in perlite for paints & coatings

**European #1** in kaolin for paints & coatings

### Adhesives, caulks and sealants

Imerys offers tailor-made solutions developed by drawing on its profound understanding of manufacturing processes and industrial implementation constraints of adhesives, caulks and sealants. Precipitated calcium carbonates are used by the major sealant manufacturers to improve rheological properties, reduce costs, enhance mechanical resistance and hardness, increase the opacity and whiteness of their end product. Kaolin is used for example to increase the viscosity of vehicle window sealants.



#### MINERALS

Carbonate/ Kaolin

#### MARKET POSITIONS

**World #1** in kaolin

**World #2** in natural calcium carbonate

**PERFORMANCE MINERALS**

**PAPER & BOARD**



**CERAMICS & BUILDING PRODUCTS**



**24%**  
REVENUE

**Paper & board**

The paper pulp, paper and board industries focus heavily on improving productivity, as well as the surface quality and suitability for print. Imerys offers a unique range of solutions to optimize the manufacturing process for printing and writing paper and board using high quality, environmentally friendly solutions. The breadth of its product range enables the Group to provide paper and board manufacturers with the properties they require, such as shine, opacity, and print quality.



**MINERALS**

Bentonite/ Carbonate/ Kaolin/ Talc

**MARKET POSITIONS**

**World #1** in kaolin

**World #1** in talc

**World #2** in natural calcium carbonate



**18%**  
REVENUE

**Ceramics & building products**

From fine dinner plates to stylish bathroom shower trays, the design and quality of ceramics influence many parts of everyone's daily life. This is why tableware, sanitaryware and tile manufacturers demand the highest standards for functionalities such as whiteness, mechanical strength and dimensional stability. Imerys is the world leader in mineral solutions for ceramics, prepared bodies and glazes as well as kiln furniture. The engineered mineral blends are also a key asset for unrivaled quality and high-performance products.

Imerys minerals & products (such as carbonates, sand, gravels, perlite, talc, mica) are also highly valued by the building sector for a large range of applications including acoustical ceiling tiles, insulation solutions (thermal, acoustic), roofing tiles as well as decorative materials.



**MINERALS**

Ball clay/ Bentonite/ Ceramic bodies and glazes/ Chamotte/ Engobes/ Feldspar/ Fused alumina/ Halloysite/ Kaolin/ Kiln furniture/ Mica/ Pegmatite/ Quartz/ Talc/ Wollastonite

**MARKET POSITIONS**

**World #1** in raw materials and ceramic bodies for sanitaryware

**World #1** in kiln furniture for roofing tiles

**World #2** in kiln furniture for tableware

**European #1** in raw materials and ceramic bodies for tableware

## PERFORMANCE MINERALS

## FILTRATION &amp; LIFE SCIENCES



## RENEWABLE ENERGY



**18%**  
REVENUE

## Filtration &amp; life sciences

High quality functional additives are essential for many consumer goods and life science industries, including personal care, pharmaceuticals, food, animal feed, pet litter, crop protection, and for the filtration of beer, wine, sweeteners, edible oils and blood plasma. Imerys' solutions are formed using naturally occurring minerals with exceptional properties such as opacity, adsorption capacity, texturing enhancement, high level porosity etc. Innovation capabilities allow fulfilling the latest market trends linked to consumer demands on naturality, on eco-responsibility in full compliance with market specifications and regulations.



## MINERALS

Diatomite/ Perlite/ Talc/ Kaolin/ Bentonite/ Moler/ Mica/ Calcium Carbonate

## MARKET POSITIONS

**World #1** in diatomite- and perlite-based products for filtration

**World #1** in kaolin

**World #1** in talc



**5%**  
REVENUE

## Renewable Energy

With a unique portfolio of natural and synthetic graphite powders, conductive carbon blacks and tailor-made dispersions, Imerys is the leading provider of highly conductive carbon-based solutions for mobile energy. Imerys' graphite and carbon black represent the most effective conductive additives for lithium-ion batteries, alkaline batteries, advanced and standard lead-acid batteries, zinc-carbon batteries, fuel cells and conductive battery case coatings.



## MINERALS

Carbon black/ Graphite

## MARKET POSITIONS

**World #1** in conductive additives for Li-ion batteries

**World #1** in graphite for alkaline batteries

**HIGH TEMPERATURE MATERIALS AND SOLUTIONS**

The High Temperature Materials and Solutions segment facilitates high temperature manufacturing processes. It includes the Refractory, Abrasives & Construction and High Temperature Solutions business areas.

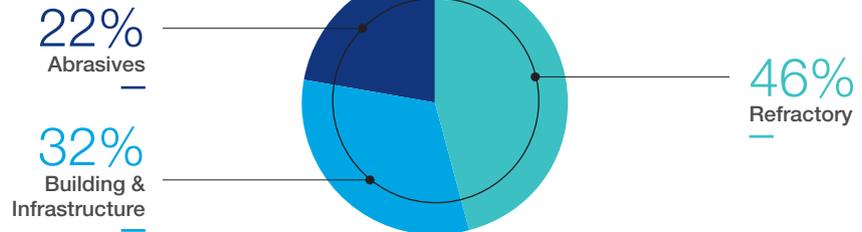
	REFRACTORY, ABRASIVES & CONSTRUCTION	HIGH TEMPERATURE SOLUTIONS
<b>KEY FIGURES</b>		
 Revenue (€ millions)	1,050	632
 Number of customers	4,500	6,800
 Employees (as at December 31)	4,056	2,837
 Number of industrial sites	40	37
 Countries (industrial presence)	15	18
 Minerals	8	NA*
<b>REVENUE BREAKDOWN BY REGION</b>		
 Europe, Middle East and Africa	52%	58%
 Americas	25%	12%
 Asia-Pacific	23%	30%

\* NA Non applicable

## REFRACTORY, ABRASIVES &amp; CONSTRUCTION



## 2020 REVENUE (%)



### Refractory (including Technical Ceramics)

Each refractory application is unique to sustain high temperatures as well as extreme physical and chemical conditions. Imerys develops minerals, binders and additives that enable continuous improvement in the steelmaking, power plant incinerator, biomass boiler, glass, as well as the cement and petrochemical industries. Technical ceramics are used applications such as electrical equipment, thermal equipment and in the automotive, aerospace, military and medical industries. The Group's unique mineral portfolio and treatment processes have enabled it to develop a number of industrial solutions for technical porcelain, steatite, cordierite, silicon carbide, mullite and alumina ceramics.

#### MINERALS

Alumina/ Andalusite/ Ball clay/ Calcium aluminate-based binders/ Chamotte/ Cordierite/ Diatomite/ Feldspar/ Electrically fused aluminas/ Fused mullite/ Fused Silica/ Fused zirconia/ Graphite/ Kaolin/ Molochnite/ Mullite/ Silicon carbide/ Steatite/ Standard ceramic bodies/ Talc/ Technical ceramic bodies/ Wollastonite

#### MARKET POSITIONS

**World #1** in high-performance calcium aluminate-based binders for refractories  
**World #1** in aluminosilicate minerals for refractories  
**World #1** in fused zirconia

### Building & Infrastructure

Imerys develops cutting-edge solutions that have a wide range of applications, as well as essential properties ranging from rapid setting & drying to esthetics for the construction and civil engineering industries. Specialty calcium aluminate binders, metakaolin, smart fillers and functional additives like bentonite, perlite and ball clays offer performance to meet our customers expectations. These highly technical products can be used in a number of applications, such as flooring, tile adhesives & grouts, technical mortars, waterproofing membranes, renders, external insulation as well as mortar & concrete for industrial flooring, wastewater sewage, tunnel boring and mining.

#### MINERALS

Ball clay/ Bentonite/ Calcium aluminate-based binders/ Graphite/ Kaolin/ Metakaolin/ Perlite/ Talc

#### MARKET POSITIONS

**World #1** in calcium aluminate-based binders

### Abrasives

Imerys is the world's largest supplier of electrically fused aluminum oxide products. The Group provides highly effective solutions for all kinds of abrasives, including vitrified- or resin-bonded grinding wheels and coated abrasives. Different sizes are available for each specific application, such as grinding, machining, sanding, blasting and cutting. The wear resistance and thermal properties of these abrasives mean they are generally used in the form of wheels, discs or sandpaper in the automotive, equipment, metallurgy, electricity, electronic, building and construction industries.

#### MINERALS

Electrically fused aluminum oxide (corundum)/ Sintered alumina/ Sol Gel alumina

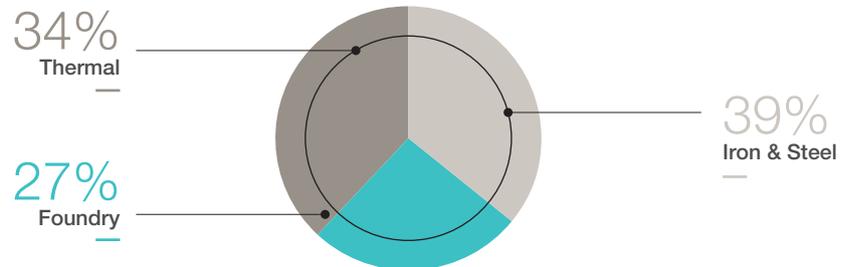
#### MARKET POSITIONS

**World #1** in fused minerals for abrasives

HIGH TEMPERATURE SOLUTIONS



2020 REVENUE (%)



Iron & Steel

The iron & steel industry supplies a wide range of end-use markets, such as construction and infrastructure, automotive and other transportation segments such as aircraft and railroad, as well as mechanical engineering, domestic appliances, and oil & gas. The steel industry is in a permanent evolution to enhance the metals properties and keep the leading position among sustainable materials. Imerys provides the steelmaking industry with a number of minerals, refractory solutions and services covering all aspects of the molten steel production process, from fluxes for continuous casting or secondary metallurgy to the global refractory solutions and abrasion coatings.



MINERALS

Refractory solutions/ Calcium aluminate fluxes

MARKET POSITIONS

**World #1** in casting fluxes

**World #1** in alumino-silicate monolithic refractories

**World #1** in calcium aluminates for slag conditioning



Foundry

The production and casting of molded components has a long history, the origins of which date back over 5,000 years. Today, molds made from sand, ceramic and metal are widely used to make metal components for the automotive, construction and farming industries as well as for other equipment manufacturers. Imerys provides high performance minerals and innovative solutions to support foundry process efficiency from melting to molding and core making. The Group is a leading supplier of both refractory and green molding sand additive solutions for ferrous and non-ferrous metal foundries.



MINERALS

Bentonite/ Green sand additives/ Refractory solutions

MARKET POSITIONS

**World #2** in bentonite for metal casting

**European #1** in monolithic refractories



Thermal

Imerys refractory solutions form part of the equipment used in a wide range of industries ranging from aluminium and other non-ferrous metals, cement and lime, waste to energy and power facilities, and petrochemical complexes. Imerys provides customized refractory material formulations combined with a full range of technical services and project management to meet the demand from customers globally.



MINERALS

Refractory solutions

MARKET POSITIONS

**World #1** in alumino-silicate monolithic refractories

## 1.2 A PROFITABLE GROWTH STRATEGY

### 1.2.1 STRATEGY AND GROWTH DRIVERS

To safeguard its profitable and sustainable growth, the Group is pursuing two strategic objectives: step up organic growth and increase operating profitability.

#### 1.2.1.1 STEPPING UP ORGANIC GROWTH

The Group is seeking to step up its organic growth by implementing an action plan articulated around four pillars to reach the growth level of its underlying markets by 2022<sup>(1)</sup>.



#### AN ORGANIZATION BUILT AROUND OUR CUSTOMERS AND OUR MARKETS

The market-oriented organization **helps to improve proximity to customers** and is supported by a new 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. **Commercial excellence** helps taking a personalized approach to key accounts and to bolster partnerships with customers.



#### DIFFERENTIATED BUSINESS MANDATES

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, the Group seeks to generate cash and optimize its cost structure.



#### PRIORITY GIVEN TO HIGH GROWTH REGIONS

The revenue the Group generates in high-growth regions (Asia, Middle East, Africa and South America) currently accounts for 30% of total sales, and its market shares are on average just half the level the Group enjoys in other regions. To boost its rate of organic growth, Imerys **intends to expand its footprint in these geographies**, where GDP growth is expected to outpace that of the rest of the world in the coming years.



#### PORTFOLIO MANAGEMENT

The Group will continue to grow by pursuing **its active acquisitions strategy** to consolidate its existing positions, gain a foothold in new regions or new applications and complement its portfolio of specialty solutions.

The Group has deployed this strategy in each of its business units.

### A COMPREHENSIVE STRATEGY TO STEP UP ORGANIC GROWTH

(1) ca. 2% per year in value, in normal economic conditions.

## CUSTOMER-CENTRIC APPROACH

In the Performance Minerals segment, **the Group offers a comprehensive range of products** (carbonates, mica, talc, kaolin, diatomite and perlite) to meet all needs in the paints and coatings market (matting effect, crack resistance, reduction of TiO<sub>2</sub> and insulating properties), with a personalized approach to manage key accounts and a strong technical support service. For life science applications (personal care, pharma, animal feed, agriculture), Imerys offers a full range of mineral-based solutions with a strong natural and sustainability profile, replacing current materials based on chemicals. In the High Temperature Materials & Solutions segment, the Group has been able to enhance its offer through dedicated investments in new facilities to increase or improve its product portfolio (e.g. in steel casting fluxes, lances, plastic refractory, tap-hole clays, ready shapes and light weight castables).

## DEVELOPMENT IN HIGH GROWTH REGIONS

In the Performance Minerals segment, **Imerys is accelerating its commercial development in ceramics in emerging countries** (Eastern Europe & Middle East) by leveraging its new sales organization and investing in processing platforms in countries such as Ukraine and Egypt. It develops innovative solutions for strengthening plastics to reduce the overall weight of vehicles in order to meet new environmental standards in China. In the High Temperature Materials & Solutions segment, Imerys developed new products and services to meet growing demand in the Indian steel market.

## TARGETED CAPACITY EXPANSIONS

The Group is **pursuing its strategy of expanding production capacities** to meet demand for its products in regions and/or markets with high growth potential:

- In the Performance Minerals segment, an investment of €35 million in its plant in Bodio, Switzerland, to expand production capacity for high-purity synthetic graphite used in Lithium-ion batteries, mostly for electric cars. This investment is the first of a series of capacity expansion projects the Group envisages to support and accompany the expected strong growth of the electric vehicles market worldwide.
- In the High Temperature Materials & Solutions, an investment of €37 million for the commissioning of a plant in Vizag, India, to serve the growing demand of the domestic refractory market with high performance solutions. India is the second largest steel producer in the world.

## ACTIVE ACQUISITION STRATEGY

**The Group is pursuing an active acquisitions strategy to consolidate its position in the market, gain a foothold in new regions or new applications and complement its portfolio of specialty solutions.**

**Main acquisitions having a perimeter effect in 2020 are the following:**

Business areas	Company (holding percentage)	Region	Date	Yearly Revenue (€m)	Main rationale
Performance Minerals Americas	EDK (100%)	Brazil	November 2019	USD 13 million	Calcium carbonate producer, strengthening Imerys' product portfolio for paints and coatings applications
Refractory, Abrasives, Construction	Shandong Luxin Mount Tai Co (65%)	China	December 2019	€12 million	Producer of high-quality minerals for abrasives
Performance Minerals Americas	Cornerstone Industrial Minerals Corp. (100%)	North America	April 2020	USD 12 million	Producer of specialty perlite, strengthening Imerys' offering in the attractive agriculture and horticulture markets.
High Temperature Solutions	Hysil (100%)	India	July 2020	€5 million (2019)	Producer of calcium silicate boards used for thermal insulation
High Temperature Solutions	Sunward Refractories (80%)	Taiwan	October 2020	USD 15 million (expected in 2021)	Producer of high temperature refractory solutions which extends the Group market reach in Asia
High Temperature Solutions	Haznedar group (60%)	Turkey	December 2020	USD 64 million (2019)	Producer of high-grade refractory monolithics and bricks, complementing Imerys product offering and developing its position in the growing Turkish market. The acquisition also offers a cost competitive production-base strategically located between Europe, Middle-East and Africa

### 1.2.1.2 INCREASE OPERATING PROFITABILITY

To improve profitability, Imerys has put in place an action plan structured around two core pillars:



#### A LEANER, MORE EFFICIENT ORGANIZATION

The new organization facilitates **swifter decision making** as the number of managerial layers has been reduced and managers have been empowered with greater responsibility. The former 11 divisions have been replaced by five business areas. Imerys has also **decentralized its innovation organization** in order to develop new products in close collaboration with customers and to optimize technical support.



#### CORPORATE EXCELLENCE

In order to leverage its scale, the Group has implemented an organization based on **specialized corporate support departments**. Shared service centers are set up to optimize costs and expertise, in particular in HR and finance. The principle of **corporate excellence** has been applied in plants, quarries, purchasing and marketing to improve the sharing of best practice and boost coordination among segments.

The Group regularly assesses its portfolio of businesses. In 2020, Imerys divested its Kaolin operations located in Pittong, Australia (December 2020).

In addition to the Connect & Shape transformation plan, Imerys has also implemented in 2020 a specific action

plan to contain the impact of the Covid-19 pandemic with the aim of limiting the adverse impact of the volume shortfall on the Group's performance and cash flow. This plan delivered savings on fixed costs and overheads of €131 million in 2020. As part of this

plan, Imerys also reduced its capital expenditures to €262 million in 2020, significantly below the typical range for the Group of €300-€350 million per year, and its working capital, notably through a significant decrease of inventories.

# €131M

SAVINGS  
ON FIXED COSTS  
AND OVERHEADS  
IN 2020



## 1.2.2 A FIRM COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

**Increasing urbanization, changing demographics and rising consumption around the world are resulting in growing demand for natural resources, which puts pressure on natural systems.**

As the world's leading supplier of mineral-based specialty solutions, Imerys' technical knowledge and expertise place the Group in the best position to extract and transform minerals responsibly over the long term.

The Group's ambition is simple: **to unlock the sustainable potential of minerals.**

The Group's CSR Steering Committee approves and sets the targets for the CSR policy, as well as manages and monitors the implementation of the related action plans. The Steering Committee is chaired by the Chief Executive Officer and includes members from the Executive Committee (Group General Counsel, Chief Human

Resources Officer, Chief Industrial Officer and three Senior Vice Presidents) as well as two senior managers from the Group's other corporate support and operational departments.

The Board of Directors reviews the performance and progress made by the Group every year.

**THE GROUP IS COMMITTED TO PLAYING A ROLE IN SOCIETY, MEETING ITS OBLIGATIONS TO THE COUNTRIES AND COMMUNITIES IN WHICH IT DOES BUSINESS.**

**Imerys' growth strategy and approach to creating value take into account the challenges and expectations from a wide range of stakeholders from both within the Group and beyond, including panels of experts, professional bodies, local forums and customers.**

**The medium- and long-term CSR targets strive for continuous improvement and fall under the following three main areas:**



### **EMPOWERING OUR PEOPLE**

Making sure employees stay healthy and safe, nurturing talent, promoting diversity and inclusion, fostering social dialogue and safeguarding human rights.



### **CARING FOR OUR PLANET**

Protecting the environment, promoting non-energetic resources efficiency, respecting biodiversity and acting on climate change.



### **BUILDING FOR THE FUTURE**

Behaving ethically, operating fairly, ensuring responsible purchasing, engaging with communities and promoting sustainable products and technologies.

The SustainAgility CSR program is built around six pillars and 16 themes, which are in line with and contribute to the United Nations Sustainable Development Goals (SDG). Imerys' teams are engaged to drive the program, transforming the business and leading the industry responsibly.

PILLARS	PRIORITY THEMES*	SDGs
<b>EMPOWERING OUR PEOPLE</b>		
 <b>Health &amp; Safety</b>	Occupational Safety Management	 
	Occupational Health Management	
 <b>Human Capital</b>	Diversity and Inclusion	 
<b>CARING FOR OUR PLANET</b>		
 <b>Environmental Stewardship</b>	Environmental Management	 
	Biodiversity and Land Rehabilitation	
 <b>Climate Change</b>	Climate Change Strategy	
<b>BUILDING FOR THE FUTURE</b>		
 <b>Business Conduct</b>	Fair Operating Practice & Responsible Purchasing	 
 <b>Product Management</b>	Product Sustainability	

\* This list only includes the themes that were identified as a priority following the Group materiality assessment. Refer to chapter 3 for additional details.

Imerys adheres to 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.

**Imerys' ambition to unlock the sustainable potential of minerals through concrete actions is demonstrated by:**

- **Scaling up efforts to deliver new solutions and opportunities to extend the life cycle of the Group portfolio, by assessing 40% of its portfolio against sustainability criteria by 2022, recognizing both the society and customer demand to produce better for longer.** The Group is focusing on developing circular solutions, directly with our customers, as well as within the full business value chain, including for example by increasing the use of recycled raw materials and re-using refractory products in the High Temperature Solutions business area.
- **Playing a positive role within communities, both for local ecosystems and economies on the long-term.** The Group is firmly committed to the conservation of biological diversity and its restoration, communicating concrete actions through act4nature International<sup>(1)</sup> and partnering with recognised scientific experts such

as UMS Patrimoine Naturel<sup>(2)</sup>. The Group continues to look for new ways to help employees and our local communities thrive, creating positive value through education and skills development.

• **Contributing to the global drive to combat climate change by reducing carbon emissions in Group operations by 36% relative to revenue by 2030.**

As a signatory of the French Business Climate Pledge, Imerys has committed to work to accelerate the pace of transition towards a low carbon economy. For example within its own operations, in one of its highest emitting sites, in Andersonville, in the United States, Imerys is adjusting the installation to modify the fuel mix, integrating biomass waste as a feed for rotary kilns and thereby significantly reducing the carbon emissions associated with the operations. Within the Group portfolio, Imerys solutions likewise support the reduction of emissions within the value chain, such as ultra-reactive, low-CO<sub>2</sub> concrete, a highly reactive specialty binders that allows a reduction in the overall binder content of concretes

and drymix mortars.

This solution can lead to a reduction of 40% of CO<sub>2</sub> emissions in flooring applications (compared to a formulation based on Portland cement), thus creating the potential to reduce the construction sector's CO<sub>2</sub> footprint by thousands of tons worldwide.

IMERYS' SOLUTION CAN LEAD TO A REDUCTION OF **40%** OF CO<sub>2</sub> EMISSIONS IN FLOORING APPLICATIONS

## Indices/Assessment & Latest rating (year)

<b>CDP- Climate Change</b>	B (2020)
<b>EcoVadis (0 – 100)</b>	Platinum– 74 (2020)
<b>MSCI ESG</b>	AA (2020)
<b>Sustainalytics (100 - 0)</b>	29.6 (2020)
<b>ISS – oekom</b>	C (2020)
<b>Vigeo Eiris (0 – 100)</b>	60 (2020)

√ For further details on CSR, see chapter 3 of the Universal Registration Document.

To drive the necessary change, Imerys continues to work closely with customers, suppliers and other stakeholders, leading the way towards a more sustainable industry, one that responds to the world's growing demand while benefiting local communities and protecting the natural environment.

The Group's firm commitment to sustainability has been recognized by the leading CSR rating agencies. The following table presents a selection of the non-financial ratings most recently achieved by Imerys.

(1) 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. <http://www.act4nature.com/en/>.

(2) UMS Patrimoine Naturel is an umbrella organization bringing together the French National Museum of Natural History (FNMNH), the French Agency for Biodiversity and the National Center for Scientific Research (CNRS) <http://www.patrinat.fr/fr/ums-patrimoine-naturel-346>.

## 1.2.3 A BUSINESS MODEL THAT CREATES VALUE

### 1.2.3.1 A BUSINESS MODEL THAT CREATES VALUE OVER THE LONG TERM

Bolstered by a new 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

**16,400** employees in 40 countries  
**71%** 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:** €2,956 M  
**Net debt:** €1,508 M (51% of equity and 2.4x of current EBITDA)  
**Investment grade credit rating:** BBB- (S&P), Baa3 (Moody's)

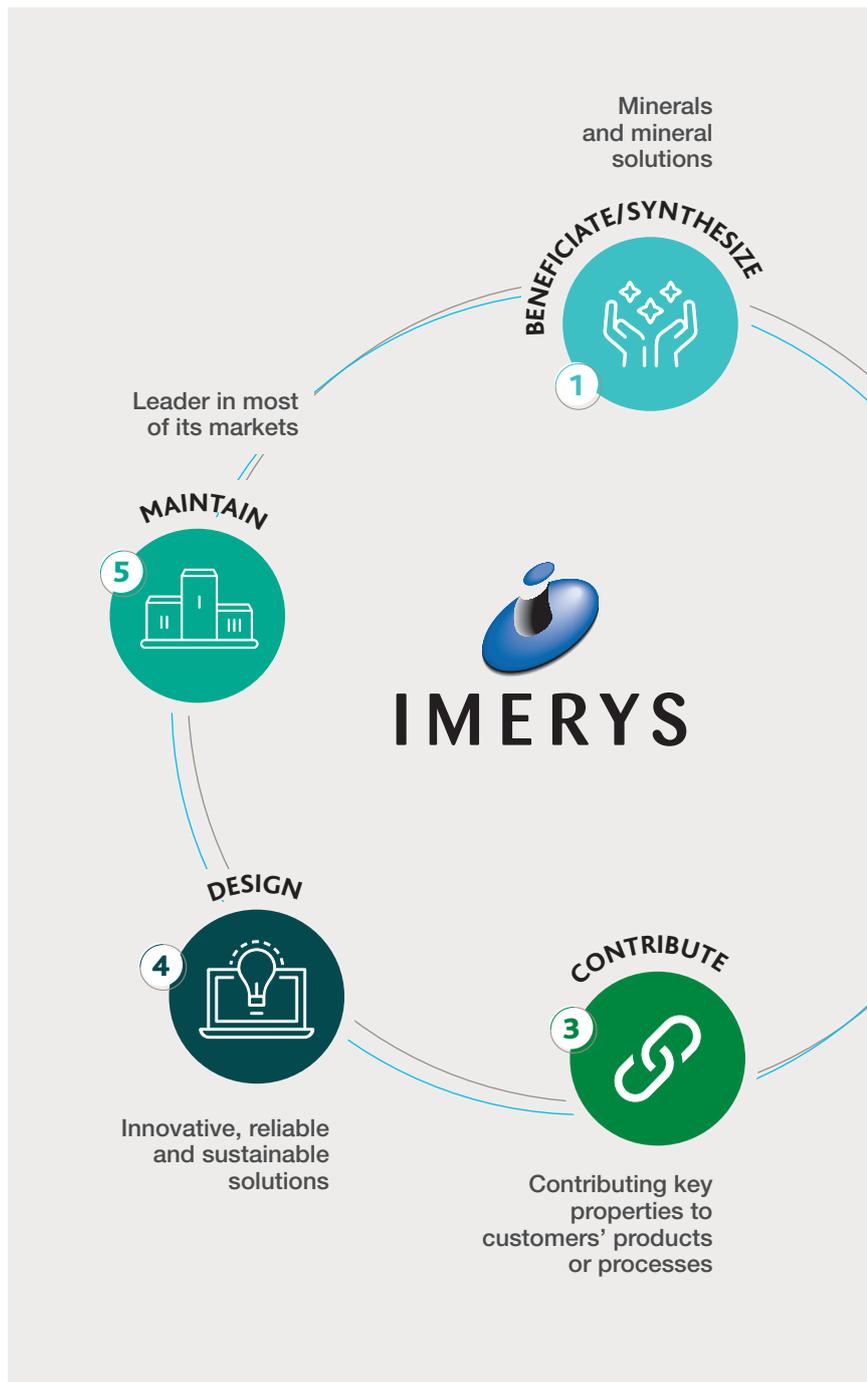
### ▶ INDUSTRIAL AND COMMERCIAL RESOURCES

245 industrial sites and 102 mines in 40 countries  
**Investment** in maintenance and development: €262 M  
**I-Cube** industrial improvement program rolled out at 200 sites

### ▶ INTELLECTUAL RESOURCES

Portfolio of 2,450 **patents**  
330 people working in 9 **R&D centers**  
**70** new minerals solutions launched in 2020

## BUSINESS MODEL



## IMPACT IN 2020

TRANSFORM



Exclusive processes and technologies

High quality industrial assets

### ▶ HUMAN RESOURCES

**Safety:** 2.66 Total Recordable Injury Rate

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

**92.9%** of employees hired on unlimited contracts

### ▶ ENVIRONMENTAL RESOURCES

**Fight against climate change:**

12% reduction in tons of CO<sub>2</sub> equivalent emitted per million euro of revenue since 2018

**Optimization of non-energy resources:**

14% reduction in water used at Group sites

**Biodiversity and land rehabilitation:**

380 hectares of land rehabilitated in Western Europe

### ▶ PEOPLE AND SOCIETY

**Local community engagement:**

42 new local community relations projects

**Business conduct and responsible purchasing:**

14% of Group suppliers (by spend) covered by EcoVadis CSR assessments

**Product sustainability:**

6% of Group portfolio assessed against environmental and social criteria

**Product Life Cycle Analysis (LCA):**

49 product LCA completed

### ▶ FINANCIAL RESOURCES

**Current EBITDA:** €631 M (margin on revenue 16.6%)

**Net current free operating cash flow:** €373 M

**Dividend per share:** €1.15\*

### ▶ INDUSTRIAL AND COMMERCIAL RESOURCES

**15,000 customers** across 142 countries

**Market leader in 75% of operations**

## VALUE CREATED FOR STAKEHOLDERS

### ▶ IMERYS

€3,799 M

Revenue

### ▶ EMPLOYEES

€875 M

Salaries and social security contributions, bonuses

### ▶ COMMUNITIES

€2 M

Contribution to charitable projects, donations, sponsorship and community action, including Covid-19 related donations (Imerys calculations)

### ▶ STATES

€86 M including €45 M paid in income tax

### ▶ SUPPLIERS

€2,261 M

Purchase of raw materials, consumables and services

### ▶ SHAREHOLDERS

€137 M

ordinary dividend

### ▶ BANKS

€44 M

net interest

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

### 1.2.3.2 DISCIPLINED CAPITAL ALLOCATION

The Group allocates its resources to best optimize value creation and deliver a long-term, attractive return on investment for its shareholders.



The Group's efforts to step up organic growth, strictly manage costs and its business model – built on market leading positions and mineral solutions that contribute key properties to its customers' products – will generate solid and sustainable cash flow in the future.

The cash generated by Imerys will be:

- reinvested to develop the Group through a disciplined capital allocation

strategy combining internal and external investments, both subject to strict criteria for return; and

- shared with the Group's stakeholders, in particular its shareholders, in the form of dividends, which will continue to be a key priority for Imerys and its Board of Directors.

Imerys also strives to maintain a solid financial position to safeguard

its independence and the long-term success of its business model. At the end of 2020, the gearing ratio was 51%. The financial rating agencies Moody's and Standard & Poor's assigned to Imerys the ratings Baa3, negative outlook, and BBB-, stable outlook, respectively.

2018-2020 Cumulative Resources	2018-2020 Use
Current net free cash flow generation before capital expenditures: €1,894M	Capital expenditure: €887M
Disposals (excluding Roofing): €73M	Acquisitions: €167M
	Return on capital (mainly dividend): €514M
	Others*: €399M

\* Change in other operating items, financial charges and non-recurring costs.

“€1.0BN CUMULATED NET CURRENT FREE OPERATING CASH FLOW (AFTER CAPEX) OVER THE LAST 3 YEARS”

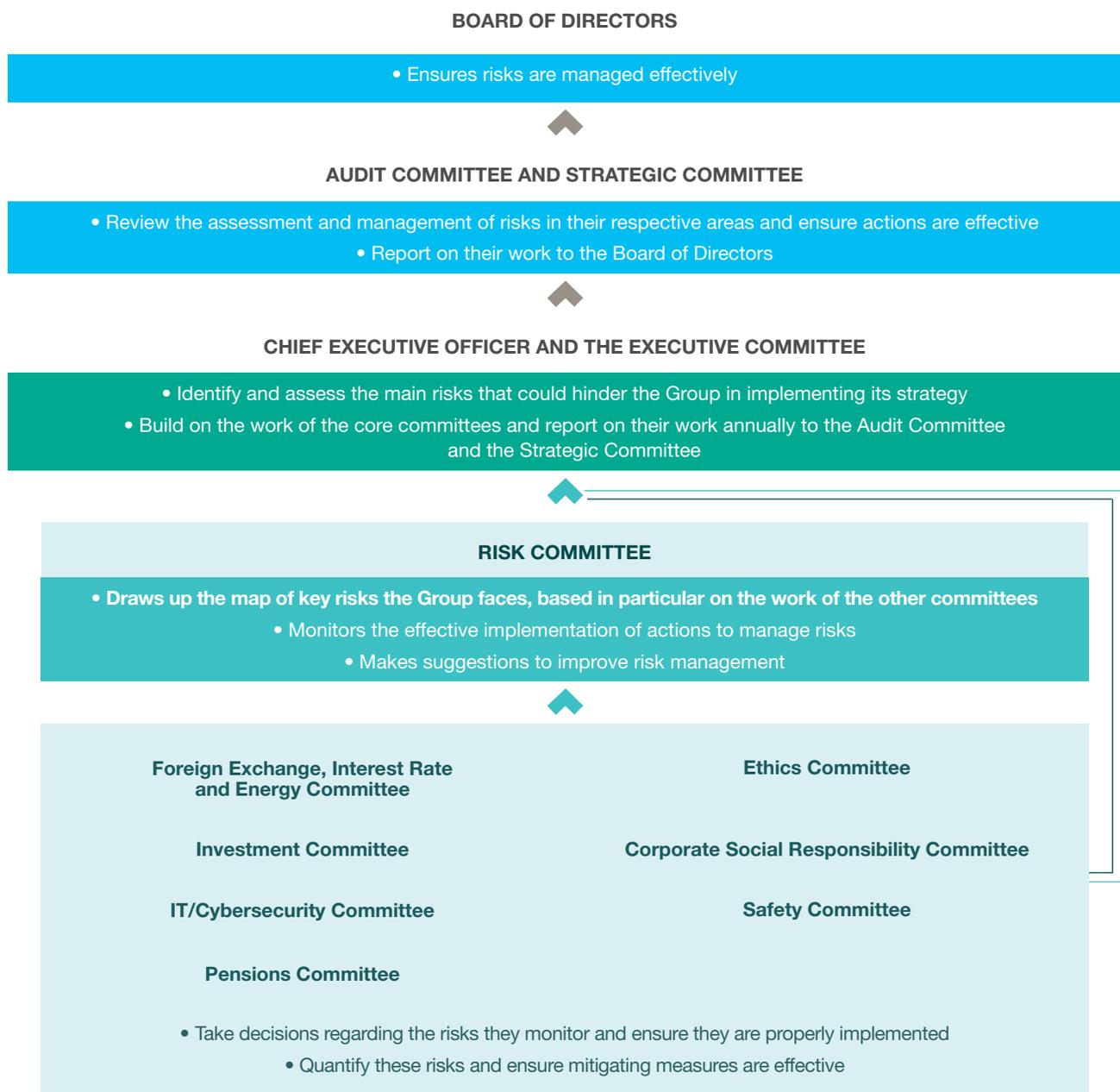
## 1.2.4 AN EFFECTIVE RISK MANAGEMENT

To best manage the risks it faces, the Group relies on the following key tools:

- A rigorous and effective approach to risk management, which is regularly reviewed by senior management.
- A detailed map setting out the main risks the Group might be exposed to, identifying in particular any evolution or change of key elements and ensuring the suitability and implementation of actions to mitigate them.

These tools allow the Group to identify and assess the key risks, as set out in the following pages. These risks are addressed with mitigating plans, which are detailed in *chapter 2 of the Universal Registration Document*.

### 1.2.4.1 OVERVIEW OF RISK MANAGEMENT GOVERNANCE AT IMERYS



### 1.2.4.2 THE RISK MAPPING PROCESS

The risk mapping process is carried out in accordance with the following principles:

- It is conducted once every three years and includes a detailed review of the Group's main risks and the mitigation actions put in place to manage them.
- It involves all internal stakeholders, i.e. the people responsible for the Group's main risks and the committees tasked with reviewing and validating their work.
- The risk management action plans drawn up after mapping has been completed are updated and reviewed each year.

### 1.2.4.3 THE MAIN RISKS IDENTIFIED BY THE GROUP AND HOW THEY HAVE CHANGED OVER RECENT YEARS

The following table sets out the main risks the Group faces by type and degree:

- Risks are categorized as either strategic (that impact the structure of the Group over the medium to long term), operational (that affect the Group's ordinary course of business) or legal (for which Imerys could be held liable should they come to pass).
- Amongst the 26 risks identified by the Group as part of the risk mapping process, 10 are deemed priorities.
- These risks are presented taking into account the estimated impact of them occurring and the effectiveness of their associated mitigation measures.

		Degree		
		Moderate	Significant	High
Type				
 <b>Strategic<sup>(1)</sup></b>			Evolution and volatility of end markets Product stewardship Innovation Digital transformation	
 <b>Operational<sup>(1)</sup></b>	Mineral reserves and resources Employee health & safety Crisis response		Cybersecurity Environment and climate change	
 <b>Legal<sup>(1)</sup></b>			Compliance with laws and regulations	

(1) The description of the strategic, operational and legal risks can be found in chapter 2, section 2.1 of the Universal Registration Document.

## Covid-19

All end-markets and geographies have been affected by the Covid-19 pandemic with an unprecedented and rapid decline in business activity, however Imerys showed an adaptive and resilient business model in this crisis period. Through dedicated Crisis committees gathering health & safety, human resources and operational managers, Imerys reacted quickly to ensure the health & safety of its employees, their families and all its stakeholders,

while preserving business continuity and adjusting production to lower demand when necessary.

Although the main consequences of such a crisis are already covered in existing risks, a new category of risk, indicated as "Crisis response", has been integrated in the Group Risk Map, covering any new major disruptive event which could occur, in order for a more formalised crisis response approach to be implemented.



## 1.3 GOVERNANCE AT THE HEART OF THE GROUP'S PHILOSOPHY

### A SEPARATED GOVERNANCE STRUCTURE

Since 2018<sup>(1)</sup>, the governance structure involves the separation of the offices of the Chairman of the Board of Directors and of the Chief Executive Officer, which ensures that the Imerys' governance bodies operate effectively and fosters the development of complementary skills. The reduction of the number of directors sitting on the Board has helped improving the Board's agility and effectiveness.

At the date of this Universal Registration Document was filed, Patrick Kron acts as Chairman of the Board and Alessandro Dazza acts as Chief Executive Officer.

#### 1.3.1 THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE COMMITTEE

At the date this Universal Registration Document was filed, the Group's Management team is headed by Alessandro Dazza, Chief Executive Officer, and assisted by the Executive Committee.

#### The Executive Committee

The Executive Committee is made up of the Chief Executive Officer, the heads of corporate support services and the Senior Vice Presidents of the five business areas. Its main role is to implement the strategic priorities set by the Board of Directors and ensure the value creation targets are achieved.

The Executive Committee is collectively responsible for the overall performance of Imerys and seeks to promote the Group's interests.

(1) Save for a 3-month interim period between October 2019 and February 2020 following departure of former Chief Executive Officer.

### Structure of the Executive Committee

At the date this Universal Registration Document was filed, the Executive Committee was composed of:



**Alessandro Dazza**  
**Chief Executive Officer**  
Member of the Group and the Executive Committee since February 2020\*



**Frédérique Berthier-Raymond**  
**Group General Counsel and Secretary of the Board**  
Member of the Group since 2008 and the Executive Committee since 2018



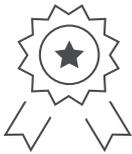
**Philippe Bourg**  
**Senior Vice President Refractory Abrasives & Construction**  
Member of the Group since 1996 and the Executive Committee since 2018



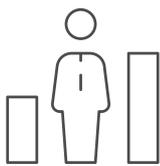
**Jean-François Claver**  
**Chief Industrial Officer**  
Member of the Group since 2015 and the Executive Committee since 2016



**4**  
NATIONALITIES



**13 years**  
AVERAGE TIME SPENT WITHIN THE GROUP



**52.6 years**  
AVERAGE AGE OF EXECUTIVE COMMITTEE MEMBERS



**Michel Cornelissen**  
**Senior Vice President High Temperature Solutions**  
Member of the Group since 1991 and the Executive Committee since 2018



**Guillaume Delacroix**  
**Senior Vice President Performance Minerals EMEA**  
Member of the Group since 2004 and the Executive Committee since 2018



**Cyril Giraud**  
**Senior Vice President Performance Minerals APAC**  
Member of the Group since 1998 and the Executive Committee since 2018



**Vincent Lecerf**  
**Chief Human Resources Officer**  
Member of the Group and the Executive Committee since 2017



**Jim Murberger**  
**Senior Vice President Performance Minerals Americas**  
Member of the Group since 1996 and the Executive Committee since 2018



**Olivier Pirotte**  
**Chief Strategy Officer**  
Member of the Group and the Executive Committee since 2015



**Sébastien Rouge**  
**Chief Financial Officer**  
Member of the Group and the Executive Committee since 2020

\* Alessandro Dazza was previously within Imerys between 2002 to 2018.

## A regular dialogue between the Chief Executive Officer, the Executive Committee and the Board of Directors

The 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. The constructive interaction among the parties is fostered through and encouraged by:

- regular presentations of the Group's business areas and key projects given by the members of the Executive Committee to the Board of Directors and its committees;
- the creation of dedicated ad-hoc sub-committees of the Board of Directors, comprising members of the Board and key personnel from within the Group, reporting directly to the Board;
- members of the Board having unrestricted access to all relevant information to allow them to properly carry out their duties; and
- visit of key operations sites of the Group by Board members.

## Balanced compensation in line with value creation over the long and short term

Imerys' compensation policy remunerates its senior management team and a large number of its employees based on the long and short-term performance of the Group and the value creation.

The criterias on which the variable compensation of the senior management team is determined are aligned with the Group's financial targets but also take into account non-financial parameters, including environmental, social and governance targets.

	Compensation subject to performance conditions			
	Variable (short term)		Variable (long term)	
Performance conditions	Quantitative (financial)	Current operating income	Quantitative (financial)	Net income from current operations, per share
		Free operating cash flow		Return on capital
	Qualitative	Personal targets	Safety	Free operating cash flow
		Workplace accident frequency rate*		
Performance assessment period	Annual		Three years	
Type of compensation	Cash		Performance shares	

\*For further details on the frequency rate, see chapter 3, paragraph 3.5.1.1 of the Universal Registration Document.

✓ For further details on the Chief Executive Officer, the Executive Committee and the compensation paid to corporate officers, see chapter 4, sections 4.1 to 4.3 of the Universal Registration Document.

✓ For further details on the duties and work of the Board of Directors and its Committees, see chapter 4, section 4.1 of the Universal Registration Document.

### 1.3.2 BOARD OF DIRECTORS AND ITS COMMITTEES

Imerys' Board of Directors is headed by Patrick Kron, Chairman of the Board since June 25, 2019.

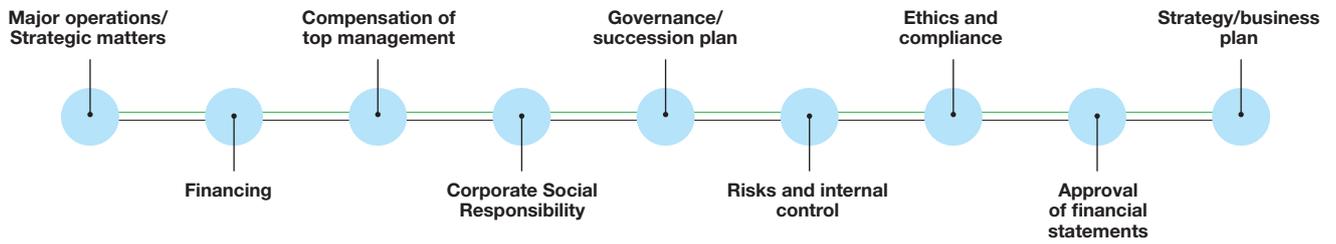
#### Duties of the Board of Directors

With the support from its Committees, the Board of Directors exercises permanent control over the management of the Group, approving its strategic priorities as well as the main focuses of its corporate social responsibility strategy. The Board also approves any significant operation affecting the Group's future and ensures its governance structure is fit for purpose.

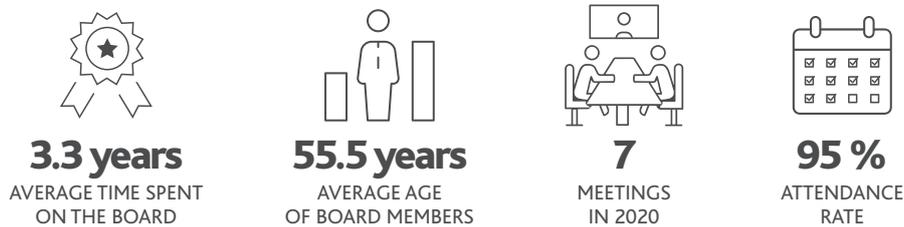
The Board of Directors meets as often as required to best serve the interests of the Group. The rights and responsibilities of the members of the Board of Directors as well as the rules

governing the fulfillment of their duties during their term of office are set out in Imerys' by-laws and the Internal Charter of the Board of Directors. During their term of office, each member must also comply with the Code of Business Conduct in force within the Group, which applies to all employees.

## Duties of the Board of Directors



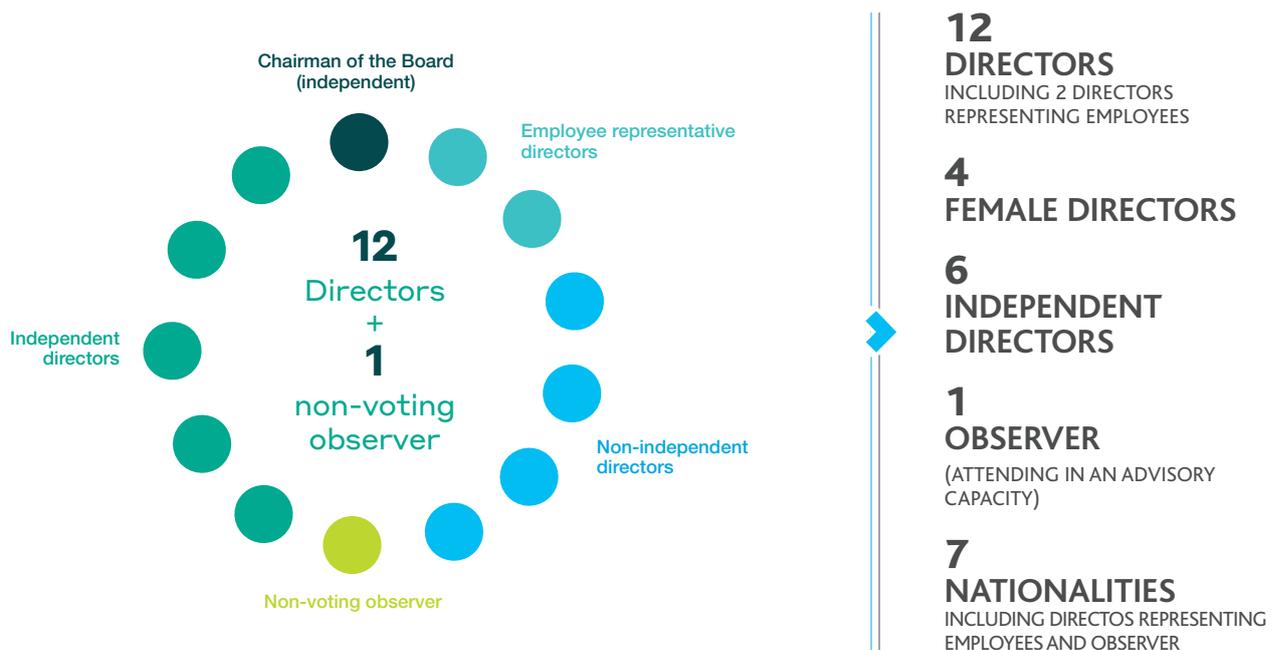
## Experienced and diligent members of the Board



## Structure of the Board of Directors

### A diverse and balanced international body

At the date of this Universal Registration Document was filed, the Board of Directors was made up of:



✓ The composition of the Board of Directors allows the Group to take advantage of the diverse spectrum of capabilities and professional experience accumulated by its members from across a variety of industries and countries.

✓ For further details on the composition, duties and operating procedures of the Board of Directors, [see chapter 4, section 4.1 of the Universal Registration Document](#).

## Committees of the Board of Directors

The Board of Directors has set up a number of Committees to improve its effectiveness and assist it in preparing its decisions by making recommendations or giving opinions.

At the date this Universal Registration Document was filed, the Committees were as follows:

STRATEGIC COMMITTEE	AUDIT COMMITTEE	APPOINTMENT COMMITTEE	COMPENSATION COMMITTEE
<p><b>Chair:</b> <b>Ian Gallienne</b></p> <hr/> <p><b>6</b> Members</p> <p><b>1/3</b> Independence</p> <p><b>6</b> Meetings in 2020</p> <p><b>94%</b> Attendance rate</p>	<p><b>Chair:</b> <b>Aldo Cardoso</b></p> <hr/> <p><b>4</b> Members</p> <p><b>3/4</b> Independence</p> <p><b>6</b> Meetings in 2020</p> <p><b>100%</b> Attendance rate</p>	<p><b>Chair:</b> <b>Marie-Francoise Walbaum</b></p> <hr/> <p><b>3</b> Members</p> <p><b>2/3</b> Independence</p> <p><b>2</b> Meetings in 2020</p> <p><b>90%</b> Attendance rate</p>	<p><b>Chair:</b> <b>Marie-Francoise Walbaum</b></p> <hr/> <p><b>4</b> Members</p> <p><b>2/3</b> Independence</p> <p><b>4</b> Meetings in 2020</p> <p><b>100%</b> Attendance rate</p>
<p style="text-align: center;"><b>Main duties</b></p> <p><b>1. Strategy</b></p> <ul style="list-style-type: none"> <li>■ Formulate and approve the Group's long-term industrial, commercial and financial strategic orientations and how to pursue them.</li> <li>■ Ensure the long-term strategy implemented by the management is in line with the orientations approved by the Board.</li> <li>■ Analyze and make recommendations on: <ul style="list-style-type: none"> <li>• the Group's budget;</li> <li>• the operations likely to significantly modify the purpose or scope of business of the Group, including investments or acquisitions worth more than €20 million per transaction, <ul style="list-style-type: none"> <li>– material commercial or industrial agreements;</li> <li>– any financing operation for amounts likely to substantially modify the Group's financial structure,</li> <li>– the general orientations of the CSR and innovation policies.</li> </ul> </li> </ul> </li> </ul> <p><b>2. Risk</b></p> <ul style="list-style-type: none"> <li>■ Analyze matters relating to the way the Chief Executive Officer identifies, measures and monitors the main challenges and potential risks facing the Group.</li> </ul>	<p style="text-align: center;"><b>Main duties</b></p> <ul style="list-style-type: none"> <li>■ Ensure the relevance, consistency and proper application of, and compliance with, the accounting standards adopted to prepare the Group's consolidated and statutory financial statements.</li> <li>■ Verify the Group's external financial communications prior to publication.</li> <li>■ Analyze the accounting and financial treatment of material acquisitions or disposals.</li> <li>■ Monitor the application and effectiveness of all processes designed to improve internal control within the Group.</li> <li>■ Ensure compliance with the rules, principles and recommendations safeguarding the independence of Statutory Auditors.</li> <li>■ Oversee the selection procedure to appoint or re-appoint Statutory Auditors.</li> <li>■ Keep abreast of the Group's financial position and the overall orientation of the Group's financial and tax policies.</li> <li>■ Keep abreast of insurance policies, IT governance, IT security and cybersecurity.</li> </ul>	<p style="text-align: center;"><b>Main duties</b></p> <ul style="list-style-type: none"> <li>■ Examine and submit opinions and recommendations to the Board concerning prospective candidates for the positions of Chairman, Chief Executive Officer, Deputy Chief Executive Officers (if any), Directors, and members of committees.</li> <li>■ Present a succession plan for executive corporate officers and the Executive Committee.</li> <li>■ Review the independent status of Directors.</li> <li>■ Consider draft responses to any requests from regulatory authorities (French Financial Market Authority or France's High Committee for Corporate Governance, the HCGE). Make recommendations to the Board to comply with best practice in governance and the recommendations set out in the AFEP-MEDEF Code.</li> </ul>	<p style="text-align: center;"><b>Main duties</b></p> <ul style="list-style-type: none"> <li>■ Examine and submit opinions and recommendations to the Board concerning: <ul style="list-style-type: none"> <li>• the amount of and allocation method applied to determine compensation for directors;</li> <li>• the comprehensive compensation policy for executive corporate officers, which the Board submits for approval at the Shareholders' General Meeting;</li> <li>• the comprehensive compensation policy for the Group's senior executives;</li> <li>• all components of compensation, sign-on bonuses, severance packages and benefits of any kind owed or likely to be owed to each executive corporate officer;</li> <li>• the Group's policy on employee share ownership.</li> </ul> </li> </ul>

√ For further details on the composition, duties and operating procedures of the Committees, see chapter 4, section 4.1 of the Universal Registration Document.





# CORPORATE SOCIAL RESPONSIBILITY

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## 3.1 VISION AND AMBITION

### 3.1.1 STRATEGY AND GOVERNANCE

Imerys respects the world in which it operates. 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.

To achieve the aforementioned ambitions, in 2018, the Group launched its new CSR program named SustainAgility. The SustainAgility program was developed duly considering the 2030 Agenda for Sustainable Development<sup>(1)</sup> and the international framework presented in [chapter 1, section 1.2.2 of the Universal Registration Document](#).

The SustainAgility program is articulated around three axes as outlined in the Group CSR Charter:

- **empowering our people:** making sure employees and the people Imerys works with stay healthy and safe, nurturing talent, promoting diversity and inclusion, fostering social dialogue and safeguarding human rights;
- **caring for our planet:** protecting the environment, promoting non-energetic resources efficiency, preserving biodiversity, and acting on climate change;
- **building for the future:** behaving ethically, operating fairly, ensuring responsible purchasing, engaging with communities and promoting sustainable products and technologies.

SustainAgility is the Group 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 CSR aspects in all Group activities, thereby continuing to reduce risks, create new opportunities and build capacity for long-term shared value creation by unlocking the sustainable potential of minerals. The continuous improvement approach, new projects, and scientific studies shall continue to be developed and deployed based on a reinforced framework of solid policies, procedures, improved tools, training, as well as series of maturity matrices upon which Group sites are assessed and against which action plans are developed.

The SustainAgility program is overseen by a CSR Steering Committee, chaired by the Group CEO, which meets quarterly and has the responsibility to establish Group CSR ambitions, validate key milestones and guide and monitor implementation on progress towards the Group objectives. In 2020, in order to build on the progress achieved over the past years and to accelerate the implementation of a consistent and comprehensive approach to CSR within the six pillars of SustainAgility, a new Operational Committee was created. This SustainAgility Operational Committee, led by the Group CSR Vice-President and composed of functional leaders, is responsible for coordinating the implementation of the SustainAgility program.

√ For more information on the Group CSR governance, [see chapter 1, section 1.3 of the Universal Registration Document](#).

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(1) *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.*

### 3.1.2 UNITED NATIONS GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

In 2016, Imerys became a signatory member of the United Nations Global Compact (UNGC) and has committed to base its business approach on the following 10 Principles:

**WE SUPPORT**



<b>Human Rights</b>	<ul style="list-style-type: none"> <li>■ <b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>■ <b>Principle 2:</b> make sure that they are not complicit in human rights abuses.</li> </ul>
<b>Labour</b>	<ul style="list-style-type: none"> <li>■ <b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>■ <b>Principle 4:</b> the elimination of all forms of forced and compulsory labour;</li> <li>■ <b>Principle 5:</b> the effective abolition of child labour; and</li> <li>■ <b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>■ <b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</li> <li>■ <b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</li> <li>■ <b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</li> </ul>
<b>Anti-Corruption</b>	<ul style="list-style-type: none"> <li>■ <b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ul>

In accordance with the UNGC Principles, the Group is committed to publish its annual Communication on Progress (COP). The Group is committed to supporting Ten Principles of UNGC in the areas of Human Rights, Labor, Environment and Anti-Corruption and embed the UN Global Principles within the Group strategy, operations and corporate values.

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 to nine of the SDGs listed below:



The Group CSR commitments, objectives and results against 2020 objectives, are presented in the context of continuous progress made towards the UNGC Principles and the aforementioned nine UN SDGs.

√ For more information on Imerys' contribution to the SDGs, [see the film "Fostering positive changes in the world of industrial minerals"](#).

## 3.2 STAKEHOLDER 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 engagement.

The list of stakeholders groups with whom Imerys engages in various capacities across the globe includes: banks & brokers, business partners, competitors and peer companies, customers, employees, government authorities, local community members, media, non-governmental organizations, professional associations, shareholders and investors, and suppliers and subcontractors.

In 2017 and in 2018, in the context of the definition and preparation of the launch of the Group's CSR program, Imerys conducted a **materiality assessment** in order to further integrate stakeholder expectations on environmental, social and governance (ESG) risks, threats and opportunities facing the Group, and define material CSR priorities. This process 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, inputs from the [2050 Roadmap of the Industrial Minerals Association \(IMA\) Europe<sup>\(1\)</sup>](#) and [IMA-Europe's Circular Economy Report<sup>\(2\)</sup>](#), an assessment of selected international companies CSR programs, operational risk related to CSR themes as well as a review of selected climate change, biodiversity, responsible purchasing, diversity and inclusion, and circular economy approaches. This research was supplemented by an assessment of external rating agencies indices, feedback on Imerys CSR performance in 2016 and a

review of the Group 2017 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 2017 was used to gain confidential and anonymous insights and feedback from across the Group. Consultation on the CSR themes was gained in 2018 through face-to-face engagement meetings held at various locations across the world. Over 140 senior managers and experts across the Group business and functions, as well as employee representatives were consulted. Feedback was gained from external stakeholders surveyed with the aim of achieving a representative mix in terms of types of organization (customers, investors, banks, suppliers, local community members, and associations) as well as geographic areas.

The **third phase** involved analysis and validation. Several interviews were conducted with Executive Committee members and senior management to structure the final results in 2018. The final assessment and the results were then presented and validated by the CSR Steering Committee and Executive Committee.

At the end of 2019, the results of the materiality assessment were used to define mid-term CSR objectives, which are described in [section 3.4 of the present chapter](#). The next materiality assessment exercise is planned for 2021.

✓ For more information on the Group rating agency indices and assessments related to Group ESG performance, [see chapter 1, section 1.2.2 of the Universal Registration Document](#).

✓ For more information on the Group Employee Engagement survey, [see section 3.5.2.1 of the present chapter](#).

✓ For more information on Group CSR Reporting Methodologies, [see section 3.8 of the present chapter](#).

## 3.3 MATERIAL CSR RISKS

A robust assessment of material CSR risks is fundamental to the definition of the Group CSR program consistent with Imerys' long-term business strategy as well as stakeholder expectations. Materiality in this context is about identifying the key issues, threats and opportunities that may negatively impact or have the capacity to create shared value for Imerys and its stakeholders.

Imerys material CSR challenges and opportunities are summarized below under the six SustainAgility pillars: Safety & Health, human capital, environmental stewardship, climate change, business conduct, and product management.

They are consistent with the macro approach to Group risk and internal control presented in [chapter 2 of the Universal Registration Document](#).

Ensuring the **Safety & Health** of Group employees as well as contractors is a core value and Imerys' number one commitment. Being a safe place to work is 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 3.5.1 of the present chapter](#), could result in a fatality,

(1) IMA Europe published the "2050 Roadmap" for the industrial mineral sector in September 2014. This roadmap identifies the megatrends, risks and opportunities of the industrial minerals sector between today and the horizon of 2050.

(2) IMA Europe published the "Industrial Minerals sector contribution to a circular economy" report in October 2018 focusing on projects from industrial minerals companies contributing to the circular economy, throughout the different life cycle stages of the minerals: extraction, manufacturing, transport, use phase and end of life.

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.

Imerys **human capital** is the most important Group asset, thus ensuring the respect of human rights and labor practices, implementing tools for talent and skills development, maintaining constructive social dialogue and ensuring a diverse and inclusive environment with equal opportunities for all are crucial to the Group’s long-term strategy. Possible issues in this regard are related to potential violations of the Group Code of Business Conduct and Ethics that could result in the risk of causing or being linked to salient right abuses. While in the 2018 materiality assessment, diversity and inclusion were not assessed as the most material, the promotion of diversity and inclusion is considered to be a long-term objective that needs constant focus as expressed through the employee engagement and other surveys. As such the CSR Steering Committee defined it as a key theme, with the development of the Group Diversity and Inclusion program set as a high priority in the mid-term.

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 stewardship**, the Group ensures 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 the use of mineral resources and processing of mineral and to identify solutions to limit the consumption of other non-energetic resources such as water, 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. While potential climate change impacts linked to Group operations did not emerge amongst the most material topics in the 2018 materiality assessment, Imerys remains committed to its long-term objective to the elaboration and roll-out of the Group climate change strategy. As such the CSR Steering Committee included climate change as a material theme and shall continue to focus on this pillar as a high priority in line with the long-term emission reduction targets that have been set and are described in *section 3.6.2 of this chapter*. The Group risk mapping exercise presented in *chapter 2, section 2.1.2 of the Universal Registration Document* identified the potential long-term risk for the Group associated with climate change.

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 evolving regulations focusing on fair operating practices, and responsible purchasing require continual adaptation of Group systems and processes. Respect of the Group Code of Business Conduct and Ethics (“the Code”) has been an area of particular focus since 2017 and through the reinforcement of internal controls, 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 3.7.1.2 of this chapter*. Imerys also 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 contractors and suppliers, thus, helping to fight poverty and contribute to sustainable development.

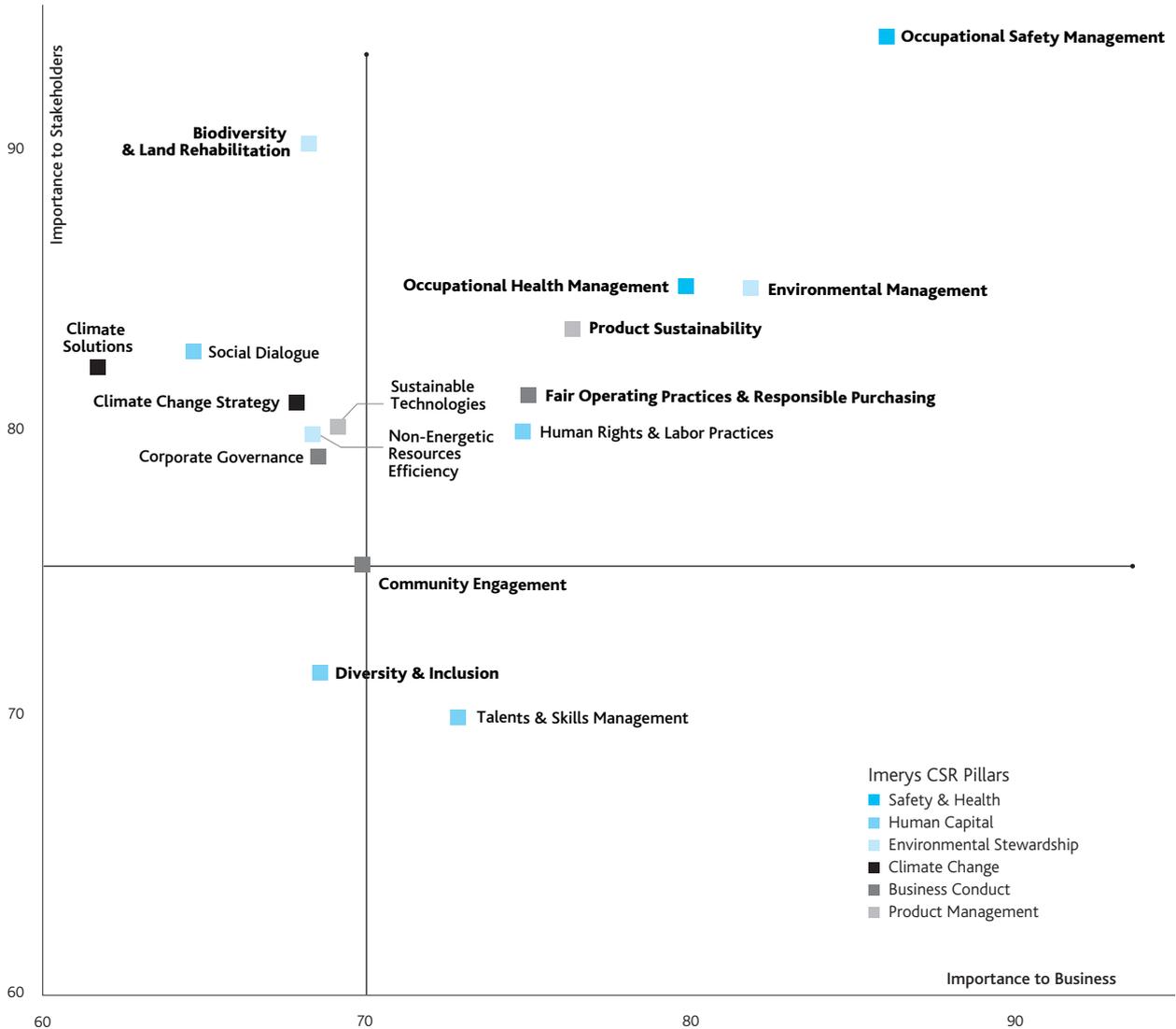
Imerys is fully aware of stakeholder expectations for the Group to reduce product environmental footprints while at the same time provide sustainable solutions aligned to global megatrends. **Product management** that incorporates environmental and societal criteria contributes to the development of 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.

(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 global level.

By crossing all the data coming from different sources Imerys aims to get a better vision of the most material issues so as to orientate its mid and long-term CSR objectives and programs in an optimal way for the Group and its stakeholders.

The results of the Group materiality assessment exercise are presented in the figure below, with the eight most material issues and CSR priority themes identified in bold.

### IMERYS MATERIALITY RESULTS



### 3.4 KEY OBJECTIVES AND PERFORMANCE

In 2019, the Group defined mid-term CSR objectives based on the materiality assessment process and results presented in [sections 3.2 and 3.3 of the present chapter](#). The Group CSR commitments, specific objectives for each of the eight **CSR priority themes** as well as the performance indicator and timeline to achieve the objective<sup>(1)</sup> are presented in the following sections together with their alignment to UNGC Principles and the UN Sustainable Development Goals to which they contribute. Each of the Group's CSR mid-term objectives has been translated to specific objectives for the five Business Areas with a dedicated action plan and monitoring in place.

A complete summary of the Group's non-financial Key Performance Indicators (KPIs), which also reflect local performance at site level, can be found in [section 3.8.2 of the present chapter](#).

During 2020, the Group made a series of acquisitions and divestitures, which are described in [chapter 1, section 1.2 of the Universal Registration Document](#). The potential impacts on non-financial indicators of these modifications in the Group operating perimeter are described wherever appropriate in the following sections of this chapter. Adjustment to the Group programs and/or progress toward mid-term objectives have in

some instances been affected by the Covid-19 pandemic. Where this is the case, the impact has been described.

For the past 16 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 CSR commitments and supporting progress towards several UN Sustainable Development Goals. In total, over 1,300 projects have been submitted in the SD Challenge since it was launched. In 2020, 259 SD Challenge projects were submitted in the initial phase, with 216 projects competing in the final phase. To be considered for the SD Challenge, a project must have concretely contributed to specific CSR 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 CSR themes and continues to serve as a platform to support the realization of the Group CSR ambition.

√ For more information on Group SD Challenge initiatives, see ["Imerys Replay"](#).

### 3.5 EMPOWERING OUR PEOPLE

#### 3.5.1 SAFETY & HEALTH

Imerys' Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGS
<p>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</p>	<ul style="list-style-type: none"> <li>■ Occupational Safety Management                             <ul style="list-style-type: none"> <li>• Improve Group Safety Culture Maturity to Level 3<sup>(1)</sup> across all Business Areas by the end of 2022</li> </ul> </li> <li>■ Occupational Health Management                             <ul style="list-style-type: none"> <li>• Improve Group occupational health performance by 30% against 2019 baseline assessments by the end of 2022</li> </ul> </li> </ul> <p><b>2020 Results achieved</b></p> <ul style="list-style-type: none"> <li>■ Occupational Safety Management                             <ul style="list-style-type: none"> <li>✓ Group Safety Culture Maturity measures at Level 2.65 at the end of 2020</li> </ul> </li> <li>■ Occupational Health Management                             <ul style="list-style-type: none"> <li>✓ The Group baseline assessment was completed across all operations in 2020<sup>(2)</sup> and detailed action plans have been developed/started to be implemented.</li> </ul> </li> </ul>	<p>Principle 1</p>	 

(1) Level 3 corresponds to 'Proactive' level on the Safety Culture Maturity Matrix, where Imerys safety system is fully implemented, employees are engaged and contribute actively.

(2) Completion of the baseline assessments were impacted by the restrictions in place as a result of the COVID pandemic. Additional details are included below in [section 3.5.1.2 of the present chapter](#).

(1) Progress towards mid-term objectives that is on-track as of the end of 2020 is denoted with the symbol "✓" in the table of objectives in the following sections.

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

### 3.5.1.1 OCCUPATIONAL SAFETY

The Group has a dedicated Safety Steering 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 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 Executive Committee meetings.

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 framework implementation and risk management is supported by appropriate 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 target is for the Group Business Areas to achieve a Level 3 maturity by 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 2020, the result of the most recent assessment shows that the Group Business Areas maturity of 2.65, which represents an improvement in line with the Group's mid-term objective.

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

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.

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.

√ For more information on Covid-19 specific measures, [see Imerys.com](https://www.imerys.com).

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 normally conducts approximately 60 comprehensive onsite EHS compliance audits annually. These compliance audits could not all be conducted as planned in 2020 due to travel restriction. Of the 60 planned for 2020, 23 were completed, and thus some shall be carried over into 2021. Corrective actions are tracked by Corporate and Business Area EHS teams through to completion using a web-based software system.

Safety Culture Improvement Team (SCIT) events are organized by senior EHS professionals within the Group to drive safety culture. Numerous planned events could not be held in 2020, with a total of two events conducted.

Training and awareness on 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 "IM-Pulse" 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 represents 49% of total training hours in 2020 ([see section 3.5.2.2 within the present chapter](#)). 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 2020, 17611 VFL interactions were recorded through our Group Health and Safety reporting platform.

The Group has an internal Safety & Health incident reporting process. Imerys tracks and analyses 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. All levels of the

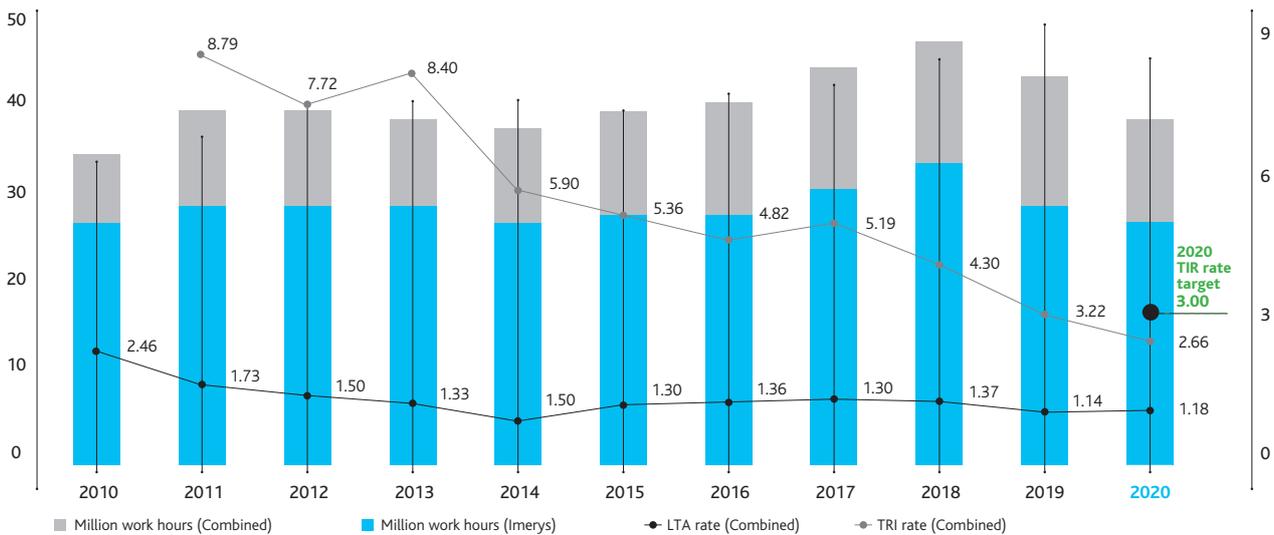
Group review recorded safety performance metrics every month in a single web-based platform. The platform facilitates the collection of details related to any incident, helps to identify the critical factors to prevent further accidents and strengthens the management of incidents across the Group.

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 had 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 2020, 48 safety alerts related SPIs were shared across the Group.

✓ For more information on Group safety reporting methodologies and metrics, [see section 3.8 of the present chapter](#).

✓ For more information on supplier Health and Safety requirements, [see section 3.7.1 of the present chapter](#).

**GROUP LOST TIME ACCIDENT RATE**



As of December 2020, the combined LTA rate of the Group was 1.18 and the combined Total Recordable Injury Rate (TRIR)<sup>(1)</sup> was 2.66. The Group achieved the 2020 target TRIR, which was set at 3.00 and continues to observe continuous improvement across Group operations. Tragically, in 2020 a colleague passed away following injuries sustained in a road accident in Indonesia. This fatality happened on the commute

to work outside the Group reporting perimeter, nevertheless defensive driving policies have been reinforced in order to contribute to prevent off site incidents. The Group shall continue its unyielding focus on continuously improving safety performance and work towards its goal to achieve an injury-free workplace.

(1) Imerys has a different TRIR definition than many other Groups. Many Groups consider an injury as "recordable" when its treatment requires more than first aid. However, Imerys considers a recordable injury as an accident without lost-time whenever a medical service provider is involved in the treatment, even if the treatment is first aid.

## 3.5.1.2 OCCUPATIONAL HEALTH

For Imerys managing workplace health and wellbeing of Group's employees and contractors is a priority. 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 proportionate 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 Groups Occupational Health protocols are reviewed regularly through the Group EHS audit program.

In 2019, led by the Group Industrial Hygienist, the Group defined a new occupational health strategy starting with a comprehensive baseline assessment (gap analysis). The baseline assessment focuses on industrial workplace health risk identification, assessment, control, monitoring and review processes. The baseline assessment is 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. The completion of the full baseline assessment across all Group sites was affected by Covid-19, however at the end of 2020, all sites across the Group have been assessed against the baseline criteria and detailed action plans have been developed/started to be implemented. **The Group mid-term occupational health performance target is to improve by**

**30% against 2019 baseline assessments.** As such progress towards this objective is well underway. Based on the completed assessments the Group has drawn up a comprehensive 5-year occupational health action plan, focusing on the following four pillars: risk and general management, systems, training and protocols.

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 in the coming years.

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.

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 2020, all of Imerys' concerned sites reported into NEPSI.

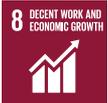
### Group Reported Occupational Illnesses

	2020	2019	2018
Occupational illnesses with lost time	0	1	2
Occupational illnesses without lost time	1	1	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>

In 2020, one occupational illness linked to hand-arm vibration was reported from one Imerys site located in the United Kingdom. Medical treatment and monitoring as well as corrective actions were implemented to address this reported case.

(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.

### 3.5.2 HUMAN CAPITAL

Imerys' Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGS
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 and inclusion based on mutual respect	<ul style="list-style-type: none"> <li>Diversity and Inclusions                             <ul style="list-style-type: none"> <li>Increase the number of women in senior management to 30% by the end of 2022</li> <li>Fully implement the Group Diversity and Inclusion 3-year program by the end of 2022</li> </ul> </li> </ul>	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	
	<p><b>2020 Results achieved</b></p> <ul style="list-style-type: none"> <li>Diversity and Inclusions                             <ul style="list-style-type: none"> <li>✓ The number of women in senior management increased to 26% at the end of 2020</li> <li>✓ Implementation of the Group Diversity and Inclusion 3-year program is at 40% at the end of 2020</li> </ul> </li> </ul>		
			

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.

#### Employment

	2020	2019	2018
<b>Registered employees</b>	<b>16,437</b>	<b>16,305</b>	<b>17,769</b>
of which permanent employees	15,270	15,023	16,220
of which non-permanent employees (fixed term)	1,167	1,282	1,549
<b>External employees (Full-Time Equivalent)<sup>(1)</sup></b>	<b>4,790</b>	<b>6,205</b>	<b>4,204</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.

## 3.5.2.1 HUMAN RIGHTS AND 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 Group Employee Engagement Policy. Approximately 73% 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.

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 organized 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. Unfortunately additional training sessions could not be conducted in 2020 as a result of Covid restrictions, but such sessions will continue in the future to progressively cover more countries and key functions.

√ For more information on the Code of Business Conduct and Ethics, [see paragraph 3.7.1. of the present chapter.](#)

The Group has developed a global and comprehensive program (Global Benefits Management) that aims at mapping all the healthcare, death and disability benefits provided to its employees, and ensuring that the corresponding levels of coverage are in line with local regulations and market practice. This program currently covers 32 countries where the Group operates. Through the continued expansion of the program, the Group is advancing its employee benefits harmonizing actions in a structured and efficient way.

The Group Pension Committee has reviewed and updated its governance principles, objectives and operating modes *via* the definition and publication of its terms of reference, applicable to all Imerys units.

To support mental health and well-being of employees during the unprecedented challenges of the pandemic, in 2020, the Group developed a new mental health guide for employees and for managers to help them support their teams.

In April of 2017, Imerys launched its first global employee engagement survey "Your Voice". This survey was conducted confidentially and anonymously offering employees to express their position on a wide range of topics. The questionnaire, composed of 53 questions including one open ended question and available in 17 languages, was shared with all employees with Group emails across all Imerys countries and businesses. The global response rate reached 75%, 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, driven by a strong loyalty to Imerys. When compared to the industrial benchmark of data collected from over 2.4 million employees in 90 organizations operating in the industrials sector, feedback on Imerys commitment and performance in terms of safety and environment ranked high among Imerys strengths (17% and 9% above the industry average for safety and environment, respectively).

## Employee moves

	2020	2019	2018
Net variation of permanent employees (excluding acquisitions and divestitures)	(258)	(828)	(438)
External recruitments	1,157	1,001	1,446
Mutual agreements <sup>(1)</sup>	(282)	(133)	-
Redundancies (economical & non-economical)	(499)	(753)	(557)
Retirements	(238)	(301)	(303)
Voluntary terminations & others	(592)	(928)	(1,024)
Turnover <sup>(2)</sup>	3.9%	5.9%	6.1%
Net variation of temporary employees (excluding acquisitions and divestitures)	(171)	(270)	569
Acquisitions – Divestitures	561	(361)	(721)
<b>Variation of Registered Headcount</b>	<b>132</b>	<b>(1464)</b>	<b>(590)</b>

(1) *Mutual agreements is a new employee move category introduced in 2019.*

(2) *The turnover above is based on the number of voluntary termination and other termination in the year, and the average headcount for the year for permanent employees.*

Compared to December 2019, the Group's headcount increased by 0.8%. Part of the observed variation in headcount is due to changes in Imerys' perimeter associated with acquisitions, as detailed in [note 25 of chapter 6 of the Universal Registration Document](#). The variation in terms of mutual agreements and redundancies in 2019 and 2020 is associated with the implementation of the final phase of the Group transformation project launched in 2018.

### 3.5.2.2 TALENT AND SKILLS MANAGEMENT

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, which were rolled out in 2016 and have become 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 is proposed through the Imerys Learning Center for in-class training and through the digital learning platform "IM-Pulse" for the e-learning training offer. The digital platform is accessible to more than 7,500 employees across the Group. In-class training and e-learning courses cover safety, finance, management and leadership, project management, commercial excellence and industrial marketing, and basics of geology and mining amongst other topics. In 2020, the vast majority of planned in-person training of the Imerys Learning Center had to be cancelled or postponed due to Covid-19. However, multiple new digital courses were made available, including content to support employees with remote working and managing uncertainty. Traditional in-person training programs, such as the Imerys Leadership Program, were also redesigned to be delivered in a virtual format. Global compliance trainings were rolled-out in 2020, including a new anti-bribery course for more than 6,000 employees and an anti-discrimination training for more than 2,500 people managers. At the end of 2020, 81% and 82% of the respective target populations of employees have completed these training courses. The Group likewise developed and launched a new introductory CSR digital course that will continue to be rolled out in 2021.

In 2020, the Group launched 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 and inclusion, cybersecurity, CSR) as well as Business Area, function, and country specific content. This onboarding is available on the IM-Pulse training platform, with a dedicated workflow that ensures that all new employees receive key messages and information directly after arrival.

The Group likewise focuses on induction training for Imerys' new plant managers to help them understand the Group's "Raise the Bar" approach to continuous improvement, covering topics such as safety, processes, finance, HR, CSR, 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. 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, including targets related to the Group mid-term CSR objectives. Long-term compensation programs, based on Performance Shares, are fully aligned on the Group long-term financial objectives. The Group endeavors to align its remuneration practices across the best international standards.

√ For more information on the Executive Compensation, [see chapter 4, section 4.3 of the Universal Registration Document.](#)

## Group training hours

	2020	2019	2018
Number of trained employees	13,042	15,958	13,636
Number of training hours by year	212,640	367,453	508,356
Number of hours by category of program			
Environment, Health & Safety	103,152	200,935	211,645
Technical skills	90,024	127,092	245,078
Management	19,464	39,426	51,633

In 2020, 71% 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 decreased in 2020 by 42% relative to 2019 due to the Covid pandemic as many in-person training courses were cancelled or postponed, while new digital learning courses were developed to adapt to the context.

The Group is committed to continuously invest in its workforce and provide opportunities for its employees to develop new skills. The Group SD Challenge serves as an effective channel

to strengthen the focus on talent and skill development and share best practices: a total of 18 new projects were entered into the 2020 SD Challenge in this category, including the I-Cube Solutions Program, through which over 100 employees at various levels in the organization in Argentina, Brazil and Chile, shared operational excellence projects to deepen their knowledge on the Plan – Do – Check – Act (PDCA) method, safety, environment, quality and processes.

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

### 3.5.2.3 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 10 to reduce inequality within and among countries.

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 "Onelmersys", 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.

"Communicate and collaborate" are one 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 to facilitate open exchange with employees during a year where travel was severely restricted.

### 3.5.2.4 DIVERSITY AND INCLUSION

The Group is committed to promote a culture based on mutual respect and appreciation, where the value and contribution of each individual is welcomed and recognized. Imerys does not tolerate any discrimination and/or harassment of its employees, contractors, customers, suppliers or other stakeholder on the basis of gender, age, nationality, citizenship, ethnicity, religious status, educational background, sexual orientation, physical and mental abilities, marital and parental status, or political affiliation or any other dimension of diversity. The Group recognizes that diversity and inclusion are long-term ambitions and while the Group has not yet reached its full ambition, it is fully committed to its accelerate efforts 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. Since 2019, with broad participation from employees across functions and geographies, the Group has analyzed the key drivers and challenges and structured

Imerys is committed to engage in constructive dialogue with employee representatives. In Europe, the European Works Council (EWC) covers all Group employees in 21 countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom. The employee delegation consists of 18 members, representing 19 different nationalities. In addition to the annual plenary session, the EWC's five officers meet at least three times a year and act as liaison between representatives and Imerys management. The EWC agreement was signed on May 31, 2018, covering 2018–2022. The term of office of elected representatives of the EWC is four years. The dialogue between Imerys management and the EWC was particularly important and frequent during the Covid-19 pandemic. A total of 15 specific meetings were held together with the EWC representatives (bi-weekly and then monthly) to share information on the evolution of the Covid-19 outbreak, the impact on Imerys activity and the measures put in place to mitigate the potential impacts. Dialogue likewise extended to discussions around the Group de-confinement protocol and its adaptation according to local needs across each country.

Notwithstanding efforts to engage in constructive social dialogue, labor strikes may still occur. In 2020, 1,962 hours were lost due to labor strikes (3,127 in 2019), of which 1,906 hours in France and 56 hours in Greece.

a 3-year diversity and inclusion program. The Group designated a Diversity and Inclusion Steering Committee, 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 and Inclusion Steering Committee is facilitated by the Group Diversity and Inclusion coordinator, who is responsible for the planning, coordination and implementation of the new program in close collaboration with Business Areas and functions. **The Group's mid-term Diversity and Inclusion specific and time-bound mid-term objective is two-fold: to increase the number of women in senior management to 30% and fully implement the Group Diversity and Inclusion program by the end of 2022.** The program addresses areas for improvement centered around: decision process and governance, training and awareness, human resources policies, communication and offices and sites accessibility. The deployment of the 3-year program began in 2020. At the end of 2020, 26% of senior managers were female and 40% of the 3-year plan had been implemented, including the creation and animation of an internal network of Diversity and Inclusion Ambassadors and the launch of numerous communication and awareness campaigns across Group sites and offices.

The Group is committed to develop all its 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 and inclusion plan and are regularly updated to include specific diversity and inclusion principles and requirements at the appropriate steps within each process. Diversity 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 and/or unconscious bias and to help employees develop effective strategies for ensuring that such bias do not undermine Group efforts to ensure a diverse and fulfilling workplace for all. In November 2020, training on anti-discrimination was rolled out for all senior managers and people managers. At the end of 2020, 82% of senior managers and people managers completed this training. Participants of this training were provided with guidelines on how to identify discriminatory behaviors within the workplace and on how to approach, step in and effectively resolve them. The Group leadership programs likewise adapted to include dedicated sessions focusing on unconscious bias and conscious inclusion. All managers within the leadership program participated in managing inclusion training sessions within 2020. A dedicated section on diversity and inclusion within the IM-Pulse e-learning platform was enriched to provide additional practical resources and tools for training and awareness campaigns related to inclusion. Diversity and Inclusion elements were likewise included in the digital onboarding program for new employees.

With the introduction of the new 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 2020 SD Challenge, diversity and inclusion commitments continue to be given greater visibility, encouraging employees across the Group to develop and submit projects linked to the ambitions expressed in the Imerys Diversity and Inclusion Charter. Initiatives were carried out in France, Brazil, India, the United Kingdom, the United States, and Switzerland covering a wide range of diversity dimensions, each essential to achieve a more diverse and inclusive mindsets in the workplace. As an example, in 2020 one of the top three projects submitted in the SD Challenge Diversity and Inclusion category focused on work flexibility, autonomy and collaboration following the principles of “smart working”, established during 2020 in the Bironico and Bodio sites in Switzerland. Another focused on the recruitment and retention of female interns for operational roles in Barcarena (Brazil), which achieved the target to fulfil 50% of the vacancies in the Operational Excellence department. Finally, in Vizag (India), a robust gender diversity and inclusion project focused on increasing the number of women in the Vizag workforce. At the end of 2020, 23.4% of the site workforce was female.

√ For more information on the Imerys 2019 Gender Equality Index, [see Imerys.com](https://www.imerys.com).

### Gender diversity

Percentage of permanent headcount by gender	2020	2019	2018
Percentage of female Board members	40% <sup>(1)</sup>	45%	42%
Percentage of female Executive Committee members	9%	9%	9%
Percentage of females in Senior Management roles <sup>(2)</sup>	26%	22%	19%
Percentage of females in Manager/Expert/Professional roles	26%	27%	26%
Percentage of females in Paraprofessional roles <sup>(3)</sup>	12%	12%	-
Percentage of females in the Group	17%	17%	18%

(1) As from May, 4<sup>th</sup> 2020 and without taking account of the employees' representative directors as per laws.

(2) The definition of Senior Manager was updated in 2020 to exclude Executive Committee members, thus the percentages for 2019 and 2018 have been adjusted accordingly.

(3) This management level is a category introduced in the 2019 reporting cycle and thus not available for the previous years.

In 2020, the number of female senior managers as a proportion of all senior managers increased as a result of the Diversity and Inclusion program focus on adapting HR policies and practices. The overall proportion of women in other roles within the Group have remained relatively stable over the past years.

## Disability

	2020	2019	2018
Number of employees with a disability	419	167	186
Percentage of registered headcount with a disability	3%	1%	1%

Imerys Diversity and Inclusion program addresses not only gender diversity, but also focuses on creating an inclusive working environment for people with disabilities. The Group launched an assessment related to the accessibility of Group sites and offices for people with physical disabilities. This assessment, which is still ongoing, shall inform the improvement actions of the next stages in the Diversity and

Inclusion plan. The percentage of the Group's registered headcount with a declared disability increased in 2020. 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 and Inclusion program for the years to come.

## Age and seniority

	2020	2019	2018
<b>Percentage of permanent headcount by age bracket</b>			
Less than 30 years	10%	11%	11%
From 30 to 39 years	26%	25%	25%
From 40 to 49 years	29%	29%	29%
From 50 to 54 years	14%	15%	15%
More than 55 years	21%	21%	20%
<b>Percentage of permanent headcount by seniority</b>			
Less than 10 years	51%	50%	50%
More than 10 years	49%	50%	50%
of which more than 20 years	21%	21%	23%

The Group age pyramid structure has remained relatively stable over the past years, which provide 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 2020, 35% of new permanent recruits were less than 30 years old and 10% were over 50 years of age.

In addition to the dimensions of diversity that are summarized above, a total of over 90 different nationalities are represented within the Group permanent employee headcount, and 17 different nationalities are represented amongst senior managers.

## 3.6 CARING FOR OUR PLANET

### 3.6.1 ENVIRONMENTAL STEWARDSHIP

Imerys' Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGS
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	<ul style="list-style-type: none"> <li>■ Environmental Management                             <ul style="list-style-type: none"> <li>• Reduce environmental impacts through the deployment of a continuous improvement program and conduct 100% of environmental audits using the environmental maturity matrix by the end of 2022</li> </ul> </li> <li>■ Biodiversity and Land Rehabilitation                             <ul style="list-style-type: none"> <li>• Achieve all objectives defined within Group act4nature commitment and renew engagement for an additional midterm cycle by the end of 2021</li> </ul> </li> </ul>	Principle 7 Principle 8 Principle 9	  
	<p><b>2020 Results achieved</b></p> <ul style="list-style-type: none"> <li>■ Environmental Management                             <ul style="list-style-type: none"> <li>✓ The deployment of a continuous improvement program has commenced and 60% of environmental audits were based on the environmental maturity matrix at the end of 2020</li> </ul> </li> <li>■ Biodiversity and Land Rehabilitation                             <ul style="list-style-type: none"> <li>✓ 93% of the objectives defined within Group act4nature commitment have been fulfilled and the Group engagements for an additional midterm cycle were renewed in 2020</li> </ul> </li> </ul>		

Imerys is committed to respecting 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.

#### 3.6.1.1 ENVIRONMENTAL MANAGEMENT

Imerys' Environmental Charter, signed by the Group CEO and reviewed annually, 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 the 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 Group 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. To continue to strengthen environmental management across the Group, a maturity matrix covering the critical elements of sound environmental management was developed. This maturity matrix which, as with the other continuous improvement matrices deployed across the Group, will be 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 is for the Group to deploy the continuous improvement program and ensure that environmental audits are based on the defined maturity matrix.** The Group has begun the roll-out of the environmental maturity matrix and while the number of Environmental Management System audits conducted in 2020 was heavily impacted by Covid-19 restrictions, 60% of the environmental audits that were completed were based on the environmental maturity matrix. The audits that could not be completed in 2020 shall be completed in 2021.

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 2020, 93 of 245 (38%) of Group operations are ISO 14001 or EMAS certified by external certification organizations.

Since 2018, the Group has been progressively deploying a new integrated solution to manage environmental legal compliance and regulatory monitoring. This new 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 82/245 (33%) of Group sites, including France, China, Greece, Netherlands, Thailand, US and Brazil sites are covered by this news solution. In addition to the new solution developed at Group level, sites across Imerys use various other tools to support regulatory monitoring locally.

### ■ ENVIRONMENTAL INCIDENTS, PROSECUTIONS AND FINES

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. 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.

	2020	2019	2018
Number of environmental incidents	28	14	6
Number of prosecutions	7	8	5
Amount of fines (€)	62,260	54,571	17,232

In 2020, 28 environmental incidents were reported within the Group: the increase in the number of reported incidents in 2019 and 2020 is related to the introduction of the new reporting tool in 2019. The updated reporting protocol, aimed at capturing a broader classification of environmental incidents to encourage proactive actions to prevent reoccurrence, requires the reporting of any environmental incidents with minor, medium, serious, major or catastrophic consequences. Among the 28 environmental incidents reported in 2020, 16 were categorized as minor (no harm to the environment) and 10 as medium (minimal and no permanent harm to the environment) and two as serious (limited short-term harm to the environment) according to the Group reporting protocol. The incidents classified as medium occurred in Brazil, France, Germany, South Africa, United Kingdom, United States, and were linked to temporary exceedance of suspended solid (mineral) discharge thresholds, one non-compliance with an air emission measuring procedure and one small discharge of hydraulic oil. The incidents classified as serious occurred in France and Brazil and were both linked to temporary exceedance of suspended solid thresholds.

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

The environment-related prosecutions that occurred in 2020 concerned four sites located in Italy, Greece, Netherlands and the United States. They were associated with environmental permitting obligations related to dust emission measures and dust emissions authorization as well as two old cases from 2018. Corrective actions to fully address environmental non-compliance issues have been promptly implemented at the relevant operations.

The probability and the magnitude of the fines that could potentially be imposed on the Group as part of these prosecutions have been estimated by the related business areas and Group managers, with the support of external law firms and consultants for the most significant litigations or complaints. The estimated financial impact has been consolidated into the provisions of "environmental and dismantling obligations", [see note 6.23.2 to the consolidated financial statements](#).

√ For detailed information on environmental incident reporting, [see CSR Reporting Principles 2020](#).

## 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

	2020	2019	2018
Number of environmental incidents related to wastewater discharge	10	3	2

Ten wastewater discharge incidents occurred in 2020 (eight with minimal and no permanent harm to the environment and two with limited short-term harm to the environment). They are associated with the environmental incidents described above: temporary exceedence of suspended solid discharge thresholds, which were the result of strong rain and runoff events in particular.

The Group continues to explore solutions to improve discharged water quality through the introduction of new technology. For example, at Imerys Doreys site in the United Kingdom, a partnership with Bournemouth University resulted in an ecological restoration initiative to improve the water quality in the toll bar stream and re-establish a naturally sustainable and balanced fish community. The initiative included the introduction of a multi-parameter monitoring, which measured improved water quality and reduced turbidity as a result of the program. Within the ecological restoration program local community representatives were consulted on the approach proposed as well as through various stages of

the fish surveys. The local fish species that were selected for translocation were successfully reintroduced, creating a self-sustaining community of local fish species.

## 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.

Overburden and unused mineral solids (e.g., tailings, off-specification materials, etc.) are usually stored on or near production areas at the quarries given their potential to be valorized in the future. 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.

### Waste generation and recycling

	2020	2019 <sup>(1)</sup>	2018
<b>Total industrial waste (tons) of which:</b>	<b>147,471</b>	<b>155,815</b>	<b>278,009</b>
Non-recycled hazardous industrial waste	2,141	1,952	4,017
Recycled hazardous industrial waste	891	1,175	2,374
Non-recycled non-hazardous industrial waste	83,901	92,262	155,402
Recycled non-hazardous industrial waste	60,539	60,425	116,215
<b>Industrial waste generation/revenue (kg/€)</b>	<b>0.04</b>	<b>0.05</b>	<b>0.06</b>

(1) 2019 waste data has been restated due to a data entry error that was identified and corrected in 2020.

The Group's activities generated 147 kt of industrial waste in 2020, 98% of which was non-hazardous. The decrease in waste generation is mainly due to the reduction of some sites' activity due to the Covid-19 pandemic.

The industrial waste generation rate per Euro of revenue was 0.04 kg/€ in 2020. 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 2,000 employees in France at 34 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 [this Universal Registration 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>2</sub>). The Group emission estimation methodology is described within a dedicated energy, emissions & production reporting protocol.

√ For more information on Group CSR reporting methodologies, [see section 3.8 of the present chapter](#).

### Group SO<sub>2</sub> and NO<sub>x</sub> emissions

(tons)	2020	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>
Sulfur dioxide (SO <sub>2</sub> )	2,509	3,853	4,565
Nitrogen oxide (NO <sub>x</sub> )	5,126	5,945	6,953

(1) 2018 and 2019 emission data have been restated following a minor correction in fuel consumption.

The Group SO<sub>2</sub> emissions decreased by 1,344 tons in 2020 as a result of operational shutdown periods and reduction in fuel consumption, modification in fuel mix at some key sites and divestitures of some Group operations.

NO<sub>x</sub> emissions reduced by 819 tons. This reduction is likewise related to the reduction in fuel consumption and modification in fuel mix at some Group operations.

The Group continues its efforts to reduce both SO<sub>2</sub> and NO<sub>x</sub> emissions related to its operations through technological upgrades and investments, for example, through the conversion from coal to natural gas in the alkali melting and calcination phase, at Zhejiang site in China. In addition to a reduction in CO<sub>2</sub> emission associated with the project, particulate NO<sub>x</sub> and SO<sub>x</sub> emissions decreased by 24 and 72 tons respectively.

3

### 3.6.1.2 NON-ENERGETIC 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. In 2020, the Group conducted 49 "cradle to gate" Life Cycle Assessment, which provide a detailed inventory of non-energetic resources consumed during each phase of production of the products.

√ For more information on the product Life Cycle Assessments, [see section 3.7.2.1 of the present chapter](#).

## 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> reporting code as described in [section 3.8.2 of the present chapter](#). Imerys supports, 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>.

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-product for customers. An example of this approach is demonstrated by four sites in the United Kingdom, which have recovered an estimated of 1.2ktpa 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 in other areas across the Group.

(1) 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.

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.

In addition, Imerys’ commitment to sound mineral resources management, technological improvements and newly-developed applications makes it possible to transform low-grade materials, tailings and wastes 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).

√ For more information on Mineral Reserves and Resources, see [section 3.8.2 of the present chapter](#).

√ For more information on the “I-Cube” program, see [chapter 1, section 1.1.1.1. of the Universal Registration Document](#).

### ■ WATER MANAGEMENT

Imerys aims to minimize the impact of its operations on the consumption of water resources. The Group is committed to ensure effective management of water resources by focusing on the following axes:

- optimizing water consumption by limiting withdrawal from natural environment; and
- developing recycling possibilities for process water.

Imerys classifies water withdrawals according to source, including groundwater, surface water and water from suppliers. Water moved from one zone to another without being used (water pumped for quarrying operations) is not quantified within this metric as the quality of this water is not altered.

### Group water consumption

	2020	2019	2018
Total water withdrawals <sup>(1)</sup> (millions of liters)	37,472	40,796	47,128
Water withdrawn/revenue (liters/€)	9.9	9.3	10.3

(1) Additional water consumption related key performance indicators are included in the summary table in [section 3.8.2 of this chapter](#).

The top 10 water users in the Group account for approximately 61% of total annual 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. At the end of 2020, the Group launched a new tool to improve monitoring and help 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 footprint. The Group is working towards the identification of innovative ways to reduce its water footprint. As an example, in Baltimore (US), following a detailed mapping of the water system, various equipment were modified using recycled water and the water processing system was extended, which will enable the site to decrease consumption of city water in the future. In Amritsar (India) a rainwater harvest system was installed, which supplies water to the site during the dry season, and provides additional water to the local paddy cultivators nearby. The harvest system is expected to collect 261,000 liters of rainwater each year.

### Group water recycling

	2020	2019	2018
Total water recycled <sup>(1)</sup> (millions of liters)	34,937	42,271	46,249
Number of sites reporting recycled water	54	57	62
Recycled water rate <sup>(2)</sup>	0.48	0.51	0.50

(1) The environmental reporting protocol includes the definition of “recycled water”.

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

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

### 3.6.1.3 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 implemented a biodiversity project, aligned with the main goals of the French National Biodiversity Strategy, 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 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 has carried out an 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 UMS Patrimoine Naturel<sup>(2)</sup>, 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<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 is 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, 93% of the objectives had been completed, Imerys renewed its commitment to act4nature International and likewise

renewed the Group’s scientific partnership with UMS Patrimoine Naturel for an additional three-year cycle (2021-2024).

The act4nature partners have established ten common commitments to engage businesses to include biodiversity in their global development strategy. As a member of act4nature, Imerys signed the ten common goals and in 2018 articulated its own program in specific commitments linked to the act4nature engagements. 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, as described below:

#### 1. Design and deploy a global continuous improvement approach:

the diversity of Imerys’ activities and geographic location translate into very diverse ecological, regulatory and maturity contexts depending on the site. This is why Imerys designed a maturity matrix that aims to support sites in the assessment of their environmental performance. In 2019 Imerys began 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. At the end of 2020, Imerys completed sensitivity mapping for 101 sites across the world using the World Database of Protected Areas<sup>(5)</sup>. In addition, the French National Museum of Natural History is developing a multi-criteria tool to evaluate the sensitivity of Imerys’ French sites at a territorial scale. Working together with partners UMS Patrimoine Naturel<sup>(6)</sup> Imerys co-developed internal guidelines that outline the actions to be implemented to ensure the protection of biodiversity throughout the life of Group quarries.

#### 2. Initiate and conduct studies and research on biodiversity knowledge and conservation:

the French National Museum of Natural History carried out “Évaluation de l’équivalence écologique” (ECOVAL) analysis on two Group sites, as well as four biodiversity diagnostics in quarries in France and Brazil, which help to improve the quality of the Mitigation Hierarchy<sup>(7)</sup>. Together with partners Imerys has begun to test an Ecologic Quality Index methodology on two sites in France. In addition, a scientific article was published in Espaces Naturels<sup>(8)</sup> based on the rehabilitation efforts of Imerys in Milos, Greece. As a result of the studies undertaken, 1,807 data entries on biodiversity were published in The National Inventory of Natural Heritage<sup>(9)</sup>. The mapping of biodiversity-related stakeholders was initiated, however this activity was postponed and will be taken up again at a later date.

(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.patrinat.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/>.

(5) 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).

(6) UMS Patrimoine Naturel. Nature Data and Expertise Center <http://www.patrinat.fr/fr/ums-patrimoine-naturel-346>.

(7) The mitigation hierarchy is a set of guidelines, established through the International Finance Corporation’s Performance Standard 6 that aims to avoid a net loss of biodiversity, managing biodiversity impacts and averting risk.

(8) Academic Journal on biodiversity <http://www.espaces-naturels.info/ecosystemes-mediterraneens-mieux-connaître-pour-mieux-restaurer>

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

- 3. Develop pilot projects:** Imerys deployed three pilot projects sites in Brazil, Greece, and France to improve rehabilitation techniques in different ecological contexts. These pilot projects support the use of the Mitigation Hierarchy throughout the life cycle of a mine, provide support for existing initiatives and contribute to research on improving rehabilitation techniques.
- 4. Raise awareness, train and involve internal and external stakeholders:** Imerys has implemented numerous activities with internal and external stakeholders to create greater awareness on biodiversity. The Group organized educational sessions on biodiversity with employees in Clérac, France and training sessions on the mitigation hierarchy for all site managers in France. The Group likewise launched a pedagogical film on biodiversity for Group employees to share details on the program and raise awareness on biodiversity. In 2020 an internal environmental community was created, which shall support the dissemination of good practices and biodiversity knowledge across the Group. Imerys has participated in numerous external forums dedicated to biodiversity together with other industrial actors and associations.

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 2020, 13 biodiversity projects were submitted in the SD Challenge competition. One example is the launch of an ambitious landscape restoration project near the Rabenwald site in East Styria (Austria). The project involved the definition of a detailed 10-year forest management plan in collaboration with the local forestry authority, including planting of over 10,000 trees from a broad range of local species, which will support a transition to a biodiverse mixed forest.

The Group follows two land use indicators across 26 quarries located in Western Europe, quantifying the surface disturbed by the Group’s mining activities, as well as the surface rehabilitated. In 2020, the total disturbed surface area by these quarries was 1,670 hectares, and the total rehabilitated area was 380 hectares.

- ✓ For more information on Imerys’ 2018-2021 act4nature commitments, [see act4nature.com](https://www.act4nature.com)
- ✓ For more information on Imerys’ 2021-2024 act4nature commitments, [see Imerys.com](https://www.imerys.com)

### 3.6.2 CLIMATE CHANGE

Imerys’ Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGS
Reduce the impacts of climate change through the implementation of a long-term climate change strategy to support international commitments and global targets	<ul style="list-style-type: none"> <li>■ Climate Change Strategy                             <ul style="list-style-type: none"> <li>• Reduce Group scope 1 &amp; 2 greenhouse gas emissions by 36% relative to revenue (<math>tCO_2/M€</math>) by 2030</li> <li>• Engage 71% of suppliers by spend to have science based targets by 2023</li> </ul> </li> </ul>	Principle 7 Principle 8 Principle 9	
	<p><b>2020 Results achieved</b></p> <ul style="list-style-type: none"> <li>■ Climate Change Strategy                             <ul style="list-style-type: none"> <li>✓ Group scope 1 &amp; 2 greenhouse gas emissions reduced by 12% relative to revenue (<math>tCO_2/M€</math>) compared to 2018 baseline at the end of 2020</li> <li>✓ Group suppliers with science based targets represent 10% by spend at the end of 2020</li> </ul> </li> </ul>		

Imerys recognizes that climate change is a major global challenge. In 2017, on the occasion of the international One Planet Summit, the Group became a signatory of the French Business Climate Pledge. In 2019, and again in 2020, Imerys renewed its commitment within The *French Business Climate Pledge*<sup>(1)</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. Imerys signed up to the Science Based Targets initiative (SBTi)<sup>(2)</sup> in 2018 and in 2019 set greenhouse gas

(GHG) emissions reduction targets, which were subsequently approved by the SBTi. **Imerys has aligned its climate change strategy to a 2° C trajectory scenario<sup>(3)</sup>, committing to reduce Scopes 1 and 2 emissions by 36% relative to revenue by 2030 (from a baseline year 2018) 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 2020, Scope 1 and 2 emissions relative to revenue decreased by 12% from the 2018 baseline, while 10% 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.

(1) The *French Business Climate Pledge* is a public commitment made by French Companies to reduce greenhouse gas emissions.  
 (2) 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 consistent with limiting global warming to well below 2°C.  
 (3) 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.

### 3.6.2.1 CLIMATE CHANGE STRATEGY

Since the end of 2017, the Group has been working to address climate change as a priority CSR theme. The Group created a cross-functional working group to complete a comprehensive climate change benchmark, assess risks and opportunities as well as current CO<sub>2</sub> footprint of the Group, and define relevant KPI and targets. Imerys has likewise identified concrete levers for carbon reduction in the context of the long-term climate change strategy. The defined strategy will ultimately cover 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 have all been approved by the SBTi.

A preliminary identification of climate change risks to which the Group is exposed was conducted in 2017 and in 2020 this was updated, including a stress test and scenario analysis based on the International Energy Agency's 2019 World Energy Outlook Report<sup>(4)</sup>. This climate risk assessment informed the Group risk mapping exercise, which was reviewed in 2020 and is presented in [chapter 2, sections 2.1.2 of the Universal Registration Document](#). The principle climate-related risks identified are associated with transitional risks linked to current or emerging regulatory requirements, increasing tax or carbon quotas, or costs of raw materials in the market, and shifting customer preference, which may lead to the substitution of existing products and services with lower emissions options. The Group exposure to acute physical risks due to climate change was likewise assessed together with transitional risks. The type and level of each risk determines the management method including to mitigate, transfer, accept, adapt or control.

For the past 14 years, Imerys has participated in the CDP<sup>(5)</sup>. The Group 2020 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' climate specific reporting, see [Imerys' 2020 CDP report](#).

### ■ SCOPE 1 AND 2 STRATEGY

In 2019, the Group defined two separate GHG emissions targets to reduce its climate change impact. With the first target, the Group is committed to reduce its Scope 1 and 2 emissions by 36% relative to revenue (tCO<sub>2</sub>/M€) by 2030 from a baseline year of 2018. The second target, defined for Scope 3, is described in [section 3.6.2.2 of the present chapter](#). The Group's Scope 1 emissions considered as direct emissions are generated from energy-related emissions such as fossil fuels, diesel and process related emissions, and the Scope 2 emissions considered as indirect emissions are mainly related to purchased electricity consumption. Combined Scope 1 and 2 emissions represent approximately 45% of Groups total emissions. As such the strategy and action plans for both scopes are addressed principally through improving energy efficiency and increasing the use of renewable energy.

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

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

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

(4) 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 Economy Report 2019 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.

(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.

### ■ ENERGY EFFICIENCY

Imerys has 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 plants 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 base sharing and 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.

Part of the Group variable performance-related components of compensation for concerned managers (energy managers, facility managers, process operation managers, etc.) has also been linked to performance against internal energy efficiency and CO<sub>2</sub> emission reduction KPIs.

**Total energy consumption and breakdown by energy source**

	2020	2019	2018
<b>Total energy consumption<sup>(1)</sup> (MWh)</b>	<b>8,159,406</b>	<b>9,234,462</b>	<b>10,916,835</b>
Electricity (net), steam, hot water	31,3%	31,0%	29,4%
Natural gas	41,1%	39,0%	41,5%
Other fossil fuels	24,6%	27,3%	26,7%
Biomass	3,0%	2,7%	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.

Between 2019 and 2020, the total energy consumption decreased by 12%. The overall change is linked to a reduction in activity associated with Covid-19 in some sites as well as the divestiture of some sites. The reduction in coal consumption is associated with the conversion to natural gas and to biomass at key energy consuming sites.

Since 2016, the Group has been focusing in particular on energy monitoring of 12 key industrial sites, which represent approximately 30% of the Group’s total energy consumption. Imerys is improving energy management and driving excellence through the Group “I-Cube” Program. All of the 12 key sites mentioned above are under specific review within the “I-Cube” Program, and the reviews at these sites are linked to 36% of the energy saved by the Group in 2020.

√ For more information on the Group “I-Cube” Program, see [chapter 1, section 1.4 of the Universal Registration Document](#).

In 2019, the Group launched the “I-Nergize” program in cooperation with Business Area to evaluate the sites energy performance and improve energy efficiency, with a particular focus on top 60 energy consuming sites representing 80% of Group 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 carbon emissions. While the possibility to complete the site energy assessments were impacted by Covid-19 travel restrictions, at the end of 2020, three sites have been assessed with the objective to evaluate 25 sites by the end of 2021.

Twelve energy-related digital training modules are available on IM-Pulse 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 three 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.

**RENEWABLE ENERGY SOURCES**

The Group continues to support the transition to renewable energy and cleaner fossil-fuel technology where feasible, either with power from low-carbon sources or biomass waste. Through the Group’s low carbon electricity purchasing strategy, Imerys systematically assesses the options to supply Imerys operations with low carbon or renewable energy sources including solar, hydropower and wind power. Different business models have been developed to promote low-carbon electricity such as on-site Power Purchase Agreements (PPA), off-site PPAs, certificates, lease agreement and direct investment for small scale projects. In 2020, 200 kt of CO<sub>2</sub> emissions were avoided in the seven different countries for Imerys sites that use low carbon power: Austria, United Kingdom, Brazil, United States, India, Australia, and Belgium. At present the emissions avoided through these low-carbon contracts are not reflected in the Group Scope 2 emissions reporting as current reporting is location-based.

In addition to the low-carbon power described above, the Group also has 23 renewable energy installations that have been developed across Group sites: ten in the United Kingdom, seven in France, two in Australia, one Belgium, Austria, the United States and India, accounting in total for 68 MW. These installations in some instances provide renewable electricity to Group sites or to the local grid. Presently the produced and/or consumed renewable energy from these installations are not reflected in the reported energy or CO<sub>2</sub> data consolidated in [section 3.8.2. of the present chapter](#).

A new reporting tool is being rolled-out across the Group that will enable the accurate reporting of market-based emissions as well as renewable energy consumption and production in the future.

√ For additional details on Imerys energy reporting methodology, see [CSR Reporting Principles 2020 on www.imerys.com](#).

Biomass waste is promoted within the Group to replace fossil fuels when it is feasible. Currently, five plants are consuming biomass waste such as wood chips, sawdust, animal waste, and olive seeds. A current project in Andersonville in the US, is introducing ground peanuts shells as an alternative energy source. The objective of the project is to 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, moving from a historical 100% fossil fuel supply to a ratio of 56% biomass fuel/44% fossil fuels, which is expected to reduce around 3% of the Group’s total CO<sub>2</sub> emissions per year.

## ■ CARBON EMISSIONS MANAGEMENT

The majority of the Group greenhouse gas emissions are generated through the production of thermal energy from natural gas and fossil fuels. Alternatives to these energy sources, such as biomass and steam are increasingly investigated and used. Indirect emissions from the consumption of electricity are the second source of emissions. Some processes used in Imerys operations result in direct emissions of CO<sub>2</sub> (e.g. de-carbonation of raw materials).

Measures to monitor and reduce GHG emissions are one of the principal means through which the Group contributes to SDG 13 to take urgent action to combat climate change and its impacts.

In 2020, the Group introduced an internal carbon price (€50/tCO<sub>2</sub>) for all the energy-related projects and capital expenditure (CAPEX) projects impacting CO<sub>2</sub> emissions by plus or minus 1,000 tons (above a defined monetary threshold).

### Group carbon emissions

(thousands of tons, kt)	2020	2019 <sup>(1)</sup>	2018
Scope 1 CO <sub>2</sub> emissions	1,510	1,740	2,207
Scope 2 CO <sub>2</sub> emissions	984	1,103	1,214
<b>Total CO<sub>2</sub> emissions (Scope 1 and Scope 2)</b>	<b>2,494</b>	<b>2,843</b>	<b>3,421</b>
Energy	86.7%	87.3%	84.1%
Processes	13.3%	12.7%	15.9%
<b>CO<sub>2</sub> emission/revenue (ton CO<sub>2</sub>e/M€)</b>	<b>657</b>	<b>653</b>	<b>745</b>

(1) 2019 emission data have been restated due to a data related error on process CO<sub>2</sub> emissions that was identified and corrected in 2020

For 2020 the Group Scope 1 and 2 CO<sub>2</sub> emissions equaled 657 tCO<sub>2</sub>e per million euros of revenue, which represents a 12% decrease since 2018. Between 2019 and 2020, the annual total Scope 1 and Scope 2 CO<sub>2</sub> emissions decreased by approximately 350 kt. This reduction is due to a combination of factors, including the reduction in production volumes due to Covid-19, which negatively impacts the overall energy efficiency of certain plant equipment. These challenges are compensated by reductions in energy consumption, the launch of projects to reduce coal consumption and other projects to substitute fossil fuels with biomass waste, as well as the launch of low carbon purchasing agreements.

## ■ SCOPE 3 STRATEGY

Scope 3 is considered an indirect source of emissions, which based on Imerys' estimation as described below, represents about 55% 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 proposed a supplier engagement target that will cover 71% of suppliers (by spend) within the 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 represent around 94.7% of the Group total Scope 3 emissions. Imerys engages to fulfill the target by 2023 (5 years from the submission in 2019). Suppliers will be required to set science-based emissions reduction targets.

### Group upstream value chain suppliers

Purchasing categories	Percentage of key purchases <sup>(1)</sup>	Upstream suppliers
Raw materials <sup>(2)</sup>	15%	Principally, but not exclusively, bauxite, zircon sand, soda ash, silica sand
Mining, industrial services and equipment	35%	Mining subcontractors, service vendors for maintenance and repair
Transportation	20%	Freight by rail, truck and ship, and business travel
Energy	10%	See energy mix above, counted in Scope 1 & 2 emissions
Chemicals and other consumables	6%	Mainly chemicals and packaging materials

(1) The analysis was based upon the 2019 data; the total spend of above-mentioned categories represents approximately 90% 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. The transportation services by vendors

are principally measured by volume and cost, rather than distance traveled. Similarly, it is difficult to calculate the Scope 3 emissions for transportation of finished products. Yet, Imerys is committed to continue to improve the quantification of its Scope 3 emissions as tools and available data are made available.

Source of Scope 3 emissions	Percent of Scope 3 emissions	Emissions calculation methodology	Explanation
Purchased goods and services	65%	Emissions calculated with Scope 3 Evaluator	These emissions include upstream freight and distribution of purchased goods because they are included in the price of the goods. Financial data are used.
Capital goods	6%	Emissions calculated with Scope 3 Evaluator	This category has been calculated taking into account all capital investments and by applying the highest emission factor among the different capital goods to the whole category. Therefore, all the emissions from this category are accounted for.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	14%	Emissions calculated with Scope 3 Evaluator	These estimated emissions come from the production and distribution of energy (as opposed to its combustion), estimates from Scopes 1 and 2 are used to calculate this data.
Waste generated in operations	1%	Emissions calculated with Scope 3 Evaluator	Calculations are based on waste quantity and an approximation of its treatment prices.
Business travel of several regional headquarters	Less than 1%	Emissions were calculated from travel distances using GHG Protocol emission factors	Data was provided by Imerys main travel agencies for train, car rental and air travels (based on 2019 travel data)
Downstream transportation and distribution	7%	Emissions calculated with Scope 3 Evaluator	Financial from freight purchases have been used. Freight paid by clients is not included in the calculation.
Employee Commuting	Less than 1%	Emissions calculated with Scope 3 Evaluator	This data is an estimate calculated with the number of Imerys total employees.
Investments	5%	Emissions calculated with Scope 3 Evaluator	This is based on the emissions of the Group's activity in two joint ventures and an associated company not accounted for in Scope 1 and 2 emissions.

Imerys is taking action to reduce Scope 3 emissions, focusing in particular on purchased good, 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 regarding Corporate Governance, [see chapter 1, section 1.1.1.1 of the Universal Registration Document.](#)

### 3.6.2.2 CLIMATE SOLUTIONS

Imerys is committed not only to the management of emissions related to its operations but also to innovation of solutions at the service of a low-carbon economy and to support customers in this transition.

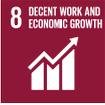
To this effect Imerys has focused on conducting studies of products within the Group portfolio to determine their carbon footprint. These studies serve a dual purpose as they provide complete and transparent information to customers and give the Group an improved visibility of the impacts linked to specific products or facilities, which is a precursor to initiating any eco-design approach.

In 2020, the Group calculated 49 product carbon footprints, from cradle to gate, using the Life Cycle Assessment (LCA) approach described in [section 3.7.2.1 of this chapter](#). Often these study results are shared with customers to help encourage downstream efforts to calculate product impacts and differentiate Imerys solutions from other competitors' higher carbon products.

✓ For more information on product Life Cycle Assessment, [see section 3.7.2.1 of the present chapter.](#)

## 3.7 BUILDING FOR THE FUTURE

### 3.7.1 BUSINESS CONDUCT

Imerys' Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGs
Ensure exemplary Business Conduct by maintaining the highest standard of corporate governance, respecting and implementing fair operating practices, ensuring responsible purchasing and engaging with local community to create shared value in particular through education and skills development	<ul style="list-style-type: none"> <li>Fair Operating Practices &amp; Responsible Purchasing                             <ul style="list-style-type: none"> <li>Improve the external CSR rating of the Group</li> <li>Deploy a CSR rating scheme covering at least 50% of Group suppliers (by spend) by the end of 2022</li> </ul> </li> </ul>		 
	<p><b>2020 Results achieved</b></p> <ul style="list-style-type: none"> <li>Fair Operating Practices &amp; Responsible Purchasing                             <ul style="list-style-type: none"> <li>✓ The external CSR rating by EcoVadis improved to 74 out of 100 (Platinum) placing the Group in the top 1% of companies assessed</li> <li>✓ Deployment of a CSR rating scheme started in mid-2020 and covers 14% of Group suppliers (by spend) at the end of 2020</li> </ul> </li> </ul>	Principle 1 Principle 6 Principle 8 Principle 9	     

Ethical business conduct is the foundation upon which Imerys' business is built. At its core, Imerys is building the future together with stakeholders through ethical behavior and fair operating and responsible purchasing practices, engaging with communities and promoting sustainable products and technologies. 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.

#### 3.7.1.1 CORPORATE GOVERNANCE

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 CSR 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](#).

## 3.7.1.2 FAIR OPERATING PRACTICES & RESPONSIBLE PURCHASING

### ■ 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 (hereafter collectively referred to as Suppliers), in France and abroad with which Imerys has an established commercial relationship, where such activities are linked to this relationship.

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 CSR 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 is to improve its CSR rating based on the EcoVadis assessment and deploy a CSR rating scheme covering at least 50% of Group Suppliers (by spend) by the end of 2022.** At the end of 2020, the Group’s EcoVadis assessment results increased by ten full points relative to the 2019 assessment, from 64 to 74, placing Imerys in the top 1% of all companies assessed. Improvements were observed for each of the four pillars: environment, labor and human rights, ethics and sustainable procurement. In addition, in the second half of 2020, the Group launched the deployment of a CSR rating scheme for Suppliers together with EcoVadis, which is described in greater details in the following sections of the present chapter.

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 misconducts, reported either via the alert system or other channels. The Ethics Committee meets regularly throughout the year, reviews the updated risk mapping and Vigilance Plan at least annually and provides a report to the Board Audit Committee at least annually.

√ For more information on the Audit Committee, [see chapter 4 of the Universal Registration Document](#).

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, occupational Safety & Health, diversity 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 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. The Code was updated in 2020 to include additional details on the Group anti-bribery policy.

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 with the Group Code. In 2018, Imerys launched Supplier ESG Standards (the Standards). These Standards, based on the Group Code and CSR Charter and aligned with Imerys’ SustainAgility ambition, have been translated into 23 languages. The Standards, which must be acknowledged and complied with, are applicable to all suppliers and form an important part of the Group Purchasing policy.

The Group works continuously to strengthen its compliance program. The purpose of the Group compliance program 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 data privacy, human rights, health, safety and environment in Group operations around the world as well as within the Group value chain.

The Group compliance program is supported by numerous procedures linked with the Code of Business Conduct and Ethics, including but not limited to, the Group Anti-bribery policy, Gifts and Hospitality, Conflict of Interest, Sponsorship and Charitable Donations and Stakeholder Management and Community Relations procedures. All the aforementioned policies and procedures clearly outline the process, reporting and necessary levels of control to ensure compliance with the 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 arrangement 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.

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

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 [imerys.com](https://www.imerys.com).
- ✓ For more information regarding Imerys Report on payments to governments in 2020, see [imerys.com](https://www.imerys.com).

### ■ ESG RISK MAPPING PROCESS

The Group operates in different geographies across the world, with its largest operational footprint in Europe (approximately 48%) and North America (approximately 20%). The Group has established a detailed process for mapping corruption, 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. The risk mapping exercise, while conducted specifically to identify and assess corruption, human rights, health, safety and environmental risk scenarios, is consistent with the Group risk mapping process 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 in 2017 to design the initial version of compliance risk framework, 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 corruption and human rights, health, safety and environmental risk scenarios was developed.

The initial Group risk assessments 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, CSR, and finance within the geographic area being assessed. These first assessments confirmed the validity of the risk assessment framework in addition to generating the assessments results. The second phase of geographic assessments were conducted in 2018 through questionnaires and interviews with business leaders from each of the remaining geographic areas where the Group operates. In 2019, two additional risk assessment workshops were

conducted to continue to reinforce the level of assessment done in the geographic areas initially covered by the expert reviews. In 2020 three risk assessment workshops were conducted (remotely due to Covid-19 restrictions), completing the full cycle of risk mapping for the five geographic areas (Europe, North America, Asia-Pacific, South America, and Middle East & Africa).

The purpose of these workshops is to review and update, if needed, the list of risk scenarios, assess the criticality (inherent impact and probability) of each risk scenario, assess the effectiveness of current mitigation measures and, in addition, for human rights, health, safety and environmental scenarios, identify the highest risks per purchasing categories (criticality). The risk assessment workshops systematically include a review and eventual update of the risk scenarios to ensure that the list is comprehensive. As of 2020 the corruption risk register includes a total of 25 potential risk scenarios, while the human rights, health, safety and environmental risk register includes 15 potential risk scenarios.

### ■ EVALUATION OF ESG RISKS

The Group risk assessment workshops of human rights, health and safety and environmental risks described above are covered in two parts: first, the assessment of mitigation effectiveness of Group operations and second, an assessment of criticality of human rights, health, safety and environmental risks for each main purchasing category.

Evaluation of environmental, social and governance risks within Group operations, including identification, analysis and ranking processes are presented in *chapter 2 of the Universal Registration Document*. The results of the review of mitigation effectiveness are presented in the designated section below.

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 *Corruption Perceptions Index*<sup>(1)</sup>, *Human Freedom Index*<sup>(2)</sup> and *Environmental Performance Index*<sup>(3)</sup>) and the economic weight of purchases to assess risk impact and exposure.

Based on the assessment of human rights, health, safety and environmental scenarios associated with Suppliers, and the composite country index, the Group has identified potential salient human risks within its value chain. The four salient risks identified include potential:

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

(1) *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.*

(2) *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.*

(3) *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.*

Following the assessment of each purchasing category, for all the human rights, health, safety and environmental scenarios assessed, the risks evaluated as being highest are those related to the raw material Supplier category. The final Supplier risk ranking of low, medium or high determines the control measures to be put in place to eliminate or mitigate the potential risk.

## ■ CONTROL MEASURES

### Imerys operations and Group subsidiaries

The Group management framework is articulated through a series of policies, protocols and procedures based upon the ambitions and commitments expressed in The Code and the CSR Charter. This framework, covering human rights, health, safety and environment, amongst other themes, defines clear requirements for all Group operations. Implementation of Group policies, protocols and procedures are the responsibility of all business and support Functions. Details on the management of occupational Safety & Health risks are presented in [section 3.5.1.1 and 3.5.1.2 of this present chapter](#), management of human rights risks are presented in [section 3.5.2.1, 3.5.2.3 and 3.5.2.4 of this present chapter](#) and management of environmental risks are presented in [section 3.6.1 of this present chapter](#).

### Imerys Suppliers

Based on The Code, Group requirements for all Suppliers are clearly defined within the Imerys Supplier Environmental, Social and Governance Standards. The Group Purchasing policy clearly defines the roles and responsibilities, requirements, reporting and necessary approvals of the purchasing processes. The policy requirements in terms of Supplier Environmental Social and Governance performance are based on the following principles:

#### 1. Supplier Environmental, Social and Governance Standards

The Group is committed to build strong transparent relationships and mutual trust with its Suppliers. All Suppliers must acknowledge and accept to comply with the Imerys Supplier ESG Standards. The roll-out of these Standards shall continue over the next years.

#### 2. Supplier risk identification and assessment

The assessment of ESG performance of Suppliers starts during Supplier qualification and onboarding. Purchasing teams are responsible for carrying out reasonable controls before considering and accepting a Supplier, including in particular any Supplier that may be classified as higher risk (due to a country or category-related risk classification) during the Supplier onboarding process in order to make sure that Suppliers are able to demonstrate compliance with the Supplier ESG Standards. In 2020, the Group redefined the process to qualify, screen and monitor Suppliers environmental, social and governance performance. The process will be rolled out progressively and will require all new Suppliers to pass through a series of validations and third-party screening prior to being accepted as Suppliers for the Group. The new onboarding process has been designed to ensure that Suppliers are aware of and commit to comply with the Group ESG Standards, but also to support Suppliers development and continuous improvement in ESG performance.

In the first quarter of 2020, within the responsible purchasing program the Group launched the deployment of a CSR rating scheme for Suppliers conducted together with EcoVadis. This comprehensive assessment covers environment, labor and human rights, ethics and sustainable procurement, with customized assessments based on the size of the company and type of activity. Purchasing teams have the responsibility to contribute to the identification and prioritization of Suppliers to review within the responsible purchasing program. The role of the program was launched in priority for Suppliers regions and categories that had been assessed as higher risk during the risk mapping process described above. At the end of 2020, six months after the launch of the new program, a total of 200 Suppliers representing 14% of the Group spend have been assessed.

### 3. Risk reduction

Risk reduction includes awareness and training. Awareness of and training on the requirements of the Group Code are provided to help managers and employees to understand and respect the Code. Employees are trained through digital learning courses, as well as through in-class training and internal expert presentations, which ensures the strong protection of all employees through the awareness of ethical issues.

In addition to the aforementioned e-learning, Imerys also punctually conducts training and workshops with the purchasing organization focused on the UN Guiding Principles on Business and Human Rights and their application within Imerys. The purpose of these workshop sessions is to train the purchasing teams on the fundamental elements of the Guiding Principles, helping them to recognize signs of potential violations and based on their knowledge of the Supplier panel, prioritize the Suppliers where additional risk reduction measures may be required. In 2019, the Group organized dedicated purchasing workshops that included approximately 62% of purchasing teams from across the different geographic areas. Additional training could not be held in 2020 as a result of Covid-19 restrictions.

The Supplier assessments conducted through EcoVadis likewise support risk management and reduction as the assessment results provide a detailed view on the specific areas where improvements are needed.

#### 4. Supplier ESG audits

While Imerys is fully committed to support Supplier development and continuous improvement, Suppliers must be able to demonstrate that they can meet the minimum ESG 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.

Imerys verifies alignment to the Supplier ESG Standards through the use of Supplier self-declaration, self-assessments, and assessments by Imerys teams as appropriate to the situation. In designated high-risk countries third-party audits may be conducted. The Group developed an ESG Supplier assessment checklist to monitor the existing Supplier's operations and identify their performance according to the Group's ESG Standards.

For example, in India, the Group has focused on raw material suppliers, launching a Strategic Supplier Relationship (SSR) project aimed at improving operations of a set of strategic Suppliers. The project started with a study to categorize the suppliers based on the needs and resources for the strategic relationship of the Group. Based on the categorization criteria, critical suppliers have been selected to implement necessary strategic projects such as reducing the raw material consumption, increasing recycling, providing additional safety training and improving the work conditions of employees. The Group has likewise conducted a series of inspections and audits of other raw material suppliers in specific regions to verify compliance with the Group ESG Standards and develop improvement plans where gaps have been identified.

The Group focuses in particular on assessments and audits of Suppliers ranked as "high risk" based on the Group risk mapping and evaluation 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.

#### ■ ALERT MECHANISM

The Group alerts 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* a web 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, inspects locations, 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. 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.

Imerys' Ethics Committee, chaired by the Group General Counsel with the Antitrust & Compliance General Counsel acting as Secretary, has the principal mission to validate the Group Compliance program, including specific annual objectives and priorities. The Ethics Committee receives statistics on the alert system and establishes a periodic assessment of the reported cases in a Compliance Report that is presented to the Audit Committee.

#### ■ MONITORING AND EVALUATION OF THE EFFECTIVENESS OF CONTROL MEASURES

In 2020, 11 cases of suspected violations of the Group Code were identified internally or reported using the Group alert mechanism. The reported incidents related to suspicions of fraud, safety, discrimination, and other human resources topics. Each of the reported cases was reviewed and investigated as per the Group policy. Following investigation, six of the reported cases were cleared (not confirmed following investigation), while one investigation is still ongoing. When the reported cases are confirmed remedial actions are immediately implemented and are monitored by the Audit and Internal Control department.

Every year, the Group Internal Control function conducts Internal Control Self-Assessment (ICSA) campaigns. These campaigns are conducted in order to identify any key missing controls and define action plans where any missing internal controls are identified.

During the risk assessment workshops annually, workshop 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, CSR, 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](#).

## 3.7.1.3 COMMUNITY ENGAGEMENT

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.

The Group Stakeholder Management and Community Relations procedure, through clear processes and by defining the roles and responsibilities of all parties involved, provides an efficient and dynamic set of rules to guide operations in their relations with local stakeholders, including ensuring a local grievance process is in place in addition to the Group alert mechanism described in [section 3.7.1.2 of the present chapter](#). Furthermore, the Group has also introduced a Charity and Sponsorship procedure and set up appropriate reporting, accounting and approval processes to avoid the risks of improper conduct.

Since its creation, the SD Challenge has helped develop and share best practices in stakeholder and local community engagement. In 2020, nearly 20% of the 216 SD Challenge initiatives launched were linked to community engagement projects directly developed by Imerys in 28 countries across the world. Community engagement initiatives take many forms across the Group based on the local context and Imerys employees are empowered to build strong community relations. For this reason, Imerys' employees often volunteer in events and provide essential support to vulnerable members of their local communities. For example, through renovation works done on the facilities of a local association for people with disability and the donation of desks, chairs and computers to the local Library, in Dikili (Turkey). In Three Springs (Australia), through the creation of a community chest fund, Imerys supported a local health service center and a mental health and well-being support group. In the city of Cuautitlan (Mexico) Imerys supported an urban beautification campaign, which included the cleaning of parks, sidewalks, tree pruning and urban art mural paintings. In Wuhu (China) the donation of a rescue boat has helped flood fighting and rescuing during the Qingyi Jiang River floods. Finally, in La Guardia (Spain), partnerships with local NGOs facilitated the inclusion of people with disability in the provision of gardening maintenance and small assembling services.

√ For more information on Imerys recent SD Challenge projects, [see "Imerys Replay"](#).

Imerys sites and colleagues united to support healthcare workers, neighboring organizations and members of their local communities during the Covid-19 crisis. Donations to support Covid-related relief efforts during mid-2020 totaled over €350,000 in 15 different countries. The donations included personal protective and hygiene supplies as well as hospital equipment such as respirators and filters, oximeters, air conditioners, hospital mattresses, laptops and oxygen concentrators for lung ventilation equipment. Several donations were made to local food banks to support vulnerable members of local communities and other donations were made to organisations working to respond to the Covid-19 pandemic.

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. As children spend most of their time in school as students, school infrastructure constitutes a major factor impacting on their academic performance. In India, the provision of school kits in Nagpur, as well as the organization of events beyond the regular curriculum, like sports day, yoga day, environment day, and several exhibitions to encourage art and culture, help ensure that more girls and boys can get the quality education they need to unlock their full potential. In Katni, four classrooms were upgraded and digital teaching and learning methods were introduced, providing an enriched learning experience. In Kadthal, school infrastructure has been improved with the installation of 14 toilet blocks combined with a sanitation campaign that covered the delivery of training on hygiene practices, and the provision of menstrual hygiene products.

In addition to the direct efforts made locally through the Group operations, 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. Imerys hosted 45 pupils from three different schools as part of the Défi Jeunesse program, together with Alliance pour l'Éducation – United Way and [Entreprendre pour Apprendre Île-de-France](#). 15 Imerys volunteers acted as mentors to the students to help them develop and present a business project answering the question: "What can be done to mitigate climate change, at school or in our company?". The following month, Imerys welcomed 15 students from the Collège René Descartes (Tremblay, France) and provided them with the chance to experience a working week in a real business environment, as a part of the internship required in their education cycle "Stage de 3<sup>e</sup>".

(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.

Imerys has likewise supported the *Fonds Dan Germiquet* since its creation in 2014. The Dan Germiquet Foundation provides financial scholarship to international students from universities partners who have chosen to integrate l'École Nationale Supérieure de Géologie de Nancy (ENSG). Between 2014 and

2019, a total of 18 students have graduated as a result of the scholarship provided through the Dan Germiquet Foundation. Imerys also supports the *Chaire Industrie Minérale et Territoires*, which supports scientific research related to mining and geology in four leading French universities.

### 3.7.2 PRODUCT MANAGEMENT

Imerys' Commitment	Mid-term CSR objectives	UNGC Principles	UN SDGS
Innovate through our product portfolio by assessing the sustainability of our products, processes and services to contribute solutions for society	<ul style="list-style-type: none"> <li>Product Sustainability                             <ul style="list-style-type: none"> <li>Assess Imerys Products in Application Combinations (PAC) according to CSR criteria to cover at least 40% of Imerys product portfolio (by revenue) by the end of 2022</li> <li>Ensure at least 50% of Group New Product Developments are scored as 'SustainAgility Solutions<sup>(1)</sup>' by the end of 2022</li> </ul> </li> </ul>	Principle 7 Principle 8 Principle 9	 
	<b>2020 Results achieved</b> <ul style="list-style-type: none"> <li>Product Sustainability                             <ul style="list-style-type: none"> <li>Assessment of Imerys Products in Application Combinations (PAC) according to CSR criteria has been completed for 6% of Imerys product portfolio (by revenue) at the end of 2020</li> <li>11% of projects in the innovation pipeline have been assessed as per the methodology at the end of 2020</li> </ul> </li> </ul>		

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 1.1.1.2 of the Universal Registration 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 product management and the development of technologies 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.

#### 3.7.2.1 PRODUCT SUSTAINABILITY

Imerys' overarching goal 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. Imerys is committed to the quality and safety of its products, which are assured through dedicated product stewardship programs.

In 2020, to continue to further strengthen the Group's product stewardship program, a dedicated Product Stewardship Steering Committee, chaired by the Group CEO, was created.

The Group employs state-of-the-art analytical methods, equipment, and testing to ensure that product 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 Group quality and safety 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 refused. In all cases, tests are regularly performed on finished products.

As of the end of 2020, approximately 69% of Imerys operations were certified to the ISO 9001 Quality Management System. In addition, extensive tracking of employees' health is conducted, through ongoing industrial health programs and medical surveillance programs.

(1) A "SustainAgility Solution" is a product in an application that has scored within the two highest categories in the SustainAgility Solutions Assessment framework.

The Group product stewardship policy and supporting protocols, define the objectives, roles and responsibilities, guiding principles and specific requirements, as well as the continuous improvement process to be followed.

For products manufactured in (or imported into) Europe, the Group complies with the European Directive on “Regulation, Evaluation and Authorization of Chemicals” (REACH). Substances marketed by Imerys are frequently subject to risk studies to determine their properties (e.g., pursuant to the GHS/CLP<sup>(1)</sup> Regulations in Europe). Imerys monitors these studies closely, and labels its products to appropriately reflect the results of these studies.

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. **The mid-term target is to assess Imerys Products in Application Combinations (PAC) according to CSR criteria to cover at least 40% of Imerys product portfolio (by revenue) and to ensure at least 50% of Group New Product Developments are scored as “SustainAgility Solutions” by the end of 2022.** Imerys has launched its SustainAgility Solutions Assessment framework, which has been designed in line with the World Business Council for Sustainable Development (WBCSD)<sup>(2)</sup> guidelines for Portfolio Sustainability Assessments (PSA)<sup>(3)</sup>, so as to objectively measure the sustainability of Imerys products and identify their environmental and social impacts. The SustainAgility Solutions Assessment 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). At the end of 2020, after an initial delay due to Covid-19, 6% of the Group portfolio by revenue was assessed. Likewise 41 projects at different stages, representing 11% of in-progress projects in the innovation pipeline have been assessed as per the methodology. As such progress towards the mid-term targets are well on-track.

In parallel with the definition of a larger framework to evaluate the Group products portfolio, Imerys has continued to calculate products’ environmental footprints or ecoprofiles from “cradle-to-gate”, using a LCA methodology. In 2020, the Group assessed 49 products following the requirements of ISO 14040 & ISO 14044<sup>(4)</sup>, bringing the total number of product ecoprofiles completed since 2018 to 77. A wide range of mineral and product families have been covered by such assessment (Kaolin, Refractory minerals, Talc, Perlite, Diatomaceous Earth, Mica, Carbonate, Wollastonite, Bentonite, Calcium aluminates, Tap hole clay, Refractory castables, steel casting flux).

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. Recent innovations include Imerys’ EcoBright solution, which is a stabilized slurry that is helping reduce the environmental impact of the paper industry’s bleaching processes. This sustainable innovative solution reduces the amount of hazardous chemicals used, the organic substances in effluents, the wood consumption and the carbon footprint of the chemical recipe.

(1) GHS/CLP: Globally Harmonized System/Classification, Labelling and Packaging of chemicals.

(2) 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.

(3) [https://docs.wbcsd.org/2017/10/Framework4Port\\_Sustainability.pdf](https://docs.wbcsd.org/2017/10/Framework4Port_Sustainability.pdf)

(4) 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.

## 3.8 REPORTING METHODOLOGIES

### 3.8.1 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 CSR program and reporting approach is based on frameworks such as the SASB Industry Standards, the GRI’s 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 CSR 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 2020 reporting and issued the report *in section 3.9 of the present chapter*.

A correlation table with regards to the reporting requirements of the “DPEF” is presented in *chapter 9, section 9.5.5.1 of the 2020 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 2020 Universal Registration Document*.

√ For detailed information on the reporting items, frequency, scope and collection systems within the Group, see *CSR Reporting Principles 2020*.

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### 3.8.2 MINERAL RESERVES AND RESOURCES

The mineral reserves and mineral resources data published in this Universal Registration Document have been prepared in accordance with the Pan-European Standard for reporting of Exploration Results, Minerals Resources and Reserves 2017 (PERC Reporting Standard) which is an internationally

recognized reporting standard for mineral assets and member of the CRIRSCO group of codes<sup>(3)</sup>. In accordance with company procedures, the Group’s mineral reserves and resources are regularly audited by internal and external auditors.

#### 3.8.2.1 MINERAL REPORTING PRINCIPLES

##### ■ MINERAL ASSET REPORTING

Mineral Reserves correspond to the portions of a deposit that are demonstrably economic to extract given the prevailing or reasonably forecast economic climate at the time of estimation. Reserves are subdivided into Proven or Probable to reflect the level of certainty in the geological understanding of the deposit, Proven being the higher level. Mineral Resources include deposits or portions of deposits for which extraction has yet to be demonstrated as economically profitable, but it is reasonable to expect that extraction will be viable in the future. These assets typically lack the detailed (mining, processing, marketing and/or legal) technical studies required to demonstrate their economic viability. Mineral Resources are classified in ascending order of geological confidence as Inferred, Indicated or Measured.

The Group’s production operations consume its mineral reserves. Imerys continuously undertakes initiatives to compensate for the consumption of these reserves in order to maintain the equivalent of around 20 years’ worth of production. On existing sites, this involves the exploration and detailed modeling of already identified mineral resources to confirm the potential for exploitation based on quality, quantity, mining parameters and associated costs. Where exploratory work leads to a positive conclusion, Imerys seeks to obtain the necessary exploitation rights (outright ownership, long-term lease or concession), permits and official authorizations. If these elements can be obtained, the resources are converted into reserves. Group mineral reserves can also be replaced or increased through acquisitions from third parties or acquisitions of companies as part of the Group’s external growth operations.

(1) Decree n° 2017-1265 of August 9, 2017 taken for the application of the ordinance n° 2017-1180 of July 19, 2017 relating to the publication of non-financial information by some large companies and certain groups of companies.

(2) Law no. 2017-399 of March 27, 2017 related to the “duty of vigilance for parent and instructing companies”.

(3) CRIRSCO: Committee for Mineral Reserves International Reporting Standards.

### ■ MINERAL ASSET AUDITS

To ensure consistent reporting across all Group entities and full compliance with all relevant standards, internal and external audits are conducted on a three to five-year cycle. Internal audits are conducted by a group of eight experienced geologists and mining engineers who are independent of the sites they audit. Each audit is conducted by two people from this team using assessment matrices. Audit results are published in a report setting out any comments and improvement requirements, the implementation of which is then tracked. These audits are an opportunity to share best practices and drive continuous improvement in mineral resource management and exploitation. The results of mineral reserves and resources reporting and auditing are assessed by the Audit Committee.

#### 3.8.2.2 KEY MINERALS

**Ball clays** are very fine-grained sedimentary clays with high plasticity. Once extracted, clays are selected, processed and blended to achieve the desired properties, such as rheological stability, high resistance and mechanical strength.

**Bentonite** is an alumino-silicate clay formed from altered volcanic rocks, it has high rheological and absorbent properties.

**Calcium carbonates** include marble, limestone and chalk. Processed carbonates are used in different forms. Ground natural calcium carbonate (GCC) is used for its whiteness and alkaline properties. Precipitated calcium carbonate (PCC) is a synthetic product obtained from natural limestone that contributes excellent optical properties to finished products.

**Diatomite** is a sedimentary mineral composed of the silicon-rich skeletons of diatoms – unicellular algae present in marine and lake environments. It is known for its low density, high surface area, high porosity and mattifying properties.

**Feldspars** are naturally occurring alumino-silicate minerals containing varying concentrations of potassium, sodium, calcium and/or lithium, and are used for their fusing properties at high and low temperatures.

**Kaolin** is composed predominantly of kaolinite, a white hydrated alumino-silicate clay produced by the geologic alteration of granite and similar types of rock. The high temperature (700-1,200°C) to which it is subjected during the calcination process transforms kaolin into a whiter and more inert mineral. The kaolin family of minerals also includes halloysite, prized in fine porcelain manufacture for its whiteness and translucence.

### ■ RISKS AND UNCERTAINTIES

Mineral reserves and resources are estimates of the size and quality of deposits based on the technical, regulatory and economic parameters available at a given point in time. Due to unpredictable changes in these parameters and the natural uncertainty associated with such assessments, estimates of Group mineral reserves and resources presented in the following table may vary over time. Over the course of geological exploration and assessment, mineral reserves and resources may change significantly, either positively or negatively. At this point in time, Imerys has no knowledge of any environmental, legal, political or other factors that may adversely affect the estimates presented in these tables in any material way.

√ For further details, see chapter 4, paragraph 4.1.1 of the Registration Document.

**Moler** is a very lightweight sedimentary rock formed from a natural blend of diatoms and clays with highly absorbent properties.

**Perlite** is a very specific type of volcanic rock with a natural water content of between 2% and 5%. Perlite is a low-density, high-porosity mineral. Processed and subsequently heated, perlite expands up to 20 times its original volume, creating a multi-cellular material with a large specific surface area at low density.

**Refractory minerals** are valued for their resistance to extreme temperatures, mechanical stresses and corrosion. They include refractory clays (transformed by calcination to chamotte), bauxite and andalusite.

**Talc** is a very soft hydrated magnesium silicate with properties unique to the deposit from which it is extracted.

Imerys extracts many other minerals, including bauxite, graphite (one of the crystalline forms of carbon), mica, wollastonite and zeolite. Imerys also produces the high-quality quartz minerals required to produce silicon and ferro-silicon, both of which are used in special steel alloys. Imerys produces a range of high-quality synthetic graphites and talcs as well as the highest quality of fused magnesia, carbon black and zirconia.

The Group also sources and processes certain raw materials from external suppliers to create its specialty products. These materials include bauxite, alumina and zirconia, which are processed to produce synthetic corundums. Tabular alumina is used in refractory applications.

### 3.8.2.3 MINERAL RESERVES AND RESOURCES

For the clarity and materiality of reporting its reserves and resources, Imerys has grouped mineral category estimates together. This also protects commercially sensitive information related to individual extraction sites. This practice is in accordance with the “Reporting of Industrial Minerals, Dimension Stone and Aggregates” section of the PERC Reporting Standard.

Mineral Resources are reported exclusive to Mineral Reserves. Product mass is expressed in thousands of metric tons of minerals marketable in dry form. The corresponding estimates at December 31, 2019 are presented for the purpose of comparison. Changes in estimates of reserves and resources between December 31, 2019 and December 31, 2020

correspond to mineral used in production, the ongoing exploration and assessment of new and existing assets, technical studies, changes in ownership and mining rights, as well as acquisitions and disposals made as part of normal business. Mining assets totaled €425.6 million at December 31, 2020 (€502.9 million at December 31, 2019).

In accordance with accounting rules, the mineral reserve and resource assets are recognized at historical cost. They are initially measured at acquisition cost, and subsequently at historical cost minus any accumulated depreciation and impairment. Depreciation is estimated on the basis of actual extraction.

■ **MINERAL RESERVES ESTIMATES (AT DEC. 31, 2020 VS DEC. 31, 2019)**

Product	Region	Proven	Probable	Total	Proven	Probable	Total
		2020 (kt)			2019 (kt)		
Ball Clays	Europe	2,980	8,205	11,185	2,694	7,373	10,067
	Americas	3,607	34	3,641	3,378	541	3,919
	Asia-Pacific	531	0	531	580	0	580
	Africa & Middle East	0	128	128	0	272	272
	<b>Total</b>	<b>7,118</b>	<b>8,367</b>	<b>15,485</b>	<b>6,652</b>	<b>8,186</b>	<b>14,838</b>
Bentonite	Europe	6,481	139	6,620	6,767	1,298	8,065
	Americas	0	295	295	0	376	376
	Africa & Middle East	156	35	191	168	52	220
	<b>Total</b>	<b>6,637</b>	<b>469</b>	<b>7,106</b>	<b>6,935</b>	<b>1,726</b>	<b>8,661</b>
Carbonates	Europe	0	16,812	16,812	0	17,564	17,564
	Americas	52,512	93,337	145,849	54,413	100,913	155,326
	Asia-Pacific	0	32,002	32,002	0	33,005	33,005
	Africa & Middle East	0	4,651	4,651	0	4,651	4,651
	<b>Total</b>	<b>52,512</b>	<b>146,802</b>	<b>199,314</b>	<b>54,413</b>	<b>156,133</b>	<b>210,546</b>
Feldspar	Europe	3,460	4,747	8,207	6,036	4,299	10,335
	Africa & Middle East	240	1,200	1,440	0	3,062	3,062
	<b>Total</b>	<b>3,700</b>	<b>5,947</b>	<b>9,647</b>	<b>6,036</b>	<b>7,361</b>	<b>13,397</b>
Kaolin	Europe	3,660	2,921	6,581	4,051	3,508	7,559
	Americas	24,574	24,938	49,512	29,405	45,023	74,428
	Asia-Pacific	333	37	370	314	1,169	1,483
	<b>Total</b>	<b>28,567</b>	<b>27,896</b>	<b>56,463</b>	<b>33,770</b>	<b>49,700</b>	<b>83,470</b>
Minerals for Refractories	Europe	772	4,956	5,728	830	4,931	5,761
	Americas	4,313	935	5,248	3,297	1,287	4,584
	Africa & Middle East	237	1,134	1,371	303	1,155	1,458
	<b>Total</b>	<b>5,322</b>	<b>7,025</b>	<b>12,347</b>	<b>4,430</b>	<b>7,373</b>	<b>11,803</b>
Perlite & Diatomite	Europe	5,015	19,135	24,150	5,867	18,874	24,742
	Americas	31,490	14,711	46,201	28,229	14,580	42,809
	Africa & Middle East	0	833	833	0	871	871
	<b>Total</b>	<b>36,505</b>	<b>34,679</b>	<b>71,184</b>	<b>34,096</b>	<b>34,325</b>	<b>68,421</b>
Talc	Europe	1,461	12,924	14,385	1,698	13,578	15,276
	Asia-Pacific	2,336	631	2,967	2,353	780	3,133
	<b>Total</b>	<b>3,797</b>	<b>13,555</b>	<b>17,352</b>	<b>4,051</b>	<b>14,358</b>	<b>18,409</b>
Other minerals	Europe	1,538	0	1,538	1,642	0	1,642
	Americas	2,429	1,562	3,991	2,615	1,480	4,096
	<b>Total</b>	<b>3,967</b>	<b>1,562</b>	<b>5,529</b>	<b>4,257</b>	<b>1,480</b>	<b>5,738</b>

Notes: In addition to the normal activities of production, significant changes in the Mineral Reserves occurred due to the sale of the Pittong kaolin site in Australia and acquisition of Cornerstone Perlite in the US. In addition there were site level reassessments in kaolin in Brazil, carbonates in USA and feldspar in Europe.

### MINERAL RESOURCES ESTIMATES (AT DEC. 31, 2020 VS DEC. 31, 2019)

Product	Region	Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total
		2020 (kt)				2019 (kt)			
Ball Clays	Europe	6,552	1,722	1,470	9,744	6,982	3,037	2,252	12,271
	Americas	5,442	9,564	9,506	24,512	5,628	9,562	10,109	25,299
	Asia-Pacific	37	787	0	824	37	740	0	777
	Africa & Middle East	0	0	200	200	0	0	150	150
	<b>Total</b>	<b>12,031</b>	<b>12,073</b>	<b>11,176</b>	<b>35,280</b>	<b>12,647</b>	<b>13,339</b>	<b>12,511</b>	<b>38,497</b>
Bentonite	Europe	55,192	20,479	0	75,671	47,387	22,648	1,652	71,687
	Americas	378	2,040	2,849	5,267	378	2,045	2,849	5,272
	Africa & Middle East	32	1,381	273	1,686	65	1,657	290	2,012
	<b>Total</b>	<b>55,602</b>	<b>23,900</b>	<b>3,122</b>	<b>82,624</b>	<b>47,830</b>	<b>26,350</b>	<b>4,791</b>	<b>78,971</b>
Carbonates	Europe	0	3,609	8,155	11,764	0	2,989	8,159	11,148
	Americas	12,746	75,216	93,016	180,978	10,811	77,485	97,906	186,202
	Asia-Pacific	0	0	512	512	0	0	512	512
	Africa & Middle East	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>12,746</b>	<b>78,825</b>	<b>101,683</b>	<b>193,254</b>	<b>10,811</b>	<b>80,474</b>	<b>106,577</b>	<b>197,862</b>
Feldspar	Europe	0	3,359	6,963	10,322	2,084	3,438	7,107	12,629
	Americas	0	0	0	0	0	0	1,849	1,849
	Africa & Middle East	0	270	0	270	800	2,675	667	4,142
	<b>Total</b>	<b>0</b>	<b>3,629</b>	<b>6,963</b>	<b>10,592</b>	<b>2,884</b>	<b>6,113</b>	<b>9,623</b>	<b>18,620</b>
Kaolin	Europe	1,690	2,345	14,494	18,529	1,714	2,370	14,766	18,850
	Americas	22,898	71,509	32,789	127,196	20,263	58,254	52,194	130,711
	Asia-Pacific	98	1,042	36	1,176	56	5,683	36	5,775
	<b>Total</b>	<b>24,686</b>	<b>74,896</b>	<b>47,319</b>	<b>146,901</b>	<b>22,033</b>	<b>66,307</b>	<b>66,996</b>	<b>155,336</b>
Minerals for Refractories	Europe	176	4,592	2,280	7,248	134	3,904	2,723	6,761
	Americas	5,243	3,583	2,495	11,321	8,057	6,989	137	15,183
	Africa & Middle East	300	600	900	1,800	300	517	1,500	2,317
	<b>Total</b>	<b>5,719</b>	<b>8,775</b>	<b>5,875</b>	<b>20,369</b>	<b>8,491</b>	<b>11,410</b>	<b>4,360</b>	<b>24,261</b>
Perlite & Diatomite	Europe	4,814	13,722	50,145	68,681	1,266	20,688	57,804	79,758
	Americas	19,617	30,704	43,346	93,667	21,904	29,766	40,959	92,630
	Asia Pacific	0	0	0	0	79	1	0	80
	Africa & Middle East	0	1,373	7,187	8,560	0	1,198	7,592	8,790
	<b>Total</b>	<b>24,431</b>	<b>45,799</b>	<b>100,678</b>	<b>170,908</b>	<b>23,249</b>	<b>51,654</b>	<b>106,355</b>	<b>181,258</b>
Talc	Europe	193	1,660	6,145	7,998	99	2,071	6,846	9,016
	Asia-Pacific	2,847	1,458	2,179	6,484	2,494	1,235	2,760	6,489
	<b>Total</b>	<b>3,040</b>	<b>3,118</b>	<b>8,324</b>	<b>14,482</b>	<b>2,593</b>	<b>3,306</b>	<b>9,606</b>	<b>15,505</b>
Other minerals	Europe	1,687	815	1,029	3,531	1,687	815	650	3,152
	Americas	6,270	27,066	70,162	103,498	6,270	25,671	66,473	98,414
	Africa & Middle East	914	749	956	2,619	914	749	956	2,619
	<b>Total</b>	<b>8,871</b>	<b>28,630</b>	<b>72,147</b>	<b>109,648</b>	<b>8,871</b>	<b>27,235</b>	<b>68,079</b>	<b>104,185</b>

Notes: In addition to the normal activities of exploration, resource development and transfer of resources to reserves, in 2020 there has been significant changes in the Mineral Resources due to the sale of the Pittong kaolin site in Australia and acquisition of Cornerstone Perlite in the US. In addition, there was significant resource reassessment of sites in Brazil (kaolin), USA (Mineral For Refractories and carbonates) and Europe (Filtration and Feldspar).

### 3.8.3 SUMMARY OF KEY PERFORMANCE INDICATORS

The Group's Key Performance Indicators (KPIs) on Corporate Social Responsibility 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 three consecutive years (2018-2020). The perimeter of each category is Group level unless explicitly indicated otherwise.

Category	KPIs	Unit	2020	2019	2018	GRI
<b>Empowering our people</b>						
<b>Safety &amp; Health</b>						
Mid-term 2022 objectives	Safety Culture Maturity Level	#	2.65	-	-	403-2
	Occupational health baseline assessment improvement	%	baseline completed	-	-	403-2
Fatalities	Fatalities – Imerys Employees	#	0	1	1	403-2
	Fatalities – Contractor Employees <sup>(1)</sup>	#	0	1	0	403-2
Life-changing injuries <sup>(2)</sup>	Life-changing injuries – Imerys Employees	#	2	0	4	403-2
	Life-changing injuries – Contractor Employees	#	1	2	0	403-2
Lost-Time Accident rates <sup>(3)</sup>	Imerys employees	/	1.21	1.03	1.45	403-2
	Contractor employees	/	1.12	1.34	1.16	403-2
	Combined rate (Imerys employees and Contractor employees)	/	1.18	1.14	1.37	403-2
Total Recordable Incident rates <sup>(4)</sup>	Imerys employees	/	2.84	2.98	4.43	403-2
	Contractor employees	/	2.24	3.71	4.24	403-2
	Combined rate (Imerys employees and Contractor employees)	/	2.66	3.22	4.30	403-2
Severity rates <sup>(5)</sup>	Imerys employees	/	0.08	0.05	0.07	403-2
	Contractor employees	/	0.05	0.06	0.05	403-2
	Combined rate (Imerys employees and other employees)	/	0.07	0.05	0.07	403-2
Occupational illnesses	Occupational illnesses with lost time	#	0	1	2	403-2
	Occupational illnesses without lost time	#	1	1	0	403-2
<b>Human Capital</b>						
Mid-term 2022 objectives	Females in senior management	%	26	-	-	102-8
	Diversity and Inclusion 3-year program completion	%	40	-	-	102-8
Employees	Year-to-end total headcount on payroll	#	16,437	16,305	17,769	102-8
	Full-time employees	#	16,168	16,109	17,324	102-8
	Female employees	#	2,668	2,751	2,898	102-8
	Male employees	#	13,500	13,358	14,426	102-8
	Part-time employees	#	269	373	445	102-8
	Female employees	#	185	209	220	102-8
	Male employees	#	84	164	225	102-8
	Permanent employees	#	15,270	15,023	16,220	102-8
	Female employees	#	2,602	2,559	2,805	102-8
	Male employees	#	12,668	12,464	13,415	102-8
	Fixed-term contract	#	1,167	1,282	1,549	102-8
	Female employees	#	251	262	313	102-8
	Male employees	#	916	1,020	1,236	102-8
	External employees (Full-Time Equivalent)	#	4,790	6,205	4,204	102-8

Category	KPIs	Unit	2020	2019	2018	GRI
Employees by region	Europe	#	7,481	7,781	8,455	102-8
	<i>Permanent employees</i>	#	7,051	7,272	7,815	102-8
	<i>Fixed-term contract</i>	#	430	209	640	102-8
	<i>Of which France</i>	#	2,008	2,080	2,242	102-8
	<i>Permanent employees</i>	#	1,923	1,980	2,082	102-8
	<i>Fixed-term contract</i>	#	85	100	160	102-8
	Americas	#	4,211	4,213	4,634	102-8
	<i>Permanent employees</i>	#	4,208	4,186	4,600	102-8
	<i>Fixed-term contract</i>	#	3	27	34	102-8
	Asia-Pacific	#	3,740	3,543	3,882	102-8
	<i>Permanent employees</i>	#	3,164	2,969	3,242	102-8
	<i>Fixed-term contract</i>	#	576	574	640	102-8
	Africa & Middle East	#	1,005	768	798	102-8
	<i>Permanent employees</i>	#	847	59	563	102-8
<i>Fixed-term contract</i>	#	158	172	235	102-8	
Employees by function <sup>(6)</sup>	Administration & Support	#	599	645	689	
	Finance	#	893	853	933	
	General Management	#	30	33	92	
	Human Resources	#	329	323	395	
	Innovation / S&T	#	394	350	488	
	IT & Business Process	#	285	269	263	
	Legal	#	56	71	80	
	Operations <sup>(7)</sup>	#	11,458	11,349	13,379	
	Sales & Marketing	#	1,281	1,372	1,416	
	Strategy / Business Development	#	35	18	34	
	Supply Chain <sup>(7)</sup>	#	1,077	1,022	-	
Employees by Business Segment <sup>(8)</sup>	Performance Minerals	#	7,630	7,696	9,276	
	<i>Americas</i>	#	3,020	3,081	3,675	
	<i>Asia-Pacific</i>	#	1,518	1,504	1,817	
	<i>Europe Middle East and Africa</i>	#	3,092	3,111	3,784	
	High Temperature Materials and Solutions	#	6,893	6,764	7,858	
	<i>High Temperature Solutions</i>	#	2,837	2,633	3,100	
	<i>Refractory, Abrasives &amp; Construction</i>	#	4,056	4,131	4,758	
	Ventures & Partnership	#	7	37	67	
	Group <sup>(9)</sup>	#	1,907	1,808	568	
Employee moves	Net variation of permanent employees (excluding acquisitions and divestitures)	#	(258)	(828)	(438)	401-1
	<i>External recruitments</i>	#	1,157	1,003	1,446	401-1
	<i>Mutual agreements</i>	#	(282)	(133)	-	401-1
	<i>Redundancies (economical &amp; non-economical)</i>	#	(499)	(753)	(557)	401-1
	<i>Retirements</i>	#	(238)	(301)	(303)	401-1
	<i>Voluntary terminations &amp; others</i>	#	(592)	(928)	1,024	401-1
	Turnover	%	3.9	5.9	6.1	401-1
	Net variation of temporary employees (excluding acquisitions and divestitures)	#	(171)	(207)	569	401-1
Acquisitions – Divestiture	#	561	(361)	(721)	401-1	

Category	KPIs	Unit	2020	2019	2018	GRI
Absenteeism	Total absenteeism rate	%	3.1	3.0	2.8	403-2
	Absenteeism rate by geographical region					
	<i>Europe</i>	%	4.9	4.4	4.4	403-2
	<i>Americas</i>	%	1.7	1.4	1.4	403-2
	<i>Asia-Pacific</i>	%	1.1	1.6	1.2	403-2
	<i>Africa &amp; Middle East</i>	%	1.9	2.0	1.6	403-2
Human rights and Labor Practices	Employees under collective bargaining agreement	%	73	68 <sup>(10)</sup>	68	
Talent and Skills Management	Employees with regular performance and career development reviews	%	36	35	27	404-3
	Employees who received training at least once in the reporting year	#	13,042	15,958	13,636	
	Training hours	Hours	212,640	367,453	508,356	404-1
	Hours by category of program					
	<i>Environment, Health &amp; Safety</i>	Hours	103,152	200,935	211,645	404-2
	<i>Technical skills</i>	Hours	90,024	127,092	245,078	404-2
	<i>Management</i>	Hours	19,464	39,426	51,633	404-2
Social Dialogue	Working hours lost due to strikes	Hours	1,962	3,127	7,657	
	Employee Engagement Survey Results					
	<i>Loyalty Rate<sup>(11)</sup></i>	%	75	75	75	
Age	Less than 30 years	%	10	11	11	405-1
	From 30 to 39 years	%	26	25	25	405-1
	From 40 to 49 years	%	29	29	29	405-1
	From 50 to 54 years	%	14	15	15	405-1
	More than 55 years	%	21	21	20	405-1
New permanent hiring by age bracket	Less than 30	%	35	36	35	401-1
	More than 55	%	4	4	4	401-1
Seniority	Less than 10 years	%	51	50	50	405-1
	More than 10 years	%	49	50	50	405-1
	<i>of which more than 20 years</i>	%	21	21	23	405-1
Gender balance	Female Board members	%	40	46	41.7	405-1
	Female Executive Committee members	%	9	9	9.1	405-1
	Females in Senior management	%	26	22	19	405-1
	Females in Manager/Expert/Professional roles	%	26	27	25.6	405-1
	Females in Paraprofessional roles	%	12	12	-	405-1
	Total female employees	%	17	17	17.5	405-1
Disability	Employees with disability	#	419	167	186	405-1
	Employees with disability	%	3	1	1	

### Caring for our planet

#### Environmental Stewardship

Mid-term 2022 objectives	Environmental audits using the environmental maturity matrix	%	60	-	-	103
	Group act4nature commitment completion	%	93	-	-	304-3
Environmental Management	ISO 14001 or EMAS <sup>(12)</sup> certified operations	#	93	99	101	103
	Operations with Imerys 8-pillar EMS	#	152	125	129	103
	Environmental incidents (including with no or with minor environmental impact)	#	28	14	6	307
	Environmental prosecutions	#	7	8	5	307
	Amount of fines	€	62,260	54,571	17,232	307

Category	KPIs	Unit	2020	2019	2018	GRI
Waste	Total industrial waste produced	Tons	147,471	155,815	278,009	306-1
	<i>Hazardous industrial waste</i>	Tons	2,141	1,952	4,017	306-2
	<i>Recycled hazardous industrial waste</i>	Tons	891	1,175	2,374	306-2
	<i>Non-hazardous industrial waste</i>	Tons	83,901	92,262	155,402	306-2
	<i>Recycled non-hazardous industrial waste</i>	Tons	60,539	60,425	116,215	306-2
	Industrial waste generation / Revenue	kg/M€	0.04	0.05	0.06	
Air emissions produced	Sulfur dioxide (SO <sub>2</sub> )	Tons	2,509	3,853	4,565	305-7
	Nitrogen oxide (NO <sub>x</sub> )	Tons	5,126	5,945	6,953	305-7
Water consumption	Total water withdrawals	M liters	37,472	40,796	47,128	303-1
	<i>Water obtained from water groundwater</i>	%	53.1	52.2	55.6	303-1
	<i>Water withdrawn from suppliers</i>	%	9.5	11.4	10.3	303-1
	<i>Water withdrawn from surface water</i>	%	29.1	29.1	27.8	303-1
	<i>Water obtained from other sources<sup>(13)</sup></i>	%	8.3	7.3	6.3	303-1
	Total water recycled	M liters	34,937	42,271	46,249	303-3
	Sites with recycled water reported	#	54	57	62	303-3
Biodiversity and Land Rehabilitation	Surfaces disturbed by the Group's mining activities <sup>(14)</sup>	Hectares	1,670	1,387	2,038	304-3
	Surfaces rehabilitated <sup>(14)</sup>	Hectares	380	436	396	304-3
<b>Climate Change</b>						
Mid-term objectives (2030 and 2023)	Scope 1 & 2 greenhouse gas emissions reduction relative to revenue (tCO <sub>2</sub> /M€) (by 2030)	%	-12	-12	-	305-1, 305-2
	Suppliers with science based targets (by 2023)	%	10	-	-	305-3
Energy	Total energy consumption	MWh	8,159,406	8,234,462	10,916,835	302-1
	<i>Natural gas</i>	%	41.1	39.0	41.5	302
	<i>Other fossil fuels</i>	%	24.6	27.3	26.7	302
	<i>Biomass</i>	%	3.0	2.7	2.4	302
	<i>Electricity (net) and steam</i>	%	31.3	31.0	29.4	302
CO <sub>2</sub> emissions	Total CO <sub>2</sub> emissions	kt CO <sub>2</sub> e	2,494	2,843	3,421	305
	<i>Scope 1 CO<sub>2</sub> emissions</i>	kt CO <sub>2</sub> e	1,510	1,740	2,207	305-1
	<i>Scope 2 CO<sub>2</sub> emissions</i>	kt CO <sub>2</sub> e	984	1,103	1,214	305-2
	Emissions by source					
	<i>CO<sub>2</sub> emissions from Energy</i>	%	86.7	87.3	84.1	305-1
	<i>CO<sub>2</sub> emissions from Processes</i>	%	13.3	12.7	15.9	305-1
	CO <sub>2</sub> emissions / Revenue	tCO <sub>2</sub> /M€	657	653	745	
	Scope 3 emission estimation	% of total emissions	55	55	55	305-3
Product carbon footprints calculated	#	49	30	20	305-3	

Category	KPIs	Unit	2020	2019	2018	GRI
<b>Building for the future</b>						
<b>Business Conduct</b>						
Mid-term 2022 objectives	CSR rating by EcoVadis	#	74	64	56	-
	Supplier CSR rating scheme coverage (by spend)	%	14	-	-	308-1
Corporate Governance	Independent Board members	%	50	54	50	405-1
Fair Operating practices	Reported violations of the Group Code of Business Conduct and Ethics	#	11	13	4	412-1
	Confirmed cases of violation of the Group Code of Business Conduct and Ethics	#	4	7	3	412-1
Supplier CSR engagement	Trainings on responsible purchasing	#	0	4	10	412-1
	Suppliers assessed	#	200	228	484	308-1 414-1
Community Engagement	Sites with a formal action plan managing the impacts of operations on communities	%	90	90	89	413-1
	New community engagement initiatives launched	#	42	56	62	413-1
	Reported external grievances	#	0	1	0	413-2
<b>Product Management</b>						
Mid-term 2022 objective	Products in Application Combinations (PAC) assessed according to CSR criteria (by revenue)	%	6	-	-	
	New Product Developments scored as "SustainAgility Solutions"	%	Assessments ongoing	-	-	
Product Sustainability	Number of Life Cycle Assessments calculated for Group products	#	49	28	14	301-1

- (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) A new job catalog was introduced in 2018.
- (7) The Supply Chain category was part of the Operations function in 2018.
- (8) The new business organization was introduced in November 2018.
- (9) Support Functions (finance, HR, IT & purchasing) as part of the Group segment has been introduced in 2019.
- (10) The survey on collective bargaining coverage is conducted every two years. This result refers to the 2017 survey.
- (11) The loyalty score is the sum of trust, empowerment and development survey responses. Results refer to 2017 survey.
- (12) EMAS: Eco Management and Audit Scheme (European Standard).
- (13) Water obtained from sources other than water suppliers, groundwater or surface water (i.e. collection of rainwater or water obtained from customers).
- (14) The two land use indicators are only applied to the open mining operations in Western Europe.

## 3.9 ATTESTATION OF COMPLETENESS AND LIMITED ASSURANCE REPORT OF ONE OF THE STATUTORY AUDITORS

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

*This is a free translation into English of the Statutory Auditor's report 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.*

For the year ended December 31, 2020

To the Shareholders,

In our capacity as Statutory Auditor of Imerys SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2020 (hereinafter the "Statement"), 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*).

#### ■ COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

#### ■ INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the 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 regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

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

Based on our work, our responsibility is to express a limited 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."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

#### ■ NATURE AND SCOPE OF PROCEDURES

We performed our work in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- 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, as well as in the second paragraph of Article L. 22-10-36 regarding the 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 principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its 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>; concerning certain risks (business conduct or product management for instance), our work was carried out on the consolidating entity, for the others 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, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
- We carried out, for the key performance indicators and other quantitative outcomes<sup>(2)</sup> that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, 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>(3)</sup> and covered between 8% and 39% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## ■ MEANS AND RESOURCES

Our work engaged the skills of six people between October 2020 and March 2021.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement.

## ■ CONCLUSION

Based on our work, nothing has come to our attention that cause us to believe that the non-financial 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.

Paris-La Défense, March 19, 2021

One of the statutory auditors,

**Deloitte & Associés**

Frédéric Gourd  
Partner

Olivier Jan  
Partner, Sustainability Services

(1) *Qualitative information*: Covid-19 specific protocol; 2020 SD Challenge on diversity and inclusion; matrices of mineral assets; methodology of climate-related risks assessment: focus on heat waves and water stress; EcoVadis CSR assessment; SustainAgility Solutions Assessment framework.

(2) *Environmental quantitative information*: total industrial waste generated (hazardous and non-hazardous); total industrial waste recycled (hazardous and non-hazardous); total water withdrawals; total energy consumption; total CO<sub>2</sub> emissions (scopes 1 and 2); CO<sub>2</sub> emissions/revenue; variation of CO<sub>2</sub> emissions/revenue compared to 2018 baseline; total SO<sub>2</sub> emissions; total NO<sub>x</sub> emissions.

(17) *Social quantitative information*: total headcount as of December 31, 2020; external recruitments; leavings (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.

(3) *Selected entities*: Beyrède – Refractory, Abrasives, Construction (France); Clérac – Refractory, Abrasives, Construction (France); Cockeysville – Performance Minerals Americas (USA); Dunkerque – Refractory, Abrasives, Construction (France); Fos-sur-Mer – Refractory, Abrasives, Construction (France); Imerys Metallurgy Bauxite – Refractory, Abrasives, Construction (Greece); Laufenburg – Refractory, Abrasives, Construction (Germany); Lixhe – Performance Minerals EMEA (Belgium); Luzenac – Performance Minerals EMEA (France); Sandersville Calcine Plant – Performance Minerals Americas (USA); Villach – Refractory, Abrasives, Construction (Austria); Zschornewitz – Refractory, Abrasives, Construction (Germany).

## Attachment 3 – Table of correspondence between the UNGC Ten Principles and Group 2020 Universal Registration Document – Chapter 3 Corporate Social Responsibility

### 10 Global Compact Principles

### 2020 Universal Registration Document

	Reference in Report	Page
<b>HUMAN RIGHTS</b>		
1. Support and respect the protection of internationally proclaimed human rights	3.5.1 Safety and Health	57-60
	3.5.2.1 Human Rights and Labor Practices	62
	3.5.2.3 Social Dialogue and Employee Engagement	65
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.7.1.3 Community Engagement	84-85
	3.8.2 Summary of Key Performance Indicators	92-96
	3.8.2 Summary of Key Performance Indicators	92-96
2. Make sure that they are not complicit in human rights abuses	3.5.2.1 Human Rights and Labor Practices	62
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.8.2 Summary of Key Performance Indicators	92-96
<b>LABOR</b>		
3. Freedom of association and the effective recognition of the right to collective bargaining	3.5.2.1 Human Rights and Labor Practices	62
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.8.2 Summary of Key Performance Indicators	92-96
4. Elimination of all forms of forced and compulsory labor	3.5.2.1 Human Rights and Labor Practices	62
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
5. Effective abolition of child labor	3.8.2 Summary of Key Performance Indicators	92-96
6. Elimination of discrimination in respect of employment and occupation	3.5.2.1. Human Rights and Labor Practices	62
	3.5.2.4 Diversity and Inclusion	65-67
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.8.2 Summary of Key Performance Indicators	92-96
<b>ENVIRONMENT</b>		
7. A precautionary approach to environmental challenges	3.6.1.1 Environmental Management	68-71
	3.6.1.2 Non-Energetic Resources Efficiency	71-72
8. Initiatives to promote greater environmental responsibility	3.6.1.3 Biodiversity and Rehabilitation	73-74
	3.6.2.1 Climate Change Strategy	75-78
9. Development and diffusion of environmentally friendly technologies	3.6.2.2 Climate Solutions	78
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.7.2.1 Product Sustainability	85-86
	3.8.2 Summary of Key Performance Indicator	92-96
<b>ANTI-CORRUPTION</b>		
10. Work against corruption in all its forms, including extortion and bribery	3.7.1.1 Corporate Governance	79
	3.7.1.2 Fair Operating Practices & Responsible Supply Chain	80-83
	3.8.2 Summary of Key Performance Indicators	92-96