

**UNIVERSAL
REGISTRATION
DOCUMENT**

INCLUDING THE ANNUAL
FINANCIAL REPORT

2021



IMERYS



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UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL
FINANCIAL REPORT

2021

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 benefiting 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, 2022 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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PATRICK KRON
CHAIRMAN OF THE BOARD

"We took steps during 2021
to strengthen our model creating value
over the long term."



ALESSANDRO DAZZA
CHIEF EXECUTIVE OFFICER

"2020 was marked by cost management,
2021 more oriented towards
the management of the recovery."

What were the highlights of the 2021 fiscal year?

PATRICK KRON

2021 was another challenging year, after the unprecedented crisis that the Group had to face in 2020, with the Covid-19 pandemic. We took steps during 2021 to strengthen our model to create value over the long term. We rolled out multiple actions to lay the foundations for our future growth by:

- setting up best-in-class commercial practices to achieve organic growth above underlying markets;
- launching new products: 80 new solutions were launched in 2021; this performance was clearly helped by our market-focused organisation, which allows a closer contact, a better understanding of the needs and joint developments with our customers;
- managing our portfolio of activities dynamically: integrating the companies acquired in the past and disposing structurally declining or non-core activities;
- expanding our production capacities in fast-growing markets, like lithium-ion batteries for electric vehicles;
- increasing our sustainability impact, with ambitious commitments, among others, to fight climate change.

ALESSANDRO DAZZA

Our 2021 performance again demonstrated the strength and resilience of Imerys business model in a highly unpredictable environment: 2020 was marked by crisis and cost management, while 2021 was about handling a rapid recovery. Our teams have proven their agility and commitment in this challenging year, characterized by an incredibly high and unexpected inflation and significant global issues in logistics and supply chain. In this context, our financial performance held up remarkably well, with €4.4 billion in revenues (+15.4% like for like compared to the previous year), a current EBITDA margin of 17.4% of sales and net current free operating cash flow of 255 million euros.

The Group continued to outperform markets by delivering double-digit organic growth, carried by good commercial performance and the continuous recovery of most of our end markets. Certain industries, such as construction and iron & steel, have now returned to their pre-crisis levels, probably faster than expected. Others, such as automotive, are still struggling and even saw a further, sharp drop in demand in the second half of 2021 following disruptions in the supply chain of electronic components. The year was also characterized by the boom in demand for hybrid and electric vehicles using Lithium-Ion batteries. Imerys supplies two essential components, synthetic graphite and carbon black, for this technology, and we

expect this market to grow strongly over the next ten years. We have invested around one hundred million euros this year to double our production capacity and we will continue to invest in 2022 to meet double-digit growth in demand in what has become a pillar of future growth for the Group.

In this challenging context, did Imerys continue to integrate sustainable development in its strategy?

P.K.: Sustainability is not only a must, even more, it is a strong driver for growth. We keep on improving our position as leader in sustainability and Environment, Social and Governance matters. We are grateful for the international recognition we achieved as a promoter in sustainability: Imerys is rated B by CDP, and trusted by numerous ESG-driven investors all around the world.

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

Three years after we launched our SustainAgility program, we are actively continuing its deployment. We thus have adopted a more proactive policy to reduce our own emissions and become more sustainable.

A.D.: We effectively accelerated the pace of our responsible growth initiatives, in particular related to climate change, conscious that this is a global issue and a priority topic for Imerys. We have a clear climate change roadmap in line with the commitments of the Paris Agreement, with science-based objectives and concrete actions to significantly reduce the carbon emissions of our operations and develop low carbon products for our customers. We have already achieved tangible results thanks to efforts to integrate climate considerations into all our processes, for example with the introduction of an internal carbon price in our capital expenditure projects.

We are committed to reducing our CO₂ emissions, and have taken a significant step to integrate climate considerations within our financing strategy with our first sustainability-linked bond issue of €300 million in May. It is an important milestone in our sustainability program, SustainAgility, and will ensure that our long-term social and environmental

commitments are embedded across all our operations and drive continuous improvement. Specifically, Imerys targets a reduction of its greenhouse gas emissions of 36% by 2030 relative to revenue (tCO₂/M€) from a 2018 base year, as validated by the Science Based Target initiative (SBTi). The success of this operation exceeded our expectations. It allowed us to optimize our debt profile and, at the same time, to demonstrate the strength of our long-term commitments, in particular in reducing greenhouse gas emissions.

What is the outlook for Imerys in 2022?

A.D.: In 2021, we benefited from improved demand but had to deal with supply chain challenges and accelerating cost inflation across the globe. We are well positioned to manage these impacts also in 2022 and confident the Group will continue to enjoy good trading momentum. Imerys is on track to sustain its financial performance in 2022 and responsible value creation for all its stakeholders.

€ 761M

CURRENT EBITDA

€ 255M

NET CURRENT FREE
OPERATING CASH
FLOW



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

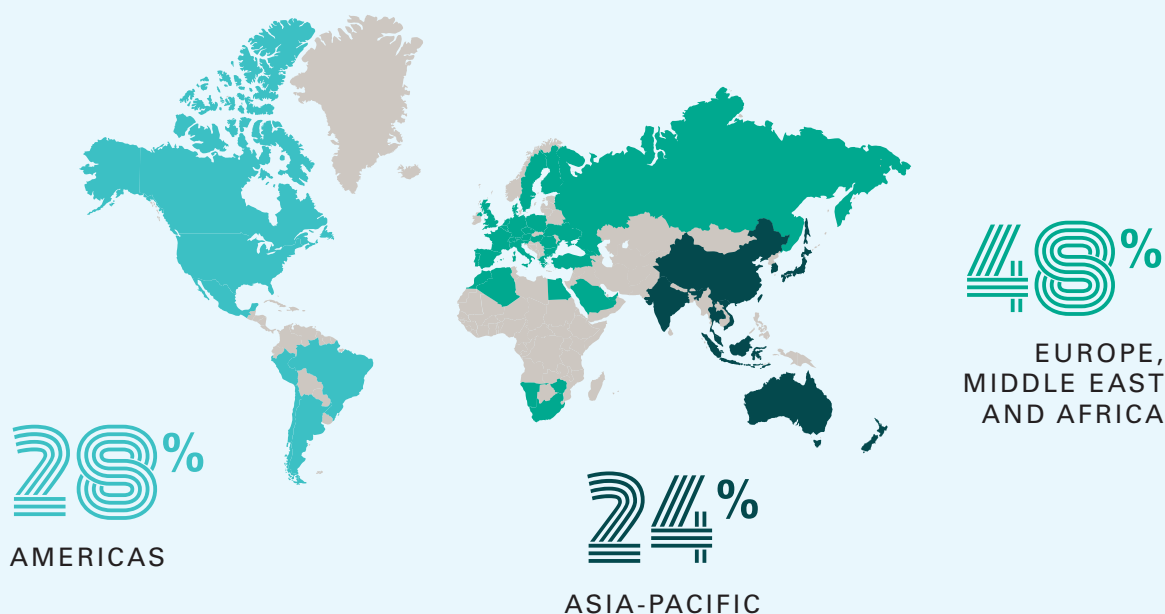
ABOUT IMERYS

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

and its technological knowledge and expertise in material science to deliver innovative 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.

2021 CONSOLIDATED REVENUE (%)



2021 KEY FIGURES

€4.4BN
REVENUE

€3.1BN
MARKET
CAPITALIZATION
(31/12)

142
COMMERCIAL
PRESENCE
(number
of countries)

16,900
EMPLOYEES

40
INDUSTRIAL
PRESENCE
(number
of countries)

>15,000
CUSTOMERS

#1
IN 75%
OF MARKETS



KEY FIGURES

	2019	2020	2021
Results and profitability (€ millions)			
Revenue	4,354	3,799	4,383
Change at constant scope and exchange rates	-3.8%	-10.7%	+15.6%
Current EBITDA	765	631	761
Current EBITDA margin	17.6%	16.6%	17.4%
Current operating income	439	299	452
Current operating margin	10.1%	7.9%	10.3%
Operating income	229	138	385
Net income from current operations	277	167	288
Net income, Group share	121	30	240
Capital employed	5,635	5,174	5,253

Data per share (€)			
Net income from current operations, per share	€3.50	€2.03	€3.40
Net income per share	€1.53	€0.37	€2.83
Dividend per share	€1.720	€1.150	€1.55 ⁽¹⁾

Balance Sheet and Cash Flow (€ millions)			
Net current free operating cash flow	348	373	255
Capital expenditure	292	262	344
Net financial debt	1,685	1,508	1,451
Net financial debt/current EBITDA	2.2x	2.4x	1.9x
Equity	3,162	2,956	3,242
Gearing	53%	51%	45%
Financial resources	3,183	2,810	2,860
Moody's/Standard & Poor's rating	Baa2/BBB	Baa3/BBB-	Baa3/BBB-

Main non-financial indicators (see chapter 3 for the full list)

			Medium-term objectives
Occupational health & safety:			
Total recordable accident frequency rate ⁽²⁾	3.22	2.66	2.63
Average level of maturity of operational sites	2.6	2.65	2.89
Diversity and inclusion: proportion of women within the Group's senior management team ⁽⁴⁾			
	22%	26%	26%
Environmental impact management: proportion of audits conducted against an environmental maturity matrix			
	25%	60%	90%
Biodiversity and rehabilitation: level of completion of the biodiversity improvement program			
	43%	93%	100%
Climate change strategy: % reduction in CO ₂ e emissions by million euro of revenue compared to 2018 ^{(5) (6)}			
	-12%	-12%	-23%
Business conduct and responsible purchasing management: proportion of suppliers assessed against environmental, social and governance criteria ⁽⁷⁾			
	16%	14%	35%
Environmental, social and economic impact of products: proportion of product portfolio measured against environmental social and governance criteria			
	5%	6%	21%

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

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

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

(3) 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.

(4) 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. Proportion of women on the Executive Committee is reported as a separate indicator in chapter 3.

(5) Scopes 1 & 2 – Greenhouse gas emissions expressed in tons of CO₂e equivalent.

(6) In 2021, Imerys improved its data reporting accuracy and updated the methodology for the calculation of its greenhouse gas (GHG) emissions. As per the Group GHG Recalculation Policy made public in May 2021, audited by Deloitte and available on Imerys.com, the Group recalculated the 2018 base year emission inventory. To facilitate comparison, Imerys has also recalculated 2019 and 2020 data. Based on the updated emission factors and calculation methodology, 2019 and 2020 Group GHG emissions were reduced by -14% in 2019 and by -15% in 2020 versus 2018.

(7) 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.

+15.6%
GROWTH AT
CONSTANT SCOPE
AND EXCHANGE
RATES



Integrated Report

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

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. mineral solutions for paints and coatings, or fused alumina in industrial abrasives).

- Process enablers: essential in customers' manufacturing processes, but are not found in the end product (e.g. diatomaceous earth used to filter liquids or to extract proteins from blood plasma by fractionation).

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

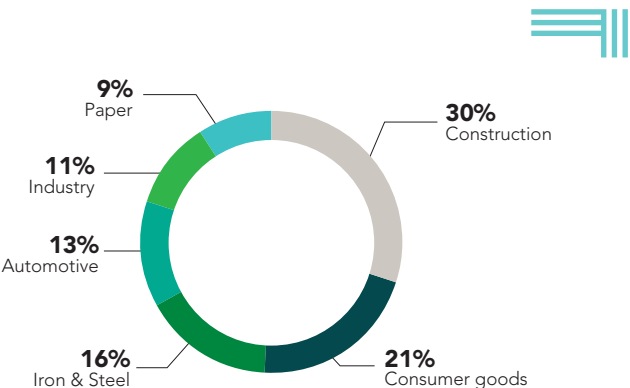
PERFORMANCE MINERALS

- 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.
- High-tech graphite and carbon-based solutions for manufacturing and industry (i.e. lithium-ion batteries, alkaline batteries, polymers, fuel cells, carbon brushes and many others).

HIGH TEMPERATURE MATERIALS AND SOLUTIONS

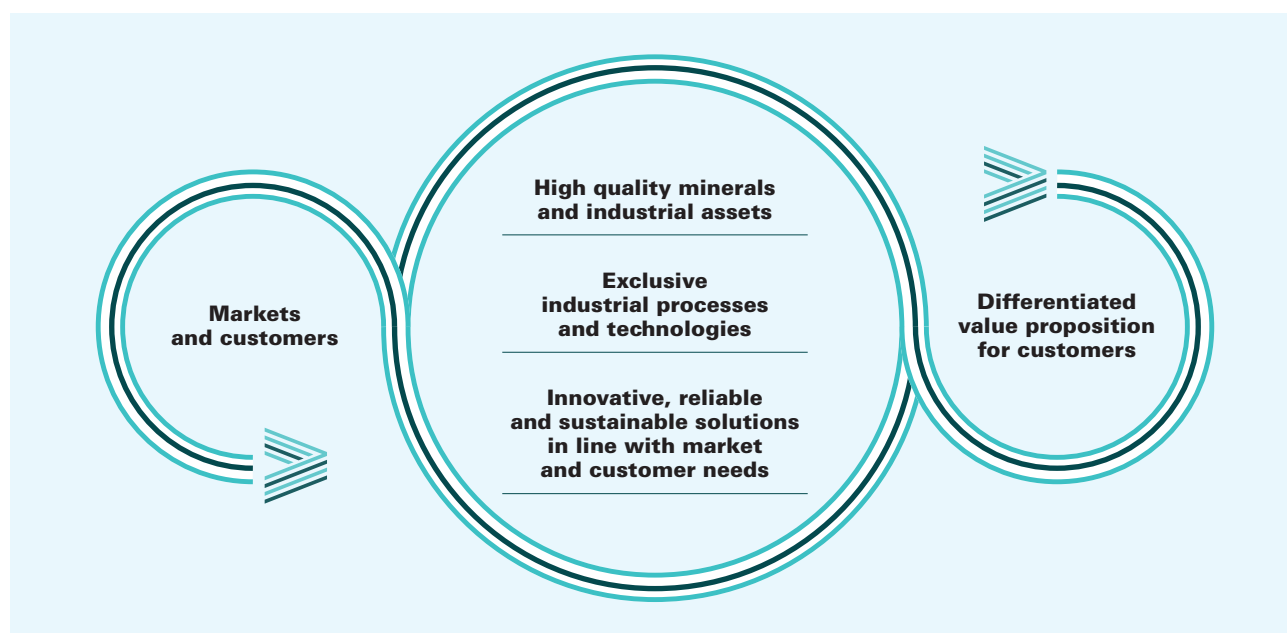
- Refractory minerals and solutions for high-temperature industrial processes (e.g. refractory linings and insulation materials to protect furnaces and boilers).
- Bentonite for foundry molds.
- Alumina and zirconia for abrasives (e.g. industrial cutting discs and grinding discs).
- High-performance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

"Imerys's products and solutions serve many different industries such as construction, paper and board, mobile energy, steelmaking, agriculture, food, automotive and cosmetics."



Source: Imerys estimates.

A DIFFERENTIATED VALUE PROPOSITION



1 High quality mineral resources and industrial assets

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

Imerys operates over 100 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.

2 Exclusive industrial processes and technologies

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

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



**MINERAL DEPOSITS
THROUGHOUT
THE WORLD**

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 sites within the Group.

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.



Integrated Report

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

3 Innovative, reliable and sustainable solutions aligned 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 2021, Imerys launched 80 new minerals solutions.

Imerys protects its innovations with an active industrial property policy: over 2,530 patents and over 30 industrial models were registered at the end of 2021.

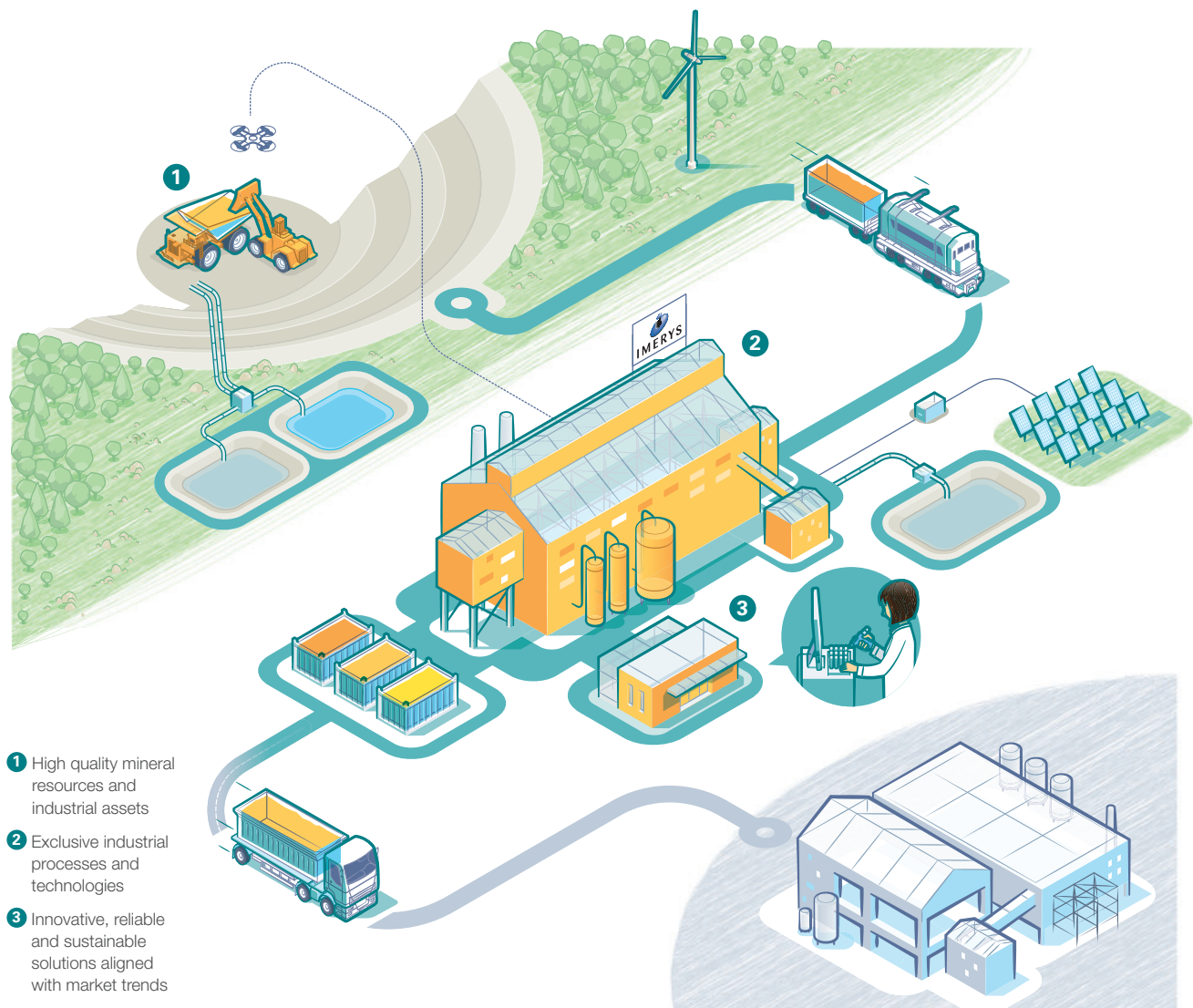
Imerys's ambition is to proactively steer the overall product and project portfolios towards improved sustainability performance. Every new project is systematically assessed against environmental and social criteria and the Group aims to have 50% of its new product developments scored as "SustainAgility Solutions⁽¹⁾". In 2021, a pilot range of Pioneer SustainAgility Solutions was launched, with clear and measurable environmental and social benefits and aligned with market megatrends. This range presently encompasses solutions for recycled plastics, cosmetics, cartonboard, reusable kiln furniture, automobile plastics, agriculture and animal feed,

with the ambition to progressively expand the range. This is yet another step taken to support our customers in adopting leading sustainability solutions within the Imerys product range.

OVER

2,530

PATENTS AND
30 INDUSTRIAL
MODELS



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



NEW KEY PRODUCTS LAUNCHED

MARKET	APPLICATIONS AND PROPERTIES	
	ELECTRIC VEHICLES	Increased performance of lithium-ion batteries for electric vehicles > Lower CO ₂ emissions
	HEALTH & BEAUTY	Natural mineral solutions for cosmetics > Offering sustainability
	ANIMAL FEED	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	New monolithics developed to accommodate more stringent operating conditions in the aluminum business > Reduced energy consumption and improving productivity
	FOUNDRY	Boron-compliant furnace refractory lining > Reduced hazardousness of the product and easier installation
	IRON & STEEL	New organic binder for tap-hole clay > Reduced hazardous substances and extended shelf life
	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
	DIGITAL SERVICES	Remote technical assistance service > Sustainable, real-time and reliable service



1.1.1.2 MAJOR TRENDS 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 wellbeing, 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, climate change, transparency, ethical conduct, etc.).

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

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.

URBANIZATION The world's population is expected to reach 10 billion by 2050, with the majority of people living in cities.	DEMOGRAPHICS AND EXTENDED LIFE EXPECTANCY Countries are confronted with the rapid aging of their population and the explosion of healthcare costs.	CLIMATE Climate change poses an urgent, global, systemic and irreversible risk.	RAREFACTION OF RESOURCES Population growth places a strain on natural resources and disrupts traditional consumption models.
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.	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.	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.	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 suitability of recycled and bio plastics into demanding applications.



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, adhesives, filtration, life sciences, 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 on a global base.

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

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

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

SEGMENTS	PERFORMANCE MINERALS			HIGHTEMPERATURE 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, Rubber, Paints & Coatings, Adhesives > Paper & Board > Ceramics and Building Products > Filtration & Life Sciences > Mobile Energy			> Iron & Steel > Foundry > Thermal	> Refractory > Abrasives > Building & Infrastructure
2021 Revenue (€ millions)	1,130	957	515	801	1,240

Δ For further details on 2021 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.

	PERFORMANCE MINERALS AMERICAS	PERFORMANCE MINERALS ASIA-PACIFIC	PERFORMANCE MINERALS EUROPE, MIDDLE EAST AND AFRICA
KEY FIGURES			
 Revenue (€ millions)	957	515	1,130
 Number of customers	3,000	7,500	7,300
 Employees (as of December 31)	3,183	1,526	3,256
 Number of industrial sites	66	33	87
 Countries (industrial presence)	6	14	17
 Minerals	8	12	15

CORE MARKETS (REVENUE BREAKDOWN)			
 Plastics, Rubber, Paints & Coatings, Adhesives	38%	20%	37%
 Paper & Board	18%	27%	21%
 Filtration & Life Sciences	25%	10%	16%
 Ceramics & Building Products	18%	16%	25%
 Mobile Energy	-	27%	-



PLASTICS, RUBBER, PAINTS & COATINGS, ADHESIVES



34%

REVENUE

Plastics and Rubber

Imerys's 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's plastics and rubber mineral solutions make them effective additives 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 vehicle plastic parts and therefore reduce fuel consumption and CO₂ emissions, or to improve performance of recycled plastics. Carbon black based Imerys solutions are used for their exceptional thermal or electrical conductivity, in particular for the future electrical vehicles. Some minerals are also used for plastic films' breathability in the hygiene and medical fields.

✓ MINERALS

Carbon black / Carbonate / Diatomite / Expanded graphite / Graphite / Kaolin / Mica / Perlite / 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

BOARD & PAPER



22%

REVENUE

The board, paper & pulp 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

CERAMICS & BUILDING PRODUCTS



21%

REVENUE

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, tile and large surfaces 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 solutions.

Imerys minerals (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), roof 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 roof tiles

World #2 in kiln furniture for tableware

European #1 in raw materials and ceramic bodies for tableware



PERFORMANCE MINERALS

FILTRATION & LIFE SCIENCES



REVENUE

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's solutions are formed using naturally occurring minerals with exceptional properties such as adsorption capacity, barrier effect, gentle abrasiveness, texturing enhancement, high level porosity etc. Innovation capabilities allow fulfilling the latest market trends linked to consumer demands on naturality and eco-responsibility in full compliance with market specifications and regulations.

✓ MINERALS

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

MARKET POSITIONS

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

World #1 in kaolin

World #1 in talc

MOBILE ENERGY



REVENUE

With a unique portfolio of graphite powders, conductive carbon blacks and tailor-made dispersions, Imerys is the leading provider of highly conductive carbon-based solutions for mobile energy. Imerys's 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 lithium-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.

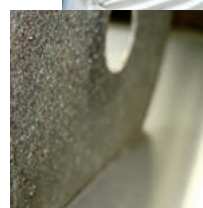
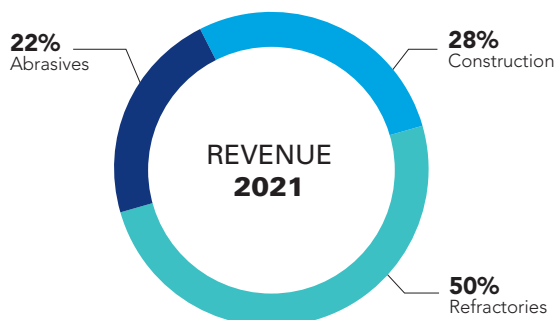
		REFRACTORY, ABRASIVES & CONSTRUCTION	HIGH TEMPERATURE SOLUTIONS
KEY FIGURES			
	Revenue (€ millions)	1,240	801
	Number of customers	4,500	6,300
	Employees (as at December 31)	4,165	2,815
	Number of industrial sites	39	36
	Countries (industrial presence)	15	16
	Minerals	8	NA*

REVENUE BREAKDOWN BY REGION			
	Europe, Middle East and Africa	51%	60%
	Americas	25%	10%
	Asia-Pacific	24%	30%

* NA: Non applicable.



REFRACTORY, ABRASIVES & CONSTRUCTION



Refractory

(including Advanced Ceramics and Investment Casting)

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. Advanced ceramics and Investment Casting are used in various industries, from electrical equipment, thermal equipment to automotive, aerospace, military and medical industries. The Group's unique mineral portfolio, treatment processes and technical expertise have enabled it to develop a number of superior and sustainable solutions to answer these industries' needs and future challenges.

MINERALS

Alumina / Andalusite / Ball clay / Calcium aluminate-based binders / Chamotte / Cordierite / Diatomite / Feldspar / Electrically fused aluminas/ Fused mullite / Fused Silica/ Fused zirconia/ Graphite / Kaolin/ Molochite/ 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

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

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



**WORLD LEADER
IN CALCIUM
ALUMINATE-BASED
BINDERS**

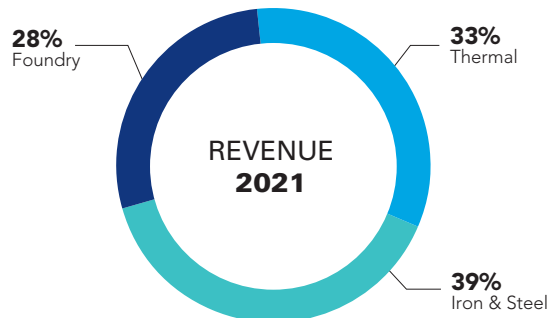


Integrated Report

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



HIGH TEMPERATURE SOLUTIONS



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 VISION

Imerys's vision is to be the global leader in specialty minerals solutions. Imerys products are critical and essential to the economy and to society, and contribute to the wellbeing of us all every day.

1.2.2 STRATEGY AND GROWTH DRIVERS

The Group aims to develop sustainable and innovative solutions for and with its customers, in a profitable way, while preserving the planet and fulfilling its social responsibility towards all stakeholders.

To deliver a solid, long-term value creation and attractive returns on investment, Imerys is pursuing four strategic objectives:

- Organic growth above underlying markets, supported by best-in-class commercial practices;
- Profitability above industry-average driven by operational excellence and a culture of continuous improvement;
- Innovation push in new products and technologies to secure long-term leadership position;
- Dynamic portfolio management and targeted expansion projects in fast-growing markets.

1.2.2.1 ORGANIC GROWTH ABOVE UNDERLYING MARKETS

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

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 ("one-stop-shop"). Commercial excellence helps to take a personalized approach to key accounts and to bolster partnerships with customers while optimizing value selling, pricing and opportunity management.

The Group takes a tailored approach to managing its operations, allocating resources to markets with the most promising outlook for growth. In more mature business areas, Imerys seeks to generate cash and optimize its cost structure.

The revenue the Group generates in high-growth regions (Asia, Middle East and Africa) currently accounts for circa 30% of total sales, and its market shares are on average just half the level it 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.

1.2.2.2 PROFITABILITY ABOVE INDUSTRY-AVERAGE

The Group is committed to delivering profitability above industry-average thanks to operational excellence and a culture of continuous improvement.

Imerys can rely on an organization that facilitates swift decision making, as the number of managerial layers has been reduced and managers have been empowered with greater responsibility. Innovation has been placed within the business areas in order to develop new products in closer collaboration with customers and to optimize local technical support.

To fully benefit from its scale, the Group has centralized and specialized corporate support departments. Shared service

centers were 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.

Inflation has clearly been a major topic in 2021: raw materials and logistic costs have reached unprecedented high levels, as well as energy, especially in Europe. The Group reacted rapidly and decisively to the new situation, while preserving the relationship with its customers base, and managed to deliver on profitability expectations also in such a difficult context.



Integrated Report

A PROFITABLE GROWTH STRATEGY

1.2.2.3 INNOVATION PUSH IN NEW PRODUCTS AND TECHNOLOGIES

The Group uses its market leading expertise, its rich history of innovation and its partnerships with customers and external institutions to create the sustainable mineral solutions and technologies of the future. These innovative solutions are in line with megatrends around urbanization and sustainable construction, population growth and wellbeing, climate change and environmental stewardship along with resources optimization and the circular economy. They ensure a long-term leadership position and higher profitability.

FOCUSING ON SPECIALTY NICHES TO BRING HIGH VALUE TO CUSTOMERS



IMERYS'S INNOVATION STRATEGY IS BASED ON FOUR PILLARS:

DRIVING AN INNOVATION CULTURE	SUSTAINABILITY AS A LEVER FOR GROWTH	ADDRESSING GLOBAL CHALLENGES THROUGH A MARKET-DRIVEN INNOVATION	EXPLORE ALL MINERAL OPPORTUNITIES
The Group launches an average of 80 new products every year. It has built a network of international talents with PhDs and scientists coming from different industries and academic backgrounds, and collaborates with outside universities (e.g. Massachusetts Institute of Technology). Science & Technology organization is also ensuring day-to-day technical support to customers.	Each innovation project is assessed through a specific Portfolio Sustainability Assessment (PSA) framework developed by the World Business Council for Sustainable Development (WBCSD), verified by Arthur D. Little. Imerys targets 50% of new products with environmental and social benefits. Imerys has also launched a specific label for products having the highest sustainability rating and is actively working on the recyclability of minerals.	Innovation teams are organized by markets or applications to make sure the Group develops solutions, applications and services based on market trends and customers needs. Imerys also creates development partnerships through open innovation at its customers premises and tech days. The Group has been recognized as a key innovative supplier on multiple occasions by its customers.	The Group's innovation projects cover: • Natural Minerals: majority of Imerys sales and development efforts, and include sustainable solutions for global mega trends, replacement of oil-based materials, as well as process innovations. • Circular Minerals: key questions around availability of resources, recyclability and sustainability, waste reduction and regeneration. • Synthetic Minerals: development of new functionalities (tailor made solutions) for high value, niche applications, new processes with enhanced sustainability and reduced energy consumption.



1.2.2.4 DYNAMIC PORTFOLIO MANAGEMENT AND TARGETED EXPANSION PROJECTS IN FAST GROWING MARKETS

The Group will continue to grow by pursuing its active acquisitions strategy, consolidate its existing positions, gain a foothold in new regions or new applications and complement its portfolio of specialty solutions with targeted expansion projects in fast growing markets.

TARGETED CAPACITY EXPANSIONS

The Group continues its ambitious plan of production capacity expansions to meet demand for its products in regions and/or markets with high growth potential:

- In the Performance Minerals segment, Imerys has invested €35 million in its plant in Bodio, Switzerland, and is

currently completing a €60 million investment in Willebroek, Belgium, to expand production capacity for high-purity, synthetic graphite and carbon black used in lithium-ion batteries, mostly used in electric cars. These investments are 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 Refractory, Abrasives & Construction business area Imerys has invested €37 million for the construction and commissioning of a plant in Vizag, India, to serve growing demand of the domestic refractory industry with high performance solutions. India is the second largest steel producer in the world.

ACTIVE ACQUISITION STRATEGY

The Group is also pursuing an active acquisitions strategy. Main acquisitions with a perimeter effect in 2021 are as follows:

Business areas	Company (holding percentage)	Region	Date	Yearly revenue (€m)	Main rationale
Performance minerals Americas	Cornerstone Industrial Minerals Corp. (100%)	North America	April 2020	USD 12 million (2019)	Producer of specialty perlite, strengthening Imerys's offering in the expanding agriculture and horticulture markets (vertical farming in particular).
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 (2021)	Producer of high temperature refractory solutions: extension of 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; cost-competitive production base strategically located between Europe, Middle East and Africa.

DYNAMIC PORTFOLIO MANAGEMENT – DISPOSAL OF NON-CORE ASSETS

The Group regularly assesses its portfolio of businesses. Main recent disposals are:

- In December 2020 and in the first half of 2021, Imerys divested its Kaolin operations located in Pittong,

Australia, sold its 50% holding in Fiberlean Technologies Ltd as well as four production facilities for paper & board based on this technology, and signed an agreement to sell certain assets and mining resources supplying hydrous kaolin to the paper and packaging markets in the USA with revenue of approximately \$74 million in 2021.

- In December 2021, Imerys signed an agreement to sell its mothballed natural graphite mine and plant in Namibia, as well as its natural graphite mine in Lac des Îles (Canada), which is primarily supplying non-processed products for refractory and engineering applications. These assets generated circa €15 million of revenue per year.



1.2.3 A FIRM COMMITMENT TO SUSTAINABILITY

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's 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 Board of Directors has the mission to promote long-term value creation and regularly reviews the ESG performance and progress made by the Group throughout the year. The Group's Sustainability Committee, chaired by the Chief Executive Officer, establishes the Group's sustainability ambitions, ensuring that it is a lever to

drive innovation and long-term growth. The Committee validates the material ESG priorities and monitors implementation of progress.

THE GROUP IS COMMITTED TO PLAYING A ROLE IN SOCIETY, BEYOND MEETING ITS OBLIGATIONS TO THE COUNTRIES AND COMMUNITIES IN WHICH IT DOES BUSINESS, THE GROUP AIMS TO FOSTER POSITIVE CHANGES.

Imerys's 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-terms Sustainability targets strive for continuous improvement and fall under the following main three 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 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's teams are engaged to drive sustainability performance, transforming the business and leading the industry responsibly.

PILLARS	PRIORITY THEMES*		SDGs	
EMPOWERING OUR PEOPLE				
		Health & Safety	Occupational Safety Management Occupational Health Management	 
		Human Capital	Diversity and Inclusion	 
CARING FOR OUR PLANET				
		Environmental Stewardship	Environmental Management Biodiversity and Land Rehabilitation	  
		Climate Change	Climate Change Strategy	
	BUILDING FOR THE FUTURE			
		Business Conduct	Fair Operating Practices & Responsible Purchasing	 
		Portfolio Management	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.



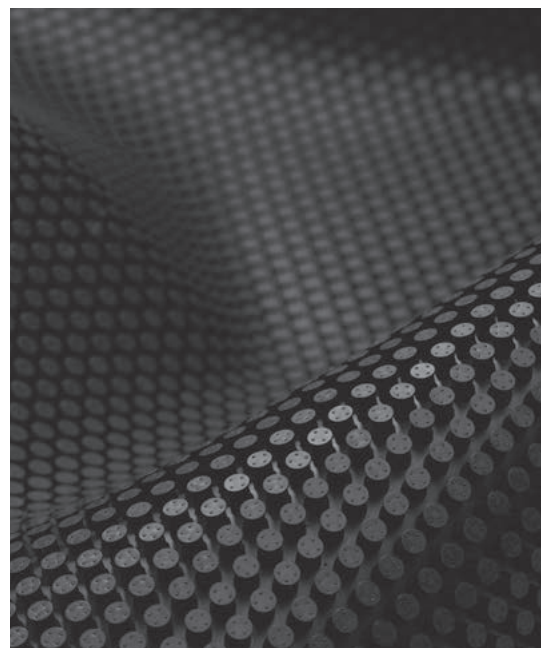
Integrated Report

A PROFITABLE GROWTH STRATEGY

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.



“The ultimate goal to be achieved through SustainAgility is to further embed sustainability within the Group strategy and drive systematic continuous improvement of sustainability aspects in all its activities.”



Imerys's 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.

Playing a positive role within communities, both for local ecosystems and economies in the long term. The Group is firmly committed to the conservation of biological diversity and its restoration, communicating concrete actions through act4nature International⁽¹⁾ and partnering with recognised scientific experts such as UMS Patrimoine Naturel⁽²⁾. 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, both within its own operations as well as through the Group portfolio of solutions.

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 ESG rating agencies. The following table presents a selection of the non-financial ratings most recently achieved by Imerys.

Indices/Assessment & Latest rating (year)

CDP – Climate Change	B (2021)
EcoVadis (0 – 100)	70 (2021)
MSCI ESG (CCC to AAA)	AA (2021)
Sustainalytics (100 – 0)	32 (2021)
ISS – oekom (D- to A+)	C (2020)
Vigeo Eiris (0 – 100)	64 (2021)
Gaia (0 – 100)	84 (2021)

Δ For further details on Sustainability, see chapter 3 of the Universal Registration Document.

(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>.



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate change has been identified as an important risk and opportunity factor to Imerys, which has the potential to impact our business in the short, medium and long term. Climate change is a core issue to Imerys and its future success will depend on its ability to mitigate effectively identified risks and realize the related opportunities. Further details on the nature of climate risks and opportunities for Imerys can be found in our 2021 CDP Climate submission.

Policies designed to limit climate change are likely to vary widely by sector and country as governments chart a course to implement their Nationally Determined Contributions (NDC) to reduce emissions. Imerys operates industrial sites across 40 different countries and as such is exposed to a range of climate change regulations such as carbon taxes, emissions trading schemes and other fossil fuel taxes, designed to increase the cost of greenhouse gas (GHG) emissions and stimulate action by the private sector to reduce emissions.



GOVERNANCE

With support from its Committees and the ESG Referent Director dedicated to sustainability-related issues (as newly appointed in 2021), the Board of Directors has the mission to promote long-term value creation by the Company by considering the ESG aspects of the Group's activities and by ensuring strategy implemented by the Executive Management duly complies with ESG orientations defined for the Group. This includes to regularly reviewing sustainability-related risks and opportunities, including climate change as well as the measures taken accordingly. The Board oversight is complemented by the inputs of the Chief Executive Officer, the Executive Committee and the Sustainability Committee. The latter's mission is notably to establish the level of the Group's commitment, steer the sustainability roadmap development and monitor progress on implementation.

RISK AND OPPORTUNITY ANALYSIS

For managing these risks, a first climate-related transitional risks analysis following a "stress-test" methodology was conducted in 2018 focusing on industrial risks. During 2021, the risk and opportunity study was updated and reinforced in order to cover industrial risks as well as market-related risks and opportunities. A physical risk study was also conducted. These studies assessed the financial exposure of the Group versus a combination of three time horizons (2030, 2040 and 2050) and three International Energy Agency scenarios from the World Energy Outlook 2019:

- **Current policies:** meaning no changes in policies;
- **Stated policies:** incorporating the today's policies initiatives;
- **Sustainable Development Scenario:** fully meeting goals to reach global net zero.

Imerys considers that the estimated net financial impact of the climate-related physical risks and transitional risks and opportunities on its current EBITDA in 2030 is neutral after taking into account industrial mitigation actions, like specific physical risk prevention program, resource efficiency and use of lower-emission sources of energy, as well as positive impact of commercial and marketing initiatives and increased demand for our products and services.

We estimate that the expansion of a low-carbon economy would have no impact, or a very limited one, on most of the products manufactured by Imerys. Many products are serving markets that offer a significant opportunity and largely offset industries where potential climate-related risks on demand have been identified. The financial figure includes net additional annual revenue resulting from climate-related opportunities in 2030 based on the Group current portfolio.





OPPORTUNITIES

LOW CARBON TRANSITION OPPORTUNITIES

IMERYS STRATEGY TO REALIZE THE OPPORTUNITIES

Development and/or expansion of low-emission goods and services

An assessment of climate-related risks and opportunities of the Group's products and markets has been conducted covering more than 80% of Imerys revenue. These studies have allowed Imerys to identify the main opportunities in the perspective of a low-carbon economy.

The large diversity of the Group's markets and locations as well as its customer-centric and market-driven organization are considered as a strength which decreases the dependency on specific markets and allows an easy adaptation to the market evolutions.

In addition, Imerys has launched its SustainAgility Solutions Assessment framework, which is embedded in all Group processes and has been designed in line with the World Business Council for Sustainable Development (WBCSD) guidelines for Portfolio Sustainability Assessments (PSA), so as to objectively measure the sustainability of Imerys's current portfolio and identify their environmental and social impacts.

Development of new products or services through R&D and innovation

The Group has positioned innovation at the heart of its strategy and an effective way to address risks and opportunities for its operations and portfolio related to climate change. Imerys SustainAgility Solutions Assessment framework is embedded within the innovation process, thereby ensuring that all projects in the innovation pipeline are thoroughly reviewed against defined environmental criteria, including climate change prior to approval.

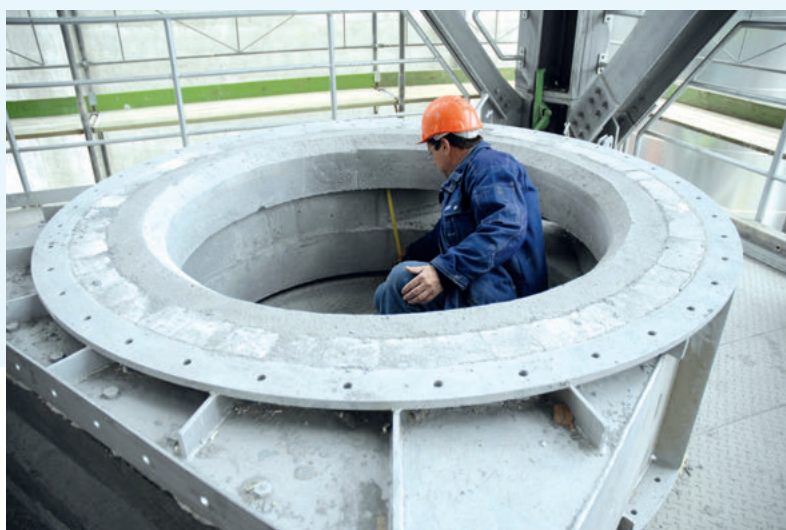
The Group targets 50% of new product launches as SustainAgility Solutions in 2022, meaning a product in a given application that brings high social and environmental contribution to the downstream value chain and, at the same time, demonstrates a low environmental impact in its production phase.

The Science & Technology (S&T) experts and specialists of the Group develop innovative solutions and products based on identifying the global megatrends, the expectations the customers needs, including developing solutions that support the transition to a low-carbon economy.

Use of more efficient production and distribution processes

All initiatives linked to energy efficiency are gathered within the I-Nergize program, which aims to save energy and reduce carbon emissions on-site. A three-year roadmap of various types of actions is defined after an assessment for each site.

The I-Nergize program includes on-site assessments and action plans (including 66 sites by 2023, representing 80% of consolidated energy consumption), a People Academy that helps develop energy talent and equip colleagues with the skills to support the assessment teams and standard reporting tracking the results of the project.





RISKS

MATERIAL CLIMATE-RELATED RISKS	IMERYS STRATEGIC RESPONSE
Emerging regulations with carbon pricing mechanisms (Transition Risk)	In addition to launching the I-Nergize assessment program, the Imerys Climate Change working group defined emissions reduction targets aligned with a 2°C trajectory that were validated by the SBTi. The Group carries out a centralized monitoring to evaluate its CO₂ position in the EU-ETS and is investigating projects related to carbon capture and storage of CO₂. Furthermore, the Group uses a shadow cost for carbon (internal carbon price) that is systematically integrated to analyze all the CAPEX of energy-related projects and the CAPEX above 150k€ for projects impacting CO₂ emissions by approximately or more than 1000t.
Changes in precipitation patterns and extreme variability in weather patterns (Physical Risk)	The actual risk of water stress linked to the resource access concerns 75 Imerys sites, which are at high and very high risk. They are located on the West coast of America, in South Africa, India and around the Mediterranean basin. Among them, only 12 have medium (> 100,000 m³) to high (> 1 Mm³) water consumption. To respond to this risk, we have established a comprehensive Water Management Plan which includes a description of current water use, water balance analysis, water accounting, water risk assessment and pertinent action planning to manage high-priority water issues. In addition, various Imerys sites have implemented projects linked to water recycling or water efficiency, especially as part of our continuous improvement program.
Increased severity and frequency of extreme weather events such as cyclones and floods (Physical Risk)	Regarding the management of risks which can cause property damage and operating losses associated with extreme climatic events, a specific process has been put in place by the Industrial Risk and Insurance Departments with the support of an insurance company renowned for its expertise in loss prevention engineering. The process integrates a study of the vulnerability of industrial sites to extreme weather events and natural disasters. Around 100 of the Group's industrial sites are regularly inspected. The risk prevention program is supplemented by an interdisciplinary working group tasked with identifying and prioritizing key industrial risks and defining risk prevention plans. In addition, for 4 years, Imerys has launched a Business Continuity Planning (BCP) exercise focusing on the most important Imerys assets in terms of contribution to the Group gross margin. Every year 3 to 5 sites are selected to perform a BCP in order to carry out a Business Impact Analysis that identifies and evaluates potential effects of events on operations.

METRICS AND TARGET

As part of its decarbonization strategy, Imerys has adopted indicators that illustrate the progress achieved in the reduction of GHG emissions into the atmosphere, the use and consumption of energy from primary sources.

In particular, the Group is committed to objectives of reducing greenhouse gas emissions by 2030 in relation to the turnover (tCO₂e / million euros) considering 2018 as the reference year, as approved by the Science Based Target initiative (SBTi). The Group monitors and reports on this key performance indicator annually and has set an intermediate target by 2025 to ensure that progress is on track.

This includes Scope 1 emissions (direct emissions from sources owned or controlled by Imerys) and Scope 2 emissions (indirect emissions from the production of electricity, heat or steam imported or purchased by the Group).

Likewise, the Group has set an SBTi approved Scope 3 target to engage with 71% of suppliers (by spend) to commit to science based targets by 2023.

36%

**SUSTAINABLE
PERFORMANCE TARGET
REDUCTION FOR 2030
GHG EMISSIONS
INTENSITY (SCOPES 1
AND 2) VERSUS
2018 (TONS OF
CO₂ EMISSIONS
PER MILLION EUROS
OF REVENUE)**





Integrated Report

A PROFITABLE GROWTH STRATEGY

1.2.4 A BUSINESS MODEL THAT CREATES VALUE

1.2.4.1 A BUSINESS MODEL THAT CREATES VALUE OVER THE LONG TERM

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

ASSETS

▶ HUMAN RESOURCES

16,900 employees in **52** countries
81% of employees have benefited from at least one training course

▶ ENVIRONMENTAL RESOURCES

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

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

▶ PEOPLE AND SOCIETY

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

▶ FINANCIAL RESOURCES

Equity: €3,242 M
Net debt: €1,451M
 (45% of equity and 1.9x of current EBITDA)
Investment grade credit rating:
 BBB- (S&P), Baa3 (Moody's)

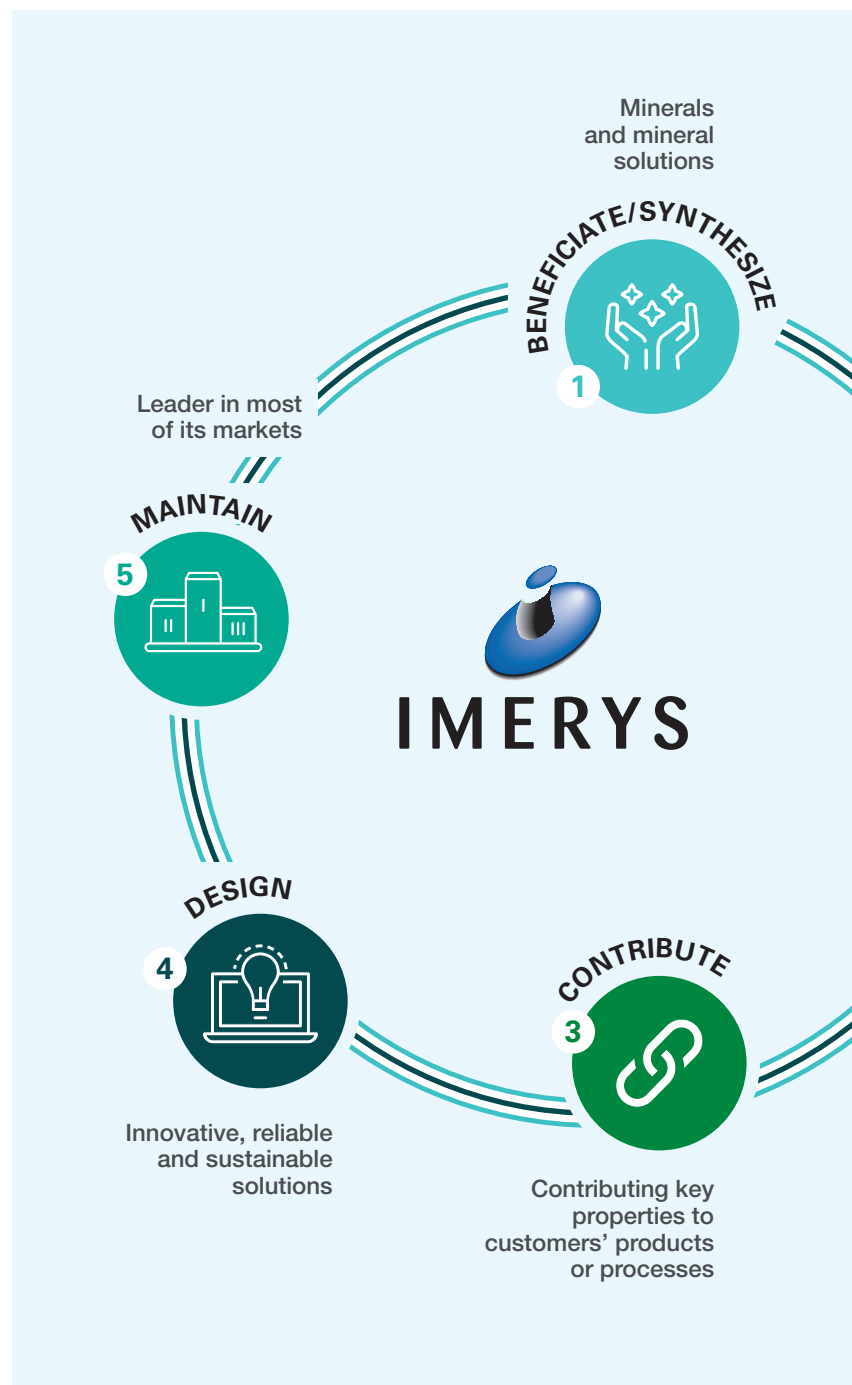
▶ INDUSTRIAL AND COMMERCIAL RESOURCES

247 industrial sites and 100 mines in 40 countries
Investment in maintenance and development: €336M
I-Cube industrial improvement program rolled out at 210 sites

▶ INTELLECTUAL RESOURCES

Portfolio of **2,530 patents**
 350 people working in **7 R&D centers**
80 new products

BUSINESS MODEL





IMPACT IN 2021

TRANSFORM



Exclusive
processes and
technologies

High quality
industrial assets

▶ HUMAN RESOURCES

Safety: 2.63 Total Recordable Injury Rate

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

92.1% of employees hired on unlimited contracts

▶ ENVIRONMENTAL RESOURCES

Fight against climate change:

23% reduction in tons of CO₂ equivalent emitted per euro of revenue since 2018

▶ PEOPLE AND SOCIETY

Local community engagement:

55 new local community relations projects

Business conduct and responsible purchasing:

819 suppliers assessed

Sustainable, eco-friendly solutions:

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

▶ LIFE CYCLE ANALYSIS (LCA)

36 products analyzed

▶ FINANCIAL RESOURCES

Current EBITDA: €761 M (margin on revenue 17.4%)

Net current free operating cash flow: €255 M

Dividend per share: €1.55*

▶ INDUSTRIAL AND COMMERCIAL RESOURCES

15,000 customers across 142 countries

Market leader in 75% of its activities

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

VALUE CREATED FOR STAKEHOLDERS

▶ IMERYS

€4,383 M
Revenue

▶ SUPPLIERS

€2,658 M
(Raw materials, consumables
used and external expenses)

▶ EMPLOYEES

€940 M
Salaries and social security
contributions, bonuses
and investments

▶ STATES

€134 M
(of which €95M
of corporate tax)

▶ SHAREHOLDERS

€115 M
(of which €107M of dividend)

▶ BANKS

€29 M
(debt servicing costs)



1.2.4.2 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.

2019-2021 Cumulative Resources

Current net free cash flow generation before capital expenditures: €1,866M

Disposals: €92M

2019-2021 Use

Capital expenditure: €890M

Acquisitions: €189M

Return on capital (mainly dividend): €457M

Others*: €422M

* 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."



1.2.5 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](#).

1.2.5.1 OVERVIEW OF RISK MANAGEMENT GOVERNANCE AT IMERYS

BOARD OF DIRECTORS

- Ensures risks are managed effectively



AUDIT COMMITTEE AND STRATEGIC COMMITTEE

- Review the assessment and management of risks in their respective areas and ensure actions are effective
- Report on their work to the Board of Directors



CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE COMMITTEE

- Identify and assess the main risks that could hinder the Group in implementing its strategy
- Build on the work of the core committees and report on their work annually to the Audit Committee and the Strategic Committee



RISK COMMITTEE

- Coordinates risk assessment, management and controls within the Group
- Monitors the effective implementation of actions to manage risks
- Makes suggestions to improve risk management



**Foreign Exchange, Interest Rate
and Energy Committee**

Ethics Committee

Investment Committee

Sustainability Committee

Cybersecurity Committee

Pensions Committee

Safety Committee

- Take decisions regarding the risks they monitor and ensure they are properly implemented
- Quantify these risks and ensure mitigating measures are effective



Integrated Report

GOVERNANCE AT THE HEART OF THE GROUP'S PHILOSOPHY

1.2.5.2 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. The assessment of the impact and level of control of the risks are reviewed yearly.
- 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 are updated and reviewed each year.

1.2.5.3 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, 8 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			
 Strategic⁽¹⁾		Product stewardship Innovation Digital transformation	
 Operational⁽¹⁾	Mineral reserves and resources Employee health & safety	Environment and climate change	Cybersecurity
 Legal⁽¹⁾		Compliance	

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

1.3 GOVERNANCE AT THE HEART OF THE GROUP'S PHILOSOPHY

A SEPARATED GOVERNANCE STRUCTURE

Since 2018⁽²⁾, 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's governance bodies operate effectively and fosters the development of complementary skills. The reduction

of the number of directors sitting on the Board has helped improve the Board's agility and effectiveness.

At the date 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.

(2) 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



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



4 NATIONALITIES



14.5 YEARS* AVERAGE TIME SPENT WITHIN THE GROUP



53.5 YEARS* AVERAGE AGE OF EXECUTIVE COMMITTEE MEMBERS

** Figure rounded half up or down, as the case may be.*

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



Integrated Report

GOVERNANCE AT THE HEART OF THE GROUP'S PHILOSOPHY

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 when needed 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.

Compensation: a balanced approach to foster value creation over the long and short term

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

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

Compensation subject to performance conditions applicable to Executive Committee members (excluding the Chief Executive Officer)				
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		
	Qualitative	Personal targets		Return on capital
			Free operating cash flow	
Performance assessment period		Annual	Three years	
Type of compensation		Cash	Performance shares	

Δ 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 4.4 of the Universal Registration Document.

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

Duties of the Board of Directors

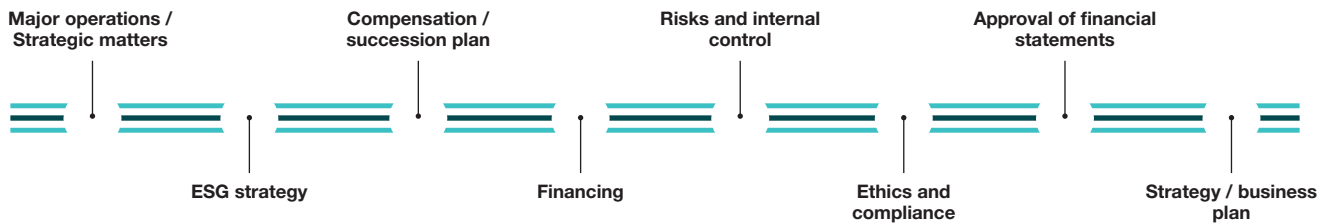
With the support from its Committees, the Board of Directors exercises permanent control over the management of the Group, approving its strategic priorities as well as the main focuses of its environment, social and governance strategy. The Board also approves any significant operation

affecting the Group's future and ensures its governance structure is fit for purpose.

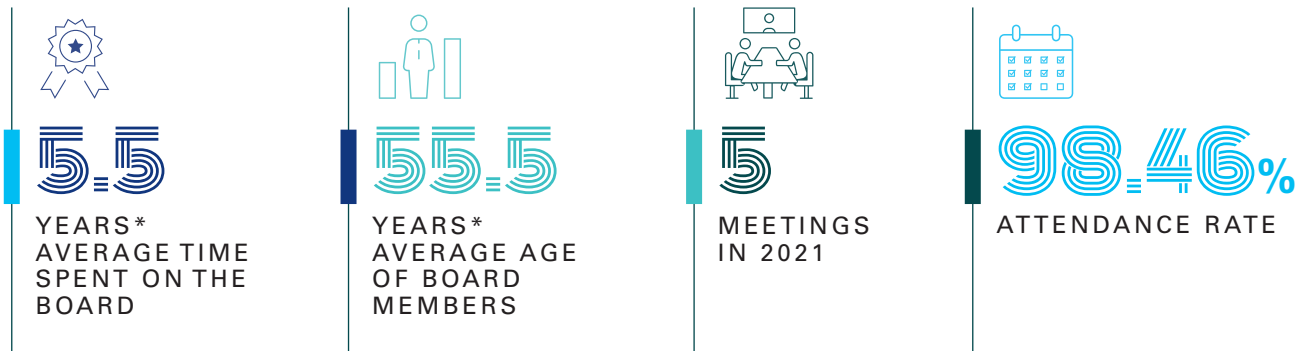
The Board of Directors meets as often as required to best serve the interests of the Group. The rights and responsibilities of the members of the Board of Directors as well as the rules

governing the fulfillment of their duties during their term of office are set out in Imerys's 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 & Ethics in force within the Group, which applies to all employees.

Duties of the Board of Directors



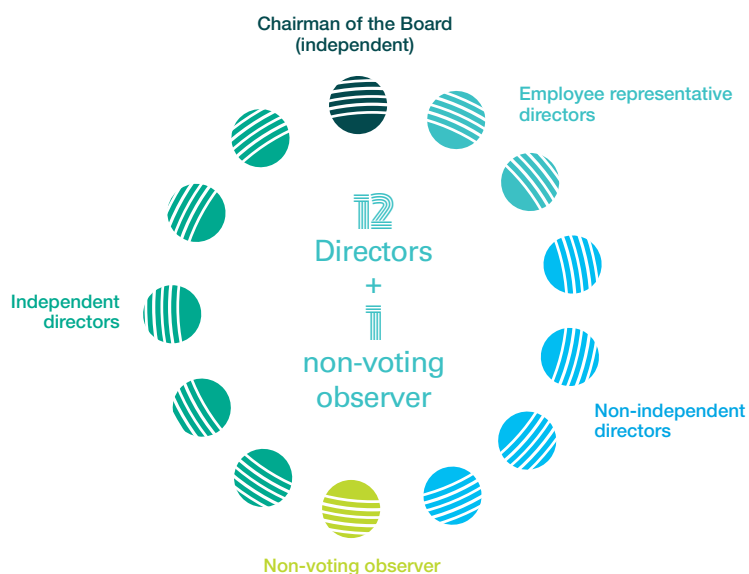
Experienced and diligent members of the Board



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:



- 12** DIRECTORS INCLUDING 2 DIRECTORS REPRESENTING EMPLOYEES
- 4** FEMALE DIRECTORS
- 6** INDEPENDENT DIRECTORS
- 1** NON-VOTING OBSERVER (ATTENDING IN AN ADVISORY CAPACITY)
- 7** NATIONALITIES INCLUDING DIRECTORS REPRESENTING EMPLOYEES AND NON-VOTING OBSERVER

* Figure rounded half up or down, as the case may be.



Integrated Report

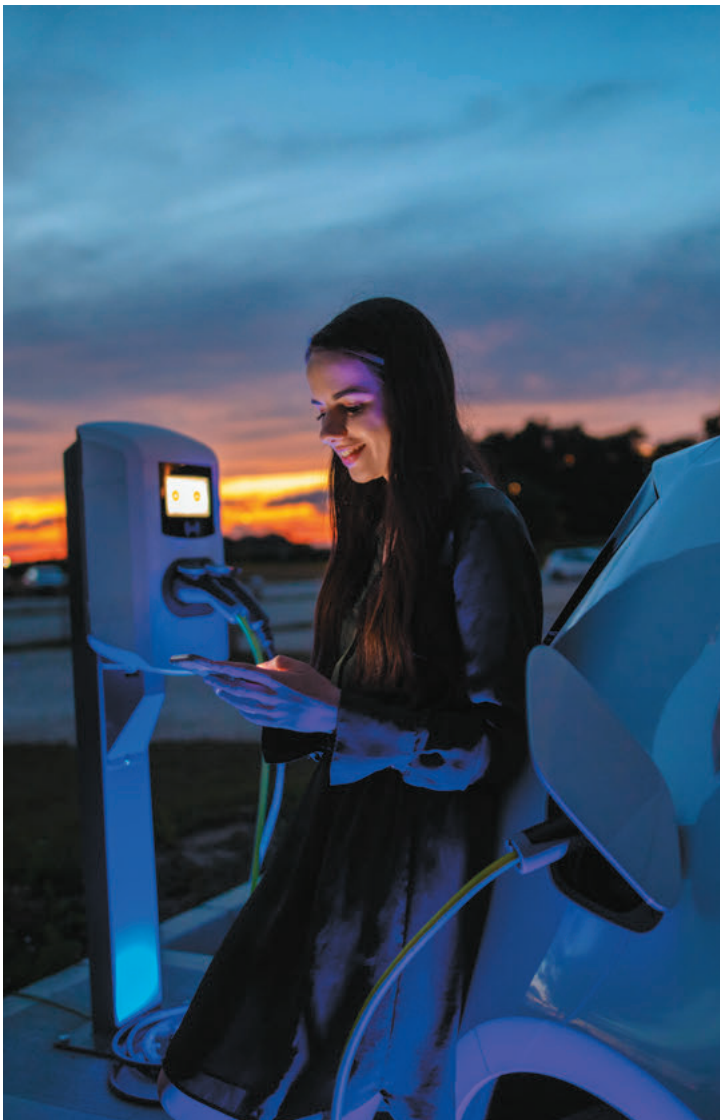
GOVERNANCE AT THE HEART OF THE GROUP'S PHILOSOPHY

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.

Fully aware of the strategic importance of environmental, social and governance (ESG) issues, the Board of Directors appointed, in 2021, an independent Director as referent dedicated to these topics. The ESG Referent Director assists the Board and its Committees to ensure that the Group's strategic

orientations adequately integrate long-term environmental and social considerations and that the strategy implemented by the Executive Management complies with the Group's sustainability orientations. More broadly, in relation with his or her scope of duties, the ESG Referent Director may make any useful recommendation and suggest adding any additional point to the Board meetings agenda. Véronique Saubot was appointed by the Board ESG Referent Director for the duration of her office as director.

- Δ *The duties of the ESG Referent Director as well as the report on his or her activity during 2021 are more fully detailed in chapter 4, section 4.1 of the Universal Registration Document as well as in the Charter of the Board of Directors available on the Company's website.*
- Δ *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.*



"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."



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
Chair: Ian Gallienne 6 Members 1/3 Independence 5 Meetings in 2021 96.67% Attendance rate	Chair: Aldo Cardoso 4 Members 3/4 Independence 5 Meetings in 2021 95% Attendance rate	Chair: Marie-Françoise Walbaum 3 Members 2/3 Independence 3 Meetings in 2021 100% Attendance rate	Chair: Marie-Françoise Walbaum 4 Members 2/3 Independence 2 Meetings in 2021 100% Attendance rate
Main duties 1. Strategy - Formulate and approve the Group's long-term industrial, commercial and financial strategic orientations and how to pursue them. - Ensure the long-term strategy implemented by the management is in line with the orientations approved by the Board. - Analyze and make recommendations on: - the Group's budget; - 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: - material commercial or industrial agreements, - any financing operation for amounts likely to substantially modify the Group's financial structure, - the general orientations of the ESG and innovation policies. 2. Risk - Analyze matters relating to the way the Chief Executive Officer identifies, measures and monitors the main challenges and potential risks facing the Group.	Main duties - 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. - Verify the Group's external financial communications prior to publication. - Analyze the accounting and financial treatment of material acquisitions or disposals. - Monitor the application and effectiveness of all processes designed to improve internal control within the Group. - Ensure compliance with the rules, principles and recommendations safeguarding the independence of Statutory Auditors. - Oversee the selection procedure to appoint or re-appoint Statutory Auditors. - Keep abreast of the Group's financial position and the overall orientation of the Group's financial and tax policies. - Keep abreast of insurance policies, IT governance, IT security and cybersecurity.	Main duties - 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. - Present a succession plan for executive corporate officers and the Executive Committee. - Review the independent status of directors. - 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.	Main duties - Examine and submit opinions and recommendations to the Board concerning: - the amount of and allocation method applied to determine compensation for directors; - the comprehensive compensation policy for executive corporate officers, which the Board submits for approval at the Shareholders' General Meeting. - the comprehensive compensation policy for the Group's senior executives; - 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; - the Group's policy on employee share ownership.

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



Risk factors and internal control

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2.1 RISK FACTORS

The Imerys group operates throughout the world in a constantly changing economic and political climate that is by nature unpredictable. Such uncertainty may lead to major changes that could have a material negative impact on the Group's operations or financial situation, as well as on external stakeholders.

The risks facing the Group that are material and specific, as identified by the risk mapping process (described in [chapter 1, paragraph 1.2.5](#)), as well as the methods applied to manage them, are summarized in the following table and detailed below.

Type \ Degree	Moderate	Significant	High
 Strategic		Product stewardship [ESG] Innovation [ESG] Digital transformation	
 Operational	Mineral reserves and resources [ESG] Employee health & safety [ESG]	Environment and climate change [ESG]	Cybersecurity
 Legal		Compliance [ESG]	

These risks are split into broad categories. Within each category, risk factors are ranked in order of importance, based on their probable impact, the frequency with which they are likely to occur and the related risk management actions. The risks of the following developments are presented in detail in descending order of importance in each category. These developments describe each risk and the key risk control measures, some of which were taken by the Group before or after risk mapping. The key risk control measures already taken at the date of risk mapping have been taken into account in the estimation of the importance of the risk in question.

Other risks the Group has not yet identified or which are currently considered to be immaterial could nevertheless exist and, if they were to arise, may have a material negative impact. Further information on the environmental, social and governance risks for external stakeholders associated with Imerys' operations, as well as the measures taken to mitigate such risks, are presented in [chapter 3 of the Universal Registration Document](#).

Note: [ESG] – Non-financial risks related to environment, social and governance (described in [chapter 3, "Sustainability"](#)).

2.1.1 STRATEGIC RISKS

■ PRODUCT STEWARDSHIP [ESG]

Description

Imerys manufactures mineral-based products that sometimes include chemical additives. They may potentially have an effect on health due to their intrinsic properties and possible traces of impurities. Exposure to these risk factors can occur through direct contact or inhalation. Uncontrolled exposure to these risk factors could lead to a breach of regulatory compliance and therefore make Imerys liable for fines, trade exclusions, litigation and ultimately, risks the reputation of the Group. Even in the absence of specific regulations, this risk could make the Group liable to litigation in respect of its stakeholders.

Key risk control measures taken

- The Group has set up its own product stewardship team. Headed by the Group Product Stewardship Vice-President, it is represented in each business area by an experienced director who leads a team of product stewardship managers and regulatory compliance experts for each region and market. In addition, a Product Stewardship Governance Committee, chaired by the Group Chief Executive Officer, is held regularly.
- Since 2018, a product stewardship policy and supporting protocols define the objectives, roles and responsibilities, guiding principles and specific requirements, as well as continuous improvement processes to be followed. Continuous improvement is achieved in particular by updating and reviewing the entire Group portfolio of minerals and raw materials used to manufacture its products.



- 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. For certain minerals, the Group applies the Mine to Market Mineral Management (M4) program, both for owned and external deposits. The program, which has been developed over a number of years and is regularly reviewed and enhanced, involves strict quality control at all stages of the process, from mining to manufacturing. The Group continually evaluates testing protocols and invests in innovation to ensure continuous improvement in quality and compliance. Furthermore, product stewardship risks are fully factored into the new product development process.
- The Group also improved product stewardship by rolling out specially designed tools.

For further details, see chapter 3, paragraph 3.7.2 of the *Universal Registration Document*.

■ INNOVATION [ESG]

Description

In order to maintain its competitive edge, maintain organic growth and increase profitability, the Group has positioned innovation at the heart of its strategy. It is also an effective way for the Group to tackle the sustainable development concerns related to its operations (see chapter 3, paragraph 3.7.2 of the *Universal Registration Document*). Imerys manages and mitigates the risks related to its innovation policy, which include the risk of investing in inadequate technology, the risk of new products not meeting market needs and the risk of delay in commissioning industrial facilities using new manufacturing processes or new product lines.

Key risk control measures taken

- Innovation is under the responsibility of the various business areas in order to best meet the needs of markets and customers. Directors of Innovation are tasked with identifying and implementing best practices in their own business area, especially in regard to research project management, intellectual property, skill development, scientific excellence and procedures.
- Centralizing and pooling the Group's intellectual property assets within a specially designed entity guarantees better protection, safeguarding and optimization of the Group's innovation efforts.
- Directors of Innovation have access to a shared project portfolio management system to help them manage, assess and optimize their investments.

- Strict methods have been put in place to ensure products effectively meet the needs of customers in the desired market segments. They include building close relations between the science & technology, marketing and business development teams in each segment and the Group's external customers to better understand their work and technical constraints, and anticipate their needs.
- Any changes to laws and regulations that could potentially affect the Group's operations are anticipated and integrated in its innovation programs in order to rapidly respond to new requirements as and when the time comes while also minimizing costs and/or to take advantage of the business development opportunities arising from such changes.
- The Group's industrial excellence program "I-Cube" (see chapter 1, paragraph 1.1.1 of the *Universal Registration Document*) is supported by a robust and stringent procedure to handle the capital expenditure requests made by the business areas, as well as checks to ensure they are properly implemented in order to avoid any lengthy delays.

■ DIGITAL TRANSFORMATION

Description

In 2016, Imerys launched its multi-year digital transformation program with a view to upgrading IT and data management systems, tools and operational processes. Certain projects have been completed, while others are still ongoing, such as the deployment of a single ERP. Imerys is therefore exposed to the risk of such projects being poorly planned and/or executed, which could potentially cause completion to be delayed, certain projects to run over-budget, and may even affect operations if the tools stop working.

Key risk control measures taken

- Imerys has put in place a coherent governance structure and a robust management procedure with support from internationally renowned specialized consulting firms. Regular progress meetings are held among project steering committees and the Group Executive Committee.
- In addition to the considerable financial resources invested over a period of many years, key people from within the Group (business areas and IT) have been working full time on these projects.
- Internal audit assignments are regularly conducted to ensure that, both in terms of applications and infrastructure, projects are deployed in line with best practice.



2.1.2 OPERATIONAL RISKS

■ CYBERSECURITY

Description

The day-to-day management of the Group's operations requires reliable technical IT infrastructure, management systems, data processing, and industrial control systems. As cyberattacks are being carried out with increasing frequency, the consequences of which can be extremely damaging for certain businesses targeted, there is now a considerable risk of core IT infrastructure or systems malfunctioning or shutting down and affecting Group operations, and a greater need to protect confidential data, as well as financial and non-financial reports. Furthermore, the threat level against manufacturing systems is on the rise and could have a material impact on facilities' production capacity or cause damage to equipment, potentially leading to consequences for the environment, health and safety.

Key risk control measures taken

- An action plan was drawn up in 2018 and its implementation was reviewed the following year. Since an IT security team was put together in 2018, many improvements have been made, including the deployment of new IT security systems well suited to the threat of ransomware, as well as improvements to protect the network, the email system, security clearance, and cell phones. Furthermore, surveillance capabilities and the response to security incidents were enhanced.
- The Cybersecurity Committee, chaired by the Group's Chief Financial Officer, monitors the cyber program and reviews its priorities on a quarterly basis in order to factor in emerging threats and supplement it where necessary. Moreover, a new security assessment has been planned for 2022 that will be carried out by an independent third party. It will update the 2017 and 2019 assessments to adjust the Group's security road map where necessary for the coming years.
- These plans are presented to both the Group's Executive Committee and Audit Committee.

■ ENVIRONMENT AND CLIMATE CHANGE [ESG]

Description

Although industrial mineral processing techniques are mainly physical (crushing, grinding and sorting) and generally require very few chemicals, industrial mining and mineral processing activities also involve thermal processes such as calcination and fusion, which may impact the environment (for example soil and water conditions, local biodiversity and emissions). As a result, the Group may incur expenses (over time or at the end of sites' operating lifecycle) to cover industrial equipment upgrades, industrial site rehabilitation or environmental cleanups. In addition, failure to comply with environmental regulations applicable to the Group's industrial and mining operations may

lead to civil or administrative sanctions or even criminal prosecution. 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 by transporting and procuring raw materials. Climate change may have operational and financial consequences that could cause damage to industrial facilities or injury to employees. Furthermore, the absence of a Group commitment to reduce its carbon footprint could also reduce the appeal of its products and lead to a loss of trust among stakeholders, in particular investors and customers.

Key risk control measures taken

- An Environmental Management System (EMS) is used to identify, prioritize and roll out checks to manage all potentially material environmental impacts resulting from the Group's industrial operations and includes compliance audits (*see chapter 3, paragraph 3.6.1 of the Universal Registration Document*).
- A dedicated team has been formed, overseen by the Group Chief Environmental Officer, with representatives in each business area and environment correspondents at each Imerys site.
- The key potential risks inherent to each site operated by the Group were studied and analyzed in 2021.
- A regulatory watch system has been deployed at each site in the Group's main operating countries.
- An Environment Charter, environment protocols and a maturity matrix ensure these matters are handled in the same way across the Group.
- In accordance with the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD), the Group used scenario analysis in the disclosure of climate-related risks and opportunities, which was integrated into the Group's risk mapping process.
- The Group defined its direct and indirect emissions targets, which were approved by the Science Based Target initiative (SBTi) in 2019.
- Imerys launched the "I-Nergize" multi-year program 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.
- The Group has implemented a method to measure the environmental and social impact of products that includes their carbon footprint. Furthermore, Imerys includes a Group carbon price in its decision processes regarding investment and new product development.

For further details on the Group's objectives, targets and programs to manage environmental risks, see *chapter 3, section 3.6 of the Universal Registration Document*.



■ MINERAL RESERVES AND RESOURCES [ESG]

Description

The Group's mineral reserves and resources represent one of its most important assets. It is critical to the management and development of Imerys' operations, and therefore profitability, that these assets are accurately assessed and mining licenses are properly handled. The Group may face the unexpected depletion of its mineral reserves, which could impact the continuity of some of its activities. As a result, processes and resources are required to improve the reliability of assessments of these mineral reserves and resources that may be impacted by unforeseeable changes in the technical, regulatory or economic parameters.

Key risk control measures taken

- The estimation and reporting of the Group's mineral resources and mineral reserves are aligned with the PERC Reporting Standard (Pan-European Reserves & Resources Reporting Committee).
- The Group has acquired detailed knowledge of its mineral reserves and resources through its network of experts operating under the supervision of the Mining & Resource Planning Vice-President, who in turn reports directly to the Chief Industrial Officer. These experts carry out an annual consolidated review of the mineral reserves and resources for each site.
- The mineral reserve and resource assessments carried out by each site are audited over a three- to six-year cycle by central in-house experts. The assessment system also undergoes a third party audit every five years.
- Regular reviews are conducted to anticipate the drilling investments required to both increase mineral resources and ensure optimal conversion of mineral resources into mineral reserves.
- Furthermore, the Group adapts its internal procedures to obtain, maintain and renew mining licenses to accommodate the greater technical focus of impact studies and potentially longer application processes.

The processes and resources devoted to supplement, improve the reliability of and estimate the Group's mineral reserves and resources are reviewed each year by the Executive Committee and the Audit Committee.

For further details, see chapter 3, paragraph 3.8.2 of the Universal Registration Document.

■ HEALTH AND SAFETY [ESG]

Description

The industrial nature of the Group's operations entails potential workplace health and safety risks. For example, the personnel (whether employed by Imerys or not) are exposed to high-risk situations and even the risk of serious and fatal accidents when working in the vicinity of operations such as industrial processes releasing dust particles, driving heavy mobile equipment, using high-voltage electrical equipment and carrying out maintenance on industrial equipment.

Key risk control measures taken

- The Group has set up the "Imerys Safety System", which was built around three pillars – (i) compliance, including procedures and standards to be implemented in all Group operations (the "27 safety protocols", the "seven procedures" to handle the most severe risks and verification through an audit program); (ii) continuous improvement through, for example, yearly safety culture self-assessments; and (iii) regular communication and training about these protocols, in particular through the "Safety Universities" and "Safety Alerts".
- The system is supplemented with the introduction of procedures to systematically assess safety risks at each site, new safety protocols and campaigns to raise awareness of the risk of fatal and serious accidents. A system to collect safety data has been deployed across the entire Group.
- The Imerys Industrial Hygienist has put together a process to review the risk of industrial operations on occupational exposure, which has been rolled out to all Imerys sites. Furthermore, protocols to address key risks have been set up by the Group's occupational health managers appointed in each business area.

Each month, the Executive Committee reviews the Group's safety performance. It also periodically examines all health and safety performance indicators and the results of compliance audits. The Board of Directors reviews the Group's safety performance at each of its ordinary meetings and all the other programs implemented are presented to them at least once a year.

For further details on the Group's objectives, targets and programs to safeguard health and safety, see chapter 3, paragraph 3.5.1 of the Universal Registration Document.

2.1.3 LEGAL RISKS

■ COMPLIANCE [ESG]

Description

Given the nature of its operations (in particular mining natural resources and its industrial activity, which may require official authorizations, such as mining or environmental permits), its geographic footprint and its sourcing and sales in many countries around the world, the Group is exposed to a risk of non-compliance. With the increasing legalization, extensive powers granted to regulatory bodies and the extraterritorial application of certain regulations by certain jurisdictions, non-compliance with laws and regulations such as antibribery laws, antitrust laws, international economic sanctions and data protection regulation, as well as the duty of care and/or liability claims against the Group and/or its executives with respect to these regulations would expose the Group to civil or administrative sanctions or even criminal prosecution, and damage to its reputation and appeal.

Key risk control measures taken

- The Group's Code of Business Conduct and Ethics sets out a firm expectation for all employees and stakeholders to comply with all applicable laws and regulations, and states zero tolerance for behavior that goes against international or national law in matters of bribery and antitrust.

- Under the responsibility of the Group's Legal Department, policies and procedures dealing with compliance (with respect to antibribery, antitrust, international economic sanctions, duty of care and personal data protection), which supplement the Code of Business Conduct and Ethics, are regularly reviewed and enhanced as part of the continuous improvement program in order to ensure they meet all applicable national and international standards.
- The Group regularly organizes communication campaigns regarding its compliance programs and whistleblowing system for any suspected breach of the Group's Code of Business Conduct and Ethics and mandatory training for Group employees considered to be at the greatest risk of compliance matters. Disciplinary sanctions have been set out in the event compliance policies or procedures are found to have been breached.
- The Ethics Committee is responsible for ensuring the various compliance programs are both fit for purpose and properly applied.

To the best of Imerys' knowledge, at the date the present Universal Registration Document was filed there was no risk of any compliance breach that could potentially have a significant financial impact on the business.

✓ *For more information on the Code of Business Conduct and Ethics, see paragraph 2.2.4 of the present chapter.*

2.1.4 INSURANCE – RISK COVERAGE

To protect its earnings and assets against identifiable risks, the Group seeks the most suitable insurance solutions on the market that offer the best balance between the cost and coverage provided.

The coverage of major risks that are common to all operating activities is almost exclusively integrated into international Group "All risks, with exceptions" insurance policies, which are taken out by Imerys on the market with highly reputed insurers that are internationally renowned for their financial soundness. This means the Group benefits from extensive coverage with high limits, while optimizing costs. As part of the active external growth policy implemented by the Group, steps are taken to ensure that acquired businesses are immediately integrated into existing Group insurance policies or benefit from coverage that is at least equivalent, in which case, they will be added only to the coverage offered by Group policies that exceeds the local insurance policies.

Imerys companies also use the local market, via the services of the brokers in charge of managing the Group's insurance policies, to cover the specific risks inherent to some of their non-recurrent activities or operations or when such insurance is made compulsory by applicable local regulations.

The Group considers its current insurance coverage to be appropriate, in terms of scope, value insured and limits of guarantees, for the most important risks related to its ability to continue conducting business worldwide.

The two main Group insurance policies cover general liability as well as property damage and business interruption.

■ GENERAL LIABILITY

The purpose of this first insurance policy is to cover liability claims against the Group in the event of bodily injury, property damage or consequential damages that arise during operations or after the delivery of products.

The Group's business is first and foremost covered by local policies taken out in each country (level one), supplemented by a "master" policy agreed in France and two additional "excess" policies with higher limits of cover than the "master" policy.

The "master" and "excess" policies are also used to extend the limits and coverage of several specific sub-policies, particularly in North America, for Automobile Liability and Employer Liability coverage, or in addition to the mandatory Employer's Liability insurance issued in the UK.

The coverage provided by the Group General Liability policy, minus the exclusions that are common practice on the insurance market for this type of risk and the sub-limits applied to certain specified events, amounts to €150 million per claim per year.

■ PROPERTY DAMAGE AND OPERATING LOSSES

This second insurance policy aims specifically to cover sudden and accidental property damage affecting the insured property as well as any resulting business interruption.

The Group's activities are insured against property damage and business interruption under a "master" policy agreed in France that applies directly in most European countries and supplements local policies in other countries, subject to regulations.

Imerys has kept "high-frequency" risks within a captive reinsurance company consolidated in the Group's accounts with an annual aggregate claims ceiling of €4 million.

The "master" policy provides the Group, minus the exclusions that are common practice on the insurance market for this type of risk and the sub-limits applied to certain defined events, with coverage for property damage and business interruption of €200 million per claim per year.

By assigning its property damage and business interruption program to an insurance provider renowned for its expertise in loss prevention engineering, Imerys intends to continue its extensive efforts in raising awareness and protecting from risk across its operational units. Around 100 of the Group's industrial sites are regularly inspected by loss prevention engineers from the insurance company. Imerys uses the subsequent recommendations to improve its industrial risk management.

The risk prevention program is supplemented by an interdisciplinary working group tasked with identifying and prioritizing key industrial risks as well as defining and monitoring the implementation of risk prevention plans, which is overseen by the Industrial Department.

■ OTHER GROUP-WIDE INSURANCE

The Group's other main insurance policies aim to cover the following risks, which are common to all its legal entities or several of its businesses, such as directors' and corporate officers' liability; commercial auto fleet insurance (Europe, US); as well as environmental and transportation risks (marine cargo and charterer's liability).

2.2 RISK MANAGEMENT AND INTERNAL CONTROL

2.2.1 INTRODUCTION

■ OBJECTIVES

The Group uses the framework on risk management and internal control systems in addition to the application guide published in 2010 by the French financial markets authority (*Autorité des marchés financiers*, AMF) to define its risk management and internal control systems and structure its approach.

The Imerys risk management and internal control systems covers all controlled entities in the Group's scope of consolidation, including newly acquired companies. By implementing this system in all its businesses, Imerys ensures it has the means, behaviors and procedures needed to manage the different risks that may arise and provide reasonable assurance that its:

- financial information is reliable;
- activities comply with the laws and regulations in force;
- operating, industrial, environmental, health and safety and other processes are efficient and effective;
- assets are protected, in particular against fraud.

These systems therefore help the Company protect its value for shareholders and employees and achieve the strategic, financial, compliance and operational goals it sets.

However, by definition, this type of system cannot provide an absolute guarantee that the risks facing Group are completely under control, nor that it will reach its goals.

■ PRINCIPLES

In line with the objectives outlined above, the Imerys internal control system is based on the following core principles:

- a structure fit for purpose and made up of skilled, accountable professionals;
- a periodic analysis of the Group's main risks;
- appropriate control activities.

2.2.2 A STRUCTURE FIT FOR PURPOSE

■ ORGANIZATIONAL MODEL

The Imerys' internal control system is underpinned by the Group's operational structure and support departments that are directly or indirectly responsible for controlling the risks faced by the Group or that may impact external stakeholders associated with Imerys' operations. The Executive Committee ensures the internal control mechanisms are correctly implemented throughout the Group.

The control system put in place within the Group guarantees the effective circulation of information as well as the transparency and traceability of decisions, while conserving the principles of subsidiarity and decentralization that are deemed essential to the optimal management of Group industrial and commercial operations. It requires a high level of commitment and accountability from all operational and support managers, who must adopt the policies and procedures defined at business area and Group level, make sure they are implemented and followed and enrich them with appropriate measures given the distinct nature of their operations or areas of responsibility.

The Board of Directors exercises control over the way in which the Chief Executive Officer manages the Group. To assist in this task, the Board has created four specialized committees – the Strategic Committee, the Appointments Committee, the Compensation Committee and the Audit Committee – which carry out their duties under the Board's responsibility. The Strategic Committee and the Audit Committee are responsible for identifying and managing risks, as well as monitoring certain internal control mechanisms, as presented in [chapter 4, section 4.1 of the Universal Registration Document](#).

■ PEOPLE INVOLVED IN THE INTERNAL CONTROL SYSTEM

Executive Management and the Executive Committee

The Chief Executive Officer has the operational and functional responsibility to implement the strategy defined by the Board of Directors in all the Group's operations. In particular, they are responsible for effectively implementing control mechanisms within the Group.

The Chief Executive Officer is supported by an Executive Committee, which is made up of the Chief Executive Officer, the Senior Vice-Presidents of support departments and the Senior Vice-Presidents of the Group's five business areas. The Executive Committee, under the authority of the Chief Executive Officer, is in charge of implementing the strategic orientations set by the Board of Directors and ensuring that all its members comply with the main decisions that fall within their individual scope of responsibility in relation to the Group's organization or general conduct of its business ([see chapter 4, section 4.2 of the Universal Registration Document](#)).

Operational departments

In accordance with the Group's decentralized operating principles, the directors of each business area have the necessary powers to organize, manage and oversee their internal control system at all times and delegate these operations in similar conditions to the operating managers reporting to them.

The directors of each business area are responsible for adopting internal control mechanisms that are consistent not only with its organization, but also with the Group's principles and rules.

Support departments

The role of the Group's support departments is to both:

- organize and oversee the Group's operations in their respective areas of expertise; and
- provide technical assistance to the operational departments in these areas when necessary.

These departments enable the Group to not only benefit from economies of scale as a result of its size and better skill sharing, but also ensure all operations related to their areas of expertise are conducted in a common framework of secure, consistent management and control processes and systems. The Group experts or shared support services that constitute the support departments significantly contribute to the Group's internal control mechanisms. Most of the Group's support managers have hierarchical authority if not functional authority over the operating managers whose responsibilities come under their area of expertise.

Support departments	Main internal control responsibilities
Finance & IT Systems and Internal Procedures	• Implement tools to continuously monitor the Group's results and operating performance • Participate in preparing the budget and quarterly progress review • Oversee financial performance at all operating levels of the organization • Analyze and approve capital expenditure requests made by business areas or other similar investment projects • Define the policy for funding, market risk control and banking relationships for the entire Group, including via Sustainability-Linked Bonds • Ensure local tax regulations are properly applied in each country in which the Group operates • Define Group policies and best practice for IT systems including computer network security • Manage Group-wide IT projects, monitor and check IT networks and infrastructure (servers, telecoms, etc.) • Use IT systems to develop standardization, automation and efficiency of certain shared internal control processes in the Group
Legal	• Identify and assess the main legal risks facing the Group and each of its business areas • Define and implement suitable policies and controls to manage these legal risks and comply with applicable laws and regulations, in particular implement antibribery and antitrust compliance programs, as well as ensure compliance with international sanctions and data protection. The Group General Counsel is the Group Chief Compliance Officer and chairs the Group Ethics Committee • Provide legal advice to operating and support managers to (i) safeguard the rights and interests of the Group and its business areas and comply with legal obligations and (ii) contribute to achieving their objectives with appropriate legal solutions • Identify need and define, implement and manage Group insurance policies to cover or mitigate potential losses resulting from major incidents or liabilities
Strategy, Mergers & Acquisitions and Commercial Excellence	• Identify and evaluate Group-wide strategic, marketing and commercial risks, including climate change risks • Identify and assess – with support from relevant internal or external experts – the main potential risks or liabilities associated with acquisitions or disposals of assets or businesses, and factor them into the value and terms and conditions of the proposed transactions • Assist the potential geographic expansion of the Group, with a specific focus on monitoring and controlling risks when opportunities are identified in emerging markets
Industrial	• Lead and coordinate the Group Purchasing Department by selecting suppliers, negotiating and renegotiating contracts, implementing optimization initiatives and enhancing internal organization • Support, review and approve all material industrial projects proposed by the business areas • Lead and coordinate the implementation of the Imerys industrial improvement program in all operating plants, ensure energy efficiency and reduce greenhouse gas emissions • Lead and coordinate Group standards relating to health, safety, environment and product stewardship • Lead and coordinate Group standards in managing mineral reserves and resources • Identify and assess the main industrial risks within the Group by regularly carrying out risk mapping • Monitor the application of the EHS, Industrial Excellence and Geology guiding principles through audits
Human Resources, Communication and Sustainable Development	• Develop policies to ensure employees have the required skill level for their responsibilities • Put in place checks to ensure the integrity of salary setting and payment processes and supervise the implementation of employment benefits • Monitor compliance with applicable labor laws, regulations and agreements • Develop policies for international mobility and employee travel • Coordinate the Group Sustainable Development program in liaison with the other departments concerned and ensure the Group's overall compliance with its ESG commitments and regulatory reporting requirements related to the program



Risk factors and internal control

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Committee

The Risk Committee coordinates risk assessment, management and controls within the Group. It is made up of representatives of the Board committees (the Ethics Committee, the Foreign Exchange, Interest Rate and Energy Committee, the Investment Committee, the Cybersecurity Committee, the Sustainable Development Committee and the Safety Committee), as well as representatives from the support departments and operational activities. It is headed by the Internal Audit & Control Director. The Risk Committee contributes in particular to the identification and assessment of the main risks facing the Group by drawing up a risk map every three years. The most recent risk assessment was completed in December 2021, when the risk map was presented to the Audit Committee. The risk assessment is updated every year taking into account any material event. This yearly update is presented to the Audit Committee.

Internal Audit & Control Department

The role of the Internal Audit & Control Department is to regularly check the quality and efficiency of the Group's internal controls and make recommendations to improve them if needed. It alerts management of any internal control failures and produces recommendations to correct them. These reviews are also conducted for newly acquired entities, usually 6 to 18 months after being integrated into Imerys.

The Internal Audit & Control Department is independent of the operational and support activities that it audits. The Internal Audit & Control Director therefore reports directly to the Chief Executive Officer and the Audit Committee. A complete report on the activities of the Internal Audit & Control Department is presented and discussed every six months with the Executive Committee, then at an Audit Committee meeting attended by the Statutory Auditors.

At the end of 2021, the Internal Audit & Control Department had 12 staff, working in the areas of internal audit, risk management and internal control.

Internal Audit & Control Department	Main responsibilities	Reference framework and/or mechanisms
Internal audit	• Ensure operating entities comply with the principles and rules defined by the Group • Perform IT system audits • Identify and share best practices in the Group • Investigate incidents of fraud • Monitor the implementation of action plans following audits • Review the reliability of self-assessments	• Audit cycle of four to seven years • Annual audit plan approved by the Audit Committee • 23 audits conducted in 2021 • Structured audit methodology • Fraud investigation reports • Anti-fraud training and awareness-raising • Dashboard for quarterly follow-up of action plans • Limited audits
Internal control	• Define and maintain Group internal control standards • Provide internal control training	• Group policies and procedures • Internal control training material • Self-assessment questionnaires
Risk management	• Develop the risk management methodology • Define and update the Group's risk universe • Map the main risks facing the Group • Review the implementation of action plans defined during risk mapping • For further details, see paragraph 2.2.3 of the present chapter	• Update of the risks identification in 2021 and approval from the Audit Committee • Annual assessment of the impact and level of risk control • Annual review of the risk management action plans

2.2.3 PERIODIC ANALYSIS OF THE MAIN RISKS FACING THE GROUP

■ OBJECTIVES

By analyzing risk, Imerys is able to identify the incidents that could seriously threaten the achievement of its strategic, financial and operational goals and/or pose a risk of non-compliance of its operations with applicable local laws and regulations. Risk assessment also makes it possible to identify the events that, if they were to come to pass, could have a negative impact on the Group's external stakeholders.

Through a structured process designed to enable the Group to understand and analyze its main risks, Imerys can assess the suitability of its existing internal control mechanisms, set up relevant action plans to improve their efficiency and, more generally, better protect the Group's value in accordance with applicable laws and regulations and the expectations of its stakeholders.

■ STRUCTURE

The risk analysis process is split over three levels:

- all operating and support managers must constantly seek to identify, analyze and manage risks in their areas of responsibility. The identification and management of these

risks are periodically reviewed and discussed by the Chief Executive Officer and the Chief Financial Officer as part of the budget process, quarterly income statement reviews and monthly management reporting;

- furthermore, the Group follows a formal, recurrent process to analyze its main risks by preparing a map showing the potential impact of the identified risks and the extent to which they are under control. Key central support and operational managers take part in this process. Results are reviewed and approved by the Executive Committee and presented to the Audit Committee. New actions are then set out to reinforce the Group's control of certain identified risks. The main risks to which the Group is exposed and their management and control methods are detailed in [section 2.1 of the present chapter](#);
- lastly, the Risk Committee reviews and coordinates risk and control analysis. It also verifies management activities within the Group and suggests potential measures to improve them ([see paragraph 2.2.2 of the present chapter](#)). The Internal Audit & Control Director regularly reports on its work to the Executive Committee and the Audit Committee.

2.2.4 APPROPRIATE CONTROL ACTIVITIES

Control activities are adapted to the goals set by the Group and intended to ensure that the risks related to a given operating or support process are correctly covered.

■ FRAMEWORK

Internal rules

Imerys' internal control system is formally referred to in the Code of Business Conduct and Ethics and the Ethics Committee Charter, as well as in a number of other charters (including the Board of Directors Charter, Corporate Social Responsibility Charter, Health & Safety Charter and Inclusion & Diversity Charter) that apply to the whole Group. These sets of rules aim to create a positive control environment, based on robust principles and experience in Corporate Governance as well as behavior that complies with laws, regulations, ethics and the Group's strategic objectives.

Moreover, the Group's policies developed by the central support departments define the specific organization, responsibilities and operating and reporting principles for their respective areas of expertise.

Lastly, the Group's internal control manual defines the main principles and core activities to be carried out as part of the Group's operating and financial processes.

The Group's charters, manuals, policies and procedures are grouped together in the "Blue Book", which all employees can consult on the Group Intranet OnImerys. This fundamental set of rules forms the framework for the Group's operations. It applies to all the companies Imerys controls. Certain communications are subject to electronic certification, through which employees must certify they have read the information and pledge to enforce the internal controls in their area of responsibility.

A second set of rules applies to the Group's operations and defines their specific procedures and reporting principles. In line with Group policies, procedures are adapted to each set-up, the management of mining, industrial and commercial activities and any risks related to these activities. They take into account specific requirements set out in applicable local laws and regulations.



Code of Business Conduct and Ethics

The Imerys Code of Business Conduct and Ethics summarizes the ethical behavior that the Group expects from all its employees, especially its senior managers, as well as its contractors, suppliers and other partners with whom it maintains close relations. It is designed so that everyone not only complies with local legislation in their daily work, but also adopts an attitude in line with the Group's values, principles and rules with respect to responsibility, integrity, transparency, fairness and openness. All newly recruited managers at Imerys attend an introductory class on the Code of Business Conduct and Ethics as part of their induction to ensure all Group employees are aware of and follow these rules. The Code of Business Conduct and Ethics reflects Imerys' firm commitment to ethical business conduct, aligning the Group with the most rigorous international standards. The Group has also put in place a whistleblowing system through an online platform and a reporting hotline managed by an independent organization, ensuring confidentiality throughout the process.

✓ For further details, see [chapter 3, paragraph 3.7.1 of the Universal Registration Document](#).

■ IT SYSTEMS

Effective IT systems help ensure reliable and improved management of support and operating processes.

The Group's policy consists of integrating and monitoring as much of its value chain (particularly sales, distribution, purchasing, inventory, fixed assets, production, supply chain and finance) with its enterprise resource planning (ERP) system. Imerys strives to use integrated ERP control systems to ensure an optimal level of control while meeting the specific requirements of how to best manage its operating activities.

Imerys uses several ERP systems that have been selected to create synergy between support and maintenance as well as satisfactory consistency, while taking into account the size of operations and the regions in which they are rolled out. As described in [paragraph 2.1.1 of the present chapter](#), the Group has launched a project to streamline and standardize its operating processes under a single ERP system.

Imerys uses a single software package in all its entities to report and consolidate its accounting and financial information.

In addition, tools for consolidating and monitoring the most important non-financial data have been set up across the Group. They help to:

- gain a clearer view of the performance of the Group's different operations, prevent or resolve difficulties and promote or measure improvement (e.g. reporting and consolidating HR or non-financial indicators);

- improve the accuracy of data processing and help monitor operational compliance with applicable legal or regulatory obligations, contractual commitments and Group rules (e.g. reporting and consolidating legal and administrative information related to the Group's subsidiaries, equity interests and corporate officers as well as, managing and monitoring the approval and fulfillment of contractual commitments).

■ HUMAN RESOURCES MANAGEMENT

Recruitment and development

To make sure recruitment is consistent and appropriate, the Human Resources Department defines standards and regularly checks the quality of its practices.

In order to develop employee skills in line with the needs of operations, the Group has rolled out several processes described in [chapter 3, paragraph 3.5.2 of the Universal Registration Document](#), including an annual individual assessment (Performance Appraisal and Development – PAD) and succession plans for key positions.

The recruitment and career development processes are now managed through a single system, which simplifies and standardizes HR processes as well as improves the Group's ability to identify its global talent pool and develop talent internally.

The results and main analysis of human resources and skills management are regularly presented to the Executive Committee.

Training

In addition to the training programs organized by the operational departments, the Imerys Learning Center organizes Group training sessions ([see chapter 3, paragraph 3.5.2 of the Universal Registration Document](#)) to help employees develop their professional expertise (for example in finance, geology, marketing, project management, etc.) and encourage them to share best practices.

Compensation & benefits

Compensation is reviewed annually, focusing mainly on base salary and individual bonuses.

In addition, the key components of social security – especially health and life insurance (death, long-term illness or disability) – are continuously assessed and improved in line with local or regional market practices.

Detailed information on both principles is provided in [chapter 3, paragraph 3.5.2 of the Universal Registration Document](#).

■ RELIABLE ACCOUNTING AND FINANCIAL INFORMATION CONTROL

The same control mechanism and procedures for preparing accounting and financial information are used throughout the Group. This mechanism is made up of a Group-wide accounting set-up, consistent accounting standards, a single consolidated reporting system and central quality control of the internal and external financial and accounting information produced.

Organization of the accounting and financial departments

Accounting and financial operations are managed by the Group Finance Department. Its central structure includes:

- an Accounting, Consolidation and Reporting team, responsible for preparing and presenting the Company's financial statements, monthly management reports and the Group's consolidated financial statements;
- a Management Control and Budgetary Control team, which prepares and consolidates budget data and analyzes operating performance in relation to budget targets and prior year comparatives;
- a Cash and Finance team, in charge of preparing and consolidating data on financial debt and the Group's financial income in particular. Its main duties include centrally managing and optimizing the Group's debt and financial resources, as well as managing liquidity, interest rate, currency and local energy supply price volatility risks, primarily through hedge instruments;
- a Tax team, whose responsibilities include monitoring the local tax consolidation applied in the Group, estimating the subsequent amount of tax payable and checking overall consistency.

Furthermore, shared service centers have been set up in Europe and the Americas to manage all accounting transactions.

Accounting framework

The general accounting rules are described in the "Blue Book" (*see paragraph 2.2.4 of the present chapter*). These rules apply to all the Group's entities. In accordance with the IFRS adopted within the European Union, they include:

- a reminder of the general accounting principles and recommendations to follow;
- a single detailed accounts template adapted to the size and materiality of the Group's transactions;
- a definition of the Group's accounting methods that apply to the most important items and/or operations.

These documents are updated regularly – whenever an amendment is made or new accounting standards are applied – by the Accounting, Consolidation and Reporting team, after being reviewed by the Audit Committee and approved by the Statutory Auditors. This team also has an advisory role within the Group and is responsible for providing periodic training to the local financial controllers.

Multi-year strategic plan

The long-term strategic focus of each business area and the subsequent financial forecasts are formally defined and monitored as part of a multi-year strategic plan for the Group and periodic strategy reviews for each business. They are drawn up under the control and supervision of the Chief Executive Officer. The conclusions are reviewed by the Executive Committee before being presented to the Strategic Committee and submitted to the Board of Directors for approval.

Annual budget and monitoring its execution

Imerys has put in place an annual budget process and monthly report cycle for all Group entities to ensure management information is reliable and consistent. Consistency between accounting data and reporting information is key to ensuring accurate accounting and financial information.

The Group uses the reporting system to accurately monitor monthly results (income and cash flow statements) and financial data for operating activities and compare them with the budget and results for the prior year. The management indicators are reviewed and commented by the Finance Vice-Presidents for each business area, as well as by their teams and the Group Control team.

Consolidation process

A single accounting consolidation system processes all information from across the Group's operating and legal entities.

To guarantee the quality and accuracy of its financial data, Imerys has set up a unified reporting and consolidation system to collect budget and management information and produce consolidated financial statements. Deployed across the entire Group, the system uses local accounting data, either retrieved via an interface with the financial modules of the entities' ERP systems or input manually. This system makes it possible to check some reported and/or consolidated data automatically.

Earnings review

Every month, each business area examines its management results and analyzes any significant variations on the prior year or budget, deciding any corrective actions that it deems necessary and monitoring their implementation. The Executive Committee reviews and checks the performance of each business area, as well as the comments provided by their financial controllers to explain the main changes.

Earnings are also reviewed at quarterly meetings, where business area directors present their results to the Chief Executive Officer and the Chief Financial Officer. A summary of each of those reviews is also presented to the Strategic Committee and, if necessary, to the Board of Directors.

Lastly, the consolidated financial statements, accounting procedures and complex financial transactions are systematically reviewed by the Executive Committee. The half-yearly and annual consolidated financial statements are then approved by the Board of Directors after examination by the Audit Committee, which also reviews the quarterly consolidated earnings prior to publication.



Sustainability

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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 sustainability program named SustainAgility. The SustainAgility program was developed duly considering the 2030 Agenda for Sustainable Development⁽¹⁾ 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 Sustainability 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 natural 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's comprehensive approach to doing business in a way that creates value for internal and external stakeholders. This approach is supported by a series of dedicated programs that are developed and rolled-out in an iterative fashion. The ultimate goal to be achieved through SustainAgility is to further embed sustainability within the Group strategy and drive systematic continuous improvement of sustainability 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 a series of maturity matrices upon which Group sites are assessed and against which action plans are developed.

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

The SustainAgility program is overseen by a Sustainability Committee, chaired by the Group CEO, which meets quarterly and has the responsibility to establish Group sustainability ambitions, validate key milestones and guide and monitor implementation on progress towards the Group objectives. The SustainAgility Operational Committee, created in 2020, helps to build on the progress achieved over the past years and to accelerate the implementation of a consistent and comprehensive approach to sustainability within the six pillars of SustainAgility. This SustainAgility Operational Committee, led by the Group Sustainability Vice-President and composed of functional leaders, is responsible for coordinating the implementation of the SustainAgility program. In 2021 the Group further strengthened its sustainability organization through the nomination of sustainability directors and sponsors within each of the Group's five Business Areas management teams. These Directors and/or sponsors are part of the SustainAgility Operational Committee.

✓ For more information on the Group Governance, [see chapter 4 of the Universal Registration Document](#).

(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



Human Rights	• Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and • Principle 2: make sure that they are not complicit in human rights abuses.
Labour	• Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • Principle 4: the elimination of all forms of forced and compulsory labour; • Principle 5: the effective abolition of child labour; and • Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	• Principle 7: Businesses should support a precautionary approach to environmental challenges; • Principle 8: undertake initiatives to promote greater environmental responsibility; and • Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	• Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In accordance with the UNGC Principles, the Group is committed to publish its annual Communication on Progress (COP). The Group is committed to supporting the 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 directly to the nine SDGs listed below, which indirectly contribute to the rest of the SDGs as well.

Within this chapter, the Group sustainability commitments, objectives and results against 2021 objectives, are presented in the context of continuous progress made towards the UNGC Principles and the nine UN SDGs.

SUSTAINABLE DEVELOPMENT GOALS



✓ 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 sustainability program, Imerys conducted its first **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 sustainability priorities. The process followed can be summarized in three phases: **framing, engagement and analysis and validation**.

The **first phase** of framing focused on the research and analysis required to identify and verify a list of potentially significant ESG issues, including but not limited to: the identification of megatrends potentially affecting Group business in the future, the [2030 Agenda for Sustainable Development](#), inputs from the [2050 Roadmap of the Industrial Minerals Association \(IMA\) Europe^{\(1\)}](#) and [IMA-Europe's Circular Economy Report^{\(2\)}](#), an assessment of selected international companies sustainability programs, operational risk related to sustainability 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 against the applicable Sustainability Accounting Standards Board (SASB) Industry Standards, the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, a review of external ESG rating agencies indices, feedback on Imerys sustainability performance and a review of the Group 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 sustainability 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 sustainability Steering Committee and Executive Committee.

At the end of 2019, the results of the materiality assessment were used to define mid-term sustainability objectives, which are described in [section 3.4 of the present chapter](#). In 2021, in order to define the next 3-years mid-term objectives and targets, the first and second phases of the materiality assessment process were relaunched. The third phase is planned at the beginning of 2022.

- ✓ 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 sustainability Reporting Methodologies, [see section 3.8 of the present chapter](#).

(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.

3.3 MATERIAL SUSTAINABILITY RISKS

A robust assessment of material sustainability risks is fundamental to the definition of the Group sustainability 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 sustainability challenges and opportunities are summarized below under the six SustainAgility pillars: safety & health, human capital, environmental stewardship, climate change, business conduct, and portfolio management, with additional details provided on each pillar and theme in the rest of this chapter.

With regards to the concept of double materiality, [chapter 2 of the Universal Registration Document](#) presents the Group approach to identifying and managing financial risks, including those associated with social and environmental factors, while this chapter focuses on the actual and potential adverse impacts of Group operations on people, society and the environment.

Ensuring the **Safety & Health** of Group employees as well as contractors is a core value. 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, 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 Human 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 employee engagement and other surveys. As such the Sustainability

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 natural resources such as water, and preserve biodiversity⁽¹⁾.

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 Sustainability Committee considered 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](#). In 2021 the Group performed a climate risk and opportunity scenario analysis in line with the recommendations of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), which are presented in [section 3.6.2 of this chapter](#). The Group risk mapping exercise presented in [chapter 2, section 2.1.2 of the Universal Registration Document](#) likewise identified the potential long-term risk for the Group associated with climate change.

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

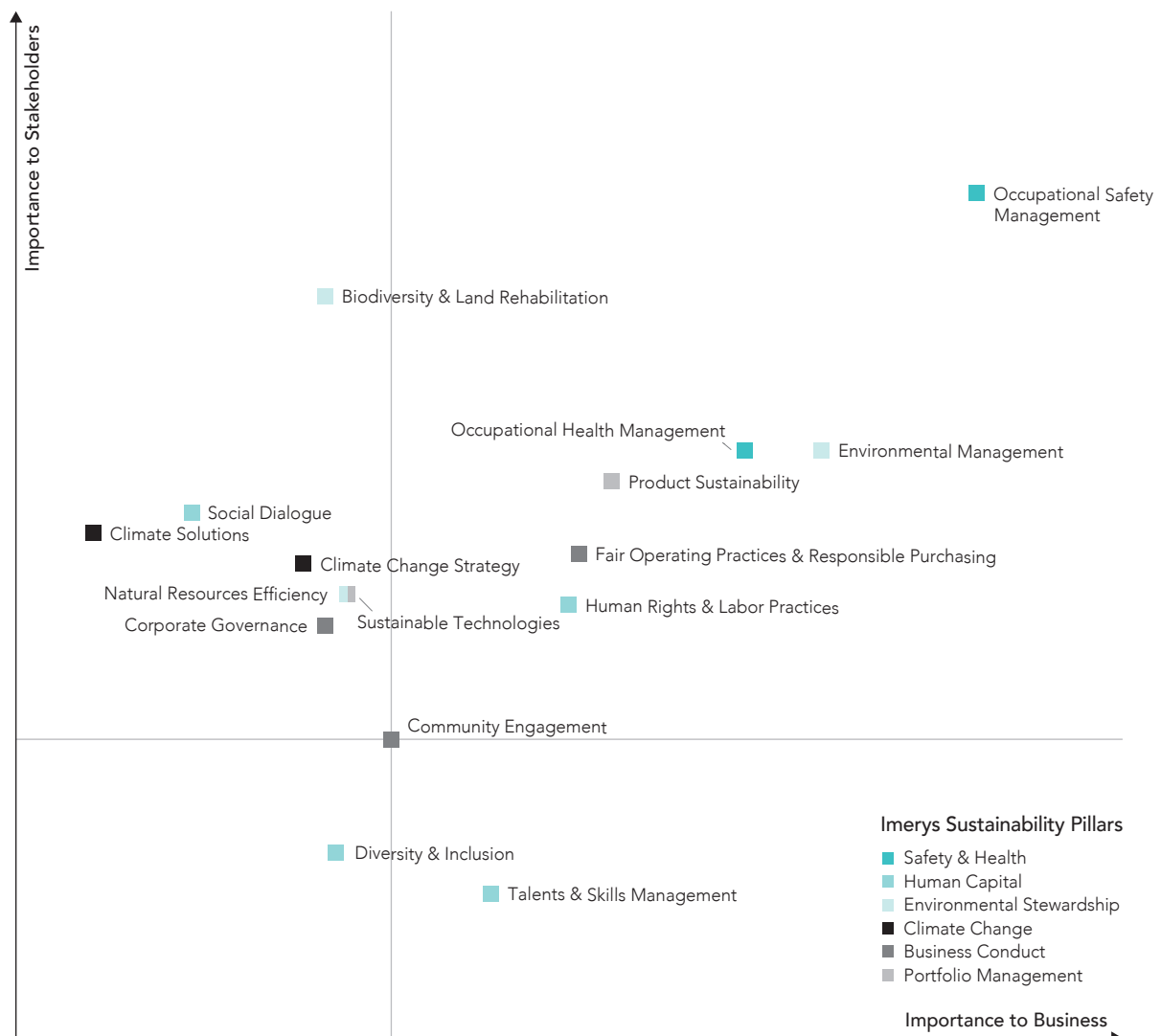
Ensuring ethical **business conduct** in a rapidly evolving global business environment is achieved through strong corporate governance, which is the foundation upon which the Group is built. Yet as business practices and regulations evolve, risks emerge with regards to fair operating practices and responsible purchasing as the Group may inadvertently be linked to partners who do not respect the Group Code of Business Conduct and Ethics ("the Code") and the specific Group Environmental Social and Governance Standards applicable for suppliers. This risk requires continual adaptation of Group systems and processes and has been an area of particular focus since 2017. Through the reinforcement of internal controls and Group compliance programs, this risk has been significantly reduced. Yet the risk of Group suppliers not identifying compliance risks and not preventing serious violations of human rights, fundamental freedoms, health & safety of people and environment in their organization and in their own purchasing is still considered material. Additional details on these risks and a focus on their identification is presented in [section 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 the environmental footprint of its products while at the same time to provide sustainable solutions aligned to global megatrends. **Portfolio 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.

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

IMERYS MATERIALITY RESULTS



3.4 KEY OBJECTIVES AND PERFORMANCE

In 2019, the Group defined mid-term sustainability objectives based on the materiality assessment process and results presented in [sections 3.2 and 3.3 of the present chapter](#). The Group sustainability commitments, specific objectives for each of the eight **sustainability priority themes** as well as the performance indicator and timeline to achieve the objective are presented in the following sections together with their alignment to UNGC Principles and the UN Sustainable Development Goals to which they contribute. Progress towards mid-term objectives that is on-track as of the end of 2021 is denoted with the symbol “✓” in the table of objectives in the following sections. Each of the Group’s sustainability mid-term objectives has been translated to specific objectives for the five Business Areas with a dedicated action plan and monitoring in place. These mid-term objectives and targets likewise serve as the basis for individual performance targets linked to variable compensation for the Group CEO, Executive Committee, senior management as well as other managers across the organization as summarized in [section 3.5.2.2 of the present chapter and chapter 4, section 4.3 of the Universal Registration Document](#).

In 2021, the Group began the full roll-out of a new energy and environmental performance reporting tool. This reporting tool captures Group data and indicators related to environmental management systems certifications, as well as indicators related to the environmental aspects such as water, waste, air emissions, biodiversity, and energy and greenhouse gas emissions reported in [sections 3.6.1. and 3.6.2 of the present chapter](#). As a result of the implementation of the new reporting tool, several indicators have been adjusted relative to 2020. Where appropriate these changes have been signaled and explained. 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 2021, 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 17 years the Group has organized a company-wide competition called the Sustainable Development Challenge (SD Challenge), which serves as an impetus to develop and share best practices, innovations, and technological solutions, each contributing to the Group sustainability commitments and supporting progress towards several UN Sustainable Development Goals. In total, over 1,667 initiatives have been submitted in the competition since it was launched. The 2021 edition saw a record participation with 343 SD Challenge projects submitted, which corresponds to an increase of 58.8% relative to last year. To be considered for the SD Challenge, a project must have concretely contributed to specific sustainability themes and focused on creating shared value, contributing to sustainable innovation, and achieving long-term sustainable results together with local partners. Imerys is committed to ensuring that the Group SD Challenge continues to inspire greater awareness and understanding of material sustainability themes and continues to serve as a platform to support the realization of the Group sustainability ambition.

✓ For more information on Group SD Challenge initiatives, see www.imerys.com.

3.5 EMPOWERING OUR PEOPLE

3.5.1 SAFETY & HEALTH

Imerys' Commitment	Mid-term sustainability objectives	UNGC Principles	UN SDGS
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	- Occupational Safety Management - Improve Group Safety Culture Maturity to Level 3 ⁽¹⁾ across all Business Areas by the end of 2022 - Occupational Health Management - Improve Group occupational health performance by 30% against 2019 baseline assessments by the end of 2022		
	2021 Results achieved - Occupational Safety Management ✓ Group Safety Culture Maturity measures at Level 2.89 at the end of 2021 - Occupational Health Management ✓ Group occupational health performance improved by 19.3% against 2019 baseline assessments at the end of 2021	Principle 1	 

(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.

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

3.5.1.1 OCCUPATIONAL SAFETY

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

Imerys requires each operation to have an effective Safety Management System (SMS). Programs are built within the Group Imerys Safety System framework (ISS) based on 3 pillars: compliance, continuous improvement and training & communication. The ISS framework implementation and risk management is supported by an 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 2021, the result of the most recent assessment shows the Group Business Areas maturity of 2.89, 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 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 www.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. For 2021, the plan was slightly reduced due to the epidemic situation. Of the 37 planned for 2021, 24 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.

Training and awareness of the Group Safety & Health system are achieved through various communication and training activities often developed in local languages. These activities include: Safety Summits, Imerys Safety University (ISU), web seminars, the digital learning paths delivered through the Group e-learning platform "Imerys Learning Hub" and the Group Welcome Sessions for new managers. Other initiatives are managed at regional, hub or site level and include job-related safety training and regular safety toolbox meetings. Training on EHS topics increased by 20% in 2021 relative to 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 2021, 28,757 VFL and BBS interactions were recorded through our Group Health and Safety reporting platform.

In 2021, the Group launched Safer Together, in order to build on the progress achieved over the past years and to strengthen the implementation of a consistent and comprehensive approach to Health and Safety. Safer Together aims to promote a strong Health and Safety culture within 4 new key pillars that will help to structure the Health & Safety projects – Being positive about Safety, Placing health and safety above all, Taking responsibility and Looking out for each other. Safer Together encompasses all the existing Imerys Health & Safety programs such as protocols, training, Take 5, Serious 7, safety alerts and accident analysis, Safety Connect Day and Visible Felt Leadership.

In 2021, after the cancellation of the 2020 event due to the pandemic, the fourth annual Safety Connect Day was held respecting Covid-19 prevention measures and focused on the theme “The risks that matter”. The 2021 edition covered major safety risks that could lead to life-changing accidents and fatalities, but also concerns linked to health, with a specific focus around pandemics and in particular Covid-19. In addition, for the first time, Safety Connect Day included a specific environmental workshop called “Caring for our planet”, which provided an opportunity to reflect on biodiversity and other environmental challenges.

✓ For more information about “Caring for our planet” workshop, [see section 3.6.1.3 of the present chapter](#).

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

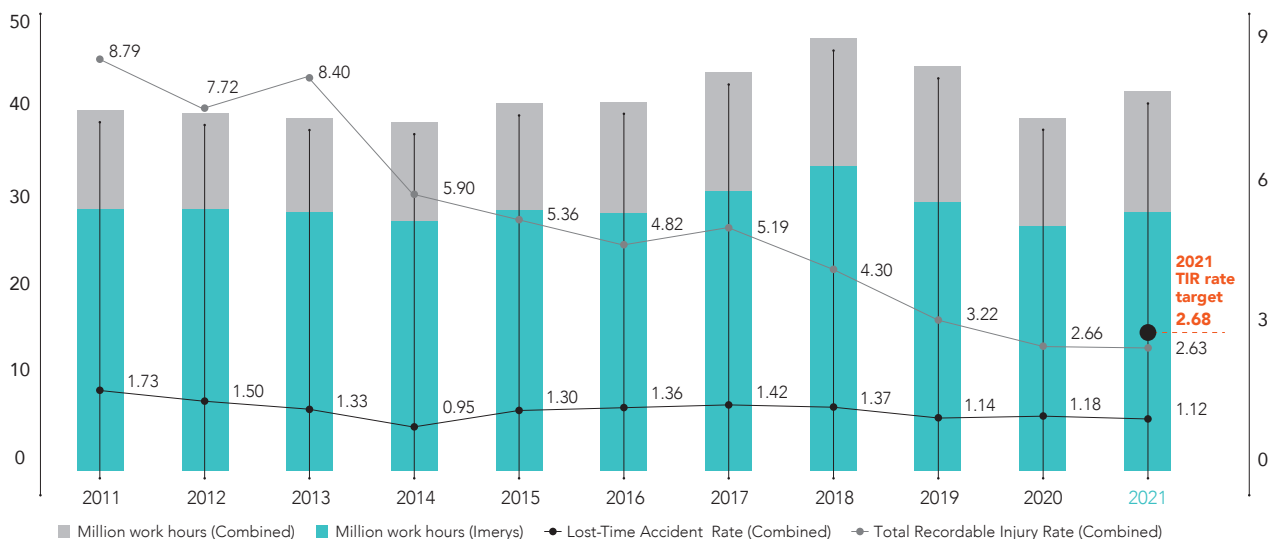
and non-lost-time accidents at all levels of the Group. The Group likewise collects and assesses leading indicators such as near misses, at-risk conditions or behaviors reported, the number of workplace inspections or risk assessments performed, the percentage of site employees that have attended safety 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 has the potential to result in a fatality regardless of the actual severity. Where appropriate, corrective actions identified through an incident investigation are directly integrated into the next update of Group safety protocols to reduce the risk of recurrence. In 2021, 43 safety alerts related to 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 2021, the combined LTA rate of the Group was 1.12 and the combined Total Recordable Injury Rate (TRIR)⁽¹⁾ was 2.63. Despite a strong rebound of the production activity from the pandemic in almost all Imerys industrial sites, the Group achieved the 2021 target TRIR, which was set at 2.68 and continues to observe continuous improvement across Group operations. Tragically, a fatal incident occurred in Imerys Whitestone facility in North Georgia, USA on December 13, 2021. The Group shall continue its unyielding focus on continuously improving safety performance and work towards its goal to achieve an injury-free workplace.

3.5.1.2 OCCUPATIONAL HEALTH

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

In 2019, led by the Group Industrial Hygienist, the Group defined 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. As of 2020,

all sites across the Group have been assessed against the baseline criteria. Based on the completed assessments the Group developed a comprehensive 5-year occupational health action plan, focusing on the following four pillars: risk and general management, systems, training and protocols. **The Group mid-term occupational health performance target is to improve by 30% against 2019 baseline assessments.** At the end of 2021, the Group occupational health performance improved by 19.3% against 2019 baseline assessments. As such, progress towards this objective is well underway.

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)⁽²⁾. NEPSI reporting campaigns are conducted every two years. In 2020, when the last campaign was conducted, all of Imerys' concerned sites reported into NEPSI.

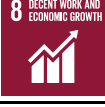
Group Reported Occupational Illnesses

	2021	2020	2019
Occupational illnesses with lost time	0	0	1
Occupational illnesses without lost time	0	1	1
Total	0	1	2

(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.

(2) 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 sustainability 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	- Diversity and Inclusions - Increase the number of women in senior management to 30% by the end of 2022 - Fully implement the Group Diversity and Inclusion 3-year program by the end of 2022	Principle 1	
		Principle 2	
		Principle 3	
		Principle 4	
		Principle 5	
		Principle 6	
	2021 Results achieved - Diversity and Inclusions ✓ The number of women in senior management represented 26% at the end of 2021 ✓ Implementation of the Group Diversity and Inclusion 3-year program is at 65% at the end of 2021		

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

	2021	2020	2019
Registered employees	16,908	16,437	16,305
of which permanent employees	15,572	15,270	15,023
of which non-permanent employees (fixed term)	1,336	1,167	1,282
External employees (Full-Time Equivalent) ⁽¹⁾	5,958	4,790	6,205

(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 in-person training sessions could not be conducted in 2021 as a result of Covid-19 restrictions, thus e-learning modules related to Human Rights were made available to employees. Dedicated sessions will be delivered in the future to progressively cover more countries and key functions.

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

Employee moves

	2021	2020	2019
Net variation of permanent employees (excluding acquisitions and divestitures)	315	(258)	(828)
External recruitments	2,016	1,157	1,001
Mutual agreements	(180)	(282)	(133)
Redundancies (economical & non-economical)	(496)	(499)	(753)
Retirements	(280)	(238)	(301)
Voluntary terminations & others	(908)	(592)	(928)
Turnover ⁽¹⁾	5.8%	3.9%	5.9%
Net variation of non-permanent employees (excluding acquisitions and divestitures)	169	(171)	(270)
Acquisitions – Divestitures	(13)	561	(361)
Variation of Registered Headcount	471	132	(1,464)

(1) 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.

At the end of 2021, compared to December 2020, the Group's registered headcount increased by 2.9%. Part of the observed variation in headcount is due to the hiring of fixed-term contracts in particular with regards to efforts to increase the number of apprentices gaining employment experience while completing their studies as well as the effect of seasonal contracts within High Temperature Solutions. The increase of permanent employees is linked to increased production activities in 2021 and the conversion of fixed term contracts into permanent contracts.

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 has developed a global and comprehensive program (Global Benefits Management) and has mapped all the healthcare, death and disability benefits provided to its employees to ensure that the corresponding levels of coverage are progressively harmonized across the Group, in line with local regulations and market practice and managed in a structured and efficient way.

The Group Pension Committee 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 2021, the Group developed a new mental health guide for employees and for managers to help them support their teams. Additional information can be found in [section 3.5.2.4 of the present chapter.](#)

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 was redeveloped in 2021 and is hosted on a new platform called the "Learning Hub", which brings together all in-class training and digital learning courses. The Learning Hub is accessible to all Imerys employees with Imerys email accounts, which represents over 10,000 employees across the Group. In-class training and e-learning courses cover safety, environment, finance, management and leadership, project management, commercial excellence and industrial marketing, and basics of geology and mining amongst other topics. Learning resources are available in English and some are also available in other languages including French, Brazilian Portuguese, German and Chinese. In 2021, unfortunately the majority of planned in-person training had to be canceled or postponed due to Covid-19. However, the Group continued to invest in the development of multiple new digital courses. Traditional in-person training programs, such as those related to mining and resource planning, were also redesigned to be delivered in a virtual format. Global trainings that support fundamental topics of the Group Code of Conduct were rolled-out in 2021, including new training modules on environmental management, cybersecurity, and unconscious bias launched from September 2021. The unconscious bias and environmental training targeted all senior managers and people managers, as well as functional Environmental, Health and Safety experts in the case of the environmental training, while the cybersecurity courses were offered to over seven thousand employees. At the end of 2021, 62% of senior managers and people managers were trained on unconscious bias, 36% of senior managers, people managers and functional experts completed the training on environmental topics, and 58% of connected workers completed a series of cybersecurity courses. The Group likewise launched a new introductory sustainability digital course that was completed by approximately 1000 employees. Imerys became a member of the [UN Global Compact Academy^{\(1\)}](#) thereby enriching the training offering on numerous ESG topics for all the Group digital learners through the Learning Hub.

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 22 new projects were entered into the 2021 SD Challenge in this category, including a structured well-being program in the UK, built to develop team skills to support employee mental health and well-being, that is inclusive of all employees and demonstrates a commitment to supporting workforce development beyond technical and managerial skills. Furthermore, specifically with regards to mental health and well-being, a pilot 4 hour training program

was rolled-out in one Business Area focusing on the training of the senior management team to support the mental health of their teams, focusing on key tools to identify mental health issues, understanding how to have open conversations on mental health, and providing them with available resources for support.

Since 2020, the Group has used a digital global onboarding program to create global consistency for onboarding of new recruits, and offer a streamlined and supportive approach and a centrally managed process, which give each newly recruited employee clear knowledge about Imerys in their first 90 days. The onboarding program guides new recruits through valuable information including: Imerys' organization and tools, markets, customers, mandatory training (including the Code of Business Conduct and Ethics, safety, diversity and inclusion, cybersecurity, sustainability) as well as Business Area, function, and country-specific content. This onboarding is linked to the Learning Hub training platform, with a dedicated workflow that ensures that all new connected workers receive key messages and information directly after arrival. In 2021, the Group likewise developed a new onboarding program for operational workers across the Group. This onboarding defines the minimum requirements to control health and safety risks related to the onboarding period for new operational workers for which Imerys has managerial authority, and/or can influence strongly and directly, at any Imerys industrial sites. The aim of the onboarding program is to ensure that all new workers are adequately trained and competent to safely perform their assigned tasks.

The Group likewise focuses on induction training for Imerys' new plant managers to help them understand the Group's approach to operational excellence and continuous improvement, covering topics such as safety, processes, finance, HR, sustainability, 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. In 2021, Imerys group developed a Position Evaluation System, in order to define roles in a systematic grading approach. Using common grades throughout the world, Imerys ensures internal consistency by providing equal pay for work of equal value and provides a rational basis for the maintenance of its pay structure. This process uses data to benchmark remuneration against the market, which helps drive Imerys principle of equal opportunities and drive transparency and consistency in compensation practices across Business Areas, Functions and Departments.

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

Fixed compensations are reviewed on a yearly basis under the close coordination of the Human Resources Function, supported by regular local and/or sectorial surveys, and conducted with strict financial discipline. In order to reward both personal and collective financial performance, short-term variable pay schemes consist of both individual and shared objectives. In 2021 the Imerys CEO, all of the Executive Committee and most senior managers had individual objectives linked to the achievement

of the Group's eight mid-term sustainability objectives. Long-term compensation programs are fully aligned to the Group's long-term financial objectives. The Group endeavors to align its remuneration practices across the world with international standards.

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

Group training hours

	2021	2020	2019
Number of trained employees	15,747	13,042	15,958
Number of training hours by year	257,873	212,640	367,453
Number of hours by category of program			
Environment, Health & Safety	123,565	103,152	200,935
Technical skills	114,915	90,024	127,092
Management	19,393	19,464	39,426

In 2021, 81% of employees⁽¹⁾ in the Group have benefited from at least one training program in the year. The total number of training hours increased in 2021 by 21% relative to 2020 as even though many in-person training courses were canceled or postponed due to the Covid pandemic, new digital learning courses continued to be developed and delivered to adapt to the context.

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 "OnImerys", which supports daily communication and collaboration. This platform hosts essential information, documentation and protocols, but also social feeds and workspaces, tools and business applications. The intranet is optimized to enable employees to use tools and resources in an agile way – including smartphone access to Group level applications. The intranet facilitates the sharing of projects, initiatives and successes throughout the Group. It is likewise a platform to share information and support discussion on specific topics within specialized communities.

"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.

In April of 2017, Imerys launched its first global employee engagement survey "Your Voice". In 2021, the Your Voice survey was conducted again and extended to include deskless and remote workers in addition to the digital workers who were included in the 2017 survey. The survey was conducted confidentially and anonymously offering employees to express their position on a wide range of topics. The questionnaire, available in 26 languages, was shared with all employees across all Imerys countries and businesses. The global response rate reached 88% (over 13,000 employees), which provided the Group with clear signals on employee engagement levels and on Group strengths and areas for improvement. The results of the survey showed high levels of engagement and enablement across the Group (68% and 73% respectively), driven by a strong loyalty to Imerys (71%), which is 10% above the industrial norm. When compared to the industrial benchmark of data collected from over 2.4 million employees in 90 organizations operating in the industrials sector, feedback from Imerys employees is above the benchmark for nearly all topics. The Your Voice results provide rich insights to help guide the development of global and local improvement action plans.

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

Imerys is committed to engaging 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, each representing different nationalities. In 2021 2 plenary sessions were held as well as one extraordinary plenary session. The EWC's five officers met five times in 2021 acting 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 throughout 2021 continued to include specific updates and discussion related to the Covid-19 pandemic 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. Discussions with the EWC likewise include updates with regards to business performance, safety, sustainability, employee engagement, and diversity and inclusion amongst other topics.

Notwithstanding efforts to engage in constructive social dialogue, labor strikes may still occur. In 2021, 20,723 hours were lost due to labor strikes (1,962 in 2020), of which 15,992 hours in Spain, 3,440 hours in France and 1,291 hours in Greece.

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's long-term ambition is to create a consciously inclusive workplace, where all employees feel valued and are offered equal opportunities, and to extend our inclusive culture throughout our supply chain. While the Group has not yet reached its full ambition, it is fully committed to accelerate its efforts to promote diversity and inclusion at all levels across the Group and as such contribute further to SDG 5 to achieve gender equality and empower all women and girls and SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The Diversity and Inclusion Charter, signed by the Group CEO, has been translated in 22 languages and is posted across Group sites. The Charter clearly articulates the shared commitment to achieving greater diversity, as well as inclusion across the Group. Starting from 2019, with broad participation from employees across functions and geographies, the Group has analyzed the key drivers and challenges and structured 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.** This program sets out the building blocks of a more inclusive workplace, addressing areas for improvement centered around: decision process and governance, training and awareness, human resources policies, communication and physical accessibility of Group sites. The deployment of the 3-year program began in 2020. At the end of 2021, the second year of full deployment, 26% of senior managers were female and 65% of the 3-year plan had been implemented, including the creation and animation of an internal network of Diversity and Inclusion Ambassadors, the offer of customized training sessions on diversity and inclusion at all levels across the Group and the launch of numerous awareness and communication campaigns across Group sites.

The Group is committed to develop programs focused on achieving greater diversity as well as inclusion both at global and local levels and to respect and promote the principle of non-discrimination and equal opportunity, in particular with regards to human resources management. To this effect Group HR policies and practices are a key element of the diversity and inclusion plan and are regularly updated to include specific diversity and inclusion principles and requirements at the appropriate steps within each process, ensuring that these updates are also reflected in country HR policies. 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 biases do not undermine Group efforts to ensure a diverse and fulfilling workplace for all, which creates a sense of belonging. To this effect the Group focused considerable efforts on various trainings, from within the onboarding program for new employees, to the provision of additional resources and tools within the Learning Hub. For example, a training on anti-discrimination rolled out in November 2020 for all senior managers and people managers, was extended within 2021 to all our employees with access to Imerys Learning Hub and training on Unconscious Bias was also offered to the same employees in October 2021. The Group leadership programs were adapted to include dedicated sessions focusing on unconscious bias and conscious inclusion training sessions and 81% of senior managers completed a 3.5 hour inclusive Leadership training to support their capacity to drive inclusive leadership.

To openly share our commitment to diversity and inclusion and our expectations for non-discrimination, ensuring there is no place for any form of bullying, harassment or behavior that is divisive or open to misinterpretation, the Group launched three diversity and inclusion communication and awareness campaigns within 2021 on the dimensions of gender, mental health and well-being and multiculturalism. These campaigns were accompanied by dedicated toolkits both for employees and for managers including foundational understanding points, Group's position and actions on these dimensions and individual tangible actionable points. Group's internal network of diversity and inclusion ambassadors also ensure continuous improvement towards key diversity issues by acting as messengers, enablers and role-models towards a consciously inclusive workplace.

In 2021 a diversity and inclusion baseline assessment was conducted in 34 pilot sites in order to evaluate practices, provide an overview of performance and guide improvement actions at site level.

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 2021 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 China, India, Denmark, Brazil, Bulgaria, the United States, Mexico and France covering a wide range of diversity dimensions, each essential to achieve a more diverse and inclusive mindsets in the workplace. As an example, in 2021 the winning project submitted in the SD Challenge Diversity and Inclusion category in China involved the team developing a series of activities related to ethnic diversity, to learn about other cultures and create awareness, increase employees' understanding of different national cultures and foster an inclusive environment based on mutual respect and dignity. Another focused on the development of a mentoring program for women in operations in India and a third involved developing a flexible work program to offer employment to people with disabilities in partnership with the local municipality in Denmark.

The results of the 2021 Your Voice survey provide an additional measure of performance improvement as perceived by employees since 2017. Imerys valuing and promoting diversity has seen a 8% improvement compared to the previous. Your Voice survey results and sites at 9% above the industrial norm.

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

Gender diversity

Percentage of Registered headcount by gender	2021	2020 ⁽³⁾	2019 ⁽³⁾
Percentage of female Board members	40%	40% ⁽¹⁾	45%
Percentage of female Executive Committee members	9%	9%	9%
Percentage of females in Senior Management roles ⁽²⁾	26%	26%	22%
Percentage of females in Manager/Expert/Professional roles	27%	26%	26%
Percentage of females in Paraprofessional roles	13%	13%	12%
Percentage of females in the Group	18%	17%	17%

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

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

(3) 2020 and 2019 data have been restated to include all Group Registered headcount in order to ensure a consistent reporting perimeter across main human capital KPI.

In 2021, the number of female senior managers as a proportion of all senior managers remained stable as there was very little turnover within this population during 2021. The overall proportion of women in other roles within the Group have remained relatively stable over the past years and efforts to increase the proportion of women in all levels of the organization shall continue in the coming years.

Disability

	2021	2020 ⁽¹⁾	2019
Number of employees with a disability	240	232	167
Percentage of Registered headcount with a disability	1%	1%	1%

(1) Data from 2020 has been restated following a data correction error identified in 2021.

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. The percentage of the Group's registered headcount with a declared disability has remained stable over the past several years. In 2020, the Group launched a baseline assessment

related to the accessibility of all Group sites for people with physical disabilities. Following this initial assessment, the Group aims to progressively work to identify facilities where appropriate investments shall be made to increase accessibility, and subsequently create additional opportunities for employees with physical disabilities.

Age and seniority

	2021	2020 ⁽¹⁾	2019 ⁽¹⁾
Percentage of Registered headcount by age bracket			
Less than 30 years	12%	11%	14%
From 30 to 39 years	26%	26%	25%
From 40 to 49 years	28%	29%	28%
From 50 to 54 years	14%	14%	14%
More than 55 years	20%	20%	20%
Percentage of Registered headcount by seniority			
Less than 10 years	56%	54%	54%
More than 10 years	44%	46%	46%
of which more than 20 years	19%	20%	19%

(1) 2020 and 2019 data have been restated to include all Group Registered headcount in order to ensure a consistent reporting perimeter across all main human capital KPIs.

The Group age pyramid structure has remained relatively stable over the past years, which provides a solid basis for the Group to continue to grow and develop internal skills and competencies and ensure solid technical and managerial expertise. To further support and build on the benefits of an age-diverse workforce, Imerys continues to recruit across all age brackets. In 2021, 36% of new permanent recruits were less than 30 years old and 8% were over 50 years of age.

In addition to the dimensions of diversity that are summarized above, a total of over 100 different nationalities are represented within the Group permanent employee headcount, and 20 different nationalities are represented amongst senior managers.

3.6 CARING FOR OUR PLANET

3.6.1 ENVIRONMENTAL STEWARDSHIP

Imerys' Commitment	Mid-term sustainability 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	- Environmental Management - 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 - Biodiversity and Land Rehabilitation - Achieve all objectives defined within Group act4nature commitment and renew engagement for an additional midterm cycle by the end of 2021	Principle 7 Principle 8 Principle 9	  
	2021 Results achieved - Environmental Management ✓ 90% of environmental audits were based on the environmental maturity matrix at the end of 2021 - Biodiversity and Land Rehabilitation ✓ 100% of the objectives defined within Group act4nature commitment have been fulfilled and the Group engagements for an additional midterm cycle (2021-2024) was renewed.		

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, is used to assess site level environmental performance and guide the development of action plans. To confirm compliance and conformity with regulations and Group protocols, Imerys operations are audited at regular intervals as per the Group auditing protocol. **The mid-term environmental management target 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 2021 was impacted by Covid-19 restrictions, 90% of the environmental audits that were completed were based on the environmental maturity matrix. The audits that could not be completed in 2021 shall be carried-over into 2022.

In addition to implementation of mandatory EMS requirements, which are fully aligned with international standards, the Group encourages ISO 14001 and Eco-Management and Audit Scheme (EMAS) certifications. As of the end of 2021, 122 of 247 (49%) of Group operations are ISO 14001 or EMAS certified by external certification organizations.

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

Since 2018, the Group has been progressively deploying a new integrated solution to manage environmental legal compliance and regulatory monitoring. This 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 208/247 -84% of Group sites, including France, China, Greece, Netherlands, Thailand, US and Brazil sites are covered by dedicated tools for monitoring regulatory compliance. In addition to the new solution developed at Group level, sites across Imerys use various other tools to support regulatory monitoring locally.

■ ENVIRONMENTAL INCIDENTS, 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.

	2021	2020	2019
Number of environmental incidents	7	28	14
Number of prosecutions	0	7	8
Amount of fines (€)	-	62,260	54,571

In 2021, seven environmental incidents were reported within the Group with serious or major environmental impacts based on the Group incident reporting protocol. Among the seven environmental incidents reported in 2021, 6 were categorized as serious (limited short-term harm to the environment) and one was categorized as major (longer-term harm to the environment) according to the Group reporting protocol. The incidents occurred in Brazil, France, Peru, China, and the United Kingdom, and were linked to temporary exceedance of

SOx permit threshold, accidental discharge of effluents, a small oil leak from near a fuel storage area, and an accidental recycled fuel discharge to a stormwater pond.

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

✓ For detailed information on environmental incident reporting, see [Sustainability Reporting Principles 2021](#).

■ 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

	2021	2020	2019
Number of environmental incidents related to wastewater discharge	4	10	3

Four wastewater and/or storm water discharge incidents occurred in 2021 (with limited short-term harm to the environment). They are associated with the environmental incidents described above: temporary exceedance of suspended solid discharge thresholds, which were the result of strong rain and runoff events in particular and accidental discharge of effluents.

The Group continues to explore solutions to improve discharged water quality through the introduction of new technology. 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 system, 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.

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

Waste generation and recycling

	2021	2020	2019
Total industrial waste (tons) of which:	166,173	147,471	155,815
Non-recycled hazardous industrial waste	3,717	2,141	1,952
Recycled hazardous industrial waste	1,849	891	1,175
Non-recycled non-hazardous industrial waste	99,675	83,901	92,262
Recycled non-hazardous industrial waste	60,930	60,539	60,425
Industrial waste generation/revenue (Kg/€)	0.04	0.04	0.05

The Group's activities generated 166 kt of industrial waste in 2021, 96% of which was non-hazardous. The increase in waste generation is primarily due to an increase in production.

The industrial waste generation rate per Euro of revenue was 0.04 kg/€ in 2021. 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 33 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_x) and sulfur dioxide (SO₂). The Group emission estimation methodology is described within a dedicated energy, emissions & production reporting protocol.

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

Group SO₂ and NO_x emissions

(tons)	2021	2020	2019
Sulfur dioxide (SO ₂)	3,357	2,509	3,853
Sulfur dioxide generation/revenue (tons/M€)	0.77	0.66	0.88
Nitrogen oxide (NO _x)	5,800	5,126	5,945
Nitrogen oxide generation/revenue (tons/M€)	1.32	1.35	1.37

The Group SO₂ and NO_x emissions increased in 2021 relative to 2020 as a result of a return to pre-covid operational activities.

The Group continues its efforts to reduce both SO₂ and NO_x 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 the Zhejiang site in China. In addition to a reduction in CO₂ emission associated with the project, particulate NO_x and SO_x emissions decreased by 24 and 72 tons respectively.

3.6.1.2 NATURAL RESOURCES EFFICIENCY

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

■ MINERAL RESOURCES OPTIMIZATION

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

In 2019, the Group updated the maturity matrices used to audit mineral assets. These matrices now focus on "Mineral Resources" and "Mineral Reserves" and are used to audit sites on a three to five year-cycle. As with other matrices in the "I-Cube" program are used to drive continuous improvement and the development of action plans. Mineral resources and mineral reserves reports are aligned with the PERC⁽¹⁾ 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⁽²⁾.

Opportunities to optimize mineral resource consumption are identified continuously during the implementation process of the "I-Cube" program and through other ongoing initiatives, including the Group SD Challenge. The Group is constantly seeking to develop ways to create a more sustainable, circular value chain and still produce high-performance end-products for customers. An example of this approach is demonstrated by four sites in the United Kingdom, which have recovered an

estimated of 1.2 ktpa by applying dust and clay recovery management techniques, or the Mica recovery beneficiation process created in Kings Mountain (US), which increased mica recovery from 66% in 2014 to 84% in 2020. Similar projects are being investigated and developed in other areas across the Group.

Furthermore, the Group continues to identify opportunities across its markets where it is able to introduce reclaimed raw materials within existing product solutions in substitution of virgin raw materials.

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⁽³⁾. While recycling rates of industrial minerals are relatively high, the Group is committed to continue to identify recycling opportunities and assess circular economy solutions, recognizing the global need to produce with less, for longer and smarter.

✓ For more information on Mineral Reserves and Resources, [see 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.

(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.

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

Group water consumption

	2021	2020	2019
Total water withdrawals ⁽¹⁾ (millions of liters)	57,253	37,472	40,796
Water withdrawn/revenue (liters/€)	13.1	9.9	9.3

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

Total water withdrawals reported in 2021 increased relative to 2020 due to a series of factors. Firstly an increase in production activities of 12.4% resulted in higher water consumption on certain sites. Furthermore, in 2021 several sites installed new water meters thereby extending the number of sites able to report on water withdrawal. The roll-out of the Group's new environmental reporting protocol and associated reporting tool extended the scope of water consumption monitoring and reporting obligations with the aim to increase water consumption reporting accuracy, but this extension of reporting scope makes comparison with previous years difficult.

The top 10 water users in the Group account for approximately 50% 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.

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

baseline assessment results, the current risk of water stress linked to resource access concerns 75 Imerys sites. They are located on the West coast of America, in South Africa, India and around the Mediterranean basin. Among them, only 12 have medium (> 100,000 m³) to high (> 1 Mm³) water consumption. The sites have been defined as the priority for efforts to reduce water consumption. Furthermore, the Group roll-out of the new environmental reporting tool in 2021 will continue 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 Thabazimbi (South Africa), where water is essential for mineral processing but the operations are located in an area where water scarcity is an important challenge. The plant identified as a major improvement opportunity the implementation of a thickener that will enable the operation to recycle directly the water in the plant thereby preventing significant reduction of water loss from evaporation and seepage. An estimated 347,000 m³ of water has been saved since the project's launch in 2020.

Group water recycling

	2021	2020	2019
Total water recycled ⁽¹⁾ (millions of liters)	37,869	34,937	42,271
Number of sites reporting recycled water	64	54	57
Recycled water rate ⁽²⁾	0.40	0.48	0.51

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

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

3.6.1.3 BIODIVERSITY AND REHABILITATION

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

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

Starting in 2017, the Group began performing a new assessment of the biodiversity issues associated with its operations, in collaboration with key stakeholders based on the EBEvie⁽¹⁾ 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⁽²⁾, 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⁽³⁾ initiatives that have been launched by "Entreprises pour l'Environnement" (EpE)⁽⁴⁾ 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 2021, the Group has completed 100% of the objectives defined in 2018. At the end of 2020, as 93% of the objectives had already been achieved, Imerys anticipated the renewal of its commitment to act4nature International for a second phase (2021-2024) and likewise renewed the Group's scientific partnership with UMS Patrimoine Naturel for an additional three-year cycle (2021-2024). Throughout 2022 and beyond, Imerys will work to fulfill its commitments under act4nature.

Within the context of act4nature, member partners have established ten common commitments to engage businesses to include biodiversity in their global development strategy. As a member of act4nature, Imerys renewed its signature related to the ten common goals and articulated its own program into 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 toward each of the specific commitments made. Progress towards the 2021-2024 commitments made under act4nature are summarized below.

✓ For more information on Imerys' 2018-2021 act4nature commitments, [see www.act4nature.com](http://www.act4nature.com).

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

■ CONTINUOUSLY IMPROVE IMERY'S ENVIRONMENTAL STRATEGY AND SCIENTIFIC EXPERTISE

In line with the commitments established and in order to ensure the continued integration of biodiversity stakes within Group operations, the Sustainability Committee ensures formal oversight of Imerys' biodiversity performance, where progress is reviewed quarterly. In addition, a dedicated Steering Committee with the French National Museum of Natural History (MNHN) has been established to govern the activities undertaken within the scientific partnership.

The diversity of Imerys' activities and geographic location translate into very diverse ecological, regulatory and maturity contexts depending on the site. In close collaboration with the MNHN, key tools are being developed to evaluate, integrate and monitor the operational management of biodiversity in quarries and plants. In 2021, the Group began the roll-out of a new environmental protocol governing biodiversity management across Imerys sites. The protocol outlines the management system requirements for taking into account all the impacts of Group operations on natural habitats, fauna and flora, at all sites and in all stages of a plant and/or mine life cycle with the ultimate goal of no-net-loss of biodiversity. **By the end of 2022, the Group aims to ensure that 100% of Group sites with quarries or mines will have defined a Biodiversity Action Plan in line with the requirements of the Group biodiversity protocol.**

Working together with partner UMS Patrimoine Naturel⁽⁵⁾ Imerys co-developed internal guidelines that outline the actions to be implemented to ensure the protection of biodiversity throughout the life of Group quarries. In addition to the protocol, and supporting guidelines, Imerys designed a maturity matrix that aims to support sites in the assessment of their environmental performance.

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

■ IMPLEMENT ACTIONS AIMED AT REDUCING THE MAJOR CAUSES OF BIODIVERSITY LOSS IN THE WORLD

The mapping of biodiversity stakes associated with Imerys operations is a fundamental starting point within the Group's biodiversity roadmap. The Group's approach to preserving biodiversity is based on the Mitigation Hierarchy⁽¹⁾, which is a stepwise analysis that aims to avoid a net loss of biodiversity, manage biodiversity impacts and avert risk (avoid or prevent, minimize, rehabilitate, offset).

Since 2019 Imerys has been collecting ecological data from its sites in France to assess the challenges and their ecological quality, as well as their potential to promote local fauna and flora. Imerys has completed sensitivity mapping for all Group quarries across the world using the World Database of Protected Areas⁽²⁾. In addition, the French National Museum of Natural History has developed a multi-criteria tool to evaluate the sensitivity of Imerys' French sites at a territorial scale.

The Group continues to work to integrate prevention and control measures on Invasive Alien Species (IAS) and privilege the use of native species for revegetation. The management of IAS as well as efforts to reduce chemical inputs are integrated in the environmental management system protocols, guidelines and maturity matrix described above.

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

Contributions to scientific biodiversity research and development projects are key to addressing the global threats to biodiversity and Imerys is committed to supporting these efforts. Imerys deployed three pilot projects across 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.

The French National Museum of Natural History carried out "Évaluation de l'équivalence écologique" (ECOVAL) analysis on three Group sites. This project assessed the effectiveness of offset areas. Supported by its partner MNHN and local environmental experts, Imerys has begun to test an Ecologic Quality Index methodology on two sites in France.

■ RAISE AWARENESS, TRAIN AND INVOLVE INTERNAL AND EXTERNAL STAKEHOLDERS

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

To support the objective to avoid a net loss, prevent and avoid negative impacts, Imerys continues to train staff on the application of the mitigation hierarchy in the preservation of biodiversity. A new digital training course on biodiversity was launched within the Learning Hub. The course was mandatory for all Senior Managers as well as specific function and operational teams, and was also made openly available to all other employees. The main objective of the module is the understanding of the impacts of Imerys' activities on biodiversity and gain insight into the strategy and actions implemented.

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

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 2021, the number of biodiversity initiatives in the SD Challenge competition has doubled compared to 2020, achieving 27 submissions. In addition, a special Arts for Biodiversity category was also added to the competition this year for the first time. The category highlighted the biological natural heritage of Imerys' surroundings and the importance of caring for our planet, which the employees, Imerys subcontractors and employee families highlighted through 250 photographs and 252 children drawings.

Furthermore, as a result of the scientific studies undertaken in collaboration with partners on Imerys sites, 1,935 data entries on biodiversity were published in The National Inventory of Natural Heritage⁽³⁾, thereby contributing to the dissemination of biodiversity data.

✓ For more information about the "Safety Connect Day", see section 3.5.1.1 of the present chapter.

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

(2) 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).

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

3.6.2 CLIMATE CHANGE

Imerys' Commitment	Mid-term sustainability 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	- Climate Change Strategy - Reduce Group scope 1 & 2 greenhouse gas emissions by 36% relative to revenue ($tCO_2eq/M€$) by 2030 - Engage 71% of suppliers by spend to have science based targets by 2023	Principle 7 Principle 8 Principle 9	
	2021 Results achieved - Climate Change Strategy ✓ Group scope 1 & 2 greenhouse gas emissions reduced by 23% relative to revenue ($tCO_2eq/M€$) compared to 2018 base year at the end of 2021 ✓ Group suppliers with science based targets represent 26% by spend at the end of 2021		

Imerys recognizes that climate change is a global, systemic, and urgent challenge. In 2017, on the occasion of the international One Planet Summit, the Group became a signatory of the French Business Climate Pledge. In 2021 Imerys remains fully committed members of The [French Business Climate Pledge](#)⁽¹⁾. 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.

Since the end of 2017, the Group has been working to address climate change as a priority theme within the SustainAgility program. The Group created a cross-functional working group to complete a comprehensive climate change benchmark, assess risks and opportunities as well as current CO₂ footprint of the Group, and define relevant KPI and targets. A second cross-functional working group was created in 2021 to focus specifically on an updated climate risk and opportunity scenario analysis. 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⁽²⁾, 2⁽³⁾ and 3⁽⁴⁾ emissions reduction targets, which have all been approved by the SBTi.

The Group has aligned its 2021 climate disclosure with the Recommendations of the TCFD⁽⁵⁾. For the past 14 years, Imerys has participated in the CDP⁽⁶⁾. The Group 2021 CDP performance score is ranked as Level B, which places the Group in the second highest band, corresponding to management of climate issues in a concrete and systematic way. Imerys' comprehensive climate reporting through the CDP is publicly available.

✓ For more information on Imerys reporting alignment with the TCFD, [see section 3.8 of the present chapter](#).

✓ For more information on Imerys' climate specific reporting, [see Imerys' 2021 CDP report](#).

3.6.2.1 CLIMATE CHANGE STRATEGY

■ GOVERNANCE

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

The Board oversight is complemented by the inputs of the Chief Executive Officer, the Executive Committee and the Sustainability Committee. The latter's mission is notably to establish the level of the Group's commitment, initiate and review climate-related risk and opportunity assessments, steer the climate change strategy development and monitor progress on implementation. Each member of the Executive Committee has oversight of the climate-related risks and opportunities under their responsibilities, including but not limited to the Chief Financial Officer, responsible for ensuring the integration of climate risks and opportunities within Group financial planning and monitoring, the Chief Industrial Officer, responsible for integrating climate-related considerations within operations and purchasing processes, and the Senior Vice Presidents, responsible for managing climate-related risks and opportunities within their Business Areas. To support the Group's shared decarbonization ambition, part of the individual variable compensation Executive Committee, senior managers and many functional and operational managers are linked to the Group performance against internal energy efficiency and CO₂ emission reduction KPIs.

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

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

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

(4) 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.

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

(6) 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.

■ STRATEGY

The principle climate-related risks and opportunities identified are associated with transitional risks linked to current or emerging regulatory requirements, increasing tax or carbon quotas, or costs of raw materials in the market, and shifting customer preference, which may lead to the growth of existing products and services with lower emissions options and/or opportunities for new products and services. The Group is likewise exposed

to physical risks due to climate change. The type and level of each risk determines the management method to mitigate, transfer, accept, adapt or control. These material risks and opportunities, their potential impacts as well as how they are taken into consideration within the business strategy and financial planning are described in the following sections.

Climate change opportunities

Primary climate-related opportunity driver	Impact of climate-related opportunities and resilience of Group strategy
Development and/or expansion of low emission goods and services	An assessment of climate-related risks and opportunities of the Group's products and markets has been conducted covering more than 80% of Imerys revenue in order to identify and quantify the main risks and opportunities (increase of volumes, better sales point) in the perspective of a low-carbon economy. Based on the results of the study, the expansion of a low-carbon economy would have no or a very limited impact on many of the products manufactured by Imerys. Some products, which represent approximately 25% of consolidated revenue, serve markets which offer a significant opportunity and largely offset industries where potential climate-related risks on demand have been identified. Performance Minerals are relatively low carbon products as most of them require a limited energy processing before being delivered to the market. Their various physical properties enable them to compete with chemical-based products in many applications. Among the main markets addressed by Imerys, plastics for automotive and life sciences for agriculture present significant climate opportunities for Imerys products. The drive towards a more circular economy is also providing opportunities across markets for Imerys products that can favor recycling of applications. Imerys' graphite and carbon product offering is driven by the strong growth of the electric vehicle automotive market, mainly for Li-Ion batteries but also for thermoplastics that represent great climate opportunities, combined with other mobile energy opportunities in electricity and energy storage. The calcium aluminate cement products within the Group portfolio likewise contribute to improve the CO₂ performance of building materials during the 'use phase' in the construction market (doubling lifetime or requiring less material). The large diversity of the Group's markets and locations as well as its customer-centric and market-driven organization are considered strengths and decrease the dependency on specific markets and allows an easy adaptation to market evolutions. In addition, Imerys has launched its SustainAgility Solutions Assessment framework, which is embedded in all Group processes and has been designed in line with the World Business Council for Sustainable Development (WBCSD) guidelines for Portfolio Sustainability Assessments (PSA), so as to objectively measure the sustainability of Imerys current portfolio, identify their environmental and social impacts and help continue to steer the Group portfolio towards low-carbon solutions.
Development of new products or services through R&D and innovation	In addition to the opportunities for the development and expansion of existing low emission goods and services quantified above, the Group has identified opportunities linked to the innovation of new products beyond the current portfolio. These latter opportunities, while identified, have not yet been quantified. The Group has positioned innovation at the heart of its strategy and an effective way to address risks and opportunities for its operations and portfolio related to climate change. Imerys SustainAgility Solutions Assessment framework is embedded within the innovation process, thereby ensuring that all projects in the innovation pipeline are thoroughly reviewed against defined environmental criteria, including climate change prior to approval. The Group targets 50% of new product launches as 'SustainAgility Solutions' by the end of 2022, meaning a product in a given application that brings high social and environmental contribution to the downstream value chain and, at the same time, demonstrates a low environmental impact in its production phase. Innovation in this context includes Imerys' investment in adequate technology, development of new products to meet market needs and investment in industrial facilities using new manufacturing processes or new product lines. The Science & Technology (S&T) experts and specialists of the Group develop innovative solutions and products based on identifying the global megatrends, the expectations the customers need, including developing solutions that support the transition to a low-carbon economy.
Use of more efficient production processes	All initiatives linked to energy-efficiency are gathered together into the I-Nergize program, which aims to save energy and reduce carbon emissions on-site. A three years roadmap of various type actions is defined after an assessment for each site. The I-Nergize program includes on-site assessments and action plans (including 66 sites by 2023, representing 80% of consolidated energy consumption), a People Academy that helps develop the skills and competencies to support the assessment teams and standard reporting of results. The potential financial impact of the use of more efficient production and distribution processes has been taken into account as a mitigation lever in the net financial impact of the climate-related transitional risks linked to emerging regulations with carbon pricing mechanisms reported below.

Climate change risks

Transitional risks & primary climate-related risk driver	Impact of climate-related risks and resilience of Group strategy
Industrial risk and emerging regulations with carbon pricing mechanisms	Imerys has estimated that the negative net financial impact of the climate-related transitional risks on its current EBITDA in 2030 (after taking into account industrial mitigation actions, like energy efficiency and use of lower-emission sources of energy mentioned in the Opportunities section but before positive impact of commercial and marketing initiatives and increased demand for products and services) is between €15 million (for the Current Policies Scenario) and €83 million (for the Sustainable Development Scenario). This represents an estimated net financial impact range between 2% and 11% of the current EBITDA (2021) of the Group. It is important to note that this estimate does not take into account other mitigation levers such as proactive actions that the Group is already implementing and will accelerate for tackling climate change and adapting its commercial strategy, which are expected to offset this risk. To build resilience to climate change within the Group strategy, Imerys has defined its Scope 1 and 2 emission reduction target aligned with a 2°C trajectory, which have been validated as such by the SBTi. The Group has also launched a dedicated energy efficiency program “I-Nergize”. Imerys carries out a centralized monitoring to evaluate its CO₂ position in the EU-ETS. All of the Group EU ETS concerned sites are integrated into I-Nergize. For some of the sites under the EU ETS that generate process emissions, the Group is investigating carbon capture and storage of CO₂. A short-term milestone is a proven technology feasibility to reduce CO₂ emissions by working on a mineralization route that will allow the formation of stable minerals and a long-term solution is to trap the carbon. Furthermore, the Group applies an internal carbon price (set at €80/tCO₂eq) for all energy-related projects and capital expenditure (CAPEX) projects impacting CO₂ emissions by plus or minus 1,000 tons (for projects over €150,000). Likewise, an evaluation of the CO₂ impact is integrated into all merger, acquisition and divestiture activities of the Group. Additional details on the Group’s roadmap to achieve the targets set are provided within this chapter.

Physical Risks & primary climate-related risk driver	Impact of climate-related risks and resilience of Group strategy
Chronic physical risk due to changes in precipitation patterns and extreme variability in weather patterns	At the 2050 horizon under moderate (RCP 4.5 – 6) and high scenarios (RCP 8.5), the risk of water stress linked to the resource access will increase for 25 of the sites where actual risks of water stress have been mapped and 12 additional sites could have an increase of drought occurrence. The estimated impact of this risk is between 0 and €4 million. To respond to this risk, for the sites located in water scarcity area according to the assessment, Imerys has defined specific requirements including the establishment of a comprehensive Water Management Plan (WPA) which includes a description of current water use, water balance analysis, water accounting, water risk assessment and pertinent action planning to manage high priority water issues. In addition, various Imerys’ sites have implemented projects linked to water recycling or water efficiency, within the context of the Group’s continuous improvement program.
Acute physical risk due to increased severity and frequency of extreme weather events such as cyclones and floods	Flooding At the 2050 horizon under a moderate scenario (RCP 4.5 – 6) and a high scenario (RCP 8.5), the risk of flooding will increase for Group sites where a risk of flooding already exists. This increase, however, is only to a low to medium extent. The projected change in flood occurrence will significantly increase for one site located in China. Cyclones 17 Imerys sites are exposed to a high risk of tropical cyclones. They are mostly located in South-East Asia, and in the US. In 2050 under a high scenario (RCP 8.5) the sites at risk remain the same but the risk level increases for wind and flood hazards, which may increase the financial impact. The estimated impact of these risks is between 0 and €2 million. Regarding the management of risks which can cause property damage and operating losses associated with extreme climatic events, a specific process has been put in place by the Industrial Risk and Insurance Departments with the support of an insurance company renowned for its expertise in loss prevention engineering. The process integrates a study of the vulnerability of industrial sites to extreme weather events and natural disasters. These Group industrial sites are regularly inspected. The risk prevention program is supplemented by an interdisciplinary working group tasked with identifying and prioritizing key industrial risks and defining risk prevention plans. In addition, Imerys conducts a Business Continuity Planning (BCP) exercise focusing on the most important Imerys assets in terms of contribution to the Group gross margin. Every year 3 to 5 sites are selected to perform a BCP in order to carry out a Business Impact Analysis that identifies and evaluates potential effects of events on operations which includes the implementation of appropriate recovery plans.

✓ For more information on Imerys’ climate risk and scenario analysis, [see Imerys’ 2021 CDP report](#).

In 2021, Imerys reiterated its confidence in its decarbonization

roadmap by linking its financing strategy to its sustainability ambitions. Imerys became the first industrial minerals and mining company to include Sustainability-Linked Bonds (SLBs) in its financing strategy through the issuance of an SLB for €300 million. The Group published its sustainable finance strategy within its Sustainability-Linked Financing Framework. For its first Sustainability-Linked Bond, Imerys' used its SBTi approved target to reduce greenhouse gas emissions by 36% relative to revenue (tCO₂/M€) by 2030 from a 2018 base year as a Specific Performance Target (SPT) and likewise set an intermediate SPT to reduce its greenhouse gas emission intensity by 22.9% by the end of 2025. The Group's sustainability program, as well as KPIs and action plans to achieve them, were thoroughly reviewed by an independent third-party auditor, Cicero Shades of Green, who issued a Second Party Opinion (SPO) confirming alignment with the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (SLBP).

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

- ✓ For more information on Imerys' 2021 Sustainability-Linked Bond, [see www.imerys.com](http://www.imerys.com).
- ✓ For more information on climate risks and opportunities in Group financial planning, [see chapter 6, note 4 Estimates and Judgements of the Universal Registration Document](#).

■ RISK MANAGEMENT

A preliminary identification of climate change risks to which the Group is exposed was conducted in 2018 following a "stress-test" methodology. In 2021 this initial study was updated, including a stress test and scenario analysis based on the International Energy Agency's 2019 World Energy Outlook Report⁽¹⁾. The risk and opportunity scenario analysis covered transitional risks (industrial risks, market-related risks and opportunities) as well as physical risks. These studies assessed the financial exposure of the Group *versus* a combination of three time horizons (2030, 2040 and 2050) and three International Energy Agency's scenarios.

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

Industrial risk assessment

Policies designed to limit climate change are likely to vary widely by sector and country as governments chart a course to implement their Nationally Determined Contributions (NDC) to reduce emissions. Imerys operates nearly 250 industrial sites across 40 different countries and as such is exposed to a range of climate change regulations such as carbon taxes, emissions trading schemes and other fossil fuel taxes, designed to increase the cost of greenhouse gas (GHG) emissions and stimulate action by the private sector to reduce emissions. Based on the energy intensity per energy source and carbon intensity per carbon scope associated with Group operations, the risk was quantified for 2030 and 2040 for each of the 3 IEA scenarios. The assessment presents the intrinsic risks as well as the net risks for the Group's EBITDA while considering i) the projected evolution over time of the energy and CO₂ prices and ii) the mitigation measures such as emission reduction towards the SBTi validated targets and increased energy efficiency.

Transitional market risk and opportunity assessment

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

Physical risk assessment

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

The results of the climate risk and opportunity scenario analysis were used as primary input information within the Group's overall risk management approaching, which was reviewed in 2021 and is presented in [chapter 2, sections 2.1.2 of the Universal Registration Document](#).

(1) The International Energy Agency is an autonomous intergovernmental organization established in the framework of the Organisation for Economic Co-operation and Development in 1974. The World Energy 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.

■ METRICS AND TARGETS

Imerys signed up to the Science Based Targets initiative (SBTi)⁽¹⁾ 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⁽²⁾ committing to reduce Scopes 1 and 2 emissions by 36% relative to revenue by 2030 (from a 2018 base year) and for Scope 3 indirect emissions engaging with its suppliers to align with a science-based low-carbon trajectory by 2023.** At the end of 2021, Scope 1 and 2 emissions relative to revenue decreased by 23% from the 2018 base year, while 26% 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.

Scope 1 and 2 Emissions

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 the Group's 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 as well as investing in research to reduce process-related emissions.

Energy efficiency

Imerys has an operational energy demand, especially in its mineral transformation processes that use thermal technologies and its quarrying activities that use heavy equipment. Energy efficiency improvement makes it possible to use less energy to achieve the same level of productivity and consequently to contribute to climate change mitigation efforts. The Group energy efficiency strategy is based on three pillars from Group to plant level: management system, technical performance, and behavior. The management system structures the vision, objectives, performance tracking, policy and procedures. Technical performance is driven by asset optimization, operational performance as continuous improvement and technology change. Behavior is about awareness and the promotion of

energy efficiency, which is reinforced with training, seminars, knowledge base sharing and a dedicated energy efficiency community.

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

In 2019, the Group launched the "I-Nergize" program to focus on evaluating sites energy performance and improve energy efficiency, with a particular focus on top 66 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 was impacted by Covid-19 travel restrictions, at the end of 2021, 19 sites have been assessed as of the end of 2021. These assessments have identified 60 kt of CO₂ that may potentially be saved.

Energy-related digital training modules are available within the Learning Hub to provide an overview of Imerys' energy strategy as well as knowledge and awareness on energy efficiency. In addition, internal knowledge databases have been created on Dryers, Rotary Kilns, Motors and Ball Mills to promote the best practice of industrial energy efficiency on key equipment used in Imerys. The Group has also conducted 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.

(1) The Science Based Targets initiative collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC) supports companies to set targets consistent with limiting global warming to well below 2°C.

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

Total energy consumption and breakdown by energy source

	2021 ⁽²⁾	2020 ⁽³⁾	2019 ⁽³⁾	2018 ⁽³⁾
Total energy consumption⁽¹⁾ (MWh)	9,088,989	8,159,406	9,234,462	10,916,835
of which total renewable energy consumption (MWh)	436,940	-	-	-
Electricity	30.4%	29.5%	29.0%	27.7%
of which renewable electricity	2.3%	-	-	-
Steam	2.1%	1.8%	2.0%	1.7%
of which renewable steam	30.5%	-	-	-
Hot water	0%	<0.1%	<0.1%	<0.1%
Natural gas	38.4%	41.1%	39.0%	41.5%
Other fossil fuels	25.6%	24.6%	27.3%	26.7%
Biofuels ⁽⁴⁾	3.5%	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.

(2) In 2021, a new energy and environmental reporting tool was deployed. This new tool was structured to facilitate the reporting of renewable energy indicators across the Group, as such 2021 is the first year that such data has been reported.

(3) Energy consumption from electricity and steam are reported separated, where previously they were combined.

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

The overall change in energy consumption between 2020 and 2021 is linked to an increase in production, with a total volume increase of 12.4% year-on-year in 2021. While total energy consumption increased with increased production, the percentage of natural gas and other fossil fuel consumed within the Group's total energy consumption continued to decrease in line with the Group's decarbonization efforts.

Renewable energy

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 2021, 150 kt of CO₂ emissions were avoided in the eight different countries for Imerys sites that use low carbon power: United Kingdom, Brazil, United States, India, Australia, Belgium, Austria and Slovakia.

	2021	2020	2019
Total renewable energy consumption (MWh)	436,940	-	-
Renewable electricity	14.5%	-	-
Biofuels	72.1%	-	-
Renewable Steam	13.3%	-	-

In addition to the low-carbon power described above, the Group also has 15 renewable energy installations on-site that have been developed across Group sites: seven in the United Kingdom, seven in France, one in United States, accounting in total for 60 MW installed. These on-site installations provide renewable electricity to the local grid. The produced renewable energy from these installations is not reflected in the reported energy or CO₂ data consolidated.

✓ For additional details on Imerys energy reporting methodology, see [Sustainability Reporting Principles 2021](#) 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, olive seeds and peanut hulls. The most recent project ongoing in Andersonville in the US, is introducing waste ground peanut 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 to 44% fossil fuels, which is expected to reduce around 3% of the Group's total CO₂ emissions per year. Similar feasibility studies have been launched for other sites.



Greenhouse Gas emissions data

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 CO₂ (e.g. decarbonation 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 2021, a new energy and environmental reporting tool was deployed. This new tool was structured to facilitate the reporting of market-based greenhouse gas emissions as well as location-based greenhouse gas emission reporting. The new tool was also structured to facilitate increased data reporting accuracy for renewable energy. With the design and

implementation of the new reporting system, all emission factors used for the calculation of greenhouse gases were updated. The updated emission factors are based on the updated Environmental Protection Agency (EPA), International Energy Agency (IEA) and Emissions and Generation Resource Integrated Database (eGRID) databases each year from 2018 onwards. As a result of this update, and in line with the [Group GHG Recalculation Policy](#), the change in calculation methodology triggered the recalculation of the 2018 base year. For 2018, 2019 and 2020, all the Scope 1 emissions for each year have been recalculated using the most recently available fuels emission factors from the EPA. The location-based Scope 2 emissions have been recalculated each year using the available emission factors at the start of that given year. For 2021 for the market-based reporting, the emission factor provided by the supplier has been used.

Historical data as reported within the 2020 Universal Registration Document and recalculated data are presented below for comparison.

Group Greenhouse Gas emissions

(thousands of tons CO ₂ equivalent, kt)	2021 ⁽¹⁾	2020 reported	2020 restated	2019 reported	2019 restated	2018 reported	2018 restated base year
Scope 1 CO ₂ emissions	1,597	1,510	1,492	1,740	1,738	2,207	2,186
Scope 2 CO ₂ emissions	851	984	849	1,103	983	1,214	1,135
Total CO₂ emissions (Scope 1 and Scope 2)	2,447	2,494	2,341	2,843	2,721	3,421	3,320
Energy	84.5%	86.7%	85.8%	87.3%	86.7%	84.1%	83.6%
Processes	15.5%	13.3%	14.2%	12.7%	13.3%	15.9%	16.4%
Revenue (M€)	4,383	3,799	3,799	4,354	4,354	4,590	4,590
CO₂ emission/revenue (ton CO₂e/M€)	558	657	616	653	625	745	723
Change relative to 2018 base year	-23%	-12%	-15%	-12%	-14%	-	-

(1) In 2021 a new environment and energy reporting tool was introduced, which resulted in calculation methodology changes. As per the Group GHG recalculation policy, the 2018 base year has been recalculated in line with the GHG Reporting Protocol Standard and Guidance. The recalculated 2018 base year and recalculated historical data are restated.

For 2021 the Group Scope 1 and 2 CO₂ emissions equaled 558 tCO₂e per million euros of revenue, which represents a 23% decrease since 2018 based on the recalculated base year. This decrease relative to previous years is the result of the increase in energy efficiency, the substitution of fossil fuels with biofuels as well as the improved accuracy of reporting of Scope 2 emissions in market based reporting and the integration of renewable electricity indicators.

✓ For additional details on the 2021 verification scope covering the base year recalculation, previous year emission reporting and CO₂ KPI, [see section 3.9 of the present chapter](#).

Scope 3 Emissions

Scope 3 is considered an indirect source of emissions, which based on Imerys' estimation as described below, represents about 57% of total Group emissions. Imerys is committed to address this challenge through science-based targets. The Group's main source of Scope 3 emissions is generated from the purchase of goods. **To mitigate this impact, Imerys defined a supplier engagement target to have 71% of suppliers (by spend) with science based targets by 2023**, covering Scope 3 categories such as purchased goods and services, fuel and energy related activities (not included in Scope 1 or 2), upstream transportation and distribution, waste generated in operations and downstream transportation and distribution. These categories are estimated to represent around 95% of the Group's total Scope 3 emissions. As of the end of 2021, 26% of the Group suppliers, representing approximately 450 suppliers, have science-based emission reduction targets.

Group value chain suppliers

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

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

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

Scope 3 Emission estimation

Reliable emission data from Group suppliers is not readily available; as such the estimation of Scope 3 emissions does not yet represent a full calculation of all Scope 3 emissions linked with Imerys operations. However, in order to continue to improve the quantification and to identify potential levers to reduce Scope 3 emission, in 2021, Imerys launched a dedicated project to quantify the CO₂ emitted for goods and services

purchased by the Group based on the [GHG Protocol's Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#). This quantification methodology and exercise, which covered 86% of Group purchases of goods and services data, was subsequently audited by one of the Group Statutory Auditors as per the attestation provided in [section 3.9. of the present chapter](#).

Source of Scope 3 emissions	Metric tons CO ₂ equivalent, kt	Percent of Scope 3 emissions	Emissions calculation methodology Explanation
Purchased goods and services	1,221,000	37.2%	This category includes the purchased raw materials, mining services and contracts, chemicals, packaging, personal and IT services. For raw materials, chemicals, the calculation of the CO ₂ e emissions is based on the quantity of each raw material / chemical (in tons) purchased multiplied by the corresponding Emission Factor (EF) of the raw material or chemical (i.e. kgCO ₂ e/kg raw material or chemical). For mining services and contracts, packaging, and IT services the calculation is based on the spent for each subcategory using the Carnegie Mellon EIO-LCA methodology. For professional services, the data activity was based on cost spent in 2020 and the corresponding EF was determined through the financial report of the supplier company (interim, legal services, consulting...).
Downstream transportation and distribution	750,000	22.8%	The calculation of the CO ₂ e emissions is based on the tonnage, distance and type of transport with a corresponding EF.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	422,000	12.8%	The EF of the grid losses were found in the International Energy Agency (IEA) 2017 report per country. Also a calculation of average power plant efficiency was realized in order to convert the thermal energy to thermal electricity.
Upstream transportation and distribution	405,000	12.3%	The calculation of the CO ₂ e emissions is based on the tonnage, distance and type of transport with a corresponding EF.
Capital goods	231,000	7.0%	This category includes the manufacturing, transportation, installation of equipment and services (waste is excluded and is reported in the Scope 3 waste generation category). The calculation is based on the cost of the different activities using the Carnegie Mellon EIO-LCA methodology.
Investments	205,000	6.2%	Based on the emissions of the Group's activity in two joint ventures (at 50%) and an associated company (at 25%) not accounted for in Scope 1 and 2 emissions. The GHG protocol average data method has been used. Calculations are based on Imerys' % on equity.
Waste generated in operations	28,000	0.9%	This category takes into account the industrial waste generated by Imerys
Employee Commuting	20,500	0.6%	This data is an estimate calculated using the Scope 3 Evaluator method based on the total number of Imerys' employees in 2020.
Business travel of several regional headquarters	3,900	0.1%	For the travel, the calculation of the CO ₂ e emissions is based on the distance traveled in km by Imerys employees.

Imerys is taking action to reduce Scope 3 emissions, focusing in particular on purchased goods and services, however, efforts also target other sources of Scope 3 emissions, for example the integration of an internal carbon price within capital expenditure (CAPEX) projects favors machines with greater fuel efficiency and the Group's Industry 4.0 project will help to monitor and reduce non-productive engine idling generating additional reductions in fuel consumption.

✓ For more information on Imerys' Scope 3 reporting, [see Imerys' 2021 CDP report](#).

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. The Group uses its market leading expertise, its rich history of innovation and its partnerships with customers and external institutions to create the sustainable mineral solutions and technologies of the future. These innovative solutions are in line with megatrends including climate change.

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. The availability of such information is essential to any eco-design approach, where the aim is to consider environmental aspects at all stages of the product development process and strive to develop products that have the lowest possible environmental impact throughout the product life cycle.

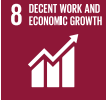
In 2021, the Group calculated 36 product carbon footprints, from cradle to gate, using the Life Cycle Assessment (LCA) approach described in [section 3.7.2.1 of this chapter](#). Often these study results are shared with customers to help encourage downstream efforts to calculate product impacts and differentiate Imerys solutions from other competitors' higher carbon products.

✓ For more information on innovation in new products and technologies, see section chapter 1, [section 1.2.2.3 of the Universal Registration Document](#).

✓ 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 sustainability 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	- Fair Operating Practices & Responsible Purchasing - Improve the external sustainability rating of the Group - Deploy a sustainability rating scheme covering at least 50% of Group suppliers (by spend) by the end of 2022		 
	2021 Results achieved - Fair Operating Practices & Responsible Purchasing ✓ The external sustainability score by EcoVadis rated 70 out of 100 placing the Group in the top 5% of companies assessed ✓ The sustainability rating scheme covers 35% of Group suppliers (by spend) at the end of 2021	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 sustainability ambition. Imerys follows the recommendations of the *AFEP-MEDEF Corporate Governance Code* applicable to French-listed companies.

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

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 sustainability policies, actions and results annually through a comprehensive EcoVadis⁽¹⁾ 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 sustainability rating based on the EcoVadis assessment and deploy a sustainability rating scheme covering at least 50% of Group Suppliers (by spend) by the end of 2022.** At the end of 2021, the Group's EcoVadis assessment results corresponded to 70 out of 100, placing Imerys in the top 5% of all companies assessed. In addition, the Group sustainability rating scheme for Suppliers based on EcoVadis was extended to cover 35% of Group suppliers (by spend) and is described in greater detail 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

misconduct, reported either *via* the alert system or other channels. The Ethics Committee meets regularly throughout the year, reviews the updated bribery and duty of care risk maps 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, under the supervision of the Ethics Committee, in order to take into account internal and external changes and developments in applicable international regulations. This Code, introduced by the Group CEO, and translated into 23 languages, applies to all Imerys employees, Imerys controlled joint ventures, and partners with whom Imerys does business.

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

The Group works continuously to strengthen its compliance, duty of care and responsible purchasing programs. The purpose of these programs is to identify risks, implement preventive measures and detect non-compliance with local and international rules and regulations related to the fight against corruption and anti-competitive behaviors, the respect of international sanctions and embargoes, and the protection of 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 programs are supported by numerous procedures linked with the Code of Business Conduct and Ethics, including but not limited to, the Group Anti-bribery policy, Antitrust policy, Data Privacy policy, Gifts and Hospitality, Conflict of Interest, Sponsorship and Charitable Donations and Stakeholder Management and Community Relations procedures. All the aforementioned policies as well as other policies and procedures clearly outline the process, reporting and necessary levels of control to ensure compliance with the procedures.

(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.

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

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

✓ For more information on the Group Code of Business Conduct and Ethics and Imerys Supplier ESG Standards, see www.imerys.com.

✓ For more information regarding Imerys Report on payments to governments in 2021, see 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 bribery and duty of care risk mapping exercise is conducted specifically to identify and assess corruption, human rights, health, safety and environmental risk scenarios, the results of which are integrated as appropriate 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 starting in 2017 to design the initial version of the 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 potential 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, sustainability, and finance within the geographic area being assessed. These first assessments confirmed the validity of the risk assessment framework in addition to generating the assessment's 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. Between 2019 and 2020 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, thereby completing the full cycle of risk mapping for the five geographic areas (Europe, North America, Asia-Pacific, South America, and Middle East & Africa). In 2021 the risk assessment was updated for South America.

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 2021, 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 evaluation of climate-related risks related to Group operations are presented in [section 3.6.2 of the present chapter](#). 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 EcoVadis Country risk score, which combines a range of indices including but not limited to the [Corruption Perceptions Index^{\(1\)}](#), [Human Freedom Index^{\(2\)}](#) and [Environmental Performance Index^{\(3\)}](#). These country risks are then assessed together with the economic weight of purchases to assess the final risk impact and exposure.

(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.

Based on the assessment of human rights, health, safety and environmental scenarios associated with Suppliers, and the country risk 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.

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 systems and processes are articulated through a series of policies, protocols and procedures based upon the ambitions and commitments expressed in The Code and the Sustainability 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 Supplier ESG 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 Supplier ESG Standards. The roll-out of these Standards shall continue over the next few years. In 2021, the purchasing organization verified over 385 suppliers to ensure the effective cascade of the Supplier ESG Standards across all purchasing categories and geographies.

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 2021, the Group redefined the process to qualify, screen and monitor Suppliers environmental, social and governance performance. The newly revisited process will be rolled out progressively based on risk level and will require 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 Supplier ESG Standards, but also to support Suppliers development and continuous improvement in ESG performance.

From mid-2020, within the responsible purchasing program the Group launched the deployment of a sustainability 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 as a priority for Suppliers regions and categories that had been assessed as higher risk during the risk mapping process described above. At the end of 2021, 35% of Group Suppliers by spend have been assessed. These assessments cover over 800 suppliers and represent all categories of suppliers, including over 40% of raw material suppliers by spend and over 30% of suppliers within priority countries.

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. Unfortunately additional training could not be held in 2021 as a result of Covid-19 restrictions, thus a new digital course developed by the UN Global Compact Academy focusing on "How Procurement Decisions can Advance Decent Work in Supply Chains" was made available in the Learning Hub.

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 Environmental Social and Governance 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 Supplier 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

Enabling stakeholders, internal and external, to safely voice concerns and having the infrastructure and support in place to hear and deal with those concerns is a cornerstone of good governance and is the core of Imerys' Code. The Group's 'Speak up!' system enables reporting via internal channels, be it via the employee's manager, HR, or other functions, or directly via a dedicated digital platform at www.speak-up.imerys.com. The Group digital 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 the Speak up! platform. Both telephone and web platform reporting are available in all main Imerys languages 24 hours per day, seven days per week. This platform safeguards confidentiality throughout the entire process.

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

✓ For more information on the Group Alert mechanism Speak up!, see www.imerys.com.

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 programs, including specific annual objectives and priorities. The Ethics Committee is responsible for the alert system and establishes a periodic assessment of all reported cases in a Compliance Report that is presented to the Audit Committee.

■ MONITORING AND EVALUATION OF THE EFFECTIVENESS OF CONTROL MEASURES

In 2021, 21 cases of suspected violations of the Group Code were reported through Speak up! Five of these cases were reported by external stakeholders. The reported cases were thoroughly reviewed and investigated as per the Group policy. Following investigation, only four of the reported cases were confirmed to be cases of violations of the Group Code. The confirmed violations related to suspicions of fraud, safety, moral harassment, and a case of non-compliance with internal policies. Once the reported cases are confirmed, appropriate remedial actions are defined, implemented and are monitored by the Internal Audit and 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. In 2021, the ICSA campaigns focused on the integration of newly acquired entities to ensure that Group control requirements were properly deployed as per Imerys requirements.

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, sustainability, Health and Safety, Mining and Resources Planning and Internal Control as described in [chapter 2, section 2.2 of the Universal Registration Document](#).

✓ For more information with regards to the requirements of the “Duty of Care” law, [see the correlation table included in chapter 9, section 9.5.5.2 of the Universal Registration Document](#).

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’s Charity and Sponsorship procedure ensures 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 2021, the SD Challenge initiatives linked to community engagement projects broke a historic record of participation with 55 initiatives submitted across 23 countries. 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 in 2021, Imerys contributed under a green electrification project to provide electricity by utilizing a nearby waterfall in an Indian tribal village composed of 52 families. In France, 65,000 m² of Imerys land was made available for the local community to use for collective gardening, involving 100 local residents. In Brazil, the reuse of pallets as raw material for the production of handicrafts generated an income for 25 women in local communities. In Thailand, Imerys provides knowledge, seeds and support for the tree nursery planted by communities and purchases trees back to plant in a rehabilitated area. This generates additional income for local

residents without having to work outside the community. In Carrara, Italy, a local school’s walls were restored after acts of vandalism and replaced with murales made by 40 students with the theme of “Bullying awareness”. Finally, charitable donations have been made to children’s cancer charities, hospices, museums, and local fire brigades in Germany, Austria, France and the UK.

Imerys employees continued to unite to support healthcare workers, neighboring organizations and members of their local communities during the Covid-19 crisis. In Katni, India, vaccination drives for more than 15,000 beneficiaries including employees, their families and local community members were organized.

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 Brazil, a partnership between Imerys and City Hall enabled the creation of a space inside a school area specifically for plantation. Around 400 students and professionals were involved in the cultivation of vegetables to be consumed within the school. In Barcarena, 45 children from the mentoring program participated in a day of joy in 2021 to encourage friendship and companionship in a Children’s Day celebration. The installation of a computer laboratory to community members in the area surrounding the Imerys Rio Capim Kaolin (IRCC) operation serves 52 young people and teenagers by classes for digital inclusion.

In addition to the direct efforts made locally through the Group operations across the world, Imerys continues to sponsor and collaborate with education partners operating in France and internationally. At Group level, partnerships have been established with [Alliance pour l’éducation – United Way](#)⁽¹⁾. Imerys is a member of the Alliance pour l’Éducation – United Way Coordination Committee together with other large French companies. In September 2017, Alliance pour l’éducation – United Way launched a new program: “Défi Jeunesse”. Built upon the framework established by the French Ministry of National Education, the program aims to support young people in secondary school through personalized training, internships, orientation sessions and discovery of the professional world. Since 2020, Imerys has collaborated with Alliance pour l’éducation – United Way to offers high school students from disadvantaged backgrounds the possibility to complete the mandatory program Stages de 3^{ème}, a work experience created by the Ministry of Education of France to provide students with the opportunity to discover the professional world, to confront the concrete realities of work, and to discover their vocational orientation. In 2021 this stage was developed virtually with the support of Imerys employees and the association Crée Ton Avenir allowing 25 students from a high-school in the Paris France area to gain insights and expertise related to professional fields linked to industrial minerals.

(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 scholarships to international students from university partners who have chosen to integrate l'École Nationale Supérieure de Géologie de Nancy (ENSG). Since 2013, 28

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 PORTFOLIO MANAGEMENT

Imerys' Commitment	Mid-term sustainability 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	- Product Sustainability - Assess Imerys Products in Application Combinations (PAC) according to sustainability criteria to cover at least 40% of Imerys product portfolio (by revenue) by the end of 2022 - Ensure at least 50% of Group New Product Developments are scored as SustainAgility Solutions⁽¹⁾ by the end of 2022	Principle 7 Principle 8 Principle 9	 
2021 Results achieved			
	- Product Sustainability ✓ Assessment of Imerys Products in Application Combinations (PAC) according to sustainability criteria has been completed for 21% of Imerys product portfolio (by revenue) at the end of 2021 ✓ 70% of assessed projects in the innovation pipeline are SustainAgility Solutions (a score of A+/A) at the end of 2021		

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

The overarching goal of Imerys' portfolio management is to identify and minimize the health, safety, environmental, and social impacts of all of Group products throughout their lifecycle, while maximizing their economic benefits and positive impacts to customers and their end consumers. Imerys is committed to the safety of its products in their intended applications and to meeting the regulatory requirements of the markets in which the Group operates, which is achieved through the Group product stewardship organization and program. Overall product stewardship governance is the responsibility of the Product Stewardship Governance Committee. The committee,

which meets on a quarterly basis, is chaired by Imerys' CEO and is composed of members of the Executive Committee as well as the Global Product Stewardship VP and functional leaders. Imerys' Product Stewardship program is delivered through a dedicated product stewardship organization.

The Group employs state-of-the-art analytical methods, equipment, and testing to ensure that product regulatory assessments and associated decisions are driven first and foremost by sound science. The Group continually evaluates testing protocols and invests in innovation in health, safety, and sustainability across product ranges, locations, and production processes to ensure continuous improvement. These measures enable the Group to produce high-quality products, meet customers' expectations and operate in a stringent, dynamic regulatory environment.

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

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

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 (PACs) against sustainability criteria, covering at least 40% of Imerys product portfolio (by revenue), and to ensure at least 50% of Group New Product Developments are scored as "SustainAgility Solutions" by the end of 2022.** As of the end of 2021, 21% of the Group portfolio by revenue has been assessed. Within the innovation portfolio, 89% of the launched projects (in 2021) have been assessed as per the methodology and 70% have been rated as SustainAgility Solutions, in the top 2 categories ranked A+ and A. As such progress towards the mid-term targets is well on-track.

Imerys launched its SustainAgility Solutions Assessment framework, which has been designed in line with the World Business Council for Sustainable Development (WBCSD)⁽¹⁾ guidelines for Portfolio Sustainability Assessments (PSA)⁽²⁾, so as to objectively measure the sustainability of Imerys products and identify their environmental and social impacts. The SustainAgility Solutions Assessment (SSA) framework provides a systematic, high quality, scientifically robust and transparent

approach to review products and services based on several criteria, ultimately scored on two factors: **Sustainable Value Creation** – the balance between the economic value created and the environmental impact and **Market Alignment** – the level of sustainability-related benefits or challenges (based on an evaluation of public data and thorough review from key stakeholders).

Within the SustainAgility Solutions Assessment framework, the Sustainable Value Creation is based on the quantification of the products' environmental footprints or eco-profiles from "cradle-to-gate", using a LCA methodology following the requirements of ISO 14040 & ISO 14044⁽³⁾. In 2021, the Group assessed 36 products, bringing the total number of product eco-profiles completed since 2018 to 113. A wide range of mineral and product families have been covered by such eco-profile assessments, including Kaolin, Refractory minerals, Talc, Perlite, Diatomaceous Earth, Mica, Carbonate, Wollastonite, Bentonite, Calcium aluminates, Tap hole clay, Refractory castables, steel casting fluxes.

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

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

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. In 2021, Imerys introduced a **Pioneer** ranking, facilitating the identification of sustainable solutions by Imerys customers and stakeholders. The Pioneer ranking aims to provide quantitative and qualitative information about the environmental and social footprint of solutions with outstanding sustainability performance, helping customers to straightforwardly consider such criteria in their purchasing decisions.

Whether it's supporting carbon-free mobile energy or sustainable construction, developing alternative packaging or more sustainable food production, or designing longer-lasting solutions to reduce materials consumption across a range of industries, the Group is continually advancing its product portfolio and assessing it against sustainability criteria to adapt

to changing customer needs. Within the context of the 2021 SD Challenge, the focus on this ambition continued to increase. A total of 32 initiatives were submitted across the Group covering a wide range of markets and final applications including bioplastics, board packaging, paint, agriculture, cosmetics, water filtration, refractories and animal feed. As an example, the winner of the product sustainability category is the recent innovation Imerloop designed for Paper & Board filler applications, which combines a mix of Post Industrial Recycled Material (PIRM) and standard ground calcium carbonates (GCC). This Pioneer SustainAgility Solution has a significantly lower carbon footprint compared to standard calcium carbonate products, providing a channel for re-using waste generated during pulp manufacturing in the form of recycled minerals.

✓ For more information on the Group strategy and growth drivers, see chapter 1, [section 1.2.2 of the Universal Registration Document](#).

(1) The WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world by making more sustainable businesses more successful.
(2) https://docs.wbcsd.org/2017/10/Framework4Port_Sustainability.pdf
(3) 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.

3.7.3 EU SUSTAINABLE FINANCE TAXONOMY ELIGIBLE ACTIVITIES

European Regulation 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment within the European Union (EU Taxonomy), and the Delegated Act supplementing Article 8 of the Taxonomy Regulation currently cover two activities of the Group: the Manufacture of carbon black (NACE CODE C20.13) and the Manufacture of cement clinker, cement or alternative binder (NACE CODE C23.51). As per Article 10 (2) of Regulation (EU) 2020/852, these activities are classified as transitional activities, in so far as they are activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. In accordance with Article 8, Imerys' 2021 disclosure covers the taxonomy eligibility of the aforementioned activities with respect to two of the six environmental criteria: climate change mitigation and climate change adaptation. For these eligible activities, the revenue, capital expenditure (CapEx) and operating expenditure (OpEx) resulting from products or services associated with eligible economic activities have been determined as per the

definitions of Annex I of the Delegated Act supplementing Article 8 of the Taxonomy Regulation ("the Disclosures Delegated Act").

Mining and quarrying (NACE CODE 07, 08, 09) and Manufacture of non-metallic mineral products (NACE CODE 23), which represent most of Imerys' activities, are not within the current scope of eligible activities addressed by the EU taxonomy. These activities are, however, within the prioritized sectors covered within ongoing work of the [Platform on Sustainable Finance](#) as they are enabling other activities to make a substantial contribution to one or more of the six objectives. Technical screening criteria for these activities do not yet exist for the environmental objectives to which these activities contribute. As such the Group's mining-related economic activity are not reflected within the financial figure presented below. These figures are likely to evolve as a function of the evolution of the eligibility scope in subsequent reporting periods. For additional details on the sustainable environmental and social performance associated with all Group activities see [section 3.5](#) and [section 3.6](#) of the present chapter.

OBJECTIVE 1 & 2 – SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION AND ADAPTATION

(€ millions)	Revenue ⁽¹⁾	CapEx ⁽²⁾	OpEx ⁽³⁾
Taxonomy-non-eligible economic activity (2021)	3858.8 (88%)	341.2 (85%)	159.2 (90%)
Taxonomy-eligible economic activity (2021)	524.1 (12%)	60.3 (15%)	16.7 (10%)
All Activities	4,382.9	401.4	175.9

(1) Revenue recognized in accordance with IFRS standard (IAS 1).

(2) CapEx constituting expenses related to eligible activities calculated based on the increases in tangible and intangible assets for the year before revaluation, Depreciation and Amortization and excluding changes in fair value and increases related to business combinations (IAS 16, IAS 38, IAS 40, IAS 41, IFRS 16).

(3) Non-capitalized direct costs related to research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures related to the day-to-day servicing of items of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

Revenue, capital expenditure and operating expenditure presented in the table above have been retrieved directly from financial statements, without statistical estimations. Revenue and capital expenditures are reported as per [section 6.1 of the Consolidated financial statements](#). The capital expenditure

reported is related to assets or processes that are associated with Taxonomy-eligible economic activities. No individual capital expenditure other than those associated with the Taxonomy-eligible economic activity reported above have been identified as of December 31, 2021.

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

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

The Group has also structured the processes for data consolidation and quality control to ensure the reliability and auditability of the reporting, including several layers of internal verifications. Under the regulatory obligations stemming from the “DPEF” law, the Group retains a third party to verify its sustainability reporting and compliance status. Deloitte provided the verification services for the 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 2021 Universal Registration Document*.

A correlation table with regards to the requirements of the “Duty of Care” law⁽²⁾ is presented in *chapter 9, section 9.5.5.2 of the 2021 Universal Registration Document*.

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

✓ For detailed information on the reporting items, frequency, scope and collection systems within the Group, *see Sustainability Reporting Principles 2021 on www.imerys.com*.

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⁽³⁾. 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.

■ 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*.

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 aluminosilicate 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 aluminosilicate 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 aluminosilicate 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.

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, 2020 are presented for the purpose of comparison. Changes in estimates of reserves and resources between December 31, 2020 and December 31, 2021 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 €419.0 million at December 31, 2021 (€425.6 million at December 31, 2020).

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, 2021 VS DEC. 31, 2020)

Product	Region	Proven	Probable	Total	Proven	Probable	Total
		2021 (kt)			2020 (kt)		
Ball Clays	Europe	2,573	9,266	11,839	2,980	8,205	11,185
	Americas	2,858	146	3,004	3,607	34	3,641
	Asia-Pacific	556	0	556	531	0	531
	Africa & Middle East	0	145	145	0	128	128
	Total	5,987	9,557	15,544	7,118	8,367	15,485
Bentonite	Europe	8,513	239	8,752	6,481	139	6,620
	Americas	0	279	279	0	295	295
	Africa & Middle East	187	43	230	156	35	191
	Total	8,700	561	9,261	6,637	469	7,106
Carbonates	Europe	1,186	16,018	17,204	0	16,812	16,812
	Americas	38,047	107,099	145,146	52,512	93,337	145,849
	Asia-Pacific	0	30,817	30,817	0	32,002	32,002
	Africa & Middle East	0	0	0	0	4,651	4,651
	Total	39,233	153,934	193,167	52,512	146,802	199,314
Feldspar	Europe	3,312	4,568	7,880	3,460	4,747	8,207
	Africa & Middle East	0	186	186	240	1,200	1,440
	Total	3,312	4,754	8,066	3,700	5,947	9,647
Kaolin	Europe	3,197	1,986	5,183	3,660	2,921	6,581
	Americas	22,889	12,990	35,879	24,574	24,938	49,512
	Asia-Pacific	306	32	338	333	37	370
	Total	26,392	15,008	41,400	28,567	27,896	56,463
Minerals for Refractories	Europe	647	5,139	5,786	772	4,956	5,728
	Americas	4,073	904	4,977	4,313	935	5,248
	Africa & Middle East	720	687	1,407	237	1,134	1,371
	Total	5,440	6,730	12,170	5,322	7,025	12,347
Perlite & Diatomite	Europe	4,340	18,463	22,803	5,015	19,135	24,150
	Americas	21,298	11,411	32,709	31,490	14,711	46,201
	Africa & Middle East	0	784	784	0	833	833
	Total	25,638	30,658	56,296	36,505	34,679	71,184
Talc	Europe	1,361	12,501	13,862	1,461	12,924	14,385
	Asia-Pacific	2,255	607	2,862	2,336	631	2,967
	Total	3,616	13,108	16,724	3,797	13,555	17,352
Other minerals	Europe	1,388	0	1,388	1,538	0	1,538
	Americas	2,147	1,311	3,458	2,429	1,562	3,991
	Africa & Middle East	0	104	104	0	0	0
	Total	3,535	1,415	4,950	3,967	1,562	0

Notes: In addition to the normal activities of production, significant changes in the Mineral Reserves occurred due to changes in mine recovery in carbonates, USA and Bentonite, Europe. In addition there were site level reassessments in filtration in USA, kaolin in Brazil, and carbonates in Europe and USA.



■ MINERAL RESOURCES ESTIMATES (AT DEC. 31, 2021 VS DEC. 31, 2020)

Product	Region	Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total
		2021 (kt)				2020 (kt)			
Ball Clays	Europe	2,828	1,617	338	4,783	6,552	1,722	1,470	9,744
	Americas	5,389	8,967	6,741	21,097	5,442	9,564	9,506	24,512
	Asia-Pacific	37	0	0	37	37	787	0	824
	Africa & Middle East	0	0	200	200	0	0	200	200
	Total	8,254	10,584	7,279	26,117	12,031	12,073	11,176	35,280
Bentonite	Europe	48,833	16,420	0	65,253	55,192	20,479	0	75,671
	Americas	378	2,040	2,849	5,267	378	2,040	2,849	5,267
	Africa & Middle East	53	1,057	303	1,413	32	1,381	273	1,686
	Total	49,264	19,517	3,152	71,933	55,602	23,900	3,122	82,624
Carbonates	Europe	0	2,741	8,470	11,211	0	3,609	8,155	11,764
	Americas	12,552	63,301	133,800	209,653	12,746	75,216	93,016	180,978
	Asia-Pacific	0	0	512	512	0	0	512	512
	Africa & Middle East	0	4,651	0	4,651	0	0	0	0
	Total	12,552	70,693	142,782	226,027	12,746	78,825	101,683	193,254
Feldspar	Europe	0	3,359	6,963	10,322	0	3,359	6,963	10,322
	Africa & Middle East	0	270	0	270	0	270	0	270
	Total	0	3,629	6,963	10,592	0	3,629	6,963	10,592
Kaolin	Europe	1,549	2,763	14,291	18,603	1,690	2,345	14,494	18,529
	Americas	20,873	73,926	38,745	133,544	22,898	71,509	32,789	127,196
	Asia-Pacific	90	1,041	36	1,167	98	1,042	36	1,176
	Total	22,512	77,730	53,072	153,314	24,686	74,896	47,319	146,901
Minerals for Refractories	Europe	134	4,345	2,936	7,415	176	4,592	2,480	7,248
	Americas	5,100	2,977	2,425	10,502	5,243	3,583	2,495	11,321
	Africa & Middle East	450	600	1,050	2,100	300	600	900	1,800
	Total	5,684	7,922	6,411	20,017	5,719	8,775	5,875	20,369
Perlite & Diatomite	Europe	5,844	12,353	48,946	67,143	4,814	13,722	50,145	68,681
	Americas	19,674	30,126	39,106	88,906	19,617	30,704	43,346	93,667
	Africa & Middle East	0	930	6,622	7,552	0	1,373	7,187	8,560
	Total	25,518	43,409	94,674	163,601	24,431	45,799	100,678	170,908
Talc	Europe	244	1,644	6,129	8,017	193	1,660	6,145	7,998
	Asia-Pacific	2,846	1,458	2,176	6,480	2,847	1,458	2,179	6,484
	Total	3,090	3,102	8,305	14,497	3,040	3,118	8,324	14,482
Other minerals	Europe	1,998	7,588	2,645	12,231	1,687	815	1,029	3,531
	Americas	6,357	27,511	67,682	101,550	6,270	27,066	70,162	103,498
	Africa & Middle East	914	599	956	2,469	914	749	956	2,619
	Total	9,269	35,698	71,283	116,250	8,871	28,630	72,147	109,648

Notes: In addition to the normal activities of exploration, resource development and transfer of resources to reserves, in 2021 there were significant changes in the Mineral Resources due to the exploration and re-modelling in carbonates, USA, kaolin in Brazil, Bentonite in Europe and Filtration in the US. Adjustments in mining and market factors have seen significant changes in carbonates in the Americas.

3.8.3 Summary of key performance indicators

The Group's SustainAgility Key Performance Indicators (KPIs) have been defined and gradually evolved in accordance with pertinent international standards and regulatory framework mentioned above. The following table summarizes the KPI results of three consecutive years (2019-2021). The perimeter of each category is Group level unless explicitly indicated otherwise.

Category	KPIs	Unit	2021	2020	2019	GRI
Empowering our people						
Safety & Health						
Mid-term 2022 objectives	Safety Culture Maturity Level	#	2.89	2.65	-	403-2
	Occupational health baseline assessment improvement	%	19.3	baseline completed	-	403-2
Fatalities	Fatalities – Imerys Employees	#	1	0	1	403-2
	Fatalities – Contractor Employees ⁽¹⁾	#	0	0	1	403-2
Life-changing injuries ⁽²⁾	Life-changing injuries – Imerys Employees	#	0	2	0	403-2
	Life-changing injuries – Contractor Employees	#	2	1	2	403-2
Lost-Time Accident rates ⁽³⁾	Imerys employees	/	1.04	1.21	1.03	403-2
	Contractor employees	/	1.30	1.12	1.34	403-2
	Combined rate (Imerys employees and Contractor employees)	/	1.12	1.18	1.14	403-2
Total Recordable Incident rates ⁽⁴⁾	Imerys employees	/	2.55	2.84	2.98	403-2
	Contractor employees	/	2.81	2.24	3.71	403-2
	Combined rate (Imerys employees and Contractor employees)	/	2.63	2.66	3.22	403-2
Severity rates ⁽⁵⁾	Imerys employees	/	0.04	0.08	0.05	403-2
	Contractor employees	/	0.04	0.05	0.06	403-2
	Combined rate (Imerys employees and other employees)	/	0.04	0.07	0.05	403-2
Occupational illnesses	Occupational illnesses with lost time	#	0	0	1	403-2
	Occupational illnesses without lost time	#	0	1	1	403-2
Human Capital						
Mid-term 2022 objectives	Females in senior management	%	26	26	-	102-8
	Diversity and Inclusion 3-year program completion	%	65	40	-	102-8
Employees	Year-to-end total headcount on payroll	#	16,908	16,437	16,305	102-8
	Full-time employees	#	16,665	16,168	16,109	102-8
	Female employees	#	2,870	2,668	2,751	102-8
	Male employees	#	13,791	13,500	13,358	102-8
	Part-time employees	#	287	269	373	102-8
	Female employees	#	186	185	209	102-8
	Male employees	#	101	84	164	102-8
	Permanent employees	#	15,572	15,270	15,023	102-8
	Female employees	#	2,671	2,602	2,559	102-8
	Male employees	#	12,901	12,668	12,464	102-8
	Fixed-term contract	#	1,336	1,167	1,282	102-8
	Female employees	#	293	251	262	102-8
	Male employees	#	1,043	916	1,020	102-8
	External employees (Full-Time Equivalent)	#	5,958	4,790	6,205	102-8

Category	KPIs	Unit	2021	2020	2019	GRI
Employees by region	Europe	#	8,142	7,481	7,781	102-8
	Permanent employees	#	7,536	7,051	7,272	102-8
	Fixed-term contract	#	606	430	209	102-8
	Of which France	#	2,106	2,008	2,080	102-8
	Permanent employees	#	1,967	1,923	1,980	102-8
	Fixed-term contract	#	138	85	100	102-8
	Americas	#	4,343	4,211	4,213	102-8
	Permanent employees	#	4,326	4,208	4,186	102-8
	Fixed-term contract	#	17	3	27	102-8
	Asia-Pacific	#	3,740	3,740	3,543	102-8
	Permanent employees	#	3,163	3,164	2,969	102-8
	Fixed-term contract	#	577	576	574	102-8
	Africa & Middle East	#	683	1,005	768	102-8
	Permanent employees	#	547	847	59	102-8
	Fixed-term contract	#	136	158	172	102-8
Employees by function	Administration & Support	#	589	599	645	102-8
	Business Planning & Supply Chain ⁽⁶⁾	#	1,085	1,077	1,022	102-8
	Finance	#	908	893	853	102-8
	General Management	#	63	30	33	102-8
	Human Resources	#	353	329	323	102-8
	Innovation / S&T	#	372	394	350	102-8
	IT & Business Process	#	311	285	269	102-8
	Legal	#	49	56	71	102-8
	Operations	#	11,815	11,458	11,349	102-8
	Sales & Marketing	#	1,363	1,281	1,372	102-8
	Strategy / Business Development ⁽⁷⁾	#	-	35	18	102-8
Employees by Business Segment	Performance Minerals	#	7,964	7,630	7,696	102-8
	Americas	#	3,178	3,020	3,081	102-8
	Asia-Pacific	#	1,526	1,518	1,504	102-8
	Europe Middle East and Africa	#	3,256	3,092	3,111	102-8
	High Temperature Materials and Solutions	#	6,980	6,893	6,764	102-8
	High Temperature Solutions	#	2,815	2,837	2,633	102-8
	Refractory, Abrasives & Construction	#	4,165	4,056	4,131	102-8
	Ventures & Partnership	#	12	7	37	102-8
	Group ⁽⁸⁾	#	1,956	1,907	1,808	102-8
Employee moves	Net variation of permanent employees (excluding acquisitions and divestitures)	#	315	(258)	(828)	401-1
	External recruitments	#	2015	1,157	1,003	401-1
	Mutual agreements	#	(180)	(282)	(133)	401-1
	Redundancies (economical & non-economical)	#	(496)	(499)	(753)	401-1
	Retirements	#	(280)	(238)	(301)	401-1
	Voluntary terminations & others	#	(908)	(592)	(928)	401-1
	Turnover	%	5.8	3.9	5.9	401-1
	Net variation of temporary employees (excluding acquisitions and divestitures)	#	169	(171)	(207)	401-1
	Acquisitions – Divestiture	#	(13)	561	(361)	401-1

Category	KPIs	Unit	2021	2020	2019	GRI
Absenteeism	Total absenteeism rate	%	3.2	3.1	3.0	403-2
	Absenteeism rate by geographical region					
	<i>Europe</i>	%	4.8	4.9	4.4	403-2
	<i>Americas</i>	%	1.8	1.7	1.4	403-2
	<i>Asia-Pacific</i>	%	1.4	1.1	1.6	403-2
	<i>Africa & Middle East</i>	%	3.0	1.9	2.0	403-2
Human rights and Labor Practices	Employees under collective bargaining agreement	%	73 ⁽⁹⁾	73	68 ⁽⁹⁾	
Talent and Skills Management	Employees with regular performance and career development reviews	%	36	36	35	404-3
	Employees who received training at least once in the reporting year	#	15,747	13,042	15,958	
	Training hours	Hours	257,873	212,640	367,453	404-1
	Hours by category of program					
	<i>Environment, Health & Safety</i>	Hours	123,565	103,152	200,935	404-2
	<i>Technical skills</i>	Hours	114,915	90,024	127,092	404-2
	<i>Management</i>	Hours	19,393	19,464	39,426	404-2
Social Dialogue	Working hours lost due to strikes	Hours	2,723	1,962	3,127	
	Employee Engagement Survey Results					
	<i>Employee Engagement</i>	%	68	-	70 ⁽¹⁰⁾	
	<i>Employee Enablement</i>	%	73	-	73 ⁽¹⁰⁾	
Age	Less than 30 years	%	12	11 ⁽¹¹⁾	14 ⁽¹¹⁾	405-1
	From 30 to 39 years	%	26	26 ⁽¹¹⁾	25 ⁽¹¹⁾	405-1
	From 40 to 49 years	%	28	29 ⁽¹¹⁾	28 ⁽¹¹⁾	405-1
	From 50 to 54 years	%	14	14 ⁽¹¹⁾	14 ⁽¹¹⁾	405-1
	More than 55 years	%	20	20 ⁽¹¹⁾	20 ⁽¹¹⁾	405-1
New registered hiring by age bracket	Less than 30	%	36	37 ⁽¹¹⁾	38 ⁽¹¹⁾	401-1
	More than 55	%	8	5 ⁽¹¹⁾	5 ⁽¹¹⁾	401-1
Seniority	Less than 10 years	%	56	54 ⁽¹¹⁾	54 ⁽¹¹⁾	405-1
	More than 10 years	%	44	46 ⁽¹¹⁾	46 ⁽¹¹⁾	405-1
	<i>of which more than 20 years</i>	%	19	20 ⁽¹¹⁾	19 ⁽¹¹⁾	405-1
Gender balance	Female Board members	%	40	40	46	405-1
	Female Executive Committee members	%	9	9	9	405-1
	Females in Senior management	%	26	26	22	405-1
	Females in Manager/Expert/Professional roles	%	27	26	26	405-1
	Females in Paraprofessional roles	%	13	13	12	405-1
	Total female employees	%	18	17	17	405-1
Disability	Employees with disability	#	240	232 ⁽¹²⁾	167	405-1
	Employees with disability	%	1	1 ⁽¹²⁾	1	405-1

Category	KPIs	Unit	2021	2020	2019	GRI
Caring for our planet						
Environmental Stewardship						
Mid-term 2022 objectives	Environmental audits using the environmental maturity matrix	%	90	60	-	103
	Group act4nature biodiversity commitment completion	%	100	93	-	304-3
Environmental Management	ISO 14001 or EMAS ⁽¹³⁾ certified operations	#	122	93	99	103
	Operations with Imerys 8-pillar EMS	#	125	152	125	103
	Environmental incidents	#	7	28	14	307
	Environmental prosecutions	#	0	7	8	307
	Amount of fines	€	-	62,260	54,571	307
	Waste					
Waste	Total industrial waste produced	Tons	166,173	147,471	155,815	306-1
	<i>Hazardous industrial waste</i>	Tons	3,717	2,141	1,952	306-2
	<i>Recycled hazardous industrial waste</i>	Tons	1,849	891	1,175	306-2
	<i>Non-hazardous industrial waste</i>	Tons	99,675	83,901	92,262	306-2
	<i>Recycled non-hazardous industrial waste</i>	Tons	60,930	60,539	60,425	306-2
	Industrial waste generation / Revenue	Kg/€	0.04	0.04	0.05	
Air emissions produced	Sulfur dioxide (SO ₂)	Tons	3,357	2,509	3,853	305-7
	Sulfur dioxide generation/revenue	tons/M€	0.77	0.66	0.88	305-7
	Nitrogen oxide (NO _x)	Tons	5,800	5,126	5,945	305-7
	Nitrogen oxide generation/revenue	tons/M€	1.32	1.35	1.37	305-7
Water consumption	Total water withdrawals	M liters	57,253	37,472	40,796	303-1
	<i>Water obtained from water groundwater</i>	%	45.1	53.1	52.2	303-1
	<i>Water withdrawn from suppliers</i>	%	7.4	9.5	11.4	303-1
	<i>Water withdrawn from surface water</i>	%	42.7	29.1	29.1	303-1
	<i>Water obtained from other sources⁽¹⁴⁾</i>	%	4.7	8.3	7.3	303-1
	Total water recycled	M liters	37,869	34,937	42,271	303-3
	Sites with recycled water reported	#	64	54	57	303-3
Climate Change						
Mid-term objectives (2030 and 2023)	Scope 1 & 2 greenhouse gas emissions reduction relative to revenue (tCO₂eq/M€) (by 2030) relative to 2018 base year (reported)	%	-23	-12	-12	305-1 305-2
	Scope 1 & 2 greenhouse gas emissions reduction relative to revenue (tCO₂eq/M€) (by 2030) relative to 2018 base year (restated)	%	-	-15	-14	305-1 305-2
	Suppliers with science based targets (by 2023)	%	26	-	-	305-3

Category	KPIs	Unit	2021	2020	2019	GRI
Energy	Total energy consumption	MWh	9,088,989	8,159,406	9,234,462	302-1
	<i>of which total renewable energy consumption</i>	MWh	436,940	-	-	
	electricity		30.4%	29.5%	29.0%	302
	<i>of which renewable electricity</i>		2.3%	-	-	
	Steam		2.1%	1.8%	2.0%	302
	<i>of which renewable steam</i>		30.5%	-	-	
	Hot water	%	0%	<0.1%	<0.1%	302
	Natural gas	%	38.4	41.1	39.0	302
	Other fossil fuels	%	25.6	24.6	27.3	302
	Biofuels	%	3.5	3.0	2.7	302
CO ₂ emissions	Total CO ₂ emissions (reported)	kt CO ₂ e	2,447	2,494	2,843	305
	Total CO ₂ emissions (restated)	kt CO ₂ e	-	2,341	2,271	305
	<i>Scope 1 CO₂ emissions (reported)</i>	kt CO ₂ e	1,597	1,510	1,740	305-1
	<i>Scope 1 CO₂ emissions (restated)</i>	kt CO ₂ e	-	1,492	1,738	305-1
	<i>Scope 2 CO₂ emissions (reported)</i>	kt CO ₂ e	851	984	1,103	305-2
	<i>Scope 2 CO₂ emissions (restated)</i>	kt CO ₂ e	-	849	983	305-2
	Emissions by source					
	<i>CO₂ emissions from Energy</i>	%	84.5	86.7	87.3	305-1
	<i>CO₂ emissions from Processes</i>	%	15.5	13.3	12.7	305-1
	CO ₂ emissions / Revenue (reported)	tCO ₂ eq/M€	558	657	653	
	CO ₂ emissions / Revenue (restated)	tCO ₂ eq/M€	-	616	625	
	Scope 3 emission estimation	% of total emissions	57	55	55	305-3
	Product carbon footprints calculated	#	36	30	20	305-3
Building for the future						
Business Conduct						
Mid-term 2022 objectives	Sustainability rating by EcoVadis	#	70	74	64	-
	Supplier sustainability rating scheme coverage (by spend)	%	35	14	-	308-1
Corporate Governance	Independent Board members	%	50	50	54	405-1
Fair Operating practices	Reported violations of the Group Code of Business Conduct and Ethics	#	21	11	13	412-1
	Confirmed cases of violation of the Group Code of Business Conduct and Ethics	#	4	4	7	412-1
Supplier sustainability engagement	Trainings on responsible purchasing	#	Not possible due to Covid	0	4	412-1
	Suppliers assessed	#	819	200	228	308-1 414-1

Category	KPIs	Unit	2021	2020	2019	GRI
Community Engagement	Sites with a formal action plan managing the impacts of operations on communities	%	52 ⁽¹⁶⁾	90	90	413-1
	New community engagement initiatives launched	#	55	42	56	413-1
	Reported external grievances (confirmed)	#	1	0	1	413-2
Portfolio Management						
Mid-term 2022 objective	Products in Application Combinations (PAC) assessed according to sustainability criteria (by revenue)	%	21	6	-	
	New Product Developments scored as "SustainAgility Solutions"	%	70	-	-	
Product Sustainability	Number of Life Cycle Assessments calculated for Group products	#	36	49	28	301-1
Taxonomy						
EU Sustainable finance Taxonomy non-eligible economic activity	Revenue	M€	3,858.8	-	-	
	CapEx	M€	341.2	-	-	
	OpEx	M€	159.2	-	-	
EU Sustainable finance Taxonomy eligible economic activity	Revenue	M€	524.1	-	-	
	CapEx	M€	60.3	-	-	
	OpEx	M€	16.7	-	-	

- (1) Employees of a company under contract with Imerys, in charge of a specific operation on site or providing a service.
- (2) A "life-changing injury" refers to a serious injury with permanent impact to the victim, such as amputation and disability.
- (3) Lost-Time Accident (LTA) rate: (number of lost time accidents x 1,000,000)/number of hours worked.
- (4) Total Recordable Incident Rate (TRIR): (number of lost time accidents and non-lost time accidents x 1,000,000)/number of hours worked.
- (5) Severity rate: (number of lost days x 1,000)/number of hours worked.
- (6) The Supply Chain category has been renamed Business Planning & Supply Chain in 2021.
- (7) The Strategy / Business Development has been included in the General Management Function in 2021.
- (8) Support Functions (finance, HR, IT & purchasing) as part of the Group segment have been introduced in 2019.
- (9) The survey on collective bargaining coverage is conducted every two years. The 2021 result refers to the 2020 survey. The 2019 result refers to the 2017 survey.
- (10) The Your Voice employee engagement and employee enablement scores for 2018 refer to the results of the 2017 survey, which included only digital workers.
- (11) 2020 and 2019 data have been restated to include all Group Registered headcount in order to ensure a consistent reporting perimeter across main human capital KPI.
- (12) Data from 2020 has been restated following a data correction error identified in 2021.
- (13) EMAS: Eco Management and Audit Scheme (European Standard).
- (14) Water obtained from sources other than water suppliers, groundwater or surface water (i.e. collection of rainwater or water obtained from customers).
- (15) The two land use indicators are only applied to the open mining operations in Western Europe.
- (16) The 2021 figure reflects the percentage of Group sites with stakeholder mapping and community relations plans based on the Group procedure launched mid 2020.

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 VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

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

Year ended December 31, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Imerys SA (hereinafter the "Company"), appointed as independent third party ("Third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, n°. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

■ CONCLUSION

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

■ PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

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

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

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

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

■ RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for:

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

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

■ RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

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



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

It is not our responsibility to provide a conclusion on:

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

■ APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

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

■ INDEPENDENCE AND QUALITY CONTROL

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

■ MEANS AND RESOURCES

Our work engaged the skills of six people between October 2021 and March 2022.

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.

■ NATURE AND SCOPE OF PROCEDURES

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

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

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

(1) *Qualitative information*: "Visible Felt Leadership" safety approach; Eligibility of Imerys Group activities under the European taxonomy; Implementation of the Ecologic Quality Index methodology; Update of the stress test to climate change risks; Results of the 2021 EcoVadis assessment; Environmental footprints of products calculated in 2021.

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

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

Paris-La Défense, March 17, 2022

One of the Statutory Auditors,

Deloitte & Associés

Olivier Broissand

Partner, Audit

Catherine Saire

Partner, Sustainability Services

(1) *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 CO₂ emissions (scopes 1 and 2); CO₂ emissions/revenue; Recalculation of the 2018 base year of scope 1 and 2 emissions; Variation of CO₂ emissions/revenue compared to 2018 base year; Estimated scope 3 CO₂ emissions; Total SO₂ and NO_x emissions.*

Social quantitative information: Total headcount as of December 31, 2021; External recruitments; Leavings (including mutual agreements, redundancies, retirements, voluntary terminations & others); Lost-time accident rate (Imerys and contractor employees); Accident severity rate (Imerys and contractor employees); Total number of occupational illnesses.

(2) *Selected entities: Barcarena – Performance Minerals Americas (Brazil); Beyrède – Refractory, Abrasives, Construction (France); Cachoeiro Plant – Performance Minerals Americas (Brazil); Clérac – Refractory, Abrasives, Construction (France); Dunkerque – Refractory, Abrasives, Construction (France); Fos-sur-Mer – Refractory, Abrasives, Construction (France); Lixhe – Performance Minerals EMEA (Belgium); Katni – High Temperature Solutions (India); PT Indoporlen – High Temperature Solutions (Indonesia); Sandersville Calcine Plant – Performance Minerals Americas (USA); Sylacauga – Performance Minerals Americas (USA); Thabazimbi – Refractory, Abrasives, Construction (South Africa); Zacoalco Plant, Almeria - Performance Minerals Americas (Mexico).*



Corporate Governance

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Imerys is a French Public Limited Company (*Société Anonyme*) with a Board of Directors (*Conseil d'Administration*).

Governance structure

At the date this Universal Registration Document was filed, the offices of the Chairman of the Board of Directors and Chief Executive Officer were held separately by:

- **Patrick Kron**, Chairman of the Board of Directors;
- **Alessandro Dazza**, Chief Executive Officer.

The separation of the office of Chairman of the Board of Directors from that of Chief Executive Officer, which was introduced in 2018⁽¹⁾, was confirmed upon Alessandro Dazza's appointment as Chief Executive Officer. The governance structure makes it possible to:

- guarantee the effective working of the Group's governance bodies;

- achieve a complementary mix of skills and experience between the Chairman and the Chief Executive Officer;
- further develop, alongside the efforts to streamline the Board, the efficiency and agility of operating procedures; and
- continue to adhere to best practices in corporate governance, taking into account the presence of controlling shareholders.

Corporate Governance Report

The information covered in the present chapter forms an integral part of the Corporate Governance Report, which constitutes a specific section in the Management Report in accordance with article L. 225-37 paragraph 6 of the French Commercial Code (*Code de commerce*). The Corporate Governance Report, the cross-reference table for which can be found in [paragraph 9.5.4 of chapter 9](#), was approved by the Board of Directors on February 16, 2022.

Reference code adopted – the AFEP-MEDEF Code

The Company complies with French regulations in corporate governance as well as the recommendations provided in the AFEP-MEDEF Corporate Governance Code, which is available on the Company's website (the "**AFEP-MEDEF Code**"). At the date this Universal Registration Document was filed, Imerys complied with all the recommendations made by the AFEP-MEDEF Code, except for those outlined below:

AFEP-MEDEF Code recommendation	Reason for not implementing the recommendation
Paragraph 9.5.1 – Independent status criteria <i>"Not to be, or have been during the past five years: an employee or executive corporate officer of the Company; an employee, executive corporate officer or director of a company consolidated by the Company; an employee, executive corporate officer or director of the parent company (GBL) or a company consolidated by that parent company."</i>	The Board has decided to maintain Patrick Kron's independent status irrespective of his duties as interim Chief Executive Officer during 2019/2020. It was deemed that although Patrick Kron acted as interim Chief Executive Officer for a 3-month transition period without any compensation, his critical judgment with respect to the Group's Executive Management was not impaired and he could therefore still be considered independent.
Paragraph 9.5.6 – Independent status criteria <i>"Not to have been a director of the Company for more than twelve years. Loss of the independent director status occurs when this twelve-year limit is reached."</i>	The Board of Directors has decided to maintain the independent status of Aldo Cardoso, whose term of office as director exceeds 12 years. Given the fact that: • the duration of his term of office does not affect his critical judgment with respect to the Group's Executive Management and his skills and deep understanding of the Group are key elements; • he is renowned for his expertise and authority in finance, control, management and corporate governance, skills recognized by market authorities and industry bodies alike. Board independence stands at 60%, a ratio well above current recommendations for companies with controlling shareholders.
Paragraph 25.5.1 – 2-year ceiling for calculation of the non-competition and termination benefits <i>"The termination payment must not exceed, where applicable, two years of (annual fixed and variable) compensation. If a non-compete clause has also been stipulated, the Board decides on whether or not to apply this clause at the time of the director's departure [...]. Under no circumstances may the aggregate amount of these two benefits exceed this ceiling."</i>	In order to increase the appeal of its compensation package and align it with the profile and the experience of the new Chief Executive Officer, Alessandro Dazza, the Board decided to provide for compensation under the non-compete clause. If applied, its amount would exceed the stated ceiling of two years of compensation when added together with the termination benefit. Nonetheless, note that whether or not the non-compete clause is applied upon the officer's departure is contingent on the Board's decision, and no indemnity shall be paid if the clause is rescinded.

(1) Subject to a 3-month transition period following the departure of the former Chief Executive Officer.

4.1 BOARD OF DIRECTORS

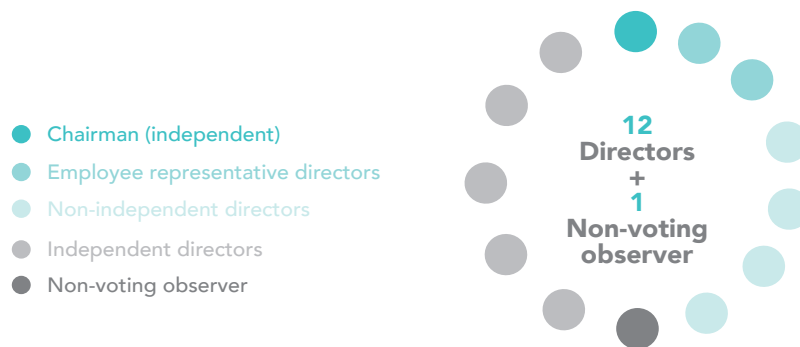
The structure, operating procedures and duties of the Board of Directors (the “Board”) are defined in French legislation, the Company’s by-laws and the Internal Charter of the Board of Directors (the “Charter of the Board”).

4.1.1 STRUCTURE

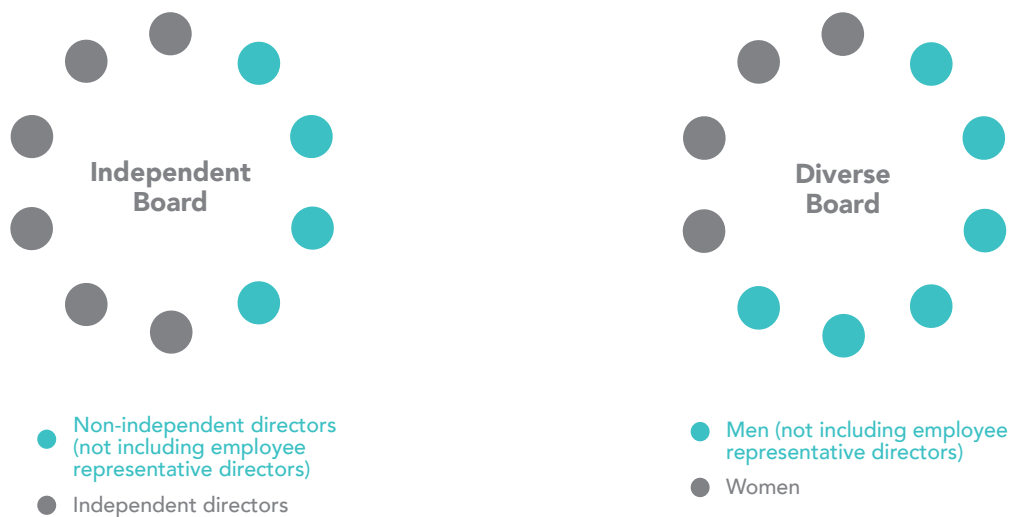
■ A DIVERSE AND BALANCED INTERNATIONAL BODY

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

- 12 members, including 2 employee representative directors;
- 4 female members;
- 6 independent directors;
- 7 nationalities, including the non-voting observer;
- 1 non-voting observer to support the Board in fulfilling its duties and to take part in its discussions in an advisory capacity.



The structure of the Board of Directors gives the Group a diverse (in terms of areas of expertise and industries) and international range of specialisms and experience gained by each of its members.



■ BRIEF OVERVIEW OF THE BOARD

At the date this Universal Registration Document was filed:

	Personal details			Experience			Position on the Board			Involvement in Board Committees
	Age ⁽¹⁾	Gender	Natio-nality	Number of shares	Number of directorships in listed companies ⁽²⁾	Inde-pendent	Date first appointed	Expiration of term of office	Number of years of the Board ⁽³⁾	
Executive corporate officer and director										
Patrick Kron (Chairman)	68	M	FR	634	4	Y	06/25/2019	SGM in 2024	2.9	N/A
Directors										
Aldo Cardoso	66	M	FR	1,680	3	Y	05/03/2005	SGM in 2023	16.11	Chairman of the Audit Committee, member of the Strategic Committee
Paul Desmarais III	40	M	CAN	600	5	N ⁽⁴⁾	04/29/2014	SGM in 2023 ⁽⁶⁾	7.11	Member of the Strategic Committee
Ian Gallienne	51	M	FR	600	5	N ⁽⁴⁾	04/29/2010	SGM in 2022	11.11	Chair of the Strategic Committee, member of the Appointments and Compensation Committees
Colin Hall	51	M	USA	600	5	N ⁽⁴⁾	12/15/2015	SGM in 2023 ⁽⁶⁾	6.3	Member of the Strategic and Audit Committees
Paris Kyriacopoulos	40	M	GRE	1,679	2	N ⁽⁴⁾	05/10/2021	SGM in 2024	0.1	Member of the Strategic Committee
Annette Messemer	57	F	GER	600	3	Y	05/04/2020	SGM in 2023	1.11	Member of the Appointments, Compensation and Audit Committees
Lucile Ribot	55	F	FR	898	2	Y	05/04/2018	SGM in 2022	3.11	Member of the Audit Committee
Véronique Saubot	57	F	FR	600	3	Y	05/04/2020	SGM in 2023	1.11	Member of the Strategic Committee and ESG Referent Director*
Marie-Françoise Walbaum	72	F	FR	600	2	Y	04/25/2013	SGM in 2024	8.11	Chair of the Appointments and Compensation Committees
Employee representative director(s)										
Dominique Morin	58	M	FR	0	0	N/A	10/06/2020	2023	1.6	Member of the Compensation Committee
Carlos Manuel Pérez Fernández	48	M	ES	0	0	N/A	10/06/2020	2023	1.6	N/A
Non-voting observer										
Laurent Raets	42	M	BE	642	2	N/A	05/04/2018	2024 ⁽⁷⁾	3.11 ⁽⁵⁾	N/A

* Véronique Saubot was appointed as the ESG (Environment, Social and Governance) Referent Director at its meeting on July 27, 2021.

(1) At March 21, 2022.

(2) Including term of office within Imerys.

(3) At March 21, 2022. Figures rounded up.

(4) Refer to the review of independence criteria described below.

(5) As non-voting observer only. Laurent Raets had previously been a director of the Company since July 29, 2015.

(6) The terms of office of Paul Desmarais III and Colin Hall expire at the close of the Shareholders' General Meeting of May 10, 2022, following their resignation.

(7) Subject to his appointment as Director by the Shareholders' General Meeting of May 10, 2022, the duties of Laurent Raets as Non-voting observer will cease as of this same date.

■ CHANGES IN 2021

	Departure	Appointment	Re-appointment
Board of Directors	Ulysses Kyriacopoulos (May 10, 2021)	Paris Kyriacopoulos (May 10, 2021)	- Patrick Kron (May 10, 2021) - Marie-Françoise Walbaum (May 10, 2021)
Strategic Committee	Ulysses Kyriacopoulos (May 10, 2021)	Paris Kyriacopoulos (May 10, 2021)	N/A
Appointments Committee	N/A	N/A	Marie-Françoise Walbaum (May 10, 2021)
Compensation Committee	N/A	N/A	Marie-Françoise Walbaum (May 10, 2021)
Audit Committee	N/A	N/A	N/A
ESG Referent Director	N/A	Véronique Saubot (July 27, 2021)	N/A

■ CHANGES PLANNED FOR 2022

The next Shareholders' General Meeting will be asked to approve:

- the renewal of the terms of office of Ian Gallienne and Lucile Ribot;
- the appointment as directors of Bernard Delpit and Laurent Raets; Colin Hall and Paul Desmarais III have informed the Board of Directors of their desire to resign as directors effective the same date.

Lastly, as of and subject to the decisions made by the upcoming Shareholders' General Meeting, and in accordance with the decisions made by the Board of Directors at its meeting of February 16, 2022 and the recommendations of the Appointments Committee, Bernard Delpit will be appointed as a member of the Strategic Committee and Laurent Raets will be a member of the Audit Committee. Furthermore, the Board will appoint Rein Dirkx as a new non-voting observer to replace Laurent Raets, effective as of and subject to the latter's appointment as a director.

■ SELECTION OF FUTURE INDEPENDENT DIRECTORS

In tandem with the Appointments Committee, the Board of Directors may retain one or more widely renowned executive search firms and may solicit suggestions from Board members. The Committee assesses the knowledge and skills of applicants in the light of the needs identified and in keeping with the diversity policy and the conduct rules applicable within the Group, especially as regards the principles of independence, integrity, good faith and professionalism laid down in the Charter of the Board. The Appointments Committee makes its recommendations to the Board. The applicant(s) selected may also meet with the Chairman of the Board and any other member of the Board who so requests.

■ INDEPENDENCE

At the date this Universal Registration Document was filed: 6 of the 10 directors (not including the two employee representative directors, in accordance with the AFEP-MEDEF Code), i.e. 60%, qualified as independent. This ratio is well above that of one third recommended by the AFEP-MEDEF Code for companies with controlling shareholders.

At its meeting of May 3, 2005, the Board of Directors adopted the following definition, which has been maintained every year since: *"the absence of a relationship of any kind with Imerys, the Group or its management that may interfere with a director's freedom of judgment"*.

At its meeting of February 16, 2022 and in line with the recommendations made by the Appointments Committee, the Board of Directors:

- reviewed the independence criteria (as set out in the following table) and restated that the criteria neither preclude independent status if any are not met, nor necessarily permit such status. A member's independent status must be assessed according to their own individual situation or the Company's situation, with respect to its shareholding or any other consideration;
- assessed each individual situation, including the business relationships that may exist with any companies of the Group, and the independent status of each director, especially those whose terms of office will be submitted for renewal at the next Shareholders' General Meeting.

Following this exercise, the Board noted, on the basis of the personal information provided by each of the directors and to the best of the Company's knowledge, that:

- no business relationship existed between the directors representing the Company's controlling shareholders other than the capital ties between them and the Company;
- capital ties exist between Blue Crest Holding S.A., to which Paris Kyriacopoulos is affiliated, and the Company following the acquisition of S&B group by Imerys, as well as certain business relationships relating to the fulfillment of actions or commitments made after the acquisition was completed. Blue Crest Holding S.A. owns a significant interest in the share capital of Imerys and has entered into a shareholders' agreement with the GBL group, with no intention of acting in concert with them, as detailed in [paragraph 7.3.5.3 of chapter 7](#). In addition, Paris Kyriacopoulos was employed by Imerys for the previous 5 years;
- no other director had any business relationship with the Group that was likely to affect their independence or create a conflict of interest.

Furthermore, at its meeting of February 16, 2022 and in accordance with the recommendations of the Appointments Committee, the Board of Directors considered the independence of Bernard Delpit and Laurent Raets, who have been put forward for appointment at the next Shareholders' General Meeting (*see chapter 8, paragraph 8.2.5*), and of Rein Dirkx, who will be appointed a non-voting observer by the Board, replacing Laurent Raets (subject to the latter's appointment by the Shareholders' General Meeting). The Board did not consider Bernard Delpit, Laurent Raets and Rein

Dirkx to be independent because they represent Groupe Bruxelles Lambert, the Company's majority and controlling shareholder.

Based on these observations and in line with the recommendations of the Appointments Committee, the Board noted the following, it being understood that: ✓ indicates an independence criterion has been met and x indicates an independence criterion has not been met.

Criteria ⁽¹⁾	Patrick Kron	Aldo Cardoso	Paul Desmarais III	Ian Gallienne	Colin Hall	Paris Kyriacopoulos	Annette Messemer	Lucile Ribot	Véronique Saubot	Marie-Françoise Walbaum	Dominique Morin	Carlos Perez Manuel Fernandes	Laurent Raets
Criterion 1: Not an employee or corporate officer in the past five years	x	✓	✓	✓	✓	x	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 2: No cross-directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 3: No material business relationships with the Group	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 4: No family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 5: Not to have been a Statutory Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 6: Not to have had a term of office of over 12 years	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 7: Not a non-executive corporate officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Criterion 8: Not a major shareholder	✓	✓	x	x	x	x	✓	✓	✓	✓	N/A	N/A	N/A
Independent (Y/N)	Y ⁽²⁾	Y ⁽³⁾	N	N	N	N	Y	Y	Y	Y	N/A	N/A	N/A

(1) **Criterion 1:** Not to be, or have been during the past five years: an employee or executive corporate officer of the Company; an employee, executive corporate officer or director of a company consolidated by the Company; an employee, executive corporate officer or director of the parent company (Parjointco) or a company consolidated by that parent company.

Criterion 2: Not to be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship or in which an employee is designated as a director or an executive corporate officer of the Company (whether at present or in the past five years).

Criterion 3: Not to be a customer, supplier, investment banker or commercial banker that is material to the Company or the Group, or for which the Company or its Group represents a significant share of business.

Criterion 4: Not to have any close family ties with a corporate officer.

Criterion 5: Not to have been a Statutory Auditor of the Company in the past 5 years.

Criterion 6: Not to have been a director of the Company for more than 12 years.

Criterion 7: Not to receive any variable compensation in cash or shares or any performance-based compensation from the Company or the Group.

Criterion 8: Directors representing the Company's major shareholders may qualify as independent provided that these shareholders do not have or share control of the Company. However, if shareholders pass the threshold of 10% of capital or voting rights, the Board, on the basis of a report produced by the Appointments Committee, systematically examines whether independent status can be retained taking into account the Company's shareholding and any potential conflicts of interest.

(2) As stated above, the Board, adopting the Appointments Committee's recommendations, confirmed the independence of Patrick Kron, considering that his serving as an interim Chief Executive Officer for a 3-month transition period without any compensation did not impair his critical judgment with respect to the Group's Executive Management.

(3) As stated above, the Board, adopting the Appointments Committee's recommendations, confirmed that Aldo Cardoso's term of office, though longer than 12 years, does not affect his critical judgment with respect to the Group's Executive Management and restated that his expertise and authority are acknowledged in financial, management and corporate governance affairs, including by market authorities and regulators.

■ EMPLOYEE REPRESENTATIVE DIRECTORS AND THE SOCIAL AND ECONOMIC COUNCIL

Since October 6, 2014, the Board of Directors has included two employee representative directors. They are offered specific training to enable them to perform their duties, paid for by the Company and provided by either external organizations or the Imerys learning center. At its meeting of February 12, 2020, the Board of Directors decided employee representative directors must spend a minimum of 40 hours and a maximum of 45 hours in training per year over the course of their term of office (excluding any language training). The Board also decided to set aside 15 hours of their legally prescribed working hours to prepare for each Board meeting. As previously mentioned, two new directors, one appointed by the Group's French Works Council and the other by the European Works Council, joined the Board in October 2020.

The social and economic council is represented on the Board of Directors by one person who attends all Board meetings in an advisory capacity.

■ DIVERSITY

The Board of Directors and its Appointments Committee regularly assess the structure of the Board and its Committees, in particular during the process to renew directors' offices and the annual self-assessment. They also identify appropriate priorities to ensure the most balanced structure by striving to involve directors with complementary profiles in terms of nationality, gender, age and experience.

Pursuant to article L. 22-10-10 2° of the French Commercial Code, the table below presents the diversity policy that was applied to the Board of Directors, setting out the criteria and objectives identified by the Board as well as their implementation and results.

In addition, this diversity policy is supplemented, in accordance with the provisions of the aforementioned French Commercial Code, by disclosures concerning how the Company aims to achieve a gender-balanced structure for the Executive Committee and the diversity results among the top 10% of positions by seniority. These disclosures also include, pursuant to the provisions of the AFEP-MEDEF Code, the gender-balance objectives for the "executive bodies".

	Criteria	Objectives and implementation arrangements	Results achieved during 2021	Possible review of the objective for 2022
Board of Directors	Gender balance	Maintain a gender-balanced structure within the Board of Directors by identifying in advance potential candidates for directorships with profiles also fitting the other requirements of the diversity policy.	- The proportion of women on the Board has gradually increased, rising from 21.4% in 2013 to 40% by 2020. The reappointment of Marie-Françoise Walbaum at the Shareholders' General Meeting of May 10, 2021 helped maintain this balance in 2021. - Two out of the four Committees are chaired by a woman (Compensation Committee and Appointments Committee) and the position of ESG Referent Director is also held by a woman.	Objective unchanged.
	Professional skills and experience	- Maintain a structure of the Board of Directors with a diverse mix of skills and experience in the following areas: - Finance, accounting - Sales, marketing, industry, management - Human Resources - International - Stable presence on boards of listed companies and international groups - Add more industrial knowledge and leadership experience acquired in large corporations.	The reappointments of Patrick Kron and Marie-Françoise Walbaum and the appointment of Paris Kyriacopoulos have helped meet these objectives. Patrick Kron provides the benefit of his considerable industry and international expertise and his knowledge of the Group. Marie-Françoise Walbaum brings first-class experience in investment and finance. Paris Kyriacopoulos possesses valuable knowledge of the Group and the experience he has gained in executive positions.	Objective unchanged.
	Nationality	Maintain the Board of Directors' broad international structure by proposing appointments of directors, wherever possible, from the same geographical regions where the Group does business and matching the Group's ownership structure.	- The Board's structure has gradually evolved, with an increase from three in 2013 to seven nationalities by 2020 (including the non-voting observer). This balance was maintained in 2021. - The appointment of Greek national Paris Kyriacopoulos illustrates the Board's desire to reflect the geographical regions in which the Group operates and those where its shareholders are based.	Objective unchanged.
	Independence	Maintain the proportion of independent directors at a level in keeping with the AFEP-MEDEF Code's recommendations.	- The Board's independence ratio has stood since 2019 at 60% or over, a level well above current recommendations for companies with controlling shareholders. - In addition, the chairs of the Board and of the Committees (other than the Strategic Committee) and the position of ESG Referent Director are all held by independent directors.	Objective unchanged.
	Balance	Maintain a balance between directors who have served for several years, by aiming for complementary profiles, and the appointment of new members with new skills and fresh impetus.	- At March 21, 2022, 40% of directors* had served for less than 3 years, 40% of directors* had served for between 3 and 9 years, and 20% of directors* had served for more than 9 years. - At March 21, 2022, directors were between 40 and 72 years old, with an average age of 55.7, with 50% of directors aged between 45 and 65, and 20% younger than 45.	Objective unchanged.

	Criteria	Objectives and implementation arrangements	Results achieved during 2021	Possible review of the objective for 2022
Executive Committee	Gender balance	Enhance the Executive Committee's gender balance whenever opportunities to do so arise.	At March 21, 2022, the Executive Committee had ten male and one female members.	Objective unchanged.
Executive bodies (top 10% of positions by seniority)	Diversity and Inclusion	Champion diversity and inclusion through implementation since 2017 of an ambitious plan to cultivate diversity, primarily in respect of gender and nationality. For the Senior Managers category, the year-end 2022 target is for 30% of positions to be held by women.	At year-end 2021, 26% of Senior Manager positions were held by women. Note also that the percentage was 27% in the executives, managers and experts category.	Objective unchanged.

* Excluding employee representative directors and excluding non-voting observer.

■ Expertise and experience of Board members

Members of the Board are selected on the strength of expertise and experience, among other criteria. The members of the Audit Committee are chosen in particular for their financial expertise. The Appointments Committee and the Board of Directors closely focus on assessing these criteria.

The careers and offices held by directors (*see their respective biographies on the following pages*) reflect their individual expertise and experience in different areas such as finance, industry, services, M&A and management, which contribute to the quality of the Board's work and correctly balanced structure.

■ SUCCESSION PLAN FOR EXECUTIVE CORPORATE OFFICERS

Succession planning for executive corporate officers is performed annually. The succession planning should allow for short unexpected succession needs (resignation, disability, death), and defines actions enabling smooth succession over the medium and long term (risk of departure, emergence of new requirements, planned succession).

Every year, the Appointments Committee proceeds with the reassessment of the situation and operates appropriate adjustments. The Appointments Committee may retain the services of external firms to confirm the effectiveness of succession planning. It keeps the Board informed of progress with this task, including during executive sessions, works closely with Executive Management, meets from time to time with the main members of the executive teams.

This plan also applies to the member of the Group's Executive Committee.

■ OTHER INFORMATION

Family ties between members of the Board

To the best of the Company's knowledge, there are no family ties between the members of the Board.

Potential conflicts of interest between members of the Board

Pursuant to the recommendations of the AFEP-MEDEF Code, the Charter of the Board specifies that:

- "Directors shall inform the Chairman and the Vice-Chairman of the Board, should there be one, of any situation likely to create or potentially create a conflict of interest. They shall inform the Chairman and the Vice-Chairman, should there be one, of any Group transactions in which they have a direct or indirect interest and of which they have knowledge, before they are completed. They shall abstain from any voting by the Board and even from the discussion prior to the vote where that situation arises; the minutes of the meeting mention this abstention. The Shareholders' General Meeting shall be informed of any such transaction in accordance with the law;
- directors may not use their position or office to obtain for themselves or for a third party any kind of advantage, monetary or otherwise;
- directors may not personally take on any responsibilities in any company or business in direct or indirect competition with those of the Imerys group without informing the Chairman and, should there be one, the Vice-Chairman beforehand."

To the best of the Company's knowledge, no potential conflicts of interest exist between the duties of the directors with respect to the Company and their private affairs and/or other duties, except those mentioned in *the paragraph above on Independence* concerning Paris Kyriacopoulos.

However, the following directors of the Company also have executive responsibilities in entities of the group run by the Company's controlling shareholders: Paul Desmarais III, Ian Gallienne, Colin Hall and Laurent Raets (Non-voting observer). The same applies to Bernard Delpit, whose appointment as director is being proposed at the next Shareholders' General Meeting, and to Rein Dirkx who is to be appointed as Non-voting observer, effective the same date, replacing Laurent Raets (subject to the latter's appointment as a director by the next Shareholders' General Meeting).

No member of the Board has been selected as a result of any arrangement or agreement entered into with the main shareholders, customers, suppliers or other parties, with the exception of the Shareholders' Agreement in force notably between Blue Crest and GBL (*see chapter 7, paragraph 7.3.5.3*).

Service contracts between the Company and members of the Board

To the best of the Company's knowledge, no service contracts have been agreed between the members of the Board and the Company or any of its subsidiaries that grant any kind of benefit upon expiration.

Convictions for fraud

To the best of the Company's knowledge, no member of the Board has been convicted of fraud in the past five years.

4.1.2 PROFILE, EXPERIENCE AND EXPERTISE

The following information was provided to the Company by each member of the Board in office at December 31, 2021.

Complementary information, including age, nationality, the number of shares held and any membership of Board Committees, can be found in *paragraph 4.1.1 of the present chapter ("Brief overview of the Board")*.

This paragraph also contains the information and disclosures concerning Bernard Delpit and Laurent Raets, whose

Bankruptcy, receivership or liquidation of companies in which a member of the Board has held an executive position in the past five years

To the best of the Company's knowledge, no member of the Board has held an executive position in a company that has filed for bankruptcy or been placed in receivership or liquidation in the past five years.

Conviction and/or official public sanction by statutory or regulatory authorities

To the best of the Company's knowledge, no member of the Board has been convicted and/or received an official public sanction in the past five years.

Requirement for directors to hold shares in the Company

The Charter of the Board requires each director to purchase 600 shares in the year following their appointment. They must hold these shares until the expiration of their term of office. For further details on corporate officers' transactions in Company shares, *see section 4.4 of the present chapter*.

appointments as new directors are to be proposed at the forthcoming Shareholders' General Meeting. In addition, it also presents detailed information and disclosures concerning Rein Dirkx who will be appointed as a non-voting observer by the Board of Directors, effective from and subject to Laurent Raets' appointment as a director. For further details, *see chapter 8, paragraph 8.2.5 of the Universal Registration Document*.

Patrick Kron

Independent director and Chairman of the Board of Directors

Born on September 26, 1953

Work address:

c/o Imerys
43, quai de Grenelle
75015 Paris
France

Date first appointed:

June 25, 2019

Term of office expires:

Shareholders' General Meeting in 2024

Main professional activity:

Director and corporate executive

Biography

Patrick Kron graduated from the École Polytechnique and has an engineering degree from the École nationale supérieure des mines de Paris.

After starting his career at the French Ministry of Industry in 1979, he took on a number of operational responsibilities at the Pechiney group in Greece between 1984 and 1988 before joining the executive committee and occupying managerial positions from 1993 to 1997. From 1998 to 2002, Patrick Kron held the office of Chairman of the Managing Board at Imerys.

Appointed as an independent director to the Board of Alstom in July 2001, he then went on to become the Chief Executive Officer of Alstom in January 2003 and Chairman & Chief Executive Officer in March 2003. He left Alstom in January 2016 after finalizing the sale of the group's energy business to General Electric and completing a share buyback program. In February 2016, Patrick Kron set up a management consulting firm, PKC&I. In November 2016, he joined Truffle Capital, a venture capital firm specializing in BioMedTech and Digital, as its Chairman.

Appointed as a director and Chairman of the Board of Imerys on June 25, 2019, Patrick Kron was also entrusted with the responsibilities of Chief Executive Officer on an interim basis between October 21, 2019 and February 16, 2020.

Patrick Kron was admitted as a Knight of the Légion d'Honneur in September 2004 and Officer of the Ordre National du Mérite in November 2007.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Chairman of the Board of Directors – Imerys* – France

Non-Group companies

- Director – Viohalco* – Belgium
- Chairman – PKC&I SAS – France
- Permanent representative of PKC&I on the Supervisory Board – Segula Technologies – France
- Chairman – Truffle Capital SAS – France
- Director – Sanofi* – France
- Director – LafargeHolcim* – Switzerland

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

- (Interim) Chief Executive Officer – Imerys* – France

Non-Group companies

- Chairman & Chief Executive Officer – Alstom* – France
- Chairman of Resources Management – Alstom – France
- Director – Bouygues* – France
- Director – Elval-Halcor S.A.* – Greece
- Director and Managing Director Asia Pte Ltd – Alstom – Singapore

* Listed company.

Aldo Cardoso

Independent director

Born on March 7, 1956

Work address:

Imerys
43, quai de Grenelle
75015 Paris
France

Date first appointed:

May 3, 2005

Term of office expires:

Shareholders' General Meeting in 2023

Main professional activity:

Director

Biography

Aldo Cardoso graduated from École Supérieure de Commerce of Paris and holds a Master's in Law. He started his career in 1979 at Arthur Andersen, where he became a partner in 1989. Appointed Vice-President of Auditing and Consulting Europe in 1996, he served as Chairman of Andersen France from 1998 to 2002, then Chairman of the Supervisory Board of Andersen Worldwide from 2000 to 2002, before becoming Chairman of the Management Board from 2002 to 2003. In this role, Aldo Cardoso oversaw the winding-down of Andersen's activities worldwide. He has held directorships at Engie, Rhodia, Accor, Gecina, Mobistar, Orange, AXA Investment Managers, Penauille Polyservices and GE Corporate Finance Bank.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Chairman of the Board of Directors – Bureau Veritas* – France
- Director – Worldline* – France
- Director – DWS – Germany
- Director – Ontex – Belgium

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Director – Engie* – France
- Non-voting observer – AXA Investment Managers – France

* Listed company.

Paul Desmarais III

Director

Born on June 8, 1982

Work address:

c/o Power Corporation of Canada
751, square Victoria
Montreal QC H2Y 2J3
Canada

Date first appointed:

April 29, 2014

Term of office expires:

Shareholders' General Meeting in 2023**

Main professional activity:

Director and corporate executive

Biography

Paul Desmarais III serves as Chairman of the Board and Head of Sagard Holdings, Executive Chairman of the Board and co-founder of Portag3 Ventures, and Chairman of the Board and co-founder of Diagram. Within the investment portfolio of Portag3 Ventures and Sagard Holdings, he serves as Chairman of the Board of Wealtheasy and Dialogue, and director of KOHO, Grayhawk and Nesto. He is also the co-founder of Black Wealth Club.

Previously, he worked at Goldman Sachs in the US, within the Investment Banking and Strategic Investors groups, as well as in the Special Situations Group. Paul Desmarais III has also held various positions supply chain management and strategic roles at Imerys and in risk management at Great West Lifeco Inc. He gained a bachelor's degree (Economics and Social Science) with a distinction from Harvard College and also has a Master's in Business Management from INSEAD, France.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director – Nesto Inc. – Canada
- Director – Outremont Technologies Inc. – Canada
- Director, Chairman of the Board of Directors and CEO – Sagard Holdings Management Inc. – Canada
- Director and CEO – Sagard EMD Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Spadina GP Inc. – Canada
- Director, Chairman of the Board of Directors and CEO – Sagard Capital Partners Service Corp. – USA
- Executive Chairman of the Board of Directors – Sagard PE Canada GP Inc. – Canada
- Director, Chairman of the Board of Directors and CEO – Sagard USRE Inc. – USA
- Director, Chairman of the Board of Directors and CEO – Sagard UPSF Inc. – USA
- Director and Executive Chairman of the Board of Directors – Portage Ventures III GP Inc. – Canada
- Director – Portage Fintech Acquisition Corporation – Cayman Islands
- Director, Chairman and CEO – Springboard 2021 GP Inc. – Canada
- First Vice-Chairman – Power Corporation of Canada* – Canada
- Senior Vice President and Secretary – Power Corporation of Canada Inc.* – Canada
- Member of the Executive Board – Parjointco S.A. – Belgium
- Director – Grayhawk Investment Strategies – Canada
- Director and Chairman of the Board of Directors – Dialogue Health Technologies Inc.* – Canada
- Director and Chairman of the Board of Directors – Wealtheasy Financial Corp. Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Sagard Holdings Participation Inc. – Canada

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

- Vice-Chairman of the Board of Directors – Imerys* – France

Non-Group companies

- First Vice-Chairman – Power Financial Corporation* (financial holding companies) – Canada
- Director – Great-West Financial (Canada) Inc. – Canada
- Director – Canada Life Financial Corporation – Canada
- Director – London Insurance Group Inc. – Canada
- Director – London Life Insurance Company – Canada
- Director – Mackenzie Inc. – Canada
- Director – The Canada Life Insurance Company of Canada – Canada
- Director – The Canada Life Assurance Company – Canada
- Director – GWL&A Financial Inc. – Canada
- Director – Investors Group Inc. – Canada
- Director – The Great-West Life Assurance Company – Canada
- Director – Putnam Investments, LLC – United States
- Director – Great-West Financial (Nova Scotia) Co. – Canada
- Director – Great-West Life & Annuity Insurance Company – Canada
- Director – Personal Capital Corporation – Canada
- Director – Wealtheasy Inc. – Canada
- Director – IntegraMed America, Inc. – United States
- Director – IntegratedMed Fertility Holding, LLC – United States
- Director – IntegraMed Holding Corp. – United States
- Director – IntegraMed Fertility Management Incentive Plan, LLC – United States
- Director – Alan S.A. – France
- Director – Integrate.ai Inc. – Canada
- Director – Pargesa Holding S.A. – Switzerland
- Director – 9808655 Canada Inc. – Canada
- Director – 9958363 Canada Inc. – Canada

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

- Director, Executive Chairman of the Board of Directors and CEO – Sagard Holdings Inc. – Canada
- Chairman of the Board of Directors and CEO of Sagard Holdings Manager GP Inc. – Canada
- Director, Chairman of the Board of Directors and CEO – Sagard Capital Partners Management Corp. – United States
- Director, Chairman of the Board of Directors and CEO – Sagard Capital Partners GP, Inc. – United States
- Director, Chairman of the Board of Directors and CEO – 1069759 B.C. Unlimited Liability Company – Canada
- Chairman of the Board of Directors and CEO – Sagard Credit Partners GP, Inc. – Canada
- Director, Chairman of the Board of Directors and CEO – Sagard Credit Partners Carried Interest GP Inc. – Canada
- CEO – Sagard Holdings Assets GP Inc. – Canada
- Chairman of the Board of Directors and CEO – Sagard Healthcare Royalty Partners GP LLC – Cayman Islands
- Chairman of the Board of Directors and CEO – Sagard Credit Partners II GP, Inc. – Canada
- Director, Chairman and CEO – Springboard III GP Inc. – Canada
- Director and Executive Chairman of the Board of Directors – PFC Ventures Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Portag3 Ventures GP Inc. – Canada
- Director – Portag3 Ventures Participation ULC – Canada
- Director and Executive Chairman of the Board of Directors – Portag3 Ventures Participation Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Portag3 Ventures II GP Inc. – Canada
- Director – Portag3 Ventures II International Investments Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Portag3 Ventures II Affiliates GP Inc. – Canada
- Director, Chairman and CEO – 9194649 Canada Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Diagram Ventures GP Inc. – Canada
- Director and Executive Chairman of the Board of Directors – Diagram Ventures II GP Inc. – Canada
- Director – Sagard SAS – France
- Director – 4190297 Canada Inc. – Canada

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

- Senior Vice-Chairman – Power Financial Corporation – Canada
- Director, Chairman and CEO – 7973594 Canada Inc. – Canada
- Chairman of the Board of Directors – Grayhawk Investment Strategies Inc. – Canada
- Director and Chairman of the Board of Directors – Peak Achievement Athletics Inc. – Canada
- Director and Chairman of the Board of Directors – 10094439 Canada Inc. – Canada
- Director and Chairman of the Board of Directors – 10094455 Canada Inc. – Canada
- Executive Chairman of the Board of Directors of Sagard Holdings Manager GP Inc. – Canada
- Executive Chairman of the Board of Directors of Sagard Credit Partners GP, Inc. – Canada
- Executive Chairman of the Board of Directors of Sagard Capital Partners GP, Inc. – United States
- Executive Chairman of the Board of Directors of Sagard Credit Partners Carried Interest GP Inc. – Canada
- Director, Chairman of the Board of Directors and CEO of Sagard Holdings ULC – Canada
- Director and Chairman of the Board of Directors of Sagard Holdings Participation Inc. – Canada
- Chairman and CEO of PFC Ventures Inc. – Canada
- Executive Chairman of the Board of Directors of Portag3 Ventures II International Investments Inc. – Canada
- Director and Chairman of the Board of Directors of Diagram Corporation – Canada
- Director, Chairman of the Board of Directors and CEO of Sagard Holdings ULC – Canada
- Director and Chairman of the Board of Directors of Sagard Holdings Participation Inc. – Canada

* Listed company.

** The term of office of Paul Desmarais III will expire at the close of the Shareholders' General Meeting of May 10, 2022 following his resignation.

Ian Gallienne

Director

Born on January 23, 1971

Work address:

c/o Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels
Belgium

Date first appointed:

April 29, 2010

Term of office expires:

Shareholders' General Meeting in 2022

Main professional activity:

Corporate executive and director

Biography

After completing an MBA at INSEAD, France, Ian Gallienne started his career in Spain in 1992 by co-founding his own company. From 1995 to 1997, he was a member of the management team at a consulting firm specialized in turning around struggling businesses in France. From 1998 to 2005, he served as Manager of Rhône Capital LLC, a private equity fund based in New York and London. In 2005, he set up his own private equity fund, Ergon Capital, in Brussels where he worked as Managing Director until 2012. On January 1, 2012, Ian Gallienne was appointed Managing Director of Groupe Bruxelles Lambert.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director – Pernod Ricard* – France
- Director – Société Civile du Château Cheval Blanc – France
- Legal Manager – Serena 2017 – France
- Director – Marnix French ParentCo (Webhelp) – France
- Managing Director – Groupe Bruxelles Lambert* – Belgium
- Director – Compagnie Nationale du Portefeuille – Belgium
- Director – CARPAR – Belgium
- Director – SGS* – Switzerland
- Director – Adidas AG* – Germany
- Director – Financière de la Sambre – Belgium

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Director – Frère-Bourgeois – Belgium
- Director – Umicore* – Belgium
- Director – Erbe SA – Belgium

* Listed company.

Colin Hall

Director

Born on November 18, 1970

Work address:

c/o Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels
Belgium

Date first appointed:

December 15, 2015

Term of office expires:

Shareholders' General Meeting in 2023**

Main professional activity:

Investment Partner and director

Biography

After completing an MBA at Stanford University Graduate School of Business in the US, Colin Hall started his career in 1995 as a financial analyst at Morgan Stanley in New York. In 1997, he joined Rhône Capital, a private equity fund, where he held various management positions in London and New York over the following 10 years. In 2009, he co-founded a hedge fund, Long Oar Global Investors (New York), which he ran until 2011. In 2012, he was appointed Chief Executive Officer at Sienna Capital, a wholly-owned subsidiary of Groupe Bruxelles Lambert combining its alternative investment activities, a position he held until 2020. From 2016 to 2021, he served as Director of Investments the Groupe Bruxelles Lambert ("GBL"). Since January 1, 2022, Colin Hall has held the position of Investment Partner at GBL.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director – Marnix French ParentCo (Webhelp) – France
- Investment Partner – Groupe Bruxelles Lambert* – Belgium
- Director – Ergon Capital Partners S.A. – Belgium
- Director – Ergon Capital Partners II S.A. – Belgium
- Director – Ergon Capital Partners III S.A. – Belgium
- Director – Holcim* – Switzerland
- Director – GEA* – Germany
- Director – Avanti Acquisition Corp.* – Cayman Islands
- Director – Globality, Inc. – US (California)

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Chief Executive Officer – Sienna Capital – Luxembourg
- Member of the Supervisory Board – Kartesia Management S.A. – Luxembourg
- Director – Umicore* – Belgium
- Director – Parques Reunidos Servicios Centrales S.A.* – Spain

* Listed company.

** The term of office of Colin Hall will expire at the close of the Shareholders' General Meeting of May 10, 2022 following his resignation.

Paris Kyriacopoulos

Director

Born on May 12, 1981

Work address:

Orymil S.A.
Amerikis 21a
10672 Athens
Greece

Date first appointed:

May 10, 2021

Term of office expires:

Shareholders' General Meeting in 2024

Main professional activity:

Corporate executive and director

Biography

Paris Kyriacopoulos gained a Bachelor of Arts degree cum laude from the University of Pennsylvania in Philadelphia (United States) in philosophy, politics and economics and an MBA with a high distinction from Harvard Business School in Cambridge (United States).

From 2005 until 2007, he was a junior associate with the Boston Consulting Group (Austria).

He took charge from 2010 to 2015 of FiberLean within Imerys' Filtration & Performance Additives division. From 2016 until 2020, he served as Chief Executive Officer of FiberLean Technologies Ltd, a joint venture between Imerys and OMYA, which was sold to the Werhahn group in 2021 (United Kingdom).

In 2013, he was appointed as a director, then in 2015 Chairman of the Board of Directors of Motodynamics SA, a company listed on the Athens stock exchange.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director and Chairman of the Board of Directors – Motodynamics SA* – Greece
- Director – Junior Achievement Greece – Greece

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

- Chief Executive Officer – FiberLean Technologies Ltd – United Kingdom

Non-Group companies

- Director – ALBA Association – Greece

* Listed company.

Annette Messemer

Independent director

Born on August 14, 1964

Work address:

Opernplatz 10
60313 Frankfurt
Germany

Date first appointed:

May 4, 2020

Term of office expires:

Shareholders' General Meeting in 2023

Main professional activity:

Director

Biography

Annette Messemer is a banking and finance executive who sits on boards of financial institutions, and of industrial and tech groups. She is a director of Société Générale and Savencia in France and of Babbel Group AG in Germany. Until May, 2021, Annette Messemer was sitting as a member of the audit and risk, nomination and compensation committees of EssilorLuxottica. Until June 2018, Annette Messemer was a member of the Executive Committee within the Corporate Clients division at Commerzbank AG in Frankfurt, Germany. She started working in investment banking at JP Morgan in New York in 1994 before continuing her career in Frankfurt and London. Over the 12 years Annette Messemer spent at JP Morgan, she acquired experience in finance, strategic M&A, financial transactions and risk management. Having reached the level of Senior Banker, she moved from JP Morgan to Merrill Lynch in 2006 as Managing Director and member of the executive committee in Germany. In 2010, she was appointed to the supervisory committee of WestLB by the German Minister of Finance in order to assist with one of the largest restructuring operations of the German banking system during the financial crisis. She went on to join Commerzbank in February 2013.

Annette Messemer studied political science and economics and holds an MA and a PhD from the University of Bonn (Germany), a Master's from Tufts University and Harvard University (both in the United States), as well as a diploma in politics from Sciences Po in Paris.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Member of the Supervisory Board – Babbel Group AG – Germany
- Director – Société Générale* – France
- Director – Savencia* – France

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Director – EssilorLuxottica* – France
- Member of the Executive Committee – Commerzbank AG* – Germany
- Member of the Supervisory Board – Commerzreal – Germany
- Member of the Supervisory Board – K+S Aktiengesellschaft – Germany
- Director – Essilor International S.A.* and Essilor International SAS – France

* Listed company.

Lucile Ribot

Independent director

Born on November 26, 1966

Work address:

10, rue Mayet
75006 Paris
France

Date first appointed:

May 4, 2018

Term of office expires:

Shareholders' General Meeting in 2022

Main professional activity:

Director

Biography

After graduating from HEC, France, in 1989, Lucile Ribot started her career at Arthur Andersen, where she conducted audits and provided financial advice to a number of major international groups. In 1995, she joined the industrial engineering group Fives and was appointed Chief Financial Officer in 1998 then a member of the management board in 2002. She stayed with the group, driving growth and strategic development, until 2017. Since then, she has served as an independent director. She became a director of Imerys on May 4, 2018.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director and member of the Audit Committee – HSBC Continental Europe
- Director and member of the Audit Committee – Kaufman & Board* – France

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Various directorships within the Acropole Holding group – France
- Member of the Management Board – Fives – France
- Member of the Management Board and Chief Executive Officer – Novafives – France
- Director – Fives DMS – France
- Director – Fives Pillard – France
- Director – FL Metal – France
- Director – Solocal Group* – France
- Director – Fives Landis Limited – UK

* Listed company.

Véronique Saubot

Independent director

Born on December 27, 1964

Work address:

23, rue Raynouard
75016 Paris

Date first appointed:

May 4, 2020

Term of office expires:

Shareholders' General Meeting in 2023

Main professional activity:

Director and partner

Biography

Véronique Saubot has over 25 years' experience in consulting and industry. She started her career in 1989 at Arthur Andersen before joining Valeo, where she held a number of operational and support positions over the 13 years she spent with the group. In 2002, she was put in charge of the Group's strategic plan.

In 2007, Véronique Saubot founded Coronelli International, offering consulting services in innovation strategy to major international corporations. In 2014, Coronelli International bought out Tykya, a firm set up in 2002 to support innovative start-ups and SMEs in securing public and private funding, formulating their market access strategy and putting them in touch with major corporations.

Véronique Saubot graduated from ESCP, INSEAD and IHEDN (Poldef session 69).

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Partner – Tykya – France
- Partner – Coronelli Finance – France
- Director – Lisi* – France
- Director – ESSO S.A.F.* – France
- Director – Aspen Institute – France
- Chairwoman – Equaleaders non-profit – France

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Director – Harmonie Mutuelle – France
- Director – Day One investment fund – France
- Director – Force Femmes non-profit – France

* Listed company.

Marie-Françoise Walbaum

Independent director

Born on March 18, 1950

Work address:

10, rue d'Auteuil
75016 Paris
France

Date first appointed:

April 25, 2013

Term of office expires:

Shareholders' General Meeting in 2024

Main professional activity:

Director

Biography

Marie-Françoise Walbaum holds a degree in sociology from Paris X University and a Master's in economics. She started her career in 1973 at BNP (Banque Nationale de Paris) and held various positions in retail banking and credit analysis until 1981. From 1981 to 1994, she served as Senior Auditor at BNP's Inspectorate General, then Chief Executive Officer for mutual funds before being appointed Chief Executive Officer of the brokerage firm Patrick Dubouzet S.A. In 1994, Marie-Françoise Walbaum became Head of Principal Investments and Private Equity Portfolio Manager at BNP Paribas. She ended her 39-year career when she left BNP Paribas on September 30, 2012. Since then, Marie-Françoise Walbaum has served as a director of several companies.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

- Director – Thales* – France
- Director, member of the Audit and Financial and the Governance, Appointments & Compensation committees – Peugeot Invest* – France
- Member of the Supervisory Board – Isatis Capital – France

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Director and Chairwoman of the Audit Committee – Esso* – France

* Listed company.

Dominique Morin

Employee representative director

Born on February 7, 1964

Work address:

Imerys Refractory Minerals Clérac
17270 Clérac
France

Date first appointed:

October 6, 2020

Term of office expires:

2023

Main professional activity:

Employee of Imerys Refractory Minerals Clérac

Biography

Dominique Morin has worked for the Imerys group within Imerys Refractory Minerals Clérac since 1989. He has fulfilled six terms as employee representative, three of which as company Works Council Secretary, before he was appointed Secretary of the Group's French Works Council in 2018. On October 6, 2020, he took up the office as employee representative director on the Board of Imerys S.A., as designated by the French Works Council.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

None

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

None

* Listed company.

Carlos Manuel Pérez Fernàndes

Employee representative director

Born on June 24, 1973

Work address:

Imerys Kiln Furniture España
Lugar Salcidos San Lorenzo P Bo
A Guarda Galicia 36780
Spain

Date first appointed:

October 6, 2020

Term of office expires:

2023

Main professional activity:

Employee (operator) at Imerys Kiln Furniture Spain

Biography

Carlos Manuel Pérez Fernàndes has worked for the Imerys group within Imerys Kiln Furniture Spain since 1997. He was elected by the European Works Council as representative for Spain and Portugal, before he was appointed Secretary of the European Works Council in October 2018. On October 6, 2020, he took up the office as employee representative director on the Board of Imerys S.A., as designated by the European Works Council.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Director – Imerys* – France

Non-Group companies

None

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

None

* Listed company.

Bernard Delpit

Director put forward for appointment at the next Shareholders' General Meeting

For further details, [see chapter 8, paragraph 8.2.5 of the Universal Registration Document](#).

Born on October 26, 1964

French national

Work address:

c/o Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels
Belgium

Main professional activity:

Group Deputy Chief Executive Officer and director

Biography

Bernard Delpit began his career in 1990 at the Inspectorate-General of Finance, before moving to the budget department of the ministry for the economy and finance in 1994. From 2000 through until 2007, he held several positions with the PSA Peugeot Citroën group. After three years in China as Deputy Chief Executive Officer of the joint venture between the PSA group and its partner Dong Feng, he was appointed as head of management control in 2004. He moved to the office of the President of the French Republic in May 2007 as economic advisor, then joined Le Groupe La Poste in June 2009 as Deputy Chief Executive Officer and Chief Financial Officer. In August 2011, he joined the Crédit Agricole Group as Chief Financial Officer. In May 2015, he was appointed as Safran's Chief Financial Officer. He was then named Group Chief Financial Officer with additional responsibility for Strategy, Mergers & Acquisitions and Real Estate. In 2021, he became Deputy Chief Executive Officer of the Safran group. Since January 2022, he has been Deputy Chief Executive Officer of Groupe Bruxelles Lambert.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

None

Non-Group companies

- Group Deputy Chief Executive Officer – Groupe Bruxelles Lambert* – Belgium
- Director – Renault* – France

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

- Group Deputy Chief Executive Officer – Safran* – France
- Director – ArianeGroup – France
- Director – BPI France – France

* Listed company.

Laurent Raets⁽¹⁾

Director put forward for appointment at the next Shareholders' General Meeting

For further details, *see chapter 8, paragraph 8.2.5 of the Universal Registration Document*.

Born on September 9, 1979

Belgian national

Work address:

c/o Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels
Belgium

Main professional activity:

Portfolio Monitoring Partner

Biography

A graduate of the École de Commerce Solvay, Université Libre de Bruxelles, Laurent Raets started his career in 2002 at Deloitte Corporate Finance in Brussels, Belgium, as Mergers and Acquisitions Consultant. In 2006, he joined the Investments department of Groupe Bruxelles Lambert as an analyst, and then became its Deputy Director in 2016, then Partner in 2021. He served as a director at Imerys from July 29, 2015 to May 4, 2018, when he was appointed a non-voting observer to the Board of Directors.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Non-voting observer – Imerys* – France

Non-Group companies

- Director – Umicore* – Belgium

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

- Director – Imerys* – France

Non-Group companies

None

* Listed company.

(1) At the date this Universal Registration Document was filed, Laurent Raets was serving as non-voting observer (since May 4, 2018).

Rein Dirkx

Non-voting observer*

For further details, see chapter 8, paragraph 8.2.5 of the Universal Registration Document.

Born on December 30, 1992

Belgian national

Work address:

c/o Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels
Belgium

Main professional activity:

Investment Principal

Biography

Rein Dirkx holds a degree in mining engineering from McGill University, Montreal (Canada). He began his career in 2016 with Bain & Company in Brussels (Belgium) as a consultant, working chiefly on private equity projects. In 2019, he joined the Corporate Venture Capital department of Ieteren Auto, the Volkswagen group's import subsidiary in Belgium, in order to develop innovative flexible mobility solutions. In 2020, he joined the Investments department of Groupe Bruxelles Lambert as an associate and then became Investment Principal in 2022.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

None

Non-Group companies

None

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

None

Non-Group companies

None

* Effective from and subject to approval of Laurent Raets as a Director at the Shareholders' General Meeting of May 10, 2022.

4.1.3 POWERS

In accordance with French legislation, the Company's by-laws and the Charter of the Board, the Board is tasked with the following duties:

- Protecting the Company's corporate interests and assets.
- Determining the strategic direction for the Company's operations and overseeing its implementation.
- Choosing the Company's corporate governance structure and appointing its executive corporate officers.
- Adopting the policy of compensation of corporate officers and setting their compensation in accordance with the policy, subject to the prerogatives of the Shareholders' General Meeting.
- Exercising permanent control over the way in which Executive Management manages the Company.
- Ensuring the quality of information provided to shareholders and markets.

In order to perform its role, the Board of Directors:

- carries out the checks and controls it deems appropriate throughout the year. It may obtain any documents it considers useful to fulfill its duties;
- is informed by Executive Management of its annual operating objectives for the year ahead and, periodically, its long-term strategic projects;
- receives regular reports from Executive Management on the state of Company affairs, prepared in the way requested by the Board. The report includes the Group's quarterly and half-yearly financial statements;
- receives regular reports from Executive Management on the state of Company affairs, which are prepared in the manner requested by the Board. The report includes the Group's quarterly and half-yearly financial statements. The Board examines and approves the Group's half-yearly financial statements;
- is provided by Executive Management with the Company's annual financial statements, the Group's consolidated financial statements and its annual report within the first three months following the end of the financial year. The Board reviews and checks the documents. The Board approves the financial statements and the terms of its Management Report, which is to be presented to the Shareholders' General Meeting.

Furthermore, prior to their implementation by Executive Management and within the limits of the general powers granted to it by law, the Board examines and approves the following:

- the strategic direction of the Company and Group and any operations likely to significantly influence this direction. It also periodically reviews the long-term strategic plan (multi-year plan) drawn up or revised by Executive Management.
- The operations likely to significantly modify the purpose or scope of business of the Company or the Group, including:
 - the acquisition, investment, takeover or disposal of securities or any other fixed asset (and any financially comparable transaction, including contributions or exchanges) for more than €75 million per transaction, or the equivalent amount in any other currency;
 - material commercial or industrial agreements committing the Company or the Group over the long term;
 - any financing operation raising an amount likely to substantially modify the Group's financial structure.
- Where necessary, the allocation of managerial tasks between the various Deputy Chief Executive Officers, as proposed by the Chief Executive Officer.
- More generally, any commitment made by the Company or the Group that constitutes a related party agreement, in accordance with law.

Finally, the Board of Directors grants any specific delegations of its powers to Executive Management, where necessary and within the limits and conditions set by law, to:

- grant on behalf of the Company any third-party guarantee (such as sureties and endorsements) or collateral on its assets, up to a maximum principal amount set each year;
- make, pursuant to the authorizations granted to the Board of Directors by the Shareholders' General Meeting, purchases by the Company of its own shares or certain capital increases;
- issue ordinary bonds in one or more transactions.

Reporting to the Board, the specialized Committees play an advisory role, submitting opinions and recommendations that help the Board make its decisions. The duties and activities conducted by each Board Committee in 2021 are detailed [in paragraph 4.1.4.2 of the present chapter](#). In addition, as explained in detail in the following section, the Board named in 2021 a Referent Director responsible for assisting the Board and its Committees on environmental, social and governance issues.

4.1.4 OPERATING PROCEDURES OF THE BOARD

■ CHARTER OF THE BOARD

As previously mentioned, the Board has adopted a Charter that contains all the principles of conduct applicable to its members and the operating procedures of the Board and its Committees. The Charter of the Board is updated regularly in order to include any applicable legal or regulatory developments, corporate governance guidelines and the results of the assessment conducted by the Board each year of its own operating procedures. The Charter of the Board (as per its most recent update on February 16, 2022) is available on the Company's website (www.imerys.com).

4.1.4.1 BOARD OF DIRECTORS

■ CHAIRMAN, VICE-CHAIRMAN (IF APPLICABLE), SECRETARY OF THE BOARD AND NON-VOTING OBSERVER

Chairman of the Board

The Chairman organizes and oversees the work of the Board, on which he reports to the Shareholders' General Meeting. He ensures the Company's bodies operate effectively and, along with the Vice-Chairman (should there be one), ensures directors are able to carry out their duties. He is also charged with calling and chairing Board meetings after setting an agenda with the Chief Executive Officer and the Secretary.

In addition to his legal responsibilities and in collaboration with the Chief Executive Officer, the Chairman may perform the following duties:

- represent the Company in its high-level relations nationally and internationally, in particular with the French State, partners and certain stakeholders of strategic importance to the Company;
- regularly give his opinion on all dealings of material importance to the Company (such as strategic focus, major investment or divestment projects, significant financial transactions, social responsibility initiatives as well as recruiting business executives and key positions), without prejudice to the prerogatives of the Board of Directors, its committees or the executive responsibilities of the Chief Executive Officer;
- take part, at the invitation of the relevant Committee Chair, in meetings of the Committees of which he is not a member.

Vice-Chairman

When necessary, the Vice-Chairman supports the Chairman in organizing the work of the Board and its Committees. Traditionally one of the directors representing the Company's controlling shareholders, the Vice-Chairman ensures the Company's governance bodies operate effectively and chairs Board meetings if the Chairman is absent. He also coordinates the Company's relations with its controlling shareholders and their representatives, seeks to prevent any situations likely to cause potential conflicts of interest for a director and, more generally, ensures that best corporate governance practice is applied.

At the date this Universal Registration Document was filed, and following the end of Paul Desmarais III's appointment effective May 4, 2020, the Board has not appointed a Vice-Chairman.

Secretary

The Board alone has power to appoint and, where appropriate, dismiss the Secretary of the Board. The Secretary assists the Chairman, Vice-Chairman (if there is one), Committee chairs and the Board, making any helpful recommendations on the procedures and rules that apply to the Board and its Committees, as well as their implementation and compliance. The Secretary is authorized to certify copies or extracts of minutes taken at Board meetings.

The Secretary also acts as Ethics Officer, tasked with giving an opinion prior to any transactions in the Company's shares considered by the Group's directors and senior executives, at their request *see paragraph 4.4.2 of the present chapter*.

The Board's current Secretary is Frédérique Berthier-Raymond, Group General Counsel.

Non-voting observer(s)

The Board may appoint one or more non-voting observers, who may or may not already be shareholders of the Company, to:

- ensure the proper application of the Company's by-laws and policies applicable to the Board;
- inform and advise the Board, in particular by giving their opinion on any matter put to them by the Board or one of its committees;
- carry out any specific task entrusted to them by the Board or one of its committees;
- more generally, assist the Board in performing its duties without interfering in the management of the Company or acting as a director.

Non-voting observers are subject to the same rules as directors as set out in the Charter of the Board.

Board meetings

2021

Number of meetings	5
Average attendance rate*	98.46%

* *Directors and non-voting observer.*

The Board meets as often as the interests of the Group require and at least four times a year. Meetings are called by the Chairman, Secretary or Vice-Chairman of the Board, should there be one, by any means of communication, including verbal.

Notices of meetings, which are sent to each director via a secure digital platform, include all the information and documents concerning the items on the agenda that members require to effectively take part in debates. Such information and documents may include the Group's (provisional or definitive) quarterly, half-yearly or annual financial statements and presentations on the current situation in the Group's various businesses or any other specific items that will be raised. Directors may also be given certain additional documents in meetings, such as draft press releases on the Group's financial statements for the period or information on changes in the Company's share price.

In order to allow directors to carry out their duties in the best possible way, the Chairman and the members of the Executive Committee if so called upon will communicate any important information published about the Group between Board meetings, including critical reports (in particular press articles and financial analysis reports) and any other sufficiently important or urgent information that is relevant to the Group's situation, projects, and economic or market environment.

As per the AFEP-MEDEF's recommendations, the Board of Directors regularly organizes executive session debates at the end of its meetings, without the Group's executive management team and employees being there.

Activities in 2021

During 2021, the main responsibilities and work handled by the Board were as follows:

Matter	Main responsibilities and work performed in 2021
Group's business and finance	- Information about safety within the Group. - Monitoring of trends in and impacts of the pandemic crisis on the Group's operations. - Updates on development of business activities. - Review of the 2020 annual financial statements and for the first half of 2021, information about or review of the financial statements for the first and third quarters of 2021 and review of the corresponding draft financial press releases. - Renewal of the authorizations given to the Chief Executive Officer (including acquisitions of treasury shares, bond issues, sureties, endorsements and collateral) on an annual basis. - Dividend policy, proposed appropriation of profit and payment of the 2021 dividend. - Review of management projections. - Review and selection of the terms of office of the Statutory Auditors. - Monitoring of the Audit Committee reports. - Monitoring of the Strategic Committee reports. - Information about the Ethics Committee. - Review and approval of the 2022 budget. - The sustainability-linked bond issue in 2021.
Environment, Social and Governance (ESG)	- Review and assessment by the Board, as well as by an external firm, of the Board's operating procedures, its performance and that of its committees. - Review of the composition of the Board and its Committees. - Renewal of the term of office of the non-voting observer. - Appointment of an ESG Referent Director. - Review of the independent status of members of the Board. - Consideration of the AFEP-MEDEF Code's recommendations. - Review of the diversity and inclusion policy. - Review of the agreements with related parties. - Approval of the annual reports of the Board of Directors (management report and corporate governance report). - Review of the Charter of the Board. - Monitoring of the ESG situation and related programs, including a study of climate risks/opportunities and the reporting related to European taxonomy.
Compensation	- Review and approval of the 2021 compensation policies applicable to the Company's corporate officers, evaluation of the corporate officers' compensation in respect of 2020 and, more broadly, the details required in respect of the 2020 compensation report submitted for approval at the Shareholders' General Meeting. - Long-term compensation plans: assessment of the 2020 performance criteria, approval of the 2021 plan and applicable rules in respect of it and award of performance shares to the Chief Executive Officer and other allottees.
Talc litigation	Monitoring of developments in the dispute in the United States concerning the Group's talc activities.
Shareholders' General Meeting on May 10, 2021	- Notice of meeting, approval of draft resolutions and approval of the special reports of the Board of Directors. - Review of the recommendations by proxy advisory firms.
Miscellaneous	- Participation in a strategic session. - Review of the findings of the Your Voice internal staff engagement survey.

In 2021, all Board meetings were followed by executive session debates at the end of its meetings, i.e. without the Group's executive management team and employees being there (including the employee representative directors).

Activities in 2022

For information purposes, six Board meetings have been scheduled for 2022.

4.1.4.2 BOARD COMMITTEES & ESG REFERENT DIRECTOR

The Board has formed four permanent specialized committees: the Strategic Committee, the Audit Committee, the Appointments Committee and the Compensation Committee. These committees carry out their work under the responsibility of the Board, which defines their duties, structure and the compensation of their members based on proposals made by the Appointments Committee and the Compensation Committee.

The Board Committees play an advisory role and do not have the power to make decisions. The chair of each Board Committee is required to regularly provide the Board with reports on their work.

The members of the Board Committees are chosen by the Board, based on proposals made by the Appointments Committee, from among the directors. Committee members are appointed for the same term of office as their directorship. Each Committee elects its own chair based on the recommendation of the Appointments Committee.

At its meeting on July 27, 2021, the Board appointed an ESG Referent Director, as explained in detail in the following section.

■ STRATEGIC COMMITTEE

Structure

At the date this Universal Registration Document was filed, the Strategic Committee was made up of six members appointed by the Board, as follows:

Name	Date first appointed to the Committee	Number of years spent on the Committee	Expiration of term of office	Independent
Ian Gallienne, Chair	April 29, 2010	11.11	SGM in 2022	No
Aldo Cardoso	May 2, 2007	14.11	SGM in 2023	Yes
Paul Desmarais III	April 29, 2014	7.11	SGM in 2023*	No
Colin Hall	May 4, 2018	4.11	SGM in 2023*	No
Paris Kyriacopoulos	May 10, 2021	0.11	SGM in 2024	No
Véronique Saubot	May 4, 2020	1.11	SGM in 2023	Yes
Number of members: 6				2 (i.e. 33%)

* The terms of office as Directors of Paul Desmarais III and Colin Hall will expire at the close of the Shareholders' General Meeting of May 10, 2022, following their resignation.

Duties

The Charter of the Board defines the duties of the Strategic Committee as follows:

"The duties of the Strategic Committee include examining and submitting opinions and recommendations to the Board of Directors in order to:

1. Strategy

- Formulate and approve the Group's long-term industrial, commercial and financial strategic direction and how to pursue it.
- Ensure the long-term strategy implemented by Executive Management is in line with the strategic direction adopted by the Board of Directors.

It therefore closely analyzes and, where necessary, makes recommendations to the Board on:

- the Group's budget drawn up by Executive Management;
- the operations likely to significantly modify the purpose or scope of business of the Company or the Group, including:
 - the purchase of shareholdings, investment, takeover or disposal of securities or any other fixed asset (and any financially comparable transaction, including contributions or exchanges) for more than twenty million euros (€20,000,000) per transaction, or the equivalent amount in any other currency,

- material commercial or industrial agreements committing the Company or the Group over the long term,
- any financing operation raising an amount likely to substantially modify the Group's financial structure;
- the direction, implementation and monitoring of the Group's ESG and Innovation strategy set by Executive Management.

At the end of every year, the Strategic Committee presents to the Board its annual schedule for the coming year of the work it plans to undertake to review the strategic issues affecting the future of the Group.

2. Risk

- Analyze matters relating to the way Executive Management identifies, measures and monitors the main challenges and potential risk facing the Group in the following areas:
 - Outside the Group: investor relations and the Group's market positions.
 - Group policies: financial resource management, human resources and skills management, dependence and continuity of key industrial or commercial activities.
 - Management information: financial control and reports as well as retrospective checks, where appropriate, on the most material investment projects."

Activities in 2021

2021

Number of meetings	5
Average attendance rate	96.67%

Throughout the year, the Strategic Committee monitored the main management and development decisions made by Executive Management, making sure they were in line with Imerys' strategy recommended by the Strategic Committee and approved by the Board of Directors.

The Strategic Committee continued its discussions about the Group's long-term strategy. It considered various options to adjust the business portfolio, including the sale of certain businesses. The Strategic Committee also reviewed the Group's borrowing capacity to ensure it was solid enough to enable Imerys to continue its selective investment and acquisitions policy. It conducted a retrospective analysis of the performance of Imerys' investments and acquisitions between 2016 and 2018 to learn the lessons for future transactions.

In addition, the Strategic Committee periodically examined and approved the key stages and main components of the largest investments and acquisitions and divestment plans. In 2021, the Committee's review concentrated on:

- the review of the APAC Performance Minerals strategy and validation of the relevant investments (including in talc);
- the Group's positioning and the development of solutions for the fast-growing lithium-ion battery market, and more specifically an increase in carbon black and synthetic graphite production capacity;
- non-core asset disposals.

The Committee studied the final outcome of the Connect & Shape transformation plan launched in 2018.

The Committee reviewed developments in the dispute concerning the Group's talc activities in the United States. It also continued its review of Imerys' product stewardship drive.

The Committee kept track of the Group's innovation efforts. It also considered the content and deployment of its roadmap for digital transformation applied to its operations (Industry 4.0).

During its meetings of June 21 and 22, which all directors were invited to attend, they toured the talc quarry and talc plant at Luzenac, as well as the Toulouse research center dedicated to the EMEA Performance Minerals activities.

Operating procedures

The Strategic Committee may validly conduct its debates when a majority of its members are in attendance and meets as often as its Chair sees fit or at the request of the Chairman of the Board or the Chief Executive Officer.

To perform its duties, the Strategic Committee hears contributions from officers and other individuals including the Chief Executive Officer, the Chief Financial Officer, the General Counsel and the Chief Strategy and M&A Officer, as well as any other member of the Executive Committee or operating or support department head, depending on the items on the agenda for the meeting. These individuals are invited by the Chief Executive Officer on behalf of either the Committee or himself. Where appropriate, the Committee may visit industrial facilities and interview the Group's operational managers on-site where this is helpful for the purposes of its remit.

The position of Strategic Committee Secretary is held by the Chief Strategy and M&A Officer, who drafts the minutes at its meetings.

Activities in 2022

For information purposes, four meetings of the Committee have been scheduled for 2022.

APPOINTMENTS COMMITTEE

Structure

At the date this Universal Registration Document was filed, the Appointments Committee was made up of three members appointed by the Board, as follows:

Name	Date first appointed to the Committee	Number of years spent on the Committee	Expiration of term of office	Independent
Marie-Françoise Walbaum, Chair	May 4, 2016	5.11	SGM in 2024	Yes
Ian Gallienne	April 26, 2012	9.11	SGM in 2022	No
Annette Messemer	May 4, 2020	1.11	SGM in 2023	Yes
Number of members: 3				2 (i.e. 66%)

Duties

The Charter of the Board defines the duties of the Appointments Committee as follows:

"The duties of the Appointments Committee include examining and submitting opinions and recommendations to the Board of Directors on:

- prospective candidates for the positions of Chief Executive Officer, Deputy Chief Executive Officer, directors, Chairman of the Board and its Committees as well as their members.
- As such, the Appointments Committee must take into account the structure and changes to the Company's shareholding to ensure the structure of the Board is balanced in terms of:
- independence,
 - representation of women and men,
 - nationality,
 - international experience and expertise (in particular, the financial and accounting skills required for members of the Audit Committee);
 - presentation of a succession plan for executive corporate officers and, as requested by the Chief Executive Officer, members of the Executive Committee;
 - the independent status of each director, with respect to the definition of independence adopted by the Board, and any changes (or clarification of criteria) to be made to that definition;
 - the section of the Board of Directors' Corporate Governance Report falling within its remit;
 - review of draft responses to any requests from regulatory authorities (French Financial Market Authority (AMF) or France's High Committee for Corporate Governance (HCGE); and

More generally, the Appointments Committee makes recommendations to the Board to ensure compliance with best practice in governance and the recommendations set out in the AFEP-MEDEF Code. As such, each year the Appointments Committee reviews the conclusions of the self-assessment made by the Board and its Committees as well as the key recommendations."

Activities in 2021

2021

Number of meetings	3
Average attendance rate	100%

In 2021, the Appointments Committee met three times. It was consulted regarding the structure of the Board of Directors and its Committees and it examined the profiles of the directors, especially those whose terms of office were expiring. The Appointments Committee therefore recommended to renew the terms of office of Patrick Kron and Marie-Françoise Walbaum. Following the departure of Ulysses Kyriacopolous, the Committee recommended the Board appoint Paris Kyriacopolous. The Appointments Committee also oversaw the assessment process of the Board of Directors and its Committees. This assessment was performed by an independent external advisor. On that basis, the Committee suggested improvement recommendations to the Board. The Committee reviewed the succession plans (OPR) in place for the key managers within the Imerys Group, considering in particular the way in which the Group's transformation may affect the solidity of these plans and any needs in terms of new skills. The Committee closely monitored the progress made regarding diversity, in particular among senior managers, and equal opportunities.

Operating procedures

The Appointments Committee may validly conduct its debates with at least two of its members in attendance and meets as often as its Chair sees fit or at the request of the Chairman of the Board or the Chief Executive Officer.

To perform its duties, the Appointments Committee hears contributions from the Chairman of the Board, the Chief Executive Officer, the Chief Human Resources Officer and, if required, the Secretary of the Board. It also takes advice from independent experts as it sees fit.

The position of Appointments Committee Secretary is held by the Group's Chief Human Resources Officer, who drafts the minutes at its meetings.

Activities in 2022

For information purposes, four meetings of the Committee have been scheduled for 2022.

■ COMPENSATION COMMITTEE

Structure

At the date this Universal Registration Document was filed, the Compensation Committee was made up of four members:

Name	Date first appointed to the Committee	Number of years spent on the Committee	Expiration of term of office	Independent
Marie-Françoise Walbaum, Chair	May 4, 2016	4.11	SGM in 2021	Yes
Ian Gallienne	April 26, 2012	8.11	SGM in 2022	No
Annette Messemer	May 4, 2020	0.11	SGM in 2023	Yes
Dominique Morin	October 30, 2020	0.5	2023	N/A
Number of members: 4				2 (i.e. 66%)*

* Not counting the employee representative director

Duties

The Charter of the Board defines the duties of the Compensation Committee as follows:

“The duties of the Compensation Committee include examining and submitting opinions and recommendations to the Board of Directors concerning:

- the compensation policy for corporate officers;
- the amount of and allocation method for compensation (fixed and variable components, the latter being higher) awarded to directors in accordance with the compensation policy;
- the general compensation policy for the Group’s senior executives;
- all components of compensation (fixed, variable and exceptional), sign-on bonuses, severance packages and benefits of any kind granted or likely to be granted to each executive corporate officer in accordance with the compensation policy;
- the general policy for granting stock options or free shares of the Company and determining the beneficiaries of such plans proposed by the Chief Executive Officer;
- the determination of individual stock option or free share grants to executive corporate officers as well as the specific terms and restrictions that apply to those grants (achievement of quantitative performance targets, restriction of the number of shares granted, lock-up periods, etc.), in line with the recommendations of the AFEP-MEDEF Code;
- the section of the Board of Directors’ Corporate Governance Report falling within its remit;
- the Group policy on employee share ownership and its terms and conditions as proposed by the Chief Executive Officer;
- review of draft responses to any requests from regulatory authorities (AMF or France’s High Committee for Corporate Governance, HCGE); and
- more generally, the preparation of recommendations to the Board to ensure compliance with best practice in governance and compensation and the recommendations set out in the AFEP-MEDEF Code.”

The Compensation Committee predominantly comprises independent members, in accordance with the recommendation of the AFEP-MEDEF Code.

AUDIT COMMITTEE

Structure

At the date this Universal Registration Document was filed, the Audit Committee was made up of four members:

Name	Date first appointed to the Committee	Number of years spent on the Committee	Expiration of term of office	Independent
Aldo Cardoso, Chairman	May 3, 2005	15.11	SGM in 2023	Yes
Colin Hall	December 15, 2015	5.4	SGM in 2023*	No
Lucile Ribot	May 4, 2018	2.11	SGM in 2022	Yes
Annette Messemer	May 4, 2020	0.11	SGM in 2023	Yes
Number of members: 4				3 (i.e. 75%)

* The term of office as Director of Colin Hall will expire at the close of the Shareholders’ General Meeting of May 10, 2022, following his resignation.

Over two thirds of the members of the Audit Committee are independent, in accordance with the recommendation of the AFEP-MEDEF Code and the AMF working group on audit committees.

Activities in 2021

2021

Number of meetings	2
Average attendance rate	100%

In 2021, the Compensation Committee met two times. The Committee acknowledged and confirmed the 2020 compensation policy was properly applied to the corporate officers and developed the 2021 compensation policy applicable to the corporate officers to recommend to the Board of Directors. The Committee analyzed the figures used to review 2020 financial performance, which are used in particular into long-term incentive plans. On the basis of this work, it recommended to the Board of Directors the percentage of achievement for targets within the respective plans. It also recommended the overall number of performance shares to be granted as part of 2021 long-term incentive plans. The Committee also conducted the annual review of compensation gaps between the compensation of executive directors and of the company employees.

Operating procedures

The Compensation Committee may validly conduct its debates with at least two of its members in attendance and meets as often as its Chair sees fit or at the request of the Chairman of the Board or the Chief Executive Officer.

To perform its duties, the Compensation Committee hears contributions from the Chairman of the Board, the Chief Executive Officer and any relevant Human Resources managers. It also takes advice from independent experts as it sees fit.

The position of Compensation Committee Secretary is held by the Group’s Chief Human Resources Officer, who drafts the minutes at its meetings.

Activities in 2022

For information purposes, three meetings of the Committee have been scheduled for 2022.

Duties

The Charter of the Board defines the duties of the Audit Committee as follows:

“The duties of the Audit Committee include examining and submitting opinions and recommendations to the Board of Directors on:

1. Financial statements

- The statutory and consolidated annual, half-yearly and quarterly financial statements.
- The scope of consolidation.
- The relevance and consistency of accounting methods, by verifying, in particular, the reliability of internal procedures for collecting and checking information.
- The method and estimates applied in impairment tests by the Group.
- The Group's debt position.
- Any material litigation and off-balance sheet commitments, and their impact on the Group's accounts.
- The procedure applied to producing and circulating accounting and financial information.
- The analysis of any remarks made by regulatory authorities (AMF) and the draft replies.

2. Financial information

- The policy and procedures applied to financial communication designed to ensure the Group's compliance with regulatory obligations.
- The main components of financial communication relating to the Group and Company financial statements.

3. External control

- The proposals to appoint or re-appoint Statutory Auditors.
- The Statutory Auditors' work plan and any additional assignments they or other members of their network may be given, as well as the corresponding fees.
- The supervision of the rules for calling upon the services of the Statutory Auditors other than for the statutory audit of the accounts (“authorized non-audit services”) and, more generally, compliance with the principles safeguarding the independence of Statutory Auditors and the measures taken by them to mitigate any risk. To this end, the Audit Committee reviews and approves in advance any authorized non-audit services subject to any conditions laid down by the Board. Exceptionally, where the total annual amount of fees paid for specific assignments does not exceed the percentages or amounts set by the Board, such fees are simply ratified by the Audit Committee by December 31 of each year at the latest.
- The conclusions of due diligence work by Statutory Auditors as well as their recommendations and follow-up actions.

4. Audit & Internal control

- The annual internal audit programs and internal control assessments and the resources allocated to their implementation.
- The results of the work of the internal and external auditors and the Internal Control Department, following up on any recommendations made, particularly concerning the analysis, corrective measures and preparation of the Group's material

risk map as well as the way in which risk and significant off-balance sheet commitments are managed and internal audit teams are organized.

- The preparation and content of the Annual Report of the Board of Directors on the Group's risk factors and internal control.

5. Risk

- The identification, measurement and monitoring by Executive Management of the main risks facing the Group in the following areas:
 - outside the Group: legal or regulatory developments, crisis or disaster management and cybersecurity;
 - Group processes: monitoring major disputes, compliance with applicable regulations (particularly Environment, Health & Safety and Sustainable Development), business conduct in accordance with the regulations and Imerys' core ethical values (conduct and ethics, anti-corruption, anti-trust, etc.);
 - potential mineral reserves and resources.
- The direction, implementation and monitoring by Executive Management of the Group's comprehensive policy on internal control, risk prevention (organization, policies and procedures, IT infrastructure and systems, telecommunications and digitization, etc.), Group insurance, and any changes that may be introduced.
- The programs and results of the work by internal specialists (auditors, lawyers, etc.) and, where appropriate, external specialists brought in, concerning risk analysis, control and metrics and the Group's performance in the aforementioned areas.
- Any other issues likely to have a material financial and accounting impact on the Company or the Group.”

Activities in 2021

2021

Number of meetings	5
Average attendance rate	95%

The Audit Committee reviewed Imerys S.A.'s statutory and consolidated financial statements for 2020, as well as the Group's quarterly and half-yearly financial statements in 2021. As part of that work, it examined the period-end procedures and related draft press releases. Following this work, it was able to recommend that the Board should unreservedly approve the definitive financial statements. The Audit Committee examined the monitoring of non-audit services on a quarterly basis. It also reviewed the ways in which the IFRSs were applied in the specific context of 2020, and in particular monitored the recommendations made by the AMF concerning the preparation of the 2021 financial statements and their implementation in the consolidated financial statements in the Universal Registration Document.

It also reviewed, as in previous years, the changes in the Group's overall effective tax rate and its components and reviewed the results of the impairment testing applied to the relevant Cash Generating Units.

In the first half of 2021, the Audit Committee reviewed the report on payments to governments made by the Group's entities conducting mining operations.

Throughout 2021, the Committee also monitored the progression of the litigation relating to the activities of Imerys' Talc subsidiaries in the United States.

During the year, several presentations were given on the Group's compliance programs, in particular regarding the fight against corruption.

At the end of each half-year, the Audit Committee examined the operational report produced by the Audit & Internal Control Department. It includes details of audit assignments completed and the follow-up on execution of the action plans put in place after audits in previous years, as well as tests and evaluations of the internal control systems in force in the Group. The Audit Committee also reviewed the audit plan and the specific actions scheduled for 2022. In addition, it was able to study the updated risk assessment of the Group's risk map. Lastly, the Committee reviewed the Statutory Auditors' work program for the 2021 financial statements.

Throughout the year, the Committee also discussed the following matters: the activities of the Group Treasury function, including improvements to cash monitoring tools; the major IT projects, in particular cybersecurity risk management; the recognition of major restructuring projects and changes in scope; the progress of the Group's transformation plan launched in November 2018; the inventory of the Group's mining reserves and resources; the review of the annual Ethics Committee report; the management and status of main legal risks (including the main disputes), and evaluation of the corresponding provisions; the management of insurance policies and renewal of material policies; and the assessment of the Group's tax positions in the main countries in which it is based and any potential related risks.

Operating procedures

The Audit Committee may validly conduct its debates when the majority of its members are in attendance. It meets as often as its Chairman sees fit or at the request of its members, the Chairman of the Board or the Chief Executive Officer.

To perform its duties, the Audit Committee hears contributions from the Chairman of the Board, the Chief Executive Officer, the Statutory Auditors and the Chief Financial Officer. Alternatively, the Chief Executive Officer or the Chief Financial Officer may invite or be asked by the Committee to invite any other person involved in preparing and auditing the financial statements or managing or preventing risks (including the Finance Department, the Internal Audit & Control Department and the Legal Department), depending on the items on the agenda for the meeting.

The Audit Committee enjoys unrestricted access to all information available in the Group. It may also visit industrial sites and take the opportunity to speak with any of the Group's operating and support managers as it sees fit in order to carry out its duties. The Committee may also ask for any audit to be

conducted, either internally or externally, on any issue it deems to come within its responsibility. The Chairman of the Board and the Chief Executive Officer must be informed of this decision.

The position of Audit Committee Secretary is held by the Group's Chief Financial Officer, who drafts the minutes at its meetings and communicates them to the Statutory Auditors.

Activities in 2022

For information purposes, five Board meetings have been scheduled for 2022.

■ ESG REFERENT DIRECTOR

Fully mindful of the strategic importance of environmental, social and governance (ESG) issues, the Board of Directors appointed on July 27, 2021 a referent director on these issues. This appointment is aligned with the Board's desire to enhance the Company's governance in ESG issues, especially as regards the recommendations of the AFEP-MEDEF Code and the Task Force on Climate-related Financial Disclosures and practices observed at Euronext Paris-listed companies, to meet investors' and rating agencies' expectations and to build further on the momentum it gained following the May 14, 2021 sustainability-linked bond issue.

Since 2021, the ESG priorities have been presented to the Board on a twice-yearly basis.

Duties

The main responsibilities of the ESG Referent Director are as follows:

- assisting the Board and the Strategic Committee with ensuring that the strategic direction set by the Board appropriately incorporates long-term environmental and social considerations and that the strategy being implemented by Executive Management is aligned with the ESG priorities set by the Board;
- assisting the Board with a review of the ESG information contained in the Universal Registration Document;
- more generally, being available to the Committees or making any recommendation to them on any ESG-related issue falling within his or her remit and, as required, making suggestions to the Chairman of the Board of Directors to add to the agenda of Board meetings additional points falling within their remit.

The ESG Referent Director is selected from among the independent directors and is appointed for their term of office as a director. From 2022, additional remuneration may be awarded for this role.

The arrangements concerning the status, remit and powers of the ESG Referent Director are laid out in more detail in the Charter of the Board ([available on the Company's website](#)).

Activities in 2021

At its meeting on July 27, 2021, the Board of Directors appointed Véronique Saubot as the ESG Referent Director for the duration of her term of office, that is until the Shareholders' General Meeting to be called in 2023 to approve the 2022 financial statements.

Since taking office, the ESG Referent Director has worked closely with the individuals with responsibility for such issues within the Group. Accordingly, Véronique Saubot has monitored the SustainAgility program and played a coordinating role between the Group and its governing body. In particular, the ESG Referent Director has made certain that the Board of

Directors and its Committees have gained insights and been informed concerning the ESG factors that need to be considered in their stewardship of the Group's activities and its strategic direction.

In 2021, special consideration was devoted to:

- analysis of climate-related risks and opportunities;
- implementation of the European "taxonomy" regulations;
- a review of the key ESG milestones reached by the Group;
- follow-up on the evaluation of product portfolios based on environmental and social criteria;
- a review of the ESG ratings.

■ ATTENDANCE RECORD OF BOARD MEMBERS

In accordance with the AFEP-MEDEF Code, the following table presents a summary of the 2021 attendance record of each member at meetings of the Board and each specialized Committee on which they sit:

	Board of Directors	Strategic Committee	Appointments Committee	Compensation Committee	Audit Committee
Patrick KRON <i>Chairman of the Board and director</i>	100%	N/A	N/A	N/A	N/A
Aldo CARDOSO <i>Director</i>	100%	100%	N/A	N/A	100%
Paul DESMARAIS III <i>Director</i>	100%	80%	N/A	N/A	N/A
Ian GALLIENNE <i>Director</i>	100%	100%	100%	100%	N/A
Colin HALL <i>Director</i>	100%	100%	N/A	N/A	100%
Paris KYRIACOPOULOS <i>Director and member of the Strategic Committee (since May 10, 2021)</i>	100%	100%	N/A	N/A	N/A
Ulysses KYRIACOPOULOS <i>Director and member of the Strategic Committee (until May 10, 2021)</i>	100%	100%	N/A	N/A	N/A
Annette MESSEMER <i>Director</i>	80%	N/A	100%	100%	80%
Lucile RIBOT <i>Director</i>	100%	N/A	N/A	N/A	100%
Véronique SAUBOT <i>Director</i>	100%	100%	N/A	N/A	N/A
Marie-Françoise WALBAUM <i>Director</i>	100%	N/A	100%	100%	N/A
Dominique MORIN <i>Director</i>	100%	N/A	N/A	100%	N/A
Carlos Manuel PÉREZ FERNÁNDEZ <i>Director</i>	100%	N/A	N/A	N/A	N/A
Laurent RAETS <i>Non-voting observer</i>	100%	N/A	N/A	N/A	N/A

4.1.4.3 SELF-ASSESSMENT BY THE BOARD OF DIRECTORS

The Board conducts its assessment based on the objectives and arrangements laid down in the recommendations of the AFEP-MEDEF Code and in line with the Charter of the Board. More specifically, the Board devotes an agenda point once every year to a discussion of its operating procedures and its activities during the previous year. At least once every three years, at an interval decided by its Chairman, the Board conducts or commissions a third-party consultant to conduct a formal assessment. The key findings are included in the Board's Corporate Governance Report.

2020/2021 assessment

Given the unprecedented external circumstances, the Board's review of the formal assessment conducted by an external consultant commenced in the final quarter of 2020 had to be postponed. On the recommendation of the Appointments Committee, the Board had selected Spencer Stuart as the external consultant to carry out the assessment. Detailed questionnaires had been sent out to Board members, and each of them had been interviewed individually. The issues covered the governance, organization and operational procedures of the Board, its committees, its composition, its areas of expertise and its working methods, the Board's relationships with the Executive Management team, the shareholders and stakeholders, as well as preparations for the future. The findings of the assessment were presented to and reviewed by the Board at its meeting on May 10, 2021.

The following strengths emerged from this exercise:

- The appointment of a new pairing (Chairman and Chief Executive Officer) at the helm of the business had paved the way for the governance framework to operate harmoniously and effectively, with genuine transparency between the Board and Executive Management.
- The reduction in the size of the Board made it more agile and able to make decisions more rapidly.
- The connection between the work done by the Committees and that done by the Board had become more efficient.

- The Board's work was conducted effectively and interactively.

The directors proposed the following areas for improvement:

- Adjustments to the composition of the Board to enhance the mix of the Board's skills and expertise by bringing in new members with executive and international experience in the industrial sector.
- Additional succession planning.

On that basis, the Board approved an action plan including:

- The content and operating procedures (and, where relevant, for the relevant Committee), with sessions building in sufficient time on a regular basis to review issues concerning the long-term strategy, succession planning, technological advances and ESG, as well as a regular presentation of the key managers, a review of the self-assessment questionnaires with a view to improving their contents and facilitating an appraisal of directors' individual contribution.
- The Group's knowledge and relationships and interactions between directors, including through face-to-face meetings and the scheduling of the annual on-site strategic session, pandemic situation permitting, and preparatory meetings for the employee representative directors prior to each meeting.
- The desired supplement to the OPR review (Organization and People Review) and formal definition of succession plans for the executive corporate officers, monitoring of action plans for the Executive Committee and senior managers, changes in the Board and possibly its committees (desired profile, handling of reappointments based on constraints and contributions).

In addition, note that as every year, the Board of Directors discussed at its meeting on February 17, 2021, its operating procedures and its activities during 2020, as well as on May 10, 2021 the aforementioned assessment conducted by the external consultant Spencer Stuart. Note also that the Board of Directors' meeting of February 16, 2022 discussed its operating procedures and its activities during 2021 (including a review of implementation of the action plan drawn up based on the aforementioned assessment conducted by external consultant Spencer Stuart).

4.2 EXECUTIVE MANAGEMENT

At the date this Universal Registration Document was filed, the Group's Executive Management was headed by:

- Alessandro Dazza, whose biography is provided below;
- assisted by an Executive Committee made up of the Group's 10 most senior operating and support executives, as presented in paragraph 4.2.3 of this Chapter.

4.2.1 CHIEF EXECUTIVE OFFICER

Alessandro Dazza

Chief Executive Officer

Born on April 17, 1969

Work address:

c/o Imerys
43, quai de Grenelle
75015 Paris
France

Date appointed:

December 17, 2019, effective February 17, 2020

Term of office expires:

Unlimited term of office

Main professional activity:

Chief Executive Officer

Biography

Alessandro Dazza graduated from the Politecnico di Milano having studied Business Engineering.

After starting his industrial career in Italy in 1991, he joined Treibacher Schleifmittel in Germany in 1995. He participated in a management buyout with a few key managers and became a member of its Managing Board. Alessandro Dazza joined Imerys in 2002 when Imerys bought Treibacher Schleifmittel. From 2002 until 2013, Alessandro Dazza held various roles within Imerys and in July 2013, he became Executive Vice President, member of the Executive Committee, in charge of three divisions with total revenue of approximately €2 billion. In November 2018, following the arrival of a new CEO and as a result of a new reorganization, Alessandro Dazza left Imerys. He joined Mondi plc, a leading company in packaging and paper. As a member of the Executive Committee, he was in charge of two divisions with total revenue of approximately €4 billion.

Alessandro Dazza became Imerys' Chief Executive Officer on February 17, 2020.

OFFICES AND POSITIONS HELD AT DECEMBER 31, 2021

Group companies

- Chief Executive Officer – Imerys* – France

Non-Group companies

- Member of the Supervisory Board – Silgan Holding Austria – Austria
- Member of the Board of Directors – Tori Spa – Italy

OFFICES AND POSITIONS THAT EXPIRED IN THE PAST FIVE YEARS

Group companies

- Various directorships within the Imerys group

Non-Group companies

- Member of the Executive Committee and CEO of Flexible Packaging and Engineered Materials – Mondi plc* – United Kingdom

* Listed company.

(1) Alessandro Dazza worked and held various management positions at Imerys from 2002 to 2018 and was a member of the Executive Committee from 2013 to 2018.

(2) The declarations made in "Other information" under paragraph 4.1.1 of the present chapter also apply to Alessandro Dazza.

4.2.2 POWERS

Pursuant to legal and statutory provisions, the Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name. He exercises these powers within the scope of the Company's corporate purpose and subject to the powers expressly vested by the law in Shareholders' General Meetings and the Board. The Chief Executive Officer represents the Company in its dealings with third parties.

Pursuant to article 18 of the Company's by-laws, the Board may restrict his powers. However, any such restriction is not binding on third parties.

As such and in accordance with the Charter of the Board, [paragraph 4.1.3 of the present chapter](#) details all transactions that require approval from the Board prior to their implementation by Executive Management.

The Board may also appoint one or more Deputy Chief Executive Officers based on a proposal by the Chief Executive Officer.

4.2.3 EXECUTIVE COMMITTEE

4.2.3.1 STRUCTURE OF THE EXECUTIVE COMMITTEE

Since 2018, Imerys has been organized around two segments spanning five business areas, which have been built around core markets ([see chapter 1, paragraph 1.1.2 of the Universal Registration Document](#)).

The operating and support directors of the five newly created business areas report directly to the Chief Executive Officer:

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

- The High Temperature Materials & Solutions segment encompasses two business areas – High Temperature Solutions, and Refractory, Abrasives & Construction – serving the refractory, foundry, metal flow, abrasives and building chemistry markets.

This structure, with business areas built around the Company's core markets:

- enables the Group to achieve its full organic growth potential and further improve its competitive position to boost sustained value creation;
- strips out layers of management to bring the Group closer to its customers and more effectively meet their needs.

At the date this Universal Registration Document was filed, the Executive Committee had the following members:

Name	Title	Nationality	Date first joined the Group	Date first appointed to the Executive Committee
Alessandro Dazza	Chief Executive Officer	Italian	2020*	2020*
Operating executives				
Philippe Bourg	Senior Vice President Refractory Abrasives & Construction	French	1996	2018
Michel Cornelissen	Senior Vice President High Temperature Solutions	Belgian	1991	2018
Guillaume Delacroix	Senior Vice President Performance Minerals EMEA	French	2004	2018
Cyril Giraud	Senior Vice President Performance Minerals APAC	French	1998	2018
Jim Murberger	Senior Vice President Performance Minerals Americas	American	1996	2018
Support executives				
Frédérique Berthier	Group General Counsel	French	2008	2018
Jean-François Claver	Chief Industrial Officer	French	2015	2016
Vincent Lecerf	Chief Human Resources Officer	French	2017	2017
Olivier Pirotte	Chief Strategy Officer	Belgian	2015	2015
Sébastien Rouge	Chief Financial Officer	French	2020	2020

* Alessandro Dazza worked at Imerys from 2002 to 2018 and was a member of the Executive Committee from 2013 to 2018.

Every year, the Appointments Committee and the Board discuss the importance of diversity and the related action plans, as well as the succession and development plan for executive corporate officers and all members of the Group's Executive Committee ([see paragraph 4.1.4.2 of the present chapter](#)).

4.2.3.2 DUTIES OF THE EXECUTIVE COMMITTEE

The Executive Committee plays an informational and advisory role. Its duties are to ensure that the organization, resources and general conduct of the Group's business, as implemented by each member within their individual scope of responsibility and under the authority of the Chief Executive Officer, are in line with the strategy adopted by the Board of Directors and in accordance with the policies and objectives set.

These duties specifically include:

- reviewing presentations made on strategy and the budget to the Strategic Committee and the Board, implementing them and overseeing their execution, and making any adjustments required to ensure compliance with them;
- defining key targets for improving overall Group performance (particularly in terms of operational, financial, labor, social and environmental issues, as well as employee health & safety in the workplace), as well as monitoring those targets and implementing any corrective measures necessary;

- reviewing the appropriateness, development and mobility of the Group's managerial resources in view of its current and expected future needs, as well as the main organizational changes envisaged;
- adopting, overseeing the deployment and supervising the implementation of the cross-functional and/or transformational policies and actions that apply across the Group (Innovation, Environment, Social and Governance, Human Resources, Communication, Operational Excellence, Geology & Mines, Health & Safety, Legal & Regulatory Compliance, Internal Control & Risk Management, IT & Internal Efficiency), and more generally, all plans, operations and/or measures that are submitted to the Executive Committee by the Chief Executive Officer himself or based on proposals made by other members.

The Executive Committee meets every month, and as often as the best interests of the Group require. It met on 21 occasions in 2021.

4.3 CORPORATE OFFICERS' COMPENSATION

The information covered in the present section forms an integral part of the Corporate Governance Report, in accordance with article L. 22-10-8 of the French Commercial Code.

4.3.1 COMPENSATION POLICIES APPLICABLE TO CORPORATE OFFICERS IN 2022

In accordance with articles L. 22-10-8 I and R. 22-10-14 of the French Commercial Code, the compensation policies for the corporate officers set out all components of their fixed and variable compensation and explain the process by which the policy was developed, revised and implemented.

The 2022 compensation policies for the corporate officers (Chairman of the Board of Directors, Chief Executive Officer and members of the Board of Directors) were decided by the Board of Directors at its meeting of February 16, 2022 in line with the recommendations of the Compensation Committee. They will be submitted for approval of the Shareholders' General Meeting on May 10, 2022 ([see chapter 8, paragraph 8.2.3 of the Universal Registration Document](#)).

All this information and the details of the long-term compensation of employees and executives ([see paragraph 4.3.3 of the present chapter](#)) form an integral part of the Corporate Governance Report required by article L. 225-37 of the French Commercial Code.

All the required components have been published on the Company's website, in accordance with the requirements of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

The 2021 compensation policies (executive corporate officers and Board members) and all other components of corporate officer compensation submitted to the vote of the Shareholders' General Meeting of May 10, 2021 were approved by a shareholder vote as follows:

	Votes in favor	Votes against
Fifth resolution – Approval of the compensation policy applicable to executive corporate officers with respect to the 2021 financial year	89.24%	10.76%
Sixth resolution – Approval of the compensation policy applicable to members of the Board of Directors with respect to the 2021 financial year	99.98%	0.02%
Seventh resolution – Approval of the components of corporate officer compensation with respect to the 2020 financial year, setted in article L. 22-10-9 I of the French Commercial Code	97.71%	2.29%
Eighth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to Alessandro Dazza in the year ended December 31, 2020	95.18%	4.82%
Ninth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to Patrick Kron in the year ended December 31, 2020	99.98%	0.02%

4.3.1.1 PRINCIPLES GUIDING THE DEVELOPMENT, ADJUSTMENT AND IMPLEMENTATION OF COMPENSATION POLICY

In general, the compensation policy applicable to corporate officers is agreed each year by the Board, based on proposals made by the Compensation Committee. Where necessary, it is reviewed mid-year. The Committee makes its recommendations to the Board based on assessments and comparisons conducted on a regular basis by specialist consultants. To avoid any conflict of interest, the executive corporate officers do not take part in discussions or voting on compensation components concerning them.

This enables the Board of Directors, with support from the Compensation Committee, to ensure the compensation policy protects the Company's corporate interest, contributes to its long-term success and reflects its business strategy. To this end, the Board pays considerable attention to:

- aligning the policy with the Group's expectations regarding corporate officer performance and engagement, given their level of experience and expertise;
- aligning the policy, especially any components of variable and long-term incentive payments, with the Company's performance as well as its strategy for the short, medium and long term;
- maintaining the competitive alignment with best practice applied by comparable listed French companies in the market and monitor recent changes; and
- ensuring the policy remains appropriate with respect to the remuneration of Company employees. Therefore, the performance criteria applicable to variable compensation and long-term incentive plans awarded to executive corporate officers reflect those applicable to other Group employees eligible for this type of remuneration.

Pursuant to article L. 22-10-8 III of the French Commercial Code, the Company reserves the right in exceptional circumstances to depart from these compensation policies (for the Chairman of the Board, Chief Executive Officer and corporate officers) on a temporary basis where necessary to protect the Company's corporate interest or contribute to its long-term success or viability.

Accordingly, the Company's Board of Directors would, in exceptional circumstances, have the option of making adjustments to the compensation policy previously approved by the Shareholders' General Meeting, in respect of the variable compensation components and share-based payments to the executive corporate officers, provided that it maintains the alignment between these compensation components and the Company's performance and upholds the principles laid down hereinabove.

The exceptional circumstances referred to could specifically include an event beyond the Company's control affecting the markets or the Company's activities and giving rise to material implications for it, a material change in the Group's scope or a change in accounting method.

Use of this option needs to be explained and decided upon by the Board, upon recommendations from the Compensation Committee, which will report on it to the following Shareholders' General Meeting.

Where necessary (in accordance with article R. 22-10-14 II para. 3 of the French Commercial Code), the 2022 compensation policies (Chairman of the Board, Chief Executive Officer and Board members) do not provide for any deferral period, nor the option to ask any corporate officer to return variable compensation.

The compensation policies will apply to all current and future corporate officers until they are amended.

4.3.1.2 2022 COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

The 2022 compensation policy for the Chairman of the Board of Directors set out below was adopted by the Board of Directors at its meeting of February 16, 2022, in line with the recommendations made by the Compensation Committee; while it is based on the same components as those provided for in the 2021 compensation policy, approved by the Shareholders' General Meeting of May 10, 2021, the amount of annual fixed compensation has increased as specified below.

At the date this Universal Registration Document was filed, the Chairman of the Board is Patrick Kron⁽¹⁾.

Chairman of the Board

Annual fixed compensation	The fixed component of compensation is determined according to the level of experience and responsibility when the Chairman of the Board takes up office. It is reviewed every year to ensure it is in line with market practices at comparable companies. At its meeting of February 16, 2022, upon the recommendation of the Compensation Committee, the Board of Directors decided to increase the Chairman's annual fixed compensation from €250,000 to €400,000 in respect of 2022. After having observed with the assistance of an external consultant that the level of compensation provided for in the 2021 compensation policy (i.e. €250,000 gross) was significantly below the market median (it being specified that the market survey was conducted based on a panel of 23 companies comparable to Imerys with a dual form of governance), the Board members decided at that meeting to align the compensation with the market practices observed to reflect his experience and the responsibilities incumbent upon him in this role.
Annual variable compensation	N/A
Multi-annual variable compensation	N/A
Benefits in kind	N/A
Severance package	N/A
Non-compete indemnity	N/A
Post-employment commitments	N/A
Long-term incentive payments in the form of shares or securities carrying rights to shares	N/A
Directors' compensation (formerly attendance fees)	N/A
Exceptional components⁽²⁾	• Exceptional compensation The Board may award exceptional compensation to the Chairman of the Board when he has been entrusted with a specific assignment or duties, the terms and conditions of which are agreed at the time by the Board and based on the recommendations of the Compensation Committee. Such compensation is to be paid in cash. • Sign-on bonus The Board may award a future Chairman of the Board a sign-on bonus reflecting the relevant individual's profile, the terms and conditions of which are agreed by the Board and based on the recommendations of the Compensation Committee.

(1) For details of the duration of his term of office, [see paragraph 4.1.2 of the present chapter](#). The conditions by which Patrick Kron may be removed from office are the same as those applicable to all directors, in accordance with the Company's by-laws and regulations.

(2) Exceptional compensation or sign-on bonus, when justified. At the date this Universal Registration Document was filed, the Board of Directors decided not to award any exceptional compensation to Patrick Kron.

4.3.1.3 2022 COMPENSATION POLICY APPLICABLE TO THE CHIEF EXECUTIVE OFFICER

The 2022 compensation policy applicable to the Chief Executive Officer described below was adopted by the Board at its meeting of February 16, 2022 and based on the recommendations of the Compensation Committee. The Board decided to confirm the compensation policy components approved by the Shareholders' General Meeting of May 10, 2021, while increasing the importance attached to environmental, social and governance criteria in the assessment of his performance, in view of the importance placed on these issues in the Group's strategy.

At the date this Universal Registration Document was filed, the Company's Chief Executive Officer was Alessandro Dazza⁽¹⁾.

Chief Executive Officer	
Annual fixed compensation	€800,000
Annual variable compensation	The amount of variable compensation will be determined during 2023 by the Board of Directors, based on the recommendations of the Compensation Committee, taking into account the extent to which Alessandro Dazza satisfied quantifiable financial and individual criteria (including individual quantifiable criteria linked to ESG performance), subject to approval by the Shareholders' General Meeting of this compensation policy. In 2022, upon the Compensation Committee's recommendations, the Board decided to apply the following quantifiable financial performance criteria: current operating income (40%), free operating cash flow (40%) and organic revenue growth (20%). They are considered useful for assessing the operating and financial performance of the Group and its strategy. The weightings for the quantifiable financial performance criteria remain unchanged. The Board also reviewed the individual criteria, which include several ESG criteria, as was the case in the 2021 compensation policy. The quantifiable financial performance criteria account for 110% of annual variable compensation. All the criteria and their respective weightings are presented in greater detail in note (A) below. For the purposes of calculating the annual variable compensation: • its final amount may vary between 0% and 165% of annual fixed remuneration; • the method of calculating the amount of annual variable compensation resulting from achievement of the quantifiable financial performance criteria is presented in note (A) below; • a factor of between 0.8 and 1.2 is applied to the amount of annual variable compensation resulting from achievement of the quantifiable financial performance criteria, to reflect the individual performance. The expected level of achievement of the quantifiable financial performance criteria reflects the 2022 budget targets. These budget targets are not made public for confidentiality reasons. The individual criteria will be assessed in broad terms by the Board, based on a recommendation from the Compensation Committee. The assessment of the individual ESG performance criteria will be measured in relation to progress made with implementation of the Group's ESG roadmap. The payment of annual variable compensation is subject to approval by the Shareholders' General Meeting held in 2023 to approve the financial statements for the year ending December 31, 2022 (ex post vote).
Multi-annual variable compensation⁽²⁾	As for the variable component of annual compensation, any multi-annual variable compensation is calculated according to quantifiable and/or individual criteria set by the Board of Directors and based on the recommendations of the Compensation Committee. Multi-annual variable compensation is paid only when all the component parts are known and have been approved by the Shareholders' General Meeting ("ex post" vote).
Benefits in kind	• Contributions to unemployment insurance for corporate officers; • Life insurance plans (covering death, long-term illness or disability); • Official accommodation introduced in 2020 for a maximum period of 2 years and renewed for 18 months after the 2-year period (i.e. until July 31, 2023); • Company car; • Health insurance benefits, tax consultants, annual medical.
Severance package	The termination benefit would be payable in the event of a change in control, strategy or a major disagreement over these issues. The amount paid with respect to this package would be subject and proportionate to quantifiable performance conditions relating to cash flow and current operating income over a three-year period prior to departure (as explained in greater detail in Note (B) below) and capped in any event at two years' annual compensation (average fixed and variable for the last two full financial years). Should Alessandro Dazza leave within the first two financial years, the amount of variable compensation taken into account would reflect the sum of the variable components paid over the period, divided by the number of years in office. No compensation would be due if the Chief Executive Officer voluntarily steps down and is soon able to claim retirement benefits or if he is dismissed for gross or serious misconduct.

Chief Executive Officer

Non-compete indemnity	The Chief Executive Officer is subject to a non-compete period of one year following the date at which his duties as Chief Executive Officer are terminated. The Board of Directors reserves the right to decide whether or not to enforce this clause (and thus payment of the associated compensation). In the event it is enforced, the Chief Executive Officer will receive the equivalent of one year's annual fixed compensation plus the average of the last two years' annual variable compensation. No compensation would be due if the Chief Executive Officer opts to claim retirement benefits.
Post-employment commitments	Article 83 complementary defined contribution pension plans (awarded to certain senior executives in the Group) and article 82 plans: a) article 83: a complementary defined contribution pension plan was set up on October 1, 2009 for which certain executive managers at Imerys are eligible. The plan provides for contributions of 8% of the compensation of beneficiaries, capped at eight times the annual French social security ceiling. Beneficiary contributions are set at 3% and Company contributions at 5%. It also allows beneficiaries to top up the mandatory payments with free and voluntary contributions. An independent insurance company has been appointed to manage the scheme; b) article 82: a further complementary pension plan was introduced for certain executive managers of Imerys. This plan provides for contributions of an amount representing 5% of the beneficiary's annual fixed compensation.
Long-term incentive payments in the form of shares or securities carrying rights to shares	Subject to the Shareholders' General Meeting approving this 2022 compensation policy, the Chief Executive Officer could benefit from free share grants on the condition that he must still be working with the Group and have achieved other performance conditions. The detailed characteristics and performance conditions applicable to the Chief Executive Officer's long-term compensation are presented in paragraph 4.3.3 of this chapter, including the vesting and lock-up rules determined by the plan in question and the rules regarding restrictions on shareholdings applicable to executive corporate officers. All these characteristics and conditions remain unchanged on the 2021 compensation policy previously approved by the Shareholders' General Meeting. Any awards to executive corporate officers are restricted to 0.5% of the Company's share capital, and the performance shares that may be awarded shall be capped at a value of 18 months' gross annual compensation (fixed portion and maximum variable portion) (IFRS 2 value). See paragraph 4.3.3.2 A (Comprehensive performance share grant policy below). For 2022, free share grants would involve 75,000 shares, or around 0.09% of the share capital at December 31, 2021 (subject to compliance with the caps stated above). The grant is intended to align the compensation awarded to Alessandro Dazza with the Group's overall performance, in line with the aim of the compensation policy. Details of grants will be made public, in accordance with regulatory requirements.
Exceptional compensation⁽³⁾	• Exceptional compensation The Board may award exceptional compensation to the Chief Executive Officer when he has been entrusted with a specific assignment or duties, the terms and conditions of which are agreed at the time by the Board and based on the recommendations of the Compensation Committee. Such compensation is to be paid in cash. • Sign-on bonus The Board may award a future Chief Executive Officer a sign-on bonus reflecting the relevant individual's profile, the terms and conditions of which are agreed by the Board and based on the recommendations of the Compensation Committee.

(1) Since February 17, 2020 and for an unlimited term of office. The conditions by which Alessandro Dazza may be removed from office are the same as those applicable to any Chief Executive Officer, in accordance with the Company's by-laws and regulations, and without prejudice to any severance package or non-compete clause detailed above.

(2) In 2022, the Board decided not to award multi-annual compensation (in cash) to Alessandro Dazza.

(3) Exceptional compensation or sign-on bonus, when justified. At the date this Universal Registration Document was filed, the Board of Directors has decided not to award any exceptional compensation to Alessandro Dazza.

Note (A) – Description of the quantifiable and individual criteria applicable to the annual variable compensation of the Chief Executive Officer in 2022

Quantifiable financial performance criteria ⁽¹⁾	Weighting	Variable component (% of fixed compensation)
Current operating income	40%	44%
Free operating cash flow	40%	44%
Revenue organic growth	20%	22%
Total	100%	110%

The amount of annual variable compensation derived from measuring the fulfillment of quantifiable financial performance criteria is calculated on the basis of 110% of annual fixed compensation. In addition, the trigger level for each criterion is set at 85% achievement of the target. In the event annual financial performance targets are exceeded, the amount of variable compensation awarded for quantifiable financial performance may be increased to 137.5% of annual fixed compensation.

Individual criteria ⁽²⁾	Impact on the percentage achieved
Continue the strategic repositioning of Imerys towards high-growth markets; accelerate growth through market share gains and targeted acquisitions; invest in a way that promotes organic growth in the most promising markets; effectively manage Imerys' cost base in an inflationary environment; retain and develop key talent in order to strengthen the Group's succession plan; deploy the Group's ESG policy, in particular by accelerating CO ₂ reduction and making progress in terms of diversity within the Executive Committee and Senior Management.	Multiplied by a factor between 0.8 and 1.2
Ceiling	165%

(1) The quantifiable financial performance criteria, as well as the trigger levels and maximum ceilings applicable to the Chief Executive Officer's 2022 annual variable compensation are identical to those laid down for Executive Committee members.

(2) These criteria are confidential and so cannot be published in full.

Note (B) – Performance conditions applicable to the severance package of Alessandro Dazza

The severance package is subject to performance conditions related to cash flow and operating income, in particular:

1. Cash flow

- If operating cash flow were positive in each of the past three financial years (or each year in office if the time served is less than three years), 100% of severance pay would be due.
- If operating cash flow were positive in two of the past three financial years (or for over two thirds of the number of years spent in office if the time served is less than three years), 66% of severance pay would be due.
- If operating cash flow were positive in one of the past three financial years (or for over one third of the number of years spent in office if the time served is less than three years), 33% of severance pay would be due.
- If operating cash flow were negative in each of the past three financial years (or each year in office if the time served is less than three years), no severance pay would be due.

2. Operating income

- If Group operating income, calculated at constant scope and exchange rates, fell by over 20% per year over the last three years in office prior to departure, the severance package calculated above would be reduced by 50%.
- If Group operating income, calculated at constant scope and exchange rates, fell by over 25% per year over the last three years in office prior to departure, no severance pay would be due.

4.3.1.4 2022 COMPENSATION POLICY APPLICABLE TO MEMBERS OF THE BOARD OF DIRECTORS

The present paragraph lays out the 2022 compensation policy applicable to members of the Board of Directors (excluding the Chairman of the Board, as set out in [paragraph 4.3.1.3 of the present chapter](#)). At its meeting of February 16, 2022, upon the recommendation of the Compensation Committee, the Board decided to keep unchanged the budget and allocation bands for the compensation applicable to Board members. Nonetheless, the Board decided to include (i) variable compensation in respect of Board members' participation in the Strategic Committee's annual strategic session, and (ii) an annual fixed component for the ESG Referent Director to reflect the extent of her duties in this role as presented below.

■ MAXIMUM AMOUNT AND ALLOCATION BANDS

The maximum gross amount of compensation that may be awarded for the year to members of the Board is determined by the Shareholders' General Meeting. For 2022, this amount has been set at €1,200,000, the same level since May 4, 2018.

The Board is responsible for distributing compensation between its members using a system of allocation bands agreed and based on the recommendations of the Compensation Committee. The bands are reviewed each year to ensure they remain appropriate and competitive in view of best practice within comparable listed companies in France and any recent changes.

The employee representative directors receive compensation for their duties as directors subject to the same terms and conditions and under the same arrangements as the other Directors.

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

		Gross amount (€) before tax and social security contributions
Board of Directors	Vice-Chairman (if applicable)	- Fixed compensation: 30,000/year - Variable compensation: 4,000/meeting attended⁽¹⁾
	Members (excl. the Chairman and, if applicable the Vice-Chairman)	- Fixed compensation: 10,000/year - Variable compensation: 4,000/meeting attended⁽¹⁾
Strategic Committee	Chair	Fixed compensation: 30,000/year
	All members	Variable compensation: 3,500/meeting attended⁽¹⁾
	All other members of the Board (other than the Chairman)	Variable compensation: 3,500/annual Strategic Committee's strategic session attended⁽²⁾
Audit Committee	Chair	Fixed compensation: 30,000/year
	All members	Variable compensation: 4,000/meeting attended⁽¹⁾
Appointments Committee	Chair	Fixed compensation: 10,000/year
	All members	Variable compensation: 3,000/meeting attended⁽¹⁾
Compensation Committee	Chair	Fixed compensation: 10,000/year
	All members	Variable compensation: 3,000/meeting attended⁽¹⁾
ESG Referent Director	-	Fixed compensation: 20,000/year⁽³⁾

(1) Members receive only half the variable component of compensation if they attend meetings of the Board or its Committees by telephone or video conference. When the Chairman or, when appropriate, the Committee Secretary require the Board or any of its committees to meet by telephone or video conference due to health and social distancing restrictions in force at the time, the Board reserves the possibility to waive this reduction.

(2) All members of the Board of Directors are invited to take part in the Strategic Committee's strategic session, which is held once a year. For attending, they receive compensation subject to the same terms and conditions and under the same arrangements as members of the Strategic Committee (except for the Chairman of the Board who does not receive any special compensation for attending).

(3) For the avoidance of all ambiguity, compensation in addition to fixed and variable compensation for his or her duties as director and, where appropriate, as a Committee member, as set forth above.

The Board may award exceptional compensation to corporate officers entrusted with a specific assignment or duties, the terms and conditions of which are agreed at the time by the Board and based on the recommendations of the

Compensation Committee. Such compensation would be paid in cash. Subject to this reservation, total compensation (including benefits in kind) awarded to members of the Board (excluding the Chairman of the Board) is that shown above.

4.3.2 COMPENSATION OF CORPORATE OFFICERS WITH RESPECT TO THE 2021 FINANCIAL YEAR

4.3.2.1 2021 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Compensation paid and/or awarded to executive corporate officers with respect to the 2021 financial year was in accordance with the compensation policy applicable to the executive corporate officers, which was put forward at and fully approved by the previous Shareholders' General Meeting.

The present paragraph includes all the disclosures required by the provisions stipulated in article L. 22-10-9 of the French Commercial Code for each executive corporate officer. Executive corporate officers do not receive any other compensation from a company within the Imerys scope of consolidation as defined in article L. 233-16 of the French Commercial Code.

In accordance with article L. 22-10-34 of the French Commercial Code and with respect to each executive corporate officer:

- The Shareholders' General Meeting of May 10, 2022 will be asked to approve the fixed, variable and exceptional components of the total compensation and benefits paid in or awarded with respect to the year ended December 31, 2021.
- The payment of all components of variable and exceptional compensation granted with respect to the year ended December 31, 2021 is subject to approval by the Shareholders' General Meeting of May 10, 2022.

For further details, [see chapter 8, paragraphs 8.2.4.2 to 8.2.4.3 of the Universal Registration Document.](#)

■ SUMMARY OF COMPENSATION IN RESPECT TO THE 2021 FINANCIAL YEAR

	Employment contract	Complementary pension plan	Indemnities or benefits awarded in relation to terminating or changing duties	Non-competitive indemnity
Patrick Kron , Chairman of the Board	No	No	No	No
Alessandro Dazza , Chief Executive Officer	No	Yes ⁽¹⁾	Yes	Yes

(1) Complementary defined contribution pension plan as defined in articles 82 and 83 of the French Tax Code.

■ SUMMARY OF THE COMPONENTS OF COMPENSATION WITH RESPECT TO 2021

(€)	2021	2020
Patrick Kron, Chairman of the Board of Directors, since June 25, 2019		
Compensation granted with respect to the year ⁽¹⁾	250,000	250,000 ⁽²⁾
Value of options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
Total	250,000	250,000

(1) For further details, see the table "Details of total compensation of benefits in kind paid in and granted with respect to 2021" below.

(2) Patrick Kron served as Interim Chief Executive Officer from October 21, 2019 to February 16, 2020. This figure reflects solely the compensation for his duties as Chairman of the Board of Directors and Director. Patrick Kron did not receive any additional compensation in his capacity as an interim Chief Executive Officer.

(€)	2021	2020
Alessandro Dazza, Chief Executive Officer since February 17, 2020		
Compensation granted with respect to the year ⁽¹⁾	2,173,630	1,535,230
Value of options granted during the year	0	0
Value of performance shares granted during the year ⁽²⁾	2,331,000	2,567,760
Value of other long-term incentive plans	0	0
Total	4,504,630	4,102,990

(1) For further details, see the table "Details of total compensation of benefits in kind paid in and granted with respect to 2021" below.

(2) Value of shares at the date they were granted as required by IFRS 2, after taking into account any discount related to performance criteria, excluding any turnover discount, but before the expense is spread over the vesting period.

■ **DETAILS OF TOTAL COMPENSATION AND OF BENEFITS IN KIND PAID IN AND GRANTED WITH RESPECT TO 2021**

(€)	2021		2020	
Patrick Kron, Chairman of the Board of Directors, since June 25, 2019	Amount granted	Amount paid	Amount granted	Amount paid
Fixed compensation	250,000	250,000	250,000	239,583 ⁽¹⁾
Variable compensation	N/A	N/A	N/A	N/A
<i>Variable compensation corresponding to a % of fixed compensation</i>	N/A	N/A	N/A	N/A
Multi-annual variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation (gross amount)	0	0	0	0
Benefits in kind	N/A	N/A	N/A	N/A
Total	250,000	250,000	250,000	239,583

(1) Fixed compensation paid in 2020 was reduced by 25% over a two-month period, in accordance with the recommendations made by the AFEP with respect to the Covid-19 pandemic.

(€)	2021		2020	
Alessandro Dazza, Chief Executive Officer since February 17, 2020	Amount granted	Amount paid	Amount granted	Amount paid
Fixed compensation	800,000	800,000	700,000 ⁽¹⁾	666,667 ⁽²⁾
Variable compensation – see Note (A) below	1,265,000 ⁽³⁾	742,000	742,000	0
Multi-annual variable compensation	N/A	N/A	N/A	N/A
<i>Variable compensation corresponding to a % of fixed compensation</i>	158.12%	92.75%	106% ⁽⁴⁾	0
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation (gross amount)	N/A	N/A	N/A	N/A
Benefits in kind ⁽⁵⁾	108,630	108,630	93,230	93,230
Total	2,173,630	1,650,630	1,535,230	759,897

(1) The fixed compensation granted in 2020 was calculated on a prorata temporis basis over the period from February 17, 2020 to December 31, 2020.

(2) Fixed compensation paid in 2020 was reduced by 25% over a two-month period, in accordance with the recommendations made by the AFEP with respect to the Covid-19 pandemic.

(3) The amount granted will be paid to Alessandro Dazza, subject to approval by the Shareholders' General Meeting of May 10, 2022.

(4) Fixed compensation excluding the reduction due to Covid-19.

(5) These benefits include a complementary Art. 82 pension plan and official accommodation.

All compensation and benefits awarded to the Group's executive managers (Executive Committee, including Alessandro Dazza) and recognized in expenses for the years in question are included in [note 27 to the consolidated financial statements in chapter 6 of this Universal Registration Document](#).

The top ten compensation amounts paid by the Company with respect to the 2021 financial year were certified by the Statutory Auditors.



Note A – Details regarding the variable compensation granted to Alessandro Dazza with respect to 2021

At its meeting of February 16, 2022, the Board of Directors determined the amount of variable compensation granted to Alessandro Dazza with respect to the 2021 financial year, which will be paid in 2022 subject to approval by the Shareholders' General Meeting of May 10, 2022, as follows:

Quantifiable criteria	Weighting	Variable component (% of fixed compensation)	% achieved*	% payout (max. 137.5%)
Net income from current operations	40.0%	44.0%	125%	55.0%
Free operating cash flow	40.0%	44.0%	125%	55.0%
Revenue organic growth	20.0%	22.0%	125%	27.5%
Total	100%	110%		137.5%

* Up to an upper limit of 125%

Assessment of the Board	The Board of Directors assessed the level of achievement of the financial performance criteria to be in line with the quantifiable targets for 2021. Accordingly, the Board found that all three criteria were achieved.

Individual criteria ⁽¹⁾	Impact on the percentage achieved	Factor applied	% achieved (after adjustment)
Linked to various initiatives intended to accelerate organic growth and to actions geared to address a challenging economic and pandemic environment, and execution of Imerys' ESG policy ("SustainAgility") (including workplace safety targets) in connection with the Group's strategic priorities	Multiplied by a factor of between 0.8 and 1.2	1.15	158.12%

Assessment of the Board	The Board of Directors assessed the performance of the Chief Executive Officer almost all the targets set were achieved on the basis of the following items: • The various initiatives intended to accelerate organic growth: the Group's organic growth exceeded the rate of growth of the main markets in which it operates; it reached 15.6%. • With regard to implementation of initiatives geared to address a challenging economic and pandemic environment: effective overall management by Executive management, with suitable measures and protocols. • Concerning execution of Imerys' ESG policy ("SustainAgility"): significant headway was made, including with reducing CO2 emissions. In the safety arena, the total injury frequency rate (TIFR) in 2021 was below the target set. • Other elements were also considered in the assessment undertaken by the Board, but these have not been made public for confidentiality reasons.

	Maximum variable compensation (% of fixed compensation)	Variable component (% of fixed compensation)	Amount (€)
Total	165%	158.12%	1,265,000

(1) These criteria are confidential and so cannot be published in full.

As a result, the variable compensation awarded to Alessandro Dazza in respect of 2021 came to €1,265,000. This amount reflects the achievement of 125% of quantifiable financial performance criteria (base of 100%) multiplied by a factor of

1.15 with respect to the individual criteria. Annual variable compensation therefore equaled 158.12% of fixed compensation awarded for 2021.

4.3.2.2 COMPENSATION OF MEMBERS OF THE BOARD IN RESPECT OF THE 2021 FINANCIAL YEAR (EXCLUDING THE CHAIRMAN OF THE BOARD)

The Board's structure (as set out in [section 4.1 of the present chapter](#)) is and was throughout 2021 in compliance with the statutory diversity requirements. Therefore, no suspension was applied to the compensation of members of the Board, as provided for in article L. 225-45 para. 2 of the French Commercial Code.

The amounts set out in the table below represent total compensation (made up solely of the fixed and variable compensation in line with the allocation bands detailed in [paragraph 4.3.1.4](#) above and excluding any other compensation or benefit in kind) paid or granted in respect of 2021 by the Company or its controlling shareholders to each member of the

Board of Directors (excluding the Chairman of the Board) with respect to the offices, responsibilities or other duties performed within or on behalf of the Group, with the exception of the compensation paid and/or granted to the two employee representative directors with respect to their positions as employees in the Group.

Compensation is paid to members of the Board (other than the Chairman of the Board) in arrears every half year. Consequently:

- the amount of compensation "paid" in 2021 includes the amount with respect to the second half of 2020 and the amount with respect to the first half of 2021;
- the amount of compensation "granted" in 2021 includes the amount due with respect to the first and second half of 2021.

For details of the compensation of the Chairman of the Board in 2021, [see paragraph 4.3.2.1 of the present chapter](#).

Table summarizing compensation of members of the Board of Directors

It should be noted that:

- all the information indicated in the following table is expressed as gross amounts before tax and social security contributions;
- fixed compensation is calculated prorata temporis for the members of the Board whose terms of office expired or began during the year;
- variable compensation corresponds to the proportion of compensation dependent on the actual presence of the director at meetings of the Board or its Committees.

(€)	2021		2020	
	Amount granted	Amount paid	Amount granted	Amount paid
A. Cardoso				
Compensation (fixed and variable)	97,500	89,500	88,113	115,113
<i>o/w variable compensation</i>	58.97%	55.31%	51.92%	54.51%
Other compensation	0	0	0	0
P. Desmarais III				
Compensation (fixed and variable)	44,000	34,500	52,420	80,753
<i>o/w variable compensation</i>	77.27%	71.01%	57.71%	43.65%
Other compensation	0	0	0	0
I. Gallienne				
Compensation (fixed and variable)	92,500	91,500	85,250	91,250
<i>o/w variable compensation</i>	56.76%	56.28%	53.08%	56.16%
Other compensation	0	0	0	0
C. Hall				
Compensation (fixed and variable)	67,500	59,500	56,113	83,113
<i>o/w variable compensation</i>	85.19%	83.19%	77.97%	73.09%
Other compensation	0	0	0	0
P. Kyriacopoulos (director since May 10, 2021)				
Compensation (fixed and variable)	28,944	4,944	N/A	N/A
<i>o/w variable compensation</i>	77.74%	70.79%	N/A	N/A
Other compensation	0	0	N/A	N/A
U. Kyriacopoulos (director until May 10, 2021)				
Compensation (fixed and variable)	18,611	36,861	36,250	50,333
<i>o/w variable compensation</i>	80.60%	76.64%	72.41%	73.51%
Other compensation	0	0	0	0
A. Messemer				
Compensation (fixed and variable)	57,000	64,000	32,593	1,593
<i>o/w variable compensation</i>	82.46%	84.38%	79.77%	0%
Other compensation	0	0	0	0
L. Ribot				
Compensation (fixed and variable)	50,000	40,000	38,000	48,000
<i>o/w variable compensation</i>	80.00%	75.00%	73.68%	79.17%
Other compensation	0	0	0	0
V. Saubot				
Compensation (fixed and variable)	47,500	45,250	25,093	3,343
<i>o/w variable compensation</i>	78.95%	77.90%	73.72%	52.34%
Other compensation	0	0	0	0
M. F. Walbaum				
Compensation (fixed and variable)	65,000	64,000	58,687	64,687
<i>o/w variable compensation</i>	53.85%	53.13%	60.49%	79.61%
Other compensation	0	0	0	0

(€)	2021		2020	
	Amount granted	Amount paid	Amount granted	Amount paid
D. Morin				
Compensation (fixed and variable)	36,000	25,364	6,364	0
<i>o/w variable compensation</i>	72.22%	70.97%	62.85%	0%
Other compensation	0	0	0	0
C. Pérez Fernández				
Compensation (fixed and variable)	30,000	19,364	6,364	0
<i>o/w variable compensation</i>	66.67%	61.97%	62.85%	0%
Other compensation	0	0	0	0
L. Raets (non-voting observer)				
Compensation (fixed and variable)	30,000	26,000	26,000	37,333
<i>o/w variable compensation</i>	66.67%	61.54%	61.54%	64.29%
Other compensation	0	0	0	0
Total	664,555	600,783	598,875	753,486

Furthermore, it should be noted that:

- the compensation members of the Board of Directors (excluding the Chairman, as stated above) granted with respect to the 2021 financial year falls within the maximum gross amount fixed by the Shareholders' General Meeting and the applicable allocation bands;
- no undertaking of any kind whatsoever was made during or in respect of 2021 to members of the Board (indemnities or benefits due or likely to fall due as a result of the start, termination or change of their duties or subsequently thereto, including pension commitments and other annuities);
- the disclosures required by article L. 22-10-9 I paras. 8 and 10 of the French Commercial Code are not applicable to members of the Board of Directors with respect to the 2021 financial year;
- members of the Board of Directors do not receive any other compensation (except for compensation paid and/or granted to the two employee representative directors with respect to their positions as employees in the Group) from a company within the Imerys scope of consolidation as defined in article L. 233-16 of the French Commercial Code.

4.3.3 LONG-TERM INCENTIVE PLANS

4.3.3.1 STOCK OPTIONS

The Company's comprehensive stock option grant policy is agreed by the Board, based on proposals from the Compensation Committee. At its meeting of April 25, 2013, the Board decided to stop granting performance shares, which explains why no performance shares have been granted since the April 2012 plan.

No stock options were granted nor held by any executive corporate officer currently in office or who held office in 2021.

A – Previous stock option grants (solely plans in force during 2021)

	2012 Plan	2011 Plan
Date of Shareholders' General Meeting	Apr. 28, 2011	Apr. 28, 2011
Date of Board of Directors or Management Board Meeting	Apr; 26, 2012	Apr. 28, 2011
Number of shares that may be subscribed or purchased, of which those that may be subscribed or purchased by:		
• Corporate officers ⁽¹⁾	362,720	331,875
	N/A	N/A
Start of option exercise period	Apr. 26, 2015	Apr. 28, 2014
End of option exercise period	Apr. 25, 2022	Apr. 27, 2021
Subscription or purchase price	€43.62	€53.05
Exercise conditions (for plans with several tranches)	N/A	N/A
Total number of shares subscribed at December 31, 2021	195,645	188,604
Total number of stock options canceled or forfeited at December 31, 2021	89,855	143,271
Number of stock options outstanding at December 31, 2021	77,220	0

(1) For the avoidance of all ambiguity, the corporate officers included in the category above are those in office at December 31, 2021 and/or at the date this Universal Registration Document was filed.

B – Changes in the number of options in 2021

The total number of stock options outstanding at December 31, 2021 totaled 77,220, representing 0.09% of Imerys' share capital after dilution at that date. The weighted average exercise price was €43.62.

In 2021, 84,893 stock options were canceled or forfeited, and no options were exercised.

4.3.3.2 PERFORMANCE SHARES

A – Comprehensive performance share grant policy

The Company's comprehensive performance share grant policy is agreed by the Board of Directors, based on proposals from the Compensation Committee. The main characteristics of grants made by the Board of Directors are as follows:

- grants take the form of performance shares that, in principle, are fully subject to financial performance targets;
- except in exceptional circumstances, plans are annual and grants are usually made on the day of the Shareholders' General Meeting;
- actual or likely beneficiaries of performance share grants include the Group's executive managers (members of the Executive Committee as well as the operating and support executives reporting to them) and employees whose career potential or individual performance has been recognized as outstanding.

Vesting period

In accordance with current legal provisions, free shares are subject to a vesting period that may not be less than one year following the grant date (since the "Macron law" of August 6, 2016) or two years for grants made before August 8, 2015, subject, in principle, to fulfilling certain business and financial performance criteria that cannot be assessed on the basis of a single year. The number of definitively vested shares is subject and proportionate to meeting these targets.

Loss of shares

If the beneficiary leaves the Group before the end of the vesting period for any reason (including, in principle, if the company by which they are employed leaves the Group's scope of consolidation), they will lose (in principle, subject to derogation granted by the Board of Directors or the delegation of its authority) all rights to performance shares, except in the event of death, long-term disability or retirement, in which case their rights will be maintained according to the specific terms and conditions of each plan.

Lock-up periods for vested shares

Since the aforementioned Macron law, a lock-up period (between the vesting date and the availability date) is no longer mandatory for free share grants. Nevertheless, the total duration of vesting and lock-up periods for performance share grants may not be less than two years.

Following any such lock-up period, beneficiaries are able to transfer or sell the shares as they wish.

Restrictions applicable to corporate officers

• Related to grants:

- in accordance with the AFEF-MEDEF Code, the award to executive corporate officers is capped at 0.5% of the Company's share capital;
- the performance shares granted may not exceed 18 months of gross annual compensation (fixed component + maximum variable compensation) (IFRS 2 value of the performance shares granted).

• Related to shareholdings:

- transactions carried out by corporate officers of the Company in Imerys shares are subject to certain specific restrictions, and executive corporate officers in particular are subject to separate shareholding restrictions. *For further details, see paragraph 4.4 of the present chapter.*

Future performance share plan in 2022

As for plans currently in force, the 2022 performance share plan, the definitive adoption of which and related grants are to be submitted for the approval subject to a next Board meeting (usually in May), is likely to state that full and final vesting of any performance shares to be awarded, as well as the number of such shares, is subject and proportionate to achievement of targets common to all the grantees. At its meeting of February 16, 2022, the Board, after hearing the opinion of the Compensation Committee, adopted the following objectives based on two quantifiable criteria: Net income from current operations per share (weighted at 60%) and free operating cash flow (weighted at 40%) for 2022-2024. After a review by the Compensation Committee, the Board would confirm their achievement following the end of each financial year in the period under consideration based on the Group's consolidated financial statements. All these performance shares would vest

definitively according to the extent to which the objectives have been achieved, three years after being granted. Consequently, in accordance with article L. 225-197-1-I, paragraph 7 of the French Commercial Code, these shares would not be subject to any lock-up period once vested.

B – Performance share plan adopted in 2021

Annual 2021 plan

In 2021, as part of this plan, the Board of Directors granted 483,700 performance shares to 268 Group managers residing in France or overseas, including 75,000 shares to the Chief Executive Officer (or 0.09% of the share capital). With the exception of Alessandro Dazza, Chief Executive Officer, the 10 beneficiaries awarded the highest number of performance shares were granted a total of 115,500 shares.

The number of performance shares granted with respect to the 2021 plan is subject and proportionate to meeting a set of objectives common to all beneficiaries. Based on the recommendation of the Compensation Committee, the Board of Directors was able to verify the demanding nature of these objectives, which are based on two quantitative criteria: Net income from current operations per share (weighted at 60%) and free operating cash flow (weighted at 40%) for 2021-2023. If achieved, after a review by the Compensation Committee, the Board of Directors will adopt them after the end of each financial year in the period under consideration based on the Group's consolidated financial statements. All performance shares will vest according to the extent to which the objectives have been achieved, three years after being granted. Consequently, in accordance with article L. 225-197-1 I, paragraph 7 of the French Commercial Code, these shares are not subject to any lock-up period once vested.

Performance shares granted to an executive corporate officer in 2021

	No. and date of plan	Number of shares granted in 2021	Value of shares using the method applied in the consolidated financial statements	Vesting date	Available date	Performance conditions
Alessandro Dazza , Chief Executive Officer	May 10, 2021	75,000, i.e. 0.09% of the Company's share capital at December 31, 2020	2,331,000	May 10, 2024*	May 10, 2024*	Yes
Patrick Kron , Chairman of the Board of Directors	N/A	N/A	N/A	N/A	N/A	N/A

* The vesting date and the end of the lock-up period correspond to the later of the following two dates: the third anniversary of the grant date or the date of the Shareholders' General Meeting to approve the financial statements of the last reference year.



Performance shares awarded to executive corporate officers that exited their lock-up period in 2021

	No. and date of plan	Number of shares exiting their lock-up period in 2021
Alessandro Dazza, Chief Executive Officer	May 4, 2020	0
	May 10, 2021	0
Patrick Kron, Chairman of the Board of Directors, (since June 25, 2019)	N/A	N/A

C – Previous performance share grants (solely plans in force during 2021)

	May 2021 plan	May 2020 plan	January 2020 plan	May 2019 plan	May 2018 plan
Date of Shareholders' General Meeting	May 10, 2021	May 4, 2020	May 4, 2018	May 4, 2018	May 4, 2018
Date of Board meeting	May 10, 2021	Apr. 29, 2020	Dec. 17, 2019 ⁽¹⁾	May 10, 2019	May 4, 2018
Total number of shares granted, of which to corporate officers ⁽²⁾ :	483,700	457,700	154,150	427,500	295,200
• to Alessandro Dazza	75,000 ⁽³⁾	120,000 ⁽³⁾	0	0	0
• other corporate officers	0	0	0	0	0
Vesting date ⁽⁴⁾	May 9, 2024	May 3, 2023	Jan. 14, 2023	May 9, 2022	May 4, 2021
End of lock-up period ⁽⁴⁾	May 9, 2024	May 3, 2023	Jan. 14, 2023	May 9, 2022	May 4, 2021
Performance conditions, with weighting stated as a % of each criterion	Net income from current operations, per share (60%) Free cash flow (40%)	Net income from current operations, per share (60%) Free cash flow (40%)	Net income from current operations, per share (60%) Free cash flow (40%)	Net income from current operations, per share (50%) Return on capital employed (50%)	Net income from current operations, per share (50%) Return on capital employed (50%)
Total number of shares vested at December 31, 2021	0	0	0	0	80,038
Total number of shares canceled or forfeited at December 31, 2021 ⁽⁵⁾	4,500	18,150	15,000	145,250	215,162
Remaining performance shares at December 31, 2021	479,200	439,550	139,150	282,250	0

(1) Granted on January 14, 2020 by the Chief Executive Officer acting with the authorization of the Board.

(2) For the avoidance of all ambiguity, the corporate officers included in the category above are those in office at December 31, 2021 and/or at the date this Universal Registration Document was filed.

(3) Representing for the 2021 plan, 0.09% of the share capital at December 31, 2020, and for the 2020 plan, 0.14% of the share capital at December 31, 2021.

(4) For shares awarded to all beneficiaries, irrespective of their tax residence. The vesting date and the end of the lock-up period corresponding to the later of the following two dates: the third anniversary of the grant date or the date of the Shareholders' General Meeting to approve the financial statements of the last reference year.

(5) After beneficiaries leave the Group or fail to meet the performance conditions.

In 2021, 112,712 performance shares were canceled, while 80,038 performance shares vested and were transferred to their respective beneficiaries.

The total number of performance shares outstanding at December 31, 2021 equaled 1,340,150, representing 1.57% of Imerys' share capital after dilution at that date.

4.3.4 EXECUTIVE-EMPLOYEE PAY RATIOS AND YEAR-ON-YEAR CHANGE

■ RATIO

The ratios and annual change over a five-year period, as presented in the following table, include the compensation awarded to the Chairman and Chief Executive Officer, the Chief Executive Officer, and Chairman of the Board and (i) the mean average salary per full time equivalent paid to employees of the Company (excluding corporate officers) and (ii) the median average salary per full time equivalent paid to employees of the Company (excluding corporate officers)

The offices of Chairman of the Board and Chief Executive Officer were separated on May 4, 2018. Therefore, the ratios

regarding the compensation paid to the Chairman and Chief Executive Officer, the Chief Executive Officer, and Chairman of the Board in respect to 2018 include the compensation for the Chairman and Chief Executive Officer between January 1 and May 3 and for the Chief Executive Officer, and Chairman of the Board from May 4 to December 31.

Given the termination of Conrad Keijzer's duties on October 21, 2019 and temporary resumption of the CEO's duties by the Chairman of the Board of Directors without compensation, the 2019 compensation of the Chief Executive Officer has been calculated by annualizing Conrad Keijzer's compensation over the full year.

Chairman and Chief Executive Officer	2017	2018
Ratio to mean average salary	32.07	10.58
Ratio to median average salary	44.70	15.71

Chief Executive Officer	2017	2018	2019	2020	2021*
Ratio to mean average salary		20.30	30.46	24.56	28.62
Ratio to median average salary		30.17	44.14	32.63	45.22

* In France (based on a scope representing more than 75% of Group employees in France), the ratio to mean average salary equaled 58.9 and the ratio to median average salary equaled 76.4

Chairman of the Board of Directors	2017	2018	2019	2020	2021*
Ratio to mean average salary		0.17	2.20	1.77	1.80
Ratio to median average salary		0.26	3.19	2.35	2.80

* In France (based on a scope representing more than 75% of Group employees in France), the ratio to mean average salary equaled 3.7 and the ratio to median average salary equaled 4.8

■ YEAR-ON-YEAR CHANGE

	2017	2018	2019	2020	2021
Annual compensation of the Chairman and Chief Executive Officer (in €)	3,543,284	1,281,440			
Annual compensation of the Chief Executive Officer (in €)		2,460,105	3,715,634	3,327,657	3,981,630
Annual compensation of the Chairman of the Board of Directors (in €)		21,091	268,611	239,583	250,000
Average full time equivalent salary for employees of the Company (in €) *	110,486	121,166	122,003	135,469	139,101
Performance					
Net income from current operations (€ millions)	403	357	278	167	288
Current free operating cash flow (€ millions)	358	286	315	373	255
ROCE	12.2%	9.8%	7.8%	5.8%	8.6%

* Average compensation for Imerys S.A. In France (based on a scope representing more than 75% of Group employees in France) in 2021, the average salary equaled euros 67,555

This data was prepared in accordance with the French official Order of November 27, 2019 on compensation of corporate officers of listed companies.

In accordance with regulatory requirements, the compensation components were measured against Imerys S.A. and performance data at Group level on a consolidated basis. It should be noted that performance was affected by the disposal of the Roofing business in 2018.

The compensation components considered include the amounts paid in or granted with respect to year Y, i.e. fixed compensation, variable components paid in year Y with respect to year Y-1,

exceptional compensation paid in year Y, performance shares granted in year Y (based on their IFRS value), employee savings schemes and the value of benefits in kind.

The terms and conditions to determine ratios and set performance are based on analyzing the data available to companies at February 16, 2022, the date at which the Board of Directors met. This information could be subject to change depending on any clarifications made by regulatory and/or market authorities in the future.

4.4 TRANSACTIONS BY CORPORATE OFFICERS IN COMPANY SHARES

4.4.1 RESTRICTIONS ON SHAREHOLDINGS APPLICABLE TO EXECUTIVE CORPORATE OFFICERS

Based on the recommendations of the Compensation Committee and in accordance with the provisions of articles L. 225-185, L. 22-10-57, L. 225-197-1 and L. 22-10-59 of the French Commercial Code, the Board confirmed the restrictions on shareholdings applicable to shares granted to executive corporate officers initially agreed in 2010, which include:

Obligation to hold shares in registered form until the termination of their duties:

- a number of performance shares that is at least equal to 25% of the total number of shares that will vest at the end of the relevant vesting period;
- until the total amount of shares that they hold and will continue to hold, upon the exercise of stock options (where applicable) and the end of performance shares' lock-up period, reaches 300% of their annual fixed compensation for the prior year at the relevant date.

The total investment in shares of the Company must take into account all the shares held by the executive corporate officer at the date in question, regardless of their origin (purchased on the market, acquired by exercising stock options or acquired through performance share plans).

Furthermore, the Group's policy prohibits any executive corporate officer from making any leveraged or speculative transactions on Imerys shares as provided for in the AFEP-MEDEF Code recommendation. Executive corporate officers must therefore pledge to (i) not resort to using any hedging instruments in respect of any stock options or performance shares that may be granted to him during his term of office and (ii) refrain from exercising any stock options that may be granted to him during his term of office during any closed periods, even if other beneficiaries may be able to exercise their stock options, as such a transaction cannot be speculative as the exercise price has already been set.

4.4.2 TRADING POLICY

■ PRIVILEGED INFORMATION AND INSIDER TRADING POLICY

In accordance with the policy to prevent insider trading applied throughout the Group, (Insider Trading Policy, most recently updated on November 2, 2021), corporate officers and related persons must refrain from carrying out any transaction, including forward transactions, in Imerys shares if they directly or indirectly hold privileged information not yet available to the public. In order to make it easier to implement this policy, the Secretary of the Board acts as Ethics Officer, tasked with giving an opinion prior to completing any transactions in the Company's shares considered by the Group's directors and senior executives, at their request. The opinion expressed by the Ethics Officer is merely consultative in nature.

■ CLOSED PERIODS

The Insider Trading Policy also requires the Group's directors and senior executives to refrain from completing any transaction on Imerys shares (including hedging) ahead of public

announcements of the Group's quarterly, half-year and annual results, known as "closed periods". The Insider Trading Policy requires such insiders to refrain from completing any transaction on Imerys shares (including hedging) during a specific time ahead of public announcements of the Group's quarterly, half-yearly and annual results, known as "closed periods".

The closed periods cover a number of days leading up to the publication of the Group's results as well as the day of the announcement. This period lasts for 30 days prior to statements concerning annual and half-yearly results, and 15 days before quarterly results.

The schedule of announcements of the Group's consolidated results over the next 12 months, as well as the resulting closed periods are communicated to directors. It may be consulted at any time via the Group's website, is included in the quarterly letter to shareholders and is available on request from the Group's Financial Communication Department.



4.4.3 SUMMARY OF TRANSACTIONS IN 2021

Pursuant to the provisions of article 223-26 of AMF's General Regulations, the following table presents a summary of the transactions made in Imerys shares throughout 2021 by corporate officers and any individuals connected to them,

where applicable. These transactions must be declared to the AMF in accordance with the provisions of article L. 621-18-2 of the French Monetary and Financial Code. All such declarations are available on AMF's website (www.amf-france.org).

Person declaring transaction	Position	Financial instrument	Number	Number of transactions	Type of transaction	Gross amount ⁽¹⁾ of transactions
Annette Messemer	Director	Share	500	1	Acquisitions	21,580

(1) Before tax, fees and costs.



Comments on fiscal year 2021

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Comments on fiscal year 2021

HIGHLIGHTS

At its meeting on February 16, 2022, the Board of Directors drew up the terms of the management report that it will present to the Annual Shareholders' General Meeting.

Imerys uses alternative performance measures in analyzing its business operations. These financial measures are set out in [section 5.5, Definitions and reconciliation of alternative performance measures to IFRS indicators](#).

5.1 HIGHLIGHTS

In 2021, Imerys posted strong quarterly results in the fourth quarter, marked by positive momentum in most of its end markets and a robust commercial performance. In this context, turnover increased by 15.6% like for like. The strong rebound in volumes and the acceleration of the price-mix throughout the

year enabled the Group to offset a highly inflationary environment. Imerys posted a current EBITDA margin of 17.4% higher than for the past year and generated a solid cash flow at €255 million.

Consolidated results ⁽¹⁾ (€ millions)	Q4 2020	Q4 2021	Change (%)	FY 2020	FY 2021	Change (%)
Revenue	986	1,121	+13.6%	3,799	4,383	+15.4%
Organic change (like-for-like)	+1.7%	+10.7%	-	-10.7%	+15.6%	-
Current EBITDA	177	167	-5.9%	631	761	+20.5%
Current EBITDA margin	18.0%	14.9%	-300 bps	16.6%	17.4%	+80 bp
Current operating income	89	89	+0.7%	299	452	+51.5%
Current operating margin	9.0%	8.0%	-100 bp	7.9%	10.3%	+240 bps
Operating income	(42)	46	-	138	385	-
Net income from current operations, Group share	50	55	+8.9%	167	288	+72.4%
Net income, Group share	(65)	24	-	30	240	-
Net current free operating cash flow	-	-	-	373	255	-31.7%
Net financial debt (as at December 31)	-	-	-	1,508	1,451	-3.8%
Net income, Group share, per share ⁽²⁾	€(0.80)	€0.28	-	€0.37	€2.83	-
Net income from current operations per share ⁽²⁾	€0.59	€0.65	+9.4%	€2.03	€3.40	+67.3%

(1) The definition of alternative performance measures can be found in the glossary in chapter 5.5.

(2) Weighted average number of outstanding shares: 84,689,581 in 2021 compared with 82,168,061 in 2020.

■ GROWTH PROJECTS

In 2021, the Group continued to expand its footprint and production capacity to meet demand for its products in regions and markets with the highest growth potential.

In the Performance Minerals segment, Imerys has invested €35 million in its plant in Bodio, Switzerland, and is currently completing a €60 million investment in Willebroek, Belgium, to expand production capacity for high-purity synthetic graphite and carbon black used in Lithium-ion batteries, mostly used in electric cars. These investments are the first of a series of capacity expansion projects addressing the strong demand growth expected in the electric vehicles market worldwide.

In the Refractory, Abrasives and Construction business area, Imerys has invested €37 million for the construction and commissioning of a greenfield plant in Vizag, India, to serve the rising needs of the domestic refractory industry for high performance solutions. India is the second largest steel producer in the world.

In addition to these developments, Imerys has completed the integration of the Haznedar Group, acquired in December 2020. Haznedar has generated revenue of €75 million, well above expectations, and has enlarged Imerys product offering with high-grade refractory monolithics and bricks, while further strengthening the Group position in the growing Turkish market.

■ INNOVATION PUSH IN NEW PRODUCTS AND TECHNOLOGIES

The Group launched 80 new products in 2021 primarily in green mobility, sustainable construction and natural solutions for consumer goods and life sciences. Each innovation project is assessed through a specific Portfolio Sustainability Assessment (PSA) framework developed by the World Business Council for Sustainable Development (WBCSD) and verified by an external independent body.

Imerys targets 50% of new products to be launched in 2022 to be ranked as "SustainAgility™ solutions"⁽¹⁾ and has promoted a specific label for its products with the highest sustainability rating. Imerys is also actively working on the recyclability of minerals.

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



■ SUSTAINABILITY: RECENT ESG DEVELOPMENTS

The Group made progress across the six pillars that constitute its SustainAgility ESG program: safety & health, human capital, environmental stewardship, climate change, business conduct and product portfolio management.

In the area of corporate governance, the Board of Directors has appointed Mrs Véronique Saubot, one of its independent members, as ESG Referent Director dedicated to sustainability-related issues. The Group's ESG roadmap and performance is now reviewed by the relevant Committees where applicable and in any event twice a year by the Board.

A climate change risk and opportunity scenario analysis has been completed assessing physical risks as well as transition risks and opportunities in line with the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Potential, substantive financial or strategic impacts are disclosed via the CDP disclosure and are presented in Imerys' Universal Registration Document.

As part of its ESG strategy, the Group has introduced an internal price for carbon emissions in the assessment of its capital expenditure projects and has committed to a reduction of its greenhouse gas emissions of 36% by 2030 relative to revenue (tCO₂/M€) from a 2018 base year, as validated by the Science Based Target initiative (SBTi). The Group has also successfully issued its first Sustainability-Linked Bond of €300 million in May 2021, with an annual coupon of 1% maturing in 2031 and indexed on the above-mentioned targets.

2021 Achievements on selected ESG KPIs	2019	2020	2021	Target
Occupational health & safety: Total recordable accident frequency rate ⁽¹⁾	3.22	2.66	2.63	2.50 (2022)
Diversity and inclusion: proportion of women within the Group's senior management team	22%	26%	26%	30% (2022)
Climate change strategy: % reduction in CO ₂ e emissions by million euro of revenue compared to 2018 ⁽²⁾⁽³⁾	-12%	-12%	-23%	-36% (2030)
Business conduct and responsible purchasing management: proportion of suppliers assessed against environmental, social and governance criteria ⁽⁴⁾	16%	14%	35%	50% (2022)
Environmental, social and economic impact of products: proportion of product portfolio measured against environmental social and governance criteria	-	6%	21%	40% (2022)

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

(2) Scopes 1 & 2 – Greenhouse gas emissions expressed in tons of CO₂e equivalent.

(3) In 2021, Imerys improved its data reporting accuracy and updated the methodology for the calculation of its greenhouse gas (GHG) emissions. As per the Group GHG Recalculation Policy made public in May 2021, audited by Deloitte and available on Imerys.com, the Group recalculated the 2018 base year emission inventory. To facilitate comparison, Imerys has also recalculated 2019 and 2020 data. Based on the updated emission factors and calculation methodology, 2019 and 2020 Group GHG emissions were reduced by -14% in 2019 and by -15% in 2020 versus 2018.

(4) 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.

■ ACTIVE PORTFOLIO MANAGEMENT

Disposal of non-core natural graphite assets

On December 2, 2021, Imerys has signed an agreement to sell its mothballed natural graphite mine and plant in Namibia, as well as its natural graphite mine in Lac des Iles (Canada), which is primarily supplying non-processed products for refractory and engineering applications, for an asset value of ca. €40 million. These assets generated ca. €15 million of revenue in 2021 with 50 employees and were accounted for in the Performance Minerals Asia Pacific business area.

Disposal of kaolin assets in North America

Imerys has closed the sale of certain US assets and mining resources supplying hydrous kaolin to the paper and board markets to Thiele Kaolin Company, one of the world's leading producers of processed kaolin clay. These assets, which are part of Imerys' Performance Minerals Americas business area, posted revenue of approximately \$74 million in 2021.

■ DIVIDEND

At the Shareholders' General Meeting of May 10, 2022, the Board of Directors will propose a cash dividend of €1.55 per share, up 34.7% vs last year, representing a total estimated payout of €132 million, equal to 46% of net income from current operations, Group's share. This proposal reflects the Board's confidence in the Group's fundamentals and its development prospects.

5.2 DETAILED COMMENTS ON THE 2021 ANNUAL RESULTS

■ REVENUE

Unaudited quarterly data (€ millions)	2020	2021	Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,028	1,058	+2.9%	+6.3%	+5.8%	+0.5%
Second quarter	872	1,100	+26.2%	+28.9%	+26.3%	+2.6%
Third quarter	912	1,104	+21.0%	+18.6%	+15.0%	+3.6%
Fourth quarter	986	1,121	+13.6%	+10.7%	+4.8%	+5.9%
Total	3,799	4,383	+15.4%	+15.6%	+12.4%	+3.2%

Revenue was €4,383 million, up 15.6% year-on-year at constant scope and exchange rates. Group sales volumes were up 12.4% in 2021, confirming the demand recovery across all underlying markets despite logistics and supply constraints.

In a context of high inflation, Imerys' price mix accelerated in Q4 (+5.9%), averaging 3.2% for the year.

Revenue included a negative currency effect of €54 million (-1.4%), primarily as a result of the depreciation of the U.S. dollar against the euro in the first part of the year.

The scope effect amounted to €57 million for the year, related mostly to the positive contribution of acquisitions (Haznedar group, Cornerstone, Sunward Refractories and Hysil) and the divestiture of the kaolin operations in Australia.

■ CURRENT EBITDA

Unaudited quarterly data (€ millions)	2020	2021	Change
First quarter	165	183	+10.9%
Second quarter	125	218	+74.5%
Third quarter	165	194	+17.7%
Fourth quarter	177	167	-5.9%
Year	631	761	+20.5%
<i>Margin</i>	<i>16.6%</i>	<i>17.4%</i>	<i>+80 bps</i>

Current EBITDA was above the upper range of the guidance and reached €761 million for 2021, a 20.5% increase vs. 2020. The margin improved by 80 basis points versus 2020 to 17.4%. In the fourth quarter of 2021, current EBITDA did not yet fully benefit from the most recent price increases, which will become effective in 2022.

2021 Current EBITDA benefitted from positive volume contribution (€224 million) and strong price mix (€97 million, of which €58 million in the fourth quarter alone), which compensated for the €97 million increase in variable costs, a consequence of extremely high inflation on freight, raw materials, energy and packaging costs.

Fixed costs and overheads were up €115 million vs last year, following increased activity at all production sites.

The currency effect was negative at €9 million.

Current operating income reached €452 million for 2021, a 51.5% increase compared to last year.

■ NET INCOME FROM CURRENT OPERATIONS

Net income from current operations, Group share, totaled €288 million, up 72.4% vs. 2020. Net financial result was negative at €40 million. The income tax expense of €111 million corresponds to an effective tax rate of 27.0%, compared with 27.8% in 2020. **Net income from current operations, Group share, per share**, was up 67.3% to €3.40.

Net income

Net income, Group share, totaled €240 million in 2021, after -€48 million of other income and expenses, after tax.

■ NET CURRENT FREE OPERATING CASH FLOW

(€ millions)	2020	2021
Current EBITDA	631	761
Increase (-)/ decrease (+) in operating working capital	75	(19)
Notional tax on current operating income	(83)	(122)
Other	36	6
Net current operating cash flow (before capital expenditure)	659	626
Capital expenditure	(262)	(336)
Right-of-use assets (IFRS 16)	(23)	(34)
Net current free operating cash flow	373	255

Imerys generated a net current free operating cash flow of €255 million in 2021 (€373 million in 2020). This figure includes €336 million of capital expenditure (representing 7.7% of revenue), up €74 million year-on-year, reflecting increased spending on strategic projects aimed at increasing production capacity in the most promising markets. Despite inflation and the activity rebound, operating working capital requirements grew more slowly than revenue.

After the cash outflow corresponding to the dividend payment (€107 million in 2021 versus €17 million in 2020), the net financial debt decreased by €57 million (after €177 million in 2020).

(€ millions)	2020	2021
Net current free operating cash flow	373	255
Acquisitions and disposals	(98)	19
Dividend	(17)	(107)
Change in equity	(1)	(8)
Increase (-)/ decrease (+) in non-operating working capital ⁽¹⁾	25	2
Other non-recurring income and expenses	(69)	(56)
Debt servicing costs	(40)	(29)
Exchange rates and other	3	(19)
Change in net financial debt	177	57

(1) Change in income taxes liabilities and receivables.

■ FINANCIAL STRUCTURE

(€ millions)	2020	2021
Net financial debt at January 1	1,685	1,508
Net financial debt at December 31	1,508	1,451
Equity at December 31	2,956	3,242
Current EBITDA	631	761
Net financial debt/Equity	51.0%	44.8%
Net financial debt/current EBITDA	2.4x	1.9x

At December 31, 2021, the net financial debt totaled €1,451 million, which represents 1.9x current EBITDA.

Imerys "investment grade" ratings were confirmed by Standard and Poor's (December 1, 2021, BBB-, stable outlook) and Moody's (August 18, 2021, Baa3, stable outlook).

At December 31, 2021, Imerys' bond financing amounted to €1.7 billion with an average maturity of 5.4 years. The Group also has €1.16 billion available in bilateral credit lines.

5.3 DETAILED COMMENTS BY BUSINESS SEGMENT

■ PERFORMANCE MINERALS

(54% of consolidated revenue)

Q4 2020	Q4 2021	LFL change on Q4 2020	Unaudited quarterly data (€ millions)	2020	2021	LFL change on 2020
205	240	+11.3%	Revenue Americas	886	957	+10.7%
264	267	+0.2%	Revenue Europe, Middle East and Africa (EMEA)	1,009	1,130	+12.4%
120	129	+7.3%	Revenue Asia-Pacific (APAC)	440	515	+22.0%
(25)	(41)	-	Eliminations	(157)	(177)	-
564	594	+3.3%	Total revenue	2,178	2,425	+13.2%
-	-	-	Current EBITDA	430	497	+15.7%*
-	-	-	Current EBITDA margin	19.7%	20.5%	+80 bps

* Reported growth.

Revenue generated by the **Performance Minerals** segment was up 13.2% like-for-like in 2021, of which +8.7% of volume growth and +4.5% of price mix effect. On a reported basis, revenue was up 11.4% after a negative currency effect of €32 million (-1.5%).

Revenue in the **Americas** was up 10.7% at constant scope and exchange rates in 2021, of which +11.3% in the fourth quarter, despite persisting logistic issues which created a significant order backlog. The rebound in activity was supported by sales of products for paints, rubber, polymers and ceramics in the construction industry and a good performance of the filtration and agriculture markets in the consumer goods sector.

Revenue in **Europe, Middle East and Africa** increased by 12.4% at constant scope and exchange rates in 2021. During the fourth quarter (+0.2%), growth in the dynamic construction sector, especially in renovation (paints & coatings, tiles and sanitaryware) and a strong consumer goods market (filtration and life science applications) were offset by weak sales to graphic paper and to the automotive sectors, which continued to suffer from the global semiconductors shortage.

Revenue in **Asia-Pacific** was up 22.0% at constant scope and exchange rates in 2021 (+7.3% in the fourth quarter) thanks to the strong demand for carbon black and synthetic graphite for mobile energy overall and the recovery of paper & board, ceramics and filtration in APAC.

Current EBITDA for the segment totaled €497 million in 2021, or 20.5% of revenue.

■ HIGH TEMPERATURE MATERIALS & SOLUTIONS

(46% of consolidated revenue)

Q4 2020	Q4 2021	LFL change on Q4 2020	Unaudited quarterly data (€ millions)	2020	2021	LFL change on 2020
171	213	+17.5%	Revenue High Temperature Solutions	632	801	+17.2%
264	328	+20.9%	Revenue Refractory, Abrasives & Construction	1,050	1,240	+19.9%
(8)	(5)	-	Eliminations	(34)	(47)	-
428	536	+21.0%	Total revenue	1,648	1,995	+18.4%
-	-	-	Current EBITDA	188	279	+48.1%*
-	-	-	Current EBITDA margin	11.4%	14.0%	+260 bps

* Reported growth.



Revenue generated by the **High Temperature Materials and Solutions** segment was up 18.4% in 2021 at constant scope and exchange rates, of which +17.1% of volume growth and +1.3% of price mix effect. Organic growth remained strong in the fourth quarter at +21.0%. On a reported basis, revenue increased by 21.0% with a positive scope effect of €60 million (+3.6%) and an unfavorable currency effect of €13.5 million (-0.8%).

Revenue in **High Temperature Solutions**, which is serving the iron & steel, thermal and foundry markets, increased by 17.2% year-on-year at constant scope and exchange rates in 2021, posting growth of 17.5% in the fourth quarter. The business continued to benefit from various commercial initiatives and the

strong underlying market recovery. The rebound was supported by the dynamism of the iron & steel and foundry segments, despite persisting issues in the automotive market.

Revenue in the **Refractory, Abrasives & Construction** business area was up 19.9% at constant scope and exchange rates in 2021 (+20.9% in the fourth quarter), driven by a strong recovery in refractories and abrasives, as well as further growth in building and infrastructure (specialty binders). In India, the new greenfield plant in Vizag continued to ramp up production to serve the dynamic domestic refractory and construction markets.

Current EBITDA for the segment totaled €279 million, or 14.0% of revenue in 2021.

5.4 OUTLOOK

Imerys expects the demand for its specialty minerals solutions to remain sustained across most market segments in 2022. Furthermore, Imerys is set to benefit from its positioning in the automotive sector once the semiconductor shortages and supply chain constraints have disappeared.

Continued pricing discipline is expected to support the Group's profitability in 2022, while tight cost control will remain a key area of focus in a context of persistent high inflation. Active portfolio management and an acceleration of growth capex projects will boost the Group's long-term expansion. The ongoing ecological transition will contribute to Imerys future development, as natural minerals solutions gradually replace less environmentally-friendly products.

5.5 DEFINITIONS AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES TO IFRS INDICATORS

Imerys' management process is based on the following non-IFRS measures that are selected for planning and reporting purposes. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures.

They include in particular "current" indicators that are important to measure the recurring performance of the business, excluding significant items that, because of their nature and their unusual occurrence, can not be considered as inherent to the recurring performance of the Group.

Alternative Performance Indicators	Definitions and reconciliation to IFRS indicators
Growth at constant scope and exchange rates (also called life-for-like change, LFL growth organic or internal growth)	Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect). Restatement of the currency effect consists of calculating aggregates for the current year at the exchange rate of the prior year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data. Restatement of Group structure to take into account newly consolidated entities consists of: • subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year; • subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the prior year, for entities entering the consolidation scope in the prior year. Restatement of entities leaving the consolidation scope consists of: • subtracting the departing entity's contribution from the aggregates of the prior year as from the first day of the month of divestment, for entities leaving the consolidation scope in the current year; • subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.
Volume effect	The sum of the change in sales volumes of each business area between the current and prior year, valued at the average sales price of the prior year.
Price mix effect	The sum of the change in average prices by product family of each business area between the current and prior year, applied to volumes of the current year.
Current operating income	The operating income before other operating income and expenses (income from changes in control and other non-recurring items).
Net income from current operations	The Group's share of income before other operating income and expenses, net (income from changes in control and other non-recurring items, net of tax) and income from discontinued operations.
Current EBITDA	Calculated from current operating income before operating amortization, depreciation and impairment losses and adjusted for changes in operating provisions and write-downs, share in net income and dividends received from joint ventures and associates.
Net current operating cash flow	Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement and proceeds from divested intangible and tangible assets.
Net current free operating cash flow	Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement, proceeds from divested intangible and tangible assets, paid intangible and tangible capital expenditure and changes in right-of-use assets.
Net financial debt	Difference between financial liabilities (borrowings, financial debts, and IFRS 16 liabilities) and cash and cash equivalents.



5.6 ACTIVITY AND EARNINGS OF IMERYS S.A. IN 2021

■ INCOME STATEMENT

In 2021, operating income amounted to €137.7 million (€143.5 million in 2020), down €5.8 million (4%), reflecting the services provided by the holding company to its subsidiaries. Operating expenses came out at €179.2 million (€163.4 million in 2020), up €15.8 million, primarily due to additional staff expenses following the increase in headcount, as well as higher variable components of pay given the Group's strong financial performance.

Revenue from subsidiaries and affiliates amounted to €182.9 million, down €245.3 million on 2020. Imerys S.A. adjusts the proportion of its debt drawn in foreign currencies to manage the foreign exchange risk related to changes in directly or indirectly held foreign net assets, as well as that resulting from loans and advances granted to subsidiaries and entities under cash pooling agreements. In 2021, Imerys S.A. recognized in this respect a net foreign exchange loss of €15.6 million (compared with a €5.3 million net gain in 2020). Increases and decreases in financial provisions are presented in [Note 20 of the Statutory Financial Statements](#).

Exceptional losses of €4.8 million were recorded in 2021 (€4.5 million in 2020). The Group reversed €8.4 million in provisions for tax risks and €6.5 million in provisions for staff-

related risks to cover the exceptional expenses incurred in 2021. Additional provisions of €0.2 million were recorded for staff-related risks in 2021.

In accordance with the terms of the tax consolidation agreements signed by each Imerys Group company in France, the tax expense or savings recognized in the accounts of Imerys S.A. is made up of the tax expense of Imerys S.A., calculated on a stand-alone basis, and the net amount of additional expenses and savings resulting from tax consolidation. In this respect, Imerys S.A. recognized savings of €18.7 million in 2021 (€8.4 million in 2020).

Net income amounted to €131.0 million in 2021 (€399.8 million in 2020).

At the Shareholders' General Meeting of May 10, 2022, the Board of Directors will propose a dividend of €1.55 per share, up €0.40 on the 2020 dividend (€1.15 per share with an alternative payment option in the form of additional shares for all or part of the dividend), representing a total estimated payout of €131.7 million equal to 54.5% of consolidated net income, Group share (proposed appropriation of profit: [see Note 29 of the Statutory Financial Statements and chapter 8, paragraph 8.1.1 of the Universal Registration Document](#)).

■ FINANCIAL DEBT

(€ thousands)	Amount	Maturity in less than 1 year	Maturity from 1 to 5 years	Maturity beyond 5 years
Financial debt	3,126,120	1,426,120	500,000	1,200,000
Other debts	78,720	78,720		
Deferred income	0			
Unrealized exchange rate gains	50,973	50,973		
Total	3,255,813	1,555,813	500,000	1,200,000

■ LIST OF EQUITY INVESTMENTS AND MARKETABLE SECURITIES

Subsidiaries and equity interests at December 31, 2021: [see Note 30 of the Statutory Financial Statements](#). Marketable securities at December 31, 2021: [see Note 18 of the Statutory Financial Statements](#).

■ SHARE CAPITAL AND DIVIDEND PAYOUTS OVER THE PAST THREE YEARS

Share capital at December 31, 2021: [see Notes 19 and 25 of the Statutory Financial Statements](#), as well as chapter 7, paragraph 7.3.1 of the Universal Registration Document.

Dividend distribution policy: [see chapter 7, section 7.6 of the Universal Registration Document](#).

Dividends paid over the past three years:

	2021	2020	2019
	With respect to the 2020 financial year	With respect to the 2019 financial year	With respect to the 2018 financial year
Gross dividend per share	€1.150	€1.720	€2.150
Net dividend per share	€1.150	€1.720	€2.150
Total net payout	€97.7 M	€135.9 M	€170.0 M



Comments on fiscal year 2021

ACTIVITY AND EARNINGS OF IMERYS S.A. IN 2021

■ CAPITAL, OTHER SECURITIES, INCOME AND OTHER KEY INDICATORS OF THE COMPANY OVER THE PAST FIVE YEARS

Type of indicators (€)	2021	2020	2019	2018	2017
I – Capital and other securities at December 31					
Share capital	169,881,910	169,881,910	158,971,388	158,971,388	159,208,570
Number of ordinary shares at December 31	84,940,955	84,940,955	79,485,694	79,485,694	79,604,285
Par value	€2	€2	€2	€2	€2
Number of preferred shares outstanding (which do not carry voting rights)	-	-	-	-	-
Maximum number of potential ordinary shares by exercising options	77,220	162,113	233,180	286,113	406,037
II – Transactions and profit for the period					
Revenue before tax	129,086,952	135,080,502	80,780,558	68,604,506	51,615,496
Income before tax and employee profit-sharing and amortization, depreciation and provisions	109,980,292	398,256,543	127,046,361	27,432,416	357,813,578
Income tax	18,678,385	8,362,269	15,242,689	26,225,775	51,281,606
Employee profit-sharing payable for the year	-	-	-	-	-
Income after tax and employee profit-sharing and amortization, depreciation and provisions	131,032,875	399,820,903	139,509,138	72,901,777	373,430,724
Distributed income (excluding withholding tax)	131,658,480	135,936,476	170,030,460	164,574,788	148,225,995
III – Earnings per share⁽¹⁾					
Income after tax and employee profit-sharing and before amortization, depreciation and provisions	1.51	4.79	1.79	0.68	5.14
Income after tax and employee profit-sharing and amortization, depreciation and provisions	1.54	4.71	1.76	0.92	4.69
Net dividend per share	1.55 ⁽²⁾	1.15	1.72	2.15	2.075
IV – Employees					
Average number of employees over the year	291.00	257.00	236.00	218.00	199.00
Payroll for the year	39,365,107	33,620,502	31,006,666	26,598,361	22,332,788
Social security contributions for the year	14,654,968	14,272,532	15,678,343	10,757,042	11,623,061

(1) Based on the number of shares at December 31.

(2) Subject to approval by the Shareholders' General Meeting of May 10, 2022.



■ SUBSEQUENT EVENTS

The annual statutory financial statements at December 31, 2021 were approved by the Board of Directors at its meeting on February 16, 2022.

■ SUPPLIER AND CUSTOMER PAYMENT TERMS

Pursuant to article L. 441-6-1 and D. 441-4 of the French Commercial Code (*Code de commerce*), the following table presents the number and amount excluding VAT of invoices received and issued, past due and unpaid at the end of the reporting period:

	Article D. 441-4-I-1°: Received and unpaid invoices past due at December 31						Article D. 441-4-I-2°: Issued and unpaid invoices past due at December 31					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)
(A) Breakdown of payments past due												
Number of invoices	154					400	51					289
Total amount of invoices excl. VAT (€ thousands)	6,114	5,174	689	47	248	6,158	11,712	1,424	27	386	3,760	5,597
Percentage of total purchases excl. VAT in 2021 (%)	6.00	5.08	0.68	0.05	0.24	6.05						
Percentage of revenue excl. VAT in 2021 (%)							9.07	1.10	0.02	0.30	2.91	4.33
(B) Invoices excluded from (A) related to disputed or unrecognized payables and receivables												
Number of invoices excluded												
Total amount of invoices excluded												
(C) Standard payment terms used (contractual or statutory terms – article L. 441-6 or article L. 433-1 of the French Commercial Code)												
Standard payment terms used to calculate late payments	Contractual terms: 45 days end of month						Contractual terms: 30 days					
	Statutory terms: 45 days end of month						Statutory terms: 30 days					



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6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 FINANCIAL STATEMENTS

■ CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	2021	2020
Revenue	5	4,382.9	3,798.5
Raw materials and consumables used	6	(1,495.6)	(1,292.9)
External expenses	7	(1,162.8)	(968.4)
Staff expenses	8	(939.8)	(875.2)
Taxes and duties		(39.0)	(41.7)
Amortization, depreciation and impairment		(323.9)	(342.3)
Intangible assets, mining assets and property, plant and equipment		(270.5)	(268.9)
Right-of-use assets	18	(53.4)	(73.4)
Other current income and expenses	9	30.5	20.5
Current operating income		452.3	298.5
Gain (loss) from obtaining or losing control	10	(0.5)	(5.0)
Other non-recurring items	10	(67.3)	(155.5)
Operating income		384.5	138.0
Net financial debt expense		(37.8)	(44.4)
Income from securities	11	2.6	2.7
Gross financial debt expense	11	(40.4)	(47.1)
Interest expense on borrowings and financial debt		(36.6)	(42.2)
Interest expense on lease liabilities		(3.8)	(4.9)
Other financial income (expenses)		(1.9)	(17.0)
Other financial income		153.7	270.8
Other financial expenses		(155.6)	(287.8)
Financial income (loss)	12	(39.7)	(61.4)
Income taxes	13	(95.1)	(44.3)
Net income		249.7	32.3
Net income, Group share ⁽¹⁾	14	240.1	30.1
Net income attributable to non-controlling interests		9.6	2.2
<i>(1) Net income per share</i>			
Basic net income per share (in €)	15	2.83	0.37
Diluted net income per share (in €)	15	2.79	0.36



■ **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(€ millions)	Notes	2021	2020
Net income		249.7	32.3
Components that will not be reclassified in profit or loss, before tax			
Gains (losses) on remeasurements of defined benefit plans	23.1	101.1	(39.6)
Components that will be reclassified in profit or loss, before tax			
Cash flow hedges		51.8	13.0
Gains (losses)	24.4	93.1	1.4
Reclassification adjustments	24.4	(41.3)	11.6
Hedges of net investments in foreign operations		0.6	(3.6)
Gains (losses)	26	3.1	(3.6)
Reclassification adjustments	26	(2.5)	-
Exchange rate differences		52.8	(215.0)
Gains (losses)	26	51.1	(214.2)
Reclassification adjustments	26	1.7	(0.8)
Other comprehensive income, before tax		206.3	(245.2)
Components that will not be reclassified in profit or loss, before tax		101.1	(39.6)
Components that will be reclassified in profit or loss, before tax		105.2	(205.6)
Aggregated income tax on components that will not be reclassified in profit or loss	13	(22.6)	7.4
Aggregated income tax on components that will be reclassified in profit or loss	13	(13.2)	(0.4)
Other comprehensive income		170.5	(238.2)
Total comprehensive income		420.2	(205.9)
Total comprehensive income, Group share		418.8	(205.9)
Total comprehensive income attributable to non-controlling interests		1.4	-



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CONSOLIDATED FINANCIAL STATEMENTS

■ CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	2021	2020
Non-current assets		4,990.3	4,861.4
Goodwill	16	2,144.7	2,149.1
Intangible assets	17	303.9	287.6
Right-of-use assets	18	175.6	192.5
Mining assets	18	419.0	425.6
Property, plant and equipment	18	1,622.6	1,506.9
Joint ventures and associates	9	100.3	87.3
Other financial assets	21.1	43.4	49.1
Other receivables	21.1	41.6	29.8
Derivative financial assets	21.1	0.6	4.1
Deferred tax assets ⁽¹⁾	13	138.6	129.4
Current assets		2,362.7	2,128.7
Inventories	20	849.1	691.8
Trade receivables	21.1	614.3	568.0
Other receivables	21.1	238.7	196.3
Derivative financial assets	21.1	75.4	14.2
Other financial assets	21.1	8.0	9.9
Cash and cash equivalents	21.1	577.2	648.5
Assets held for sale	25	63.1	-
Consolidated assets		7,416.1	6,990.1
Equity, Group share		3,193.4	2,901.5
Share capital		169.9	169.9
Share premium		614.4	614.4
Treasury shares		(13.4)	(6.7)
Reserves ⁽¹⁾		2,182.4	2,093.8
Net income, Group share		240.1	30.1
Equity attributable to non-controlling interests		48.5	59.0
Equity	22	3,241.9	2,960.5
Non-current liabilities		2,726.5	2,734.3
Provisions for employee benefits ⁽¹⁾	23.1	259.7	346.5
Other provisions	23.2	414.0	394.9
Borrowings and financial debt	24.2	1,695.0	1,698.3
Lease liabilities	24.2	155.7	167.8
Other debts	24.3	70.7	34.3
Derivative financial liabilities	24.1	1.8	0.5
Deferred tax liabilities	13	129.6	92.0
Current liabilities		1,434.2	1,295.3
Other provisions	23.2	53.2	58.8
Trade payables	24.1	660.1	475.6
Income tax payable		115.4	79.1
Other debts	24.3	410.1	371.6
Derivative financial liabilities	24.1	7.9	6.0
Borrowings and financial debt	24.2	124.9	260.9
Lease liabilities	24.2	32.5	42.6
Bank overdrafts	24.2	30.1	0.7
Liabilities related to assets held for sale	25	13.5	-
Consolidated equity and liabilities		7,416.1	6,990.1

(1) Change in accounting policy IFRS IC IAS 19 (Note 2.1).



■ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity, Group share									Equity attributable to non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Reserves				Net income, Group share	Subtotal		
(€ millions)				Cash flow hedges	Translation reserve	Other reserves	Subtotal				
Equity at January 1, 2020	159.0	520.9	(27.4)	(3.5)	(419.6)	2,763.1	2,340.0	121.2	3,113.7	48.3	3,162.0
Change in accounting policy ⁽¹⁾	-	-	-	-	-	4.8	4.8	-	4.8	-	4.8
Equity after change in accounting policy and correction	159.0	520.9	(27.4)	(3.5)	(419.6)	2,767.9	2,344.8	121.2	3,118.5	48.3	3,166.8
Total comprehensive income	-	-	-	9.7	(213.6)	(32.1)	(236.0)	30.1	(205.9)	-	(205.9)
Transactions between shareholders	10.9	93.5	20.7	-	-	(15.0)	(15.0)	(121.2)	(11.1)	10.7	(0.4)
Appropriation of 2019 net profit	-	-	-	-	-	121.2	121.2	(121.2)	-	-	-
Dividend (€1.72 per share)	-	-	-	-	-	(135.9)	(135.9)	-	(135.9)	(1.7)	(137.6)
Capital increase	11.4	108.4	-	-	-	-	-	-	119.8	-	119.8
Capital decrease	(0.5)	(14.9)	-	-	-	-	-	-	(15.4)	-	(15.4)
Treasury share transactions	-	-	20.7	-	-	(5.8)	(5.8)	-	14.9	-	14.9
Share-based payments	-	-	-	-	-	5.8	5.8	-	5.8	-	5.8
Transactions with non-controlling interests	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)	12.4	12.1
Equity at December 31, 2020	169.9	614.4	(6.7)	6.2	(633.2)	2,720.8	2,093.8	30.1	2,901.5	59.0	2,960.5
Total comprehensive income	-	-	-	37.8	62.6	78.3	178.7	240.1	418.8	1.4	420.2
Transactions between shareholders	-	-	(6.7)	-	(10.5)	(79.6)	(90.1)	30.1	(126.9)	(11.9)	(138.8)
Appropriation of 2020 net profit	-	-	-	-	-	30.1	30.1	(30.1)	-	-	-
Dividend (€1.15 per share)	-	-	-	-	-	(97.5)	(97.5)	-	(97.5)	(8.7)	(106.2)
Capital increase	-	-	-	-	-	-	-	-	-	2.6	2.6
Treasury share transactions	-	-	(6.7)	-	-	(3.3)	(3.3)	-	(10.0)	-	(10.0)
Share-based payments	-	-	-	-	-	8.6	8.6	-	8.6	-	8.6
Transactions with non-controlling interests	-	-	-	-	(10.5)	(17.5)	(28.0)	-	(28.0)	(5.8)	(33.8)
Equity at December 31, 2021	169.9	614.4	(13.4)	44.0	(581.1)	2,719.5	2,182.4	240.1	3,193.4	48.5	3,241.9

(1) Change in accounting policy IFRS IC IAS 19 (Note 2.1).



Financial statements

CONSOLIDATED FINANCIAL STATEMENTS

■ CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	2021	2020
Net income		249.7	32.3
Adjustments			
Adjustments for depreciation and amortization	Appendix	352.7	407.7
Adjustments for impairment loss on goodwill	10	-	12.7
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, trade and other receivables		4.4	1.0
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, inventories		(5.9)	7.5
Adjustments for provisions	Appendix	(24.8)	(32.7)
Adjustments for share-based payments	8	8.6	5.8
Adjustments for losses (gains) on disposal of non-current assets	Appendix	(7.0)	1.6
Adjustments for undistributed profits from joint ventures and associates	9	(14.7)	7.7
Adjustments for net interest income and expense		37.8	44.2
Adjustments for fair value losses (gains)		(4.6)	0.4
Other adjustments for non-cash items		(0.2)	-
Other adjustments for which cash effects are investing or financing cash flow		5.4	2.3
Change in working capital requirement		(51.9)	109.5
Adjustments for decrease (increase) in inventories	24.2	(145.7)	86.3
Adjustments for decrease (increase) in trade receivables	24.2	(40.7)	34.9
Adjustments for increase (decrease) in trade payables	24.2	167.1	(46.3)
Adjustments for other receivables and debts	24.2	(32.6)	34.6
Adjustments for income tax expense	13	95.1	44.2
Net cash flow from (used in) operations		644.6	644.2
Interest paid		(34.9)	(46.5)
Income taxes refund (paid)	13	(72.0)	(63.9)
Adjustments for dividends received from joint ventures and associates	9	5.2	4.4
Net cash flows from (used in) operating activities		542.9	538.2
Acquisitions of intangible assets	Appendix	(24.3)	(22.3)
Acquisitions of property, plant and equipment	Appendix	(337.0)	(231.6)
Change in payables on acquisitions of intangible assets and property, plant and equipment		25.0	(8.2)
Cash flows used in (from gaining) control of subsidiaries or other businesses		(46.4)	(71.3)
Proceeds from disposals of intangible assets and property, plant and equipment	Appendix	8.8	38.7
Cash flows from losing control of subsidiaries or other businesses		33.9	0.5
Cash advances and loans granted to third parties		(6.3)	(10.5)
Cash receipts from repayment of advances and loans granted to third parties		34.3	7.6
Interest received		2.4	2.4
Cash flow from investing activities		(309.6)	(294.7)
Proceeds from issuing shares	24.2	1.5	-
Payments to acquire or redeem treasury shares	24.2	(10.0)	(0.5)
Dividends paid	24.2	(106.5)	(17.6)
Proceeds from borrowings	24.2	298.3	30.5
Repayments of borrowings	24.2	(312.3)	(294.0)
Payments of lease liabilities	24.2	(58.8)	(79.3)
Other cash inflows (outflows)	24.2	(153.5)	144.0
Cash flow from financing activities		(341.3)	(216.9)
Change in cash and cash equivalents		(108.0)	26.6



(€ millions)	2021	2020
Cash and cash equivalents at the beginning of the period	647.8	653.2
Change in cash and cash equivalents	(108.0)	26.6
Effect of exchange rate changes	7.3	(32.0)
Cash and cash equivalents at the end of the period	547.1	647.8
Cash	485.5	455.2
Cash equivalents	91.7	193.3
Bank overdrafts	(30.1)	(0.7)

Appendix: table of indirect references to the notes

The following table is intended to help users of the financial statements reconcile the amounts presented in the consolidated statement of cash flows and the amounts presented in the notes to the financial statements.

(€ millions)	Notes	2021	2020
Consolidated Statement of Cash Flows			
Adjustments for depreciation and amortization		352.7	407.7
Increase in amortization – intangible assets	17	26.4	22.2
Increase in depreciation – property, plant and equipment	18	297.4	320.5
Amortization and depreciation reversals – intangible assets and property, plant and equipment		-	(0.2)
Impairment – property, plant and equipment	18	36.9	66.9
Reversal of impairment – intangible assets and property, plant and equipment		(8.0)	(1.6)
Adjustments for provisions		(24.8)	(32.7)
Net change in provisions for employee benefits – Current operating income	23	(6.5)	(2.5)
Net change in provisions for employee benefits – Other operating income and expenses	23	(0.2)	0.4
Net change in provisions for employee benefit liabilities – Closed plans	23	(7.5)	(1.5)
Normative return on assets of defined benefit plans	23	(14.5)	(22.0)
Unwinding of defined employee benefit liabilities		18.6	26.4
Net change in termination benefits		(27.7)	(24.3)
Increase in other provisions	23	49.5	32.3
Use of other provisions	23	(22.6)	(24.9)
Reversals of unused portions of other provisions	23	(17.6)	(19.2)
Unwinding of other provisions	23.2	2.9	2.6
Unwinding of other debts		0.8	-
Adjustments for losses (gains) on disposal of non-current assets		(7.0)	1.6
Income from asset disposals	9	(2.7)	(2.4)
Income from disposals of consolidated businesses	10	(4.8)	2.7
Income from non-recurring asset disposals	10	0.5	1.3
Acquisitions of intangible assets		(24.3)	(22.3)
Acquisitions of property, plant and equipment		(337.0)	(231.6)
Proceeds from disposals of intangible assets and property, plant and equipment		8.8	38.7
Intangible assets	17	0.1	0.6
Property, plant and equipment	18	6.7	8.4
Income from asset disposals	9	2.7	2.4
Income from non-recurring asset disposals	10	(0.5)	(1.3)
Change in receivables on disposals of intangible assets and property, plant and equipment		(0.2)	28.6



6.1.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

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6.1.2.1 2021 SIGNIFICANT EVENTS

This paragraph helps readers to easily identify the main notes addressing significant events that occurred in 2021.

- Developments in the operational litigation related to past sales of talc in the US: [Note 23.2](#).
- Planned disposal of the hydrous kaolin business in the US: [Note 25](#).

■ BASIS OF PREPARATION

NOTE 1 ACCOUNTING PRINCIPLES

1.1 STATEMENT OF COMPLIANCE

Pursuant to European regulation no. 1606/2002 of July 19, 2002, the consolidated financial statements of Imerys, a group operating in the industrial minerals sector, headquartered at 43 quai de Grenelle, Paris, France and whose share is listed on compartment A of the Euronext Paris market, have been prepared at December 31, 2021 in accordance with the International Financial Reporting Standards (IFRS) adopted

within the European Union at the end of the reporting period (hereinafter "the Principles"). The consolidated financial statements were approved on February 16, 2022 by the Board of Directors of Imerys S.A., the parent company of the Group, on a going concern basis, in millions of euros with one decimal rounded up to the nearest tenth.

1.2 DIFFERENCES BETWEEN THE PRINCIPLES AND IFRS

The European Union's adoption process may result in temporary differences at the end of the reporting period between the Principles and IFRS. However, at December 31, 2021, no differences existed between the Principles and IFRS.

1.3 OPTIONAL STATEMENTS

First-time adoption. The first year the Principles were adopted, the financial statements published by Imerys at January 1, 2004 included a retrospective application, which was limited by some optional exemptions set out in IFRS 1, for the first-time adoption of IFRS and exercised by the Group. Acquisitions completed prior to the first-time adoption have not been adjusted. Carrying amounts of property, plant and equipment have not been adjusted, with the exception of mineral reserves and resources, which have been measured at fair value. The actuarial differences of post-employment benefits unrecognized at the date of first-time adoption were included in plan assets and provisions and measured against reserves. Finally, translation differences of foreign operations were reclassified in reserves.

Other optional statements. Some provisions in the Principles allow for recognition and measurement options. Amortized or depreciated historical cost provides the basis for measuring intangible assets ([Note 17](#)), mining assets ([Note 18](#)) and property, plant and equipment ([Note 18](#)). Inventories are measured on the basis of their characteristics in accordance with "First-In, First-Out" (FIFO) accounting or the weighted average cost method ([Note 20](#)). The rules of hedge accounting are applied to the recognition of derivatives for hedging exchange rate, interest rate and energy price risks ([Note 24.4](#)).

1.4 ABSENCE OF GUIDANCE

In the absence of any applicable standard or interpretation or sufficient detail of the existing standards and interpretations, Executive Management has defined recognition and measurement policies for the following three areas: greenhouse gas allowances ([Note 17](#)), mining assets ([Note 18](#)) and purchase commitments for non-controlling interests of an entity controlled by the Group ([Note 25](#)).

1.5 ALTERNATIVE PERFORMANCE MEASURES (APM)

Definition. APMs are performance indicators that Imerys uses in addition to those reported in accordance with IFRS. The definition of APMs is provided in the notes to the financial statements, so that the users of the financial statements may understand how they are measured and relate to standardized indicators. The main APMs defined by Imerys include current operating income and other operating income and expenses ([Notes to the Consolidated Income Statement – Accounting policy](#)) as well as net financial debt, and the various elements

that caused the year-on-year change, in particular current EBITDA, and net current free operating cash flow ([Note 24.2 – Reconciliation of net financial debt](#)). APMs are not displayed with more prominence or emphasis than standardized indicators.

Modification. APMs are applied consistently over time and only changed to make them more reliable and more relevant. If modified, the reason for the change is explained, the new definition is communicated and comparatives are restated.



NOTE 2 CHANGES IN ACCOUNTING POLICIES AND ERRORS

Accounting policy

Accounting policies are identical from one year to the next and are modified either on a mandatory basis to apply a new standard or interpretation (*Note 2.1*), or on a voluntary basis to improve the reliability or relevance of information (*Note 2.2*). Changes in accounting policies are applied retrospectively,

unless specific transition measures have been identified in the standard or interpretation. The financial statements for all reported periods are modified, as if the new policy had always applied. Errors (*Note 2.3*) are corrected retrospectively.

2.1 MANDATORY CHANGES

Early adoption

Imerys did not early adopt any standard or interpretation in 2021.

Adoption upon effective date

Amendments to IFRS 9, IAS 39 and IFRS 7, as part of seeking Interest Rate Benchmark Reform. In 2019, Imerys decided to adopt Phase 1 of the amendment to IAS 39, IFRS 7 and IFRS 9, Interest Rate Benchmark Reform, before it became mandatory. This first amendment had been made to replace interbank offered rates (IBORs) with new benchmarks that are more consistent and more reliable, which will take place between 2021 and 2025. By adopting the amendment in 2019 before it became mandatory, Imerys was able to temporarily consider that hedged items, hedging instruments and information about hedging relationships were not affected by the reform. The dispositions of this amendment will cease to apply as soon as the uncertainty caused by the IBOR reform has been resolved. In 2020, the IASB supplemented the Phase 1 amendments with a Phase 2, which Imerys decided again to adopt in 2020, before it became mandatory. The Phase 2 amendments provide a practical expedient that adjust the effective interest rate of underlying contracts for future periods, once the new benchmark has been approved by the reform and may then be considered as economically equivalent to the previous benchmark. Phase 2 confirms existing hedging relationships may be maintained. The Group Treasury Department monitors changes to the interest rate benchmark reform, gradually updating documentation of underlying contracts as and when they are renegotiated. Of the Group's LIBOR- and EURIBOR-indexed contracts, all intra-group current accounts, and two intra-group loans in JPY and CHF will be renegotiated by December 31, 2021. The conditions precedent to drawdown on four of the bilateral facilities denominated in JPY, GBP and CHF were also renegotiated, even though in practice, amounts are only ever drawn in EUR. Therefore, the interest rate benchmark reform will not have a material impact on the Group's liquidity risk. Furthermore, at December 31, 2021, Imerys did not hold any foreign exchange derivative instrument covered by the interest rate benchmark reform.

Amendment to IFRS 16, Leases. On March 31, 2021, the IASB published an amendment to IFRS 16, Covid-19-Related Rent Concessions, prolonging the provisions of the amendment published on May 28, 2020, which offers lessees an optional practical expedient to recognize any advantages granted by lessors as a result of the Covid-19 crisis, such as rent reductions or concessions. Lessees are exempt from having to consider individual lease contracts to determine whether the rent concessions agreed are lease modifications and simply

credit the benefit to income as variable lease payments. Imerys did not receive any material advantages from its lessors as a result of the Covid-19 crisis, either in 2020 or 2021.

IFRS Interpretations Committee (IFRS IC) agenda decisions about the periods of service to which an entity attributes benefit for a particular defined benefit plan (IAS 19). The IFRS IC received a request about the periods of service to which an entity attributes benefit for a particular defined benefit plan, the acquisition of which depends on the employee being employed by the entity when they reach retirement age and their length of service. In April 2021, the committee finalized its agenda decision without amending the standard. The IFRS IC stated the benefits depend on the length of employee service with the entity before the retirement age and are capped at a specified number of consecutive years of service. The actuaries at Imerys have analyzed all the commitments that may be affected by this agenda decision and were able to estimate the subsequent impact, primarily in France and Greece. The provisions for defined benefit plans (*Note 23.1*) were therefore reduced by €5.8 million at January 1, 2020 against consolidated reserves, resulting in an €4.8 million positive impact in income after tax. This change in accounting policy did not have a material impact on income in 2020 and 2021.

IFRS Interpretations Committee (IFRS IC) agenda decisions about configuration or customization costs in a cloud computing arrangement (IAS 38). The IFRS IC received a request to determine how to account for costs of configuring or customizing the supplier's application software in a Software as a Service (SaaS) arrangement. The committee considered the request in April 2021 and distinguished two scenarios. In the first scenario, the entity recognizes SaaS configuration or customization costs as an intangible asset if the entity controls the resource and has the power to restrict the access of others to the economic benefits flowing from it. In the second scenario, where the entity does not recognize an intangible asset in relation to configuration or customization of the application software, the service must be recognized as an expense when it receives the configuration or customization services. At December 31, 2021, the impact analysis of this agenda decision was ongoing.

The amendment to IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9, does not apply to Imerys.

2.2 VOLUNTARY CHANGES

No voluntary changes were applied in 2020 or 2021.

2.3 ERRORS

No errors were corrected in 2021. In 2020, the proceeds from issuing shares (inflow of €119.8 million) and dividends paid (outflow of €137.4 million) were presented in an identical manner in the consolidated statement of changes in equity and the consolidated statement of cash flows, although the financing transactions that did not require cash should have been excluded from the second statement. As a portion of the 2019 dividend was paid in Imerys shares, the cash payment of the dividend totaled just €17.6 million at December 31, 2020. An equivalent correction was applied to the Change in net

financial debt table ([Note 24.2](#)). Moreover, the breakdown of 2020 cash flows between cash advances and loans granted to third parties (inflow of €4.9 million) and cash receipts from repayment of advances and loans granted to third parties (outflow of €7.8 million) was corrected. The amounts for these two items are now presented as an outflow of €10.5 million and an inflow of €7.6 million, respectively. Finally, the difference between the carrying amount and the fair value of bonds at December 31, 2020 was corrected ([Note 24.1](#)).

NOTE 3 STANDARDS AND INTERPRETATIONS EFFECTIVE AFTER THE CLOSING DATE

In line with the European Union's latest IFRS endorsement status report of February 1, 2022 published by the European Financial Reporting Advisory Group (EFRAG), Imerys will apply the following standards and interpretations after December 31, 2021.

3.1 APPLICATION IN 2022

Amendments to IAS 16, Property, Plant and Equipment – Proceeds before Intended Use. The proceeds received from selling items produced during the development of tangible assets and their cost of production are required to be accounted for in profit or loss by these amendments.

Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract. This text specifies that only direct costs are to be used as costs of fulfilling to value onerous contracts.

Amendments to IFRS 3, Business Combinations. This amendment updates a reference to the Conceptual Framework in IFRS 3 without significantly changing its requirements.

3.2 APPLICATION IN 2023

Amendment to IAS 1, Classification of Liabilities as Current or Non-current. The modifications proposed by this amendment make it clear that the split between current and non-current liabilities is based on the contractual arrangements, irrespective of the issuer's intentions.

Amendments to IAS 1, Disclosure of Accounting Policies. IAS 1 requires that an entity discloses its significant discounting policies; whereas the amendment seeks the disclosure of all material accounting policies. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial, especially if the users of the financial statements need to be aware of the policy to understand the other information contained therein.

Amendments to IAS 8, Definition of Accounting Estimates. Having observed that entities often struggle to differentiate between changes in accounting policy that must be applied retrospectively and changes in accounting policy that must be applied prospectively, in particular regarding changes to measurement policies, the IASB seeks to clarify the two definitions with examples.

Amendment to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment clarifies that the initial recognition exemption for deferred tax does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition, for example in relation to the initial recognition of leases. This clarification does not require any change to be made to the accounting policies applied by Imerys, which already recognized deferred tax in this manner.

IFRS 17, Insurance Contracts, does not apply to Imerys.



NOTE 4 ESTIMATES AND JUDGMENTS

When preparing the financial statements, Executive Management makes a certain number of estimates and judgments regarding the recognition and assessment of the Group's assets and liabilities. These decisions seek to respond to the uncertain nature of the risks and opportunities facing the Group's operations, in particular risks and opportunities arising from climate change. After having signed the United Nations Global Compact in 2016, Imerys defined its SustainAgility approach in 2018 to better integrate considerations related to the climate and sustainable development into the Group strategy in an effort to reduce the risks and open up new opportunities to create long-term value. As part of this approach, risks and opportunities are considered by assessing market changes, physical risks and changes in the energy mix.

Estimates. Estimates are intended to provide a reasonable assessment of the most recent reliable information available about elements of uncertainty. They are revised to reflect changes in circumstances, newly available information and past experience. Changes in estimates are recognized for future periods. The following significant estimates made by Executive Management are discussed in detail separately in the notes:

- Estimated value of the assets and liabilities of an acquired business ([Note 16](#)).
- Amortization methods of intangible assets ([Note 17](#)).
- Estimates of indicators related to the climate and sustainable development that may create obligations for the Group if they are not abided by, in particular estimates concerning:
 - the amount of greenhouse gas emissions generated by Imerys' industrial facilities and the need to purchase emission rights so as to assess the provisions covering any potential deficits ([Note 17](#));
 - the fulfilment of the sustainable development goals that the Group must pursue and are indexed to Sustainability-Linked Bonds ([Note 24.2](#)).
- Methods to assess the acquisition cost of mining assets, in particular Executive Management integrates the risks and opportunities related to climate change in the business plans used to draw up the geological inventory of mineral deposits, which is used as a base from which to calculate the acquisition cost ([Note 18](#)).
- Depreciation methods of property, plant and equipment, in particular mineral reserves, overburden assets and certain industrial assets of discontinuous use ([Note 18](#)).

- Estimate of reasonably certain lease terms of certain leases ([Note 18](#)).
 - Duration and amount of future cash flows as well as the discount rate and terminal growth rate used to calculate the value in use of assets for the impairment tests performed on non-financial assets, Executive Management factored uncertainties due to the risks and opportunities related to climate change into these estimates ([Note 19](#)).
- Actuarial assumptions applied to defined benefit plans ([Note 23.1](#)).
- Assessment of the probability of settlement as well as the amount of obligations, the planned schedule of future payments and the discount rates required to recognize and measure provisions ([Note 23.2](#)).

Judgments. Judgments are made by analyzing and categorizing elements, transactions and situations. When a judgment is revised, it is recognized for future periods like for changes in estimates, except if the judgment has been revised to correct an error ([Note 2.3](#)). The following significant judgments made by Executive Management are based on the following elements, which are detailed separately in the notes:

- Absence of going concern risk, in particular in 2020 throughout the Covid-19 pandemic, regarding the level of cash and cash equivalents ([Consolidated Statement of Cash Flows](#)) and available financial resources ([Note 24.5 – Market liquidity risk](#)).
- Aggregation of operating segments to form the reporting segments ([Information by Segment](#)).
- Assessment of the levels of exposure of the Group's assets to country and climate risks ([Information by Segment - Information by region](#)).
- Allocation of certain transactions by level of profit or loss ([Notes to the Consolidated Income Statement](#)).
- Assessment of uncertainties regarding taxes payable and the timescale at which deferred tax assets will be recovered ([Note 13](#)).
- Definition of the levels at which goodwill is tested and impairment indicators for impairment tests performed on non-financial assets ([Note 19](#)).
- Assessment of the considerable likelihood of a plan to sell non-current assets or groups of directly related assets and liabilities ([Note 25](#)).

■ INFORMATION BY SEGMENT

Accounting policy

Imerys delivers high value-added, functional solutions to a wide variety of industries, ranging from process manufacturing to consumer goods. In each of its two segments, the Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water repellency.

- The Performance Minerals (PM) segment brings together three geographic business areas – Europe Middle East Africa (EMEA), Americas and Asia Pacific (APAC) – serving the plastics, paints & coatings, filtration, ceramics, renewable energy and paper & board markets.
- The High Temperature Materials & Solutions (HTMS) segment regroups two business areas – High Temperature Solutions, and Refractory, Abrasives & Construction – serving the refractory, foundry, metal flow, abrasives and building chemistry markets.

Each of the reporting segments manufactures and sells goods and services presenting geological, industrial and commercial synergies. They are formed through the aggregation of operating segments made up of Cash Generating Units monitored each month by Executive Management in its business reporting. Executive Management does not consider the holding structure that handles the Group's centralized financing to be a segment. The aggregates for this activity are therefore presented in a reconciliation column with inter-segment eliminations (IS&H). Financial information by segment is measured in accordance with the principles set out in the Principles (*Note 1*). Transactions between segments are measured at the price upon which two independent parties would have agreed on an arm's length basis.

Consolidated Income Statement

The following tables present a breakdown of revenue by segment before and after any inter-segment eliminations, as well as the main levels of the consolidated income statement. Revenue from transactions made by Imerys with each of its external customers never exceeds the threshold of 10.0% of the Group's revenue.



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At December 31, 2021

(€ millions)	PM	HTMS	IS&H	Total
External revenue	2,389.5	1,992.3	1.1	4,382.9
Sale of goods	2,109.5	1,803.9	1.1	3,914.5
Rendering of services	280.0	188.4	-	468.4
Inter-segment revenue	35.8	2.7	(38.5)	0.0
Revenue	2,425.3	1,995.0	(37.4)	4,382.9
Current operating income	303.5	183.0	(34.2)	452.3
Of which amortization, depreciation and impairment	(192.6)	(104.9)	(26.4)	(323.9)
Other operating income and expenses				(67.8)
Operating income				384.5
Financial income (loss)				(39.7)
Interest income				2.6
Interest expense				(35.9)
Income taxes				(95.1)
Net income				249.7

At December 31, 2020

(€ millions)	PM	HTMS	IS&H	Total
External revenue	2,159.7	1,646.9	(8.1)	3,798.5
Sale of goods	1,913.6	1,494.4	(8.1)	3,399.9
Rendering of services	246.1	152.5	-	398.7
Inter-segment revenue	17.9	1.2	(19.1)	0.0
Revenue	2,177.6	1,648.1	(27.3)	3,798.5
Current operating income	217.5	92.4	(11.4)	298.5
Of which amortization, depreciation and impairment	(217.5)	(102.6)	(22.2)	(342.3)
Other operating income and expenses				(160.5)
Operating income				138.0
Financial income (loss)				(61.4)
Interest income				2.7
Interest expense				(39.9)
Income taxes				(44.3)
Net income				32.3



Current EBITDA

At December 31, 2021

(€ millions)	PM	HTMS	IS&H	Total
Consolidated Income Statement				
External revenue	2,389.5	1,992.3	1.1	4,382.9
Raw materials and consumables used	(686.0)	(982.3)	172.7	(1,495.6)
External expenses	(731.1)	(372.0)	(59.7)	(1,162.8)
Staff expenses	(469.6)	(342.7)	(127.5)	(939.8)
Taxes and duties	(24.4)	(12.3)	(2.3)	(39.0)
Other current income and expenses	17.7	4.9	7.9	30.5
Adjustments				
Change in provisions for employee benefits	(1.9)	(3.8)	(0.8)	(6.5)
Change in current operating write-downs and provisions	5.1	(4.3)	-	0.8
Share in net income of joint ventures and associates	(5.7)	(2.2)	(6.8)	(14.7)
Dividends received from joint ventures and associates	3.7	1.5	-	5.2
Current EBITDA	497.3	279.1	(15.4)	761.0

At December 31, 2020

(€ millions)	PM	HTMS	IS&H	Total
Consolidated Income Statement				
External revenue	2,159.7	1,646.9	(8.1)	3,798.5
Raw materials and consumables used	(668.9)	(804.7)	180.7	(1,292.9)
External expenses	(590.9)	(316.5)	(61.0)	(968.4)
Staff expenses	(455.8)	(318.7)	(100.7)	(875.2)
Taxes and duties	(27.8)	(11.3)	(2.6)	(41.7)
Other current income and expenses	18.7	(0.7)	2.6	20.5
Adjustments				
Change in provisions for employee benefits	0.8	(2.7)	(0.5)	(2.5)
Change in current operating write-downs and provisions	(6.0)	(1.6)	(2.5)	(10.0)
Share in net income of joint ventures and associates	(2.9)	(3.5)	5.2	(1.2)
Dividends received from joint ventures and associates	2.9	1.3	0.2	4.4
Current EBITDA	429.8	188.4	13.3	631.5



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Consolidated Statement of Financial Position

At December 31, 2021

(€ millions)	PM	HTMS	IS&H	Total
Capital employed – Assets	3,556.3	2,802.9	150.6	6,509.8
Goodwill ⁽¹⁾	1,201.4	942.5	0.8	2,144.7
Intangible assets and property, plant and equipment ⁽²⁾	1,442.4	979.6	99.1	2,521.1
Inventories	378.7	472.0	(1.6)	849.1
Trade receivables	337.6	285.8	(9.1)	614.3
Other receivables – non-current and current	172.2	88.8	19.3	280.3
Joint ventures and associates	24.0	34.2	42.1	100.3
Unallocated assets				843.2
Assets held for sale⁽³⁾				63.1
Total assets				7,416.1
Capital employed – Liabilities	651.2	593.7	11.4	1,256.3
Trade payables	320.8	332.4	6.9	660.1
Other debts – non-current and current	286.4	217.3	(22.9)	480.8
Income tax payable	44.0	44.0	27.4	115.4
Provisions	434.8	191.2	100.9	726.9
Unallocated liabilities				2,177.5
Liabilities related to assets held for sale⁽³⁾				13.5
Total non-current and current liabilities				4,174.2
Total capital employed	2,905.1	2,209.2	139.2	5,253.5
(1) Increase in goodwill	(4.8)	(24.0)	-	(28.8)
(2) Acquisitions of intangible assets and property, plant and equipment	257.4	114.7	23.6	395.7
(3) Disposal of the hydrous kaolin business in the US (Note 25).				

At December 31, 2020

(€ millions)	PM	HTMS	IS&H	Total
Capital employed – Assets	3,366.4	2,613.5	155.1	6,135.0
Goodwill ⁽¹⁾	1,186.2	962.0	0.8	2,149.1
Intangible assets and property, plant and equipment ⁽²⁾	1,399.6	911.6	101.4	2,412.6
Inventories	326.1	367.4	(1.8)	691.8
Trade receivables	319.5	253.4	(4.9)	568.0
Other receivables – non-current and current	121.0	77.3	28.0	226.3
Joint ventures and associates	13.9	41.7	31.6	87.3
Unallocated assets⁽³⁾				855.1
Total assets				6,990.1
Capital employed – Liabilities	545.1	409.0	6.6	960.7
Trade payables	247.4	225.7	2.5	475.6
Other debts – non-current and current	260.4	163.7	(17.9)	406.1
Income tax payable	37.3	19.6	22.1	79.0
Provisions⁽³⁾	494.7	203.9	107.4	800.2
Unallocated liabilities				2,269.1
Total non-current and current liabilities				4,030.0
Total capital employed	2,821.3	2,204.5	148.4	5,174.2
(1) Increase in goodwill	15.4	54.0	-	69.4
(2) Acquisitions of intangible assets and property, plant and equipment	156.6	93.0	27.7	277.4
(3) Change in accounting policy IFRS IC IAS 19 (Note 2.1).				



Information by region

Exposure to country risk. Due to the Group's mining activity and the variety of its end markets, its entities operate across many countries. Therefore, Imerys may be exposed to certain risks specific to these countries that may impact its financial statements in the future. Country risk includes two factors. The first concerns transfer and convertibility risk, i.e. the risk that government-imposed capital and exchange controls by a sovereign entity would prevent or materially impede the ability to convert local currency into foreign currency and/or transfer funds to non-resident creditors. The second factor takes into account the overall economic context, mainly in relation to the quality of public and private governance, as well as the risk of conflicts, expropriation, or civil and political instability. The transfer and convertibility component of country risk resulted an unavailable cash balance of €2.0 million at December 31, 2021 (€2.0 million at December 31, 2020) ([Note 24.2 - Reconciliation of net financial debt](#)). Country risk is

also taken into account in the country-market risk premium of the discount rates used for impairment tests ([Note 19](#)). However, the majority of the Group's sources of supply and end markets are located in developed countries, which limits Imerys' exposure to country risk. In order to identify high-risk countries, Imerys uses the "Business Climate" risk assessment published by Coface, the leading French insurance company specialized in international credit insurance, which measures the potential influence of a country's economic, financial and political outlook on businesses' financial commitments. Coface's risk assessment uses an eight-level ranking system from A1 to E, in ascending order of risk. Countries in which the Group operates ranked in categories C to E, the highest levels of risk, include Algeria and Ukraine (category C). In addition, Imerys may decide, where necessary, to conduct studies on specific situations.

The following table presents a breakdown of revenue by geographical location of Group operations:

(€ millions)	2021	2020
France	621.9	465.7
Other European countries	1,691.1	1,496.0
North America	1,092.8	1,000.8
Asia – Oceania	780.4	668.3
Other countries	196.7	167.6
Revenue by geographical location of Group operations	4,382.9	3,798.5

In 2021, countries rated C to E by Coface's "Business Climate" risk assessment accounted for 0.15% of Group revenue (0.20% in 2020) and -0.21% of current operating income (0.61% in 2020).

The following table presents a breakdown of revenue by geographical location of customers:

(€ millions)	2021	2020
France	231.7	205.8
Other European countries	1,773.2	1,519.3
North America	1,030.5	943.0
Asia – Oceania	1,035.0	860.5
Other countries	312.5	270.0
Revenue by geographical location of customers	4,382.9	3,798.5



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The following table presents the carrying amount of goodwill, intangible assets and property, plant and equipment by region:

	2021			2020		
	Goodwill	Intangible assets and property, plant and equipment	Total	Goodwill	Intangible assets and property, plant and equipment	Total
(€ millions)						
France	1,090.1	588.9	1,679.0	1,082.2	572.0	1,654.2
Other European countries	397.8	819.1	1,216.9	428.8	748.0	1,176.8
North America	478.8	565.1	1,043.9	466.5	601.8	1,068.4
Asia – Oceania	124.4	345.7	470.1	118.4	308.5	426.9
Other countries	53.5	202.3	255.8	53.1	182.2	235.3
Total	2,144.6	2,521.1	4,665.7	2,149.1	2,412.6	4,561.7

At December 31, 2021, countries rated C to E by Coface's "Business Climate" risk assessment accounted for 0.07% of the statement of financial position (0.03% at December 31, 2020) and -0.58% of consolidated equity, Group share (-0.66% at December 31, 2020).

Exposure to climate risks. Given their geographic location, the Group's entities may potentially be exposed to physical risks related to climate change, such as flooding, droughts, tornadoes and wildfires. Imerys uses hazard modelling to identify the locations likely to be exposed to these risks between now and 2050. At December 31, 2021, the carrying amount of these sites represented 2.5% of the Group's consolidated assets, which are covered by suitable insurance policies.



■ NOTES TO THE CONSOLIDATED INCOME STATEMENT

Accounting policy

Income and expenses recognized in the consolidated income statement are grouped according to materiality and are only offset when required by a standard or interpretation. Comparative information is presented for the prior year Y-1, while comparative information for Y-2 is incorporated by reference ([chapter 9, section 9.4 of the Universal Registration Document](#)). The income statement is structured across two main levels: operating income and financial income (loss). Although in the majority of cases, the allocation of transactions by level of profit or loss does not require any specific comment,

the options available in some standards and the absence of guidance from other standards have led Executive Management to make certain judgments and decisions about presentation. The following three tables present these decisions and specify the corresponding note.

Operating income. Operating income is made up of current operating income and other operating income and expenses. Current operating income ([Notes 5 to 9](#)) includes revenue generated by Imerys as well as the following items:

	Notes
Share-based payment expenses	8
Changes in employee benefits excl. restructuring	
• Plan curtailments, settlements and amendments	8
• Contributions to funds and direct payments to beneficiaries	8
• Decrease in provisions for contributions and direct payments	8
• Administrative fees for open plans	8
Hedge accounting	
• Ineffective portion of operational hedge instruments	11
• De-designations. Amortization of the effective portion of an operational hedge instrument measured at the date of the voluntary interruption of the hedge	11
Asset disposals excl. restructuring	9

Other operating income and expenses. Other operating income and expenses is composed of income from changes in control and other non-recurring items ([Note 10](#)). In accordance with the ANC Recommendation No. 2013-03 issued by France's national accounting standards board on how to present IFRS financial statements, it corresponds to items of income and expenses resulting from a limited number of clearly identified, non-recurring and significant events, such as the impact in profit or loss of acquiring or losing control of a

business, restructuring including any related asset disposals, impairment loss recognized against goodwill or major disputes. In particular, since applicable standards do not define restructuring as an infrequent or unusual occurrence, Executive Management has put in place approval criteria to ensure that only management decisions defined as both restructuring and non-recurring may be recognized in other operating income and expenses.

	Notes
Gain (loss) from obtaining or losing control	10
Impairment loss recognized against goodwill	10
Restructuring	10
Asset disposals due to restructuring	10
Changes in employee benefits due to restructuring	
• Plan curtailments, settlements and amendments	10
• Contributions and direct payments to beneficiaries	10
• Decrease in provisions for contributions and direct payments	10
Major disputes	10
Net income from recurring operations of associates	10



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Financial income (loss). Financial income (loss) is primarily made up of the cost of debt, exchange rate fluctuations, the financial components of defined benefit plans, the unwinding of discounts on provisions and impairment loss on financial assets ([Note 12](#)), as well as the following specific items:

	Notes
Hedge accounting	
• Ineffective portion of financing hedge instruments	11
• De-designations. Amortization of the effective portion of a financing hedge instrument measured at the date of the voluntary interruption of the hedge	11
• De-designations. Change in the fair value of an operational or financing hedge instrument after the voluntary interruption of the hedge	11
Unrealized and realized translation gains (losses) on operating and financial transactions	12
Financial changes in employee benefits	
• Unwinding	12
• Normative return on assets	12
• Contributions to under-funded closed plans with mandatory funding requirement	12
• Administrative fees for closed plans with mandatory funding requirement	12
• Decrease in provisions for closed plans with mandatory funding requirement	12

NOTE 5 REVENUE

Accounting policy

Revenue is made up of two elements: (i) sales of goods, i.e. material specialties generally extracted from mineral deposits controlled by the Group and benefited in its plants, and (ii) services rendered, mainly invoicing customers the cost of shipping goods and providing industrial services. The contractual commitments made by the Group to transfer these goods and services to customers are categorized as performance obligations. When control of goods or services is transferred to customers, the performance obligation is deemed to have been satisfied and the revenue is recognized. Material specialties are therefore transferred to customers at a given point in time, which coincides with the transfer of all the risks and rewards defined in the contractual incoterms. The contract includes multiple incoterms due to the specificities of packaging (bulk, powder, paste and slurry etc.) and freight (sea, rail and road etc.). However, while certain services, such as molding work, are rendered at a given point in time, most other services are transferred to customers over time. This is the case for shipping services, the revenue for which is recognized after the delivery has been made, and certain specialized services spread over two to seven months in the

construction of industrial facilities, for which the degree of completion is measured based on the actual level of production costs committed. Collateral requirements on the sale of goods and rendering of services offer customers guarantees about the specifications agreed in the contracts, rather than an additional service on top of these guarantees. Consequently, guarantees are not recognized as performance obligations but as provisions ([Note 23.2](#)). Sale of goods and rendering of services are measured at the amount of the transaction, minus trade and volume rebates, as well as discounts for early payment.

Activity for the period

The following table presents a breakdown of revenue by sale of goods and rendering of services. In 2021, total revenue increased 15.4% to €4,382.9 million (€3,798.5 million in 2020, which was down 12.8% year on year), including a negative currency effect of €53.5 million (€91.4 million in 2020) and a positive scope effect of €57.4 million (€0.7 million in 2020). At constant scope and exchange rates, revenue grew by 15.6% (compared with a 10.7% decrease in 2020).

(€ millions)	2021	2020
Sale of goods	3,914.5	3,399.9
Rendering of services	468.4	398.7
Total	4,382.9	3,798.5



The following table presents a different breakdown of revenue by the time at which goods or services are transferred to customers, distinguishing between goods and services transferred to customers at a given point in time and services transferred to customers over time.

(€ millions)	2021	2020
Goods and services transferred to customers at a given point in time	3,922.1	3,406.4
Sale of material specialties	3,914.5	3,399.9
Rendering of industrial services	7.1	5.6
Rendering of other services	0.5	0.9
Services transferred to customers over time	460.8	392.1
Shipping revenue	307.5	256.6
Rendering of industrial services	151.3	134.7
Rendering of other services	2.0	0.9
Total	4,382.9	3,798.5

Furthermore, other breakdowns of revenue are presented in [Information by Segment](#): by segment before and after inter-segment eliminations, by geographical location of Group operations and by geographical location of customers.

NOTE 6 RAW MATERIALS AND CONSUMABLES USED

(€ millions)	2021	2020
Raw materials	(832.1)	(577.8)
Energy	(365.7)	(290.9)
Chemicals	(68.1)	(50.7)
Other consumables	(243.8)	(188.2)
Merchandise	(146.3)	(112.1)
Change in inventories	146.4	(85.1)
Self-constructed assets	14.0	11.9
Total	(1,495.6)	(1,292.9)

NOTE 7 EXTERNAL EXPENSES

(€ millions)	2021	2020
Transportation	(585.7)	(445.4)
Lease payments recognized in expenses	(36.8)	(30.7)
Lease term of 12 months or less	(21.3)	(20.4)
Leases of low-value assets	(0.5)	(0.7)
Variable payments and services	(15.0)	(9.6)
Impact of reductions in the scope of leases	0.2	0.4
Subcontracting	(142.9)	(123.3)
Maintenance and repair	(127.8)	(116.8)
Fees	(90.8)	(96.6)
Other external expenses	(179.0)	(156.0)
Total	(1,162.8)	(968.4)



NOTE 8 STAFF EXPENSES

(€ millions)	2021	2020
Salaries	(720.3)	(680.7)
Social security contributions	(137.9)	(115.5)
Net change in provisions for employee benefits	6.5	2.5
Contributions to defined benefit plans	(16.2)	(15.0)
Contributions to defined contribution plans	(26.9)	(26.0)
Profit-sharing	(35.5)	(33.5)
Other employee benefits	(9.5)	(7.0)
Total	(939.8)	(875.2)

Management principles – Share-based payments

Since 2008, the Group's long-term incentive scheme has involved granting free performance shares acquired on the market. The corresponding expense is recognized in other employee benefits and amounted to €8.6 million in 2021 (€5.8 million in 2020). The management principles applied to share-based payments are agreed by the Board of Directors based on proposals made by the Compensation Committee. With the exception of grants made as part of the Group's employee shareholding operations, free shares are in principle subject and proportionate to the achievement of economic and/or financial performance objectives set by the Board of Directors. Share-based payment plans are annual and the total number of rights granted each year is adjusted in accordance with the Group's overall performance or specific events. Grants are usually awarded on the date of the Shareholders' General Meeting. The actual or probable beneficiaries include the Group's executive directors (such as the Chief Executive Officer, members of the Executive Committee, the management committees of business groups and operations, as well as managers of the Group's main corporate support departments)

and certain key employees reporting to them, as well as managers with considerable potential and employees who make an outstanding contribution to the Group's performance.

Accounting policy

The fair value of services rendered against the grant of Imerys free shares is measured using the Black & Scholes pricing model in reference to the fair value of instruments at the grant date. This measurement takes into consideration the life of instruments, the underlying share price, as well as the turnover rate of beneficiaries. In the majority of cases, the rights vest depending on employees' length of service in the Group and the fair value of services rendered is amortized in profit or loss over the vesting period against an increase in equity. The accounting treatment is identical when, in addition to the length of service condition, the rights vest subject to the achievement of pre-determined quantitative performance conditions. Volatility and assumptions related to the probability of rights vesting are revised at each closing date. The turnover rate of beneficiaries is adjusted definitively as vesting periods are closed.

Share-based payment expenses

	Number of free shares	Maturity	Turnover rate	Average dividend rate	Performance conditions	Fair value (€)	Total cost by plan (€M)	Cost of the plan in 2021 (€M)	Cost of the plan in 2020 (€M)
2017	35,000	3 years	0.0%	3.0%	62.7%	70.69	(1.6)	-	0.2
2017	258,400	3 years	29.6%	3.0%	62.7%	70.69	(7.7)	-	1.1
2018	265,200	3 years	40.2%	3.0%	52.4%	67.11	(5.6)	1.6	(1.6)
2018	30,000	3 years	100.0%	3.0%	62.7%	69.64	-	-	-
2019	427,500	3 years	33.8%	3.0%	55.0%	35.75	(5.6)	(1.0)	(2.3)
2020	154,150	3 years	9.8%	3.1%	94.2%	36.71	(4.8)	(1.7)	(1.4)
2020	457,700	3 years	6.0%	3.1%	94.2%	26.75	(10.8)	(3.9)	(1.8)
2021	482,200	3 years	6.9%	3.2%	92.4%	38.85	(16.1)	(3.6)	-
Cost of plans recognized as staff expenses								(8.6)	(5.8)
Settlement in investments in equity instruments								(8.6)	(5.8)



NOTE 9 OTHER CURRENT INCOME AND EXPENSES

(€ millions)	2021	2020
Other income and expenses	11.7	4.7
Income from asset disposals	2.7	2.4
Grants received	2.2	2.2
Net change in operating provisions and write-downs	(0.8)	10.0
Share in net income of joint ventures and associates	14.7	1.2
Total	30.5	20.5

Imerys holds stakes in businesses over which it exercises joint control or significant influence. The net income generated by these investments is presented under share in net income of joint ventures and associates and corresponded to €14.7 million in 2021 (€1.2 million in 2020).

Accounting policy

Imerys uses the equity method to measure the value of its investments under joint control (joint ventures, i.e. those whose financial and operating strategy are subject to a unanimous vote from Imerys and a third party) and the investments over which it exercises significant influence (associates, i.e. those whose financial and operating strategy are governed by a third party and Imerys only participates in the strategies, without having control over them). The stakes held in the net assets and earnings of such entities are presented in distinct lines in operating income and assets.

Main joint ventures and associates

The main investments accounted for using the equity method include The Quartz Corporation, Stollberg & Samil (joint ventures) and MST Mineralien Schiffahrt (associate). The summarized financial information from these investments is presented hereinafter as 100.00% amounts. Debit amounts are negative and credit amounts are positive. Information is reported at December 31, except for MST Mineralien Schiffahrt where data is taken from the most recent financial statements to which the Group has access.

(€ millions)	Joint ventures				Associates	
	The Quartz Corporation		Stollberg & Samil		MST Mineralien Schiffahrt	
	2021	2020	2021	2020	2021	2020
Consolidated Income Statement						
Revenue	130.7	93.4	16.5	33.9	-	-
Net income	13.8	3.8	1.2	3.5	-	-
Consolidated Statement of Financial Position						
Non-current assets	101.6	(94.4)	(18.9)	(18.8)	-	(171.3)
Current assets	(71.8)	(53.0)	(17.5)	(17.1)	-	(41.0)
Equity	73.7	55.6	34.5	33.5	-	51.7
Non-current liabilities	60.2	65.9	-	-	-	125.7
Current liabilities	39.5	25.9	1.9	2.4	-	34.8

Imerys holds a 50.00% stake (50.00% at December 31, 2020) in The Quartz Corporation (joint venture), a group of companies specialized in extracting and beneficiating high purity quartz in the US and Norway. It holds a 50.00% stake (50.00% at December 31, 2020) in Stollberg & Samil (joint venture), an entity that produces and distributes products for the foundry industry in South Korea. On July 6, 2021, Imerys sold its stake

(25.39% at December 31, 2020) in MST Mineralien Schiffahrt (associate), a German minerals shipping company. The following table presents the reconciliation between the equity of the joint ventures and associates, as disclosed at 100.00% in the previous table and as recognized in the assets of Imerys in accordance with the equity method.



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	2021				2020			
	Equity	Stake attributable to other shareholders	Goodwill	Imerys' stake	Equity	Stake attributable to other shareholders	Goodwill	Imerys' stake
(€ millions)								
The Quartz Corporation	73.7	(37.1)	2.3	38.9	55.6	(27.8)	2.2	29.9
Stollberg & Samil	34.5	(17.3)	-	17.2	33.5	(16.8)	-	16.8
MST Mineralien Schifffahrt	-	-	-	0.0	51.7	(38.6)	-	13.1
Other investments	110.0	(68.0)	2.2	44.2	80.9	(55.7)	2.2	27.5
Total	218.2	(122.4)	4.5	100.3	221.7	(138.8)	4.4	87.3

The following table analyzes the change in the carrying amount recognized in the Group's assets in accordance with the equity method.

(€ millions)	2021	2020
Carrying amount at the beginning of the period	87.3	105.3
Income ⁽¹⁾	14.7	(7.7)
Dividends distributed by joint ventures and associates	(5.2)	(4.4)
Disposals	(25.9)	(2.9)
Exchange rate differences	29.4	(3.0)
Carrying amount at the end of the period	100.3	87.3

(1) The €14.7 million recognized for 2021 (€7.7 million loss for 2020) included €14.7 million with respect to the share in net income of joint ventures and associates (€1.2 million in 2020) (Note 9) and €0.0 million with respect to the share of net income from non-recurring operations of associates (€8.9 million loss for 2020) (Note 10)

NOTE 10 OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2021	2020
Gain (loss) from obtaining or losing control	(0.5)	(5.0)
Transaction costs	(5.5)	(2.3)
Changes in the estimated contingent consideration of the seller	0.2	-
Income from disposals of consolidated businesses	3.1	(2.7)
Gain from bargain purchases	1.7	-
Other non-recurring items	(67.3)	(155.5)
Impairment loss recognized against goodwill	-	(12.7)
Impairment loss due to restructuring	(28.9)	(65.4)
Income from non-recurring asset disposals	(0.5)	(1.3)
Restructuring expenses paid	(58.6)	(84.3)
Change in provisions	20.7	17.2
Share of net income from non-recurring operations of associates	-	(8.9)
Other operating income and expenses	(67.8)	(160.5)
Income taxes	16.3	21.6
Other operating income and expenses, net of income taxes	(51.5)	(138.9)

Other operating income and expenses in 2021

In 2021, gross other operating income and expenses represented a €67.8 million expense (including a €22.0 million expense incurred by restructuring the ground calcium carbonate (GCC) business at the Baltimore facility in the US and a €15.7 million expense incurred by disposing of the hydrous kaolin business in the US). Income tax gains on other operating income and expenses amounted to €16.3 million. Therefore, other operating income and expenses, net of income tax reflected a total expense of €51.5 million.

Other operating income and expenses in 2020

In 2020, gross other operating income and expenses represented a €160.5 million expense (including a €28.0 million expense through the "Connect & Shape" transformation plan and a €65.4 million expense to restructure the paper business). Income tax gains on other operating income and expenses amounted to €21.6 million. Therefore, other operating income and expenses, net of income tax reflected a total expense of €138.9 million.

NOTE 11 FINANCIAL INSTRUMENTS

Accounting policy

Financial instruments are defined as any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial instruments are divided into categories set by IFRS 9 in order to reflect their business model and contractual cash flow characteristics as well as to determine how they must be measured and recognized.

Amortized cost. Financial assets are measured at amortized cost when the objective of the business model is to collect the contractual cash flows. This applies to trade receivables from revenue ([Note 5](#)) as well as cash, i.e. cash on hand, bank deposits and cash equivalents. Cash equivalents are highly liquid investments indexed on a money market rate and the value of which is known or subject to very little uncertainty. In the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts presented as a liability. Borrowings ([Note 24.2 – Reconciliation of net financial debt](#)) are also included in the amortized cost category. They are initially measured at fair value of the amount borrowed, minus any transaction costs. They are subsequently measured at amortized cost using the effective interest rate method. The Group purchases raw materials and energy for its own use and not for trading purposes. Consequently, the purchase contracts are recognized as trade payables and not as derivatives. Trade payables and other financial liabilities ([Note 24.1](#)) are measured at amortized cost.

Fair value through profit or loss. Financial assets are measured at fair value through profit or loss when the objective of the business model is to both collect the contractual cash flows and make a trading profit in the short term. They are non-derivative financial assets held for trading and recognized as assets between the dates of purchase and disposal. Any change in fair value is recognized in other financial income and expenses ([Note 12](#)) at market prices published at the end of the reporting period. Assets designated at fair value through profit or loss also include investments in non-listed companies over which the Group does not exercise control, joint control or significant influence, nor does it intend to dispose of the investment in the short term ([Note 21.2](#)), as well as non-hedge derivatives ([Note 24.4](#)).

Analysis of financial instruments by category

[Notes 11, 12, 21.1 and 24.1](#) analyze the income, expenses, assets and liabilities from financial instruments by category, which is presented in columns. They distinguish between the categories applied by default to all non-hedged items and those to which hedge accounting is applied on an exceptional basis. The categories of amortized cost and fair value through profit or loss set out in IFRS 9 and defined above apply to the majority of non-hedged items. Hedged items and hedging instruments are categorized by their qualifications as a fair value hedge or cash flow hedge ([Note 24.4 – Accounting policy](#)), distinguishing in separate columns the value of hedged items and hedging instruments and in separate lines the type of risk hedged ([Note 24.5 – Foreign exchange risk – Interest rate risk – Energy price risk](#)). Furthermore, in order to make the reconciliation between the IFRS 9 categories and the financial statements, [Notes 11, 12, 21.1 and 24.1](#) include a column containing the following items not covered by IFRS 9: share-based payments (IFRS 2), mining assets (IFRS 6), inventories (IAS 2), income tax assets and liabilities (IAS 12), property, plant and equipment (IAS 16), short-term employee benefit assets and liabilities (IAS 19), subsidies and grants (IAS 20), provisions (IAS 37), intangible assets and prepaid expenses (IAS 38), overburden assets (IFRIC 20) and levies and taxes (IFRIC 21). The categorization of financial assets ([Note 21.1](#)) and liabilities ([Note 24.1](#)) is applied across all divisions of the Group to the change in profit or loss ([Notes 11 and 12](#)). For example, revenue is included in amortized cost as its consideration in trade receivables or cash and cash equivalents belong to this category in assets.

The following tables present income and expenses before income tax recognized in profit or loss and equity by category of financial instruments. The balances of other financial income and expenses are analyzed in more detail in [Note 12](#).



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(€ millions)	Non-hedge accounting			Cash flow hedge		Total
	IFRS 9 categories		Non IFRS 9	Hedged item	Hedge	
	Amortized cost	Fair value through profit or loss				
Operating income						
Revenue	3,947.9	-	-	432.2	2.8	4,382.9
Transactional currency risk - continuing hedges	-	-	-	432.2	2.8	435.0
Raw materials and consumables used	(1,517.6)	-	167.8	(184.3)	38.5	(1,495.6)
Transactional currency risk	-	-	-	(48.7)	(0.1)	(48.8)
Energy price risk	-	-	-	(135.6)	38.6	(97.0)
External expenses	(1,163.0)	-	0.2	-	-	(1,162.8)
Other current income and expenses	5.9	-	24.6	-	-	30.5
Financial income						
Income from securities	-	2.6	-	-	-	2.6
Gross financial debt expense	(40.4)	-	-	-	-	(40.4)
Other financial income (expenses)	9.8	-	(11.7)	-	-	(1.9)
Transactional currency risk - change in fair value	-	(0.2)	-	-	-	(0.2)
Other financial assets - change in fair value	-	0.2	-	-	-	0.2
Equity						
Recognition in equity	-	-	-	-	93.1	93.1
Reclassification in profit or loss	-	-	-	-	(41.3)	(41.3)
From the cash flow hedge reserve	-	-	-	-	(41.3)	(41.3)
Total	1,242.6	2.6	180.9	247.9	93.1	1,767.1
Of which impairment in profit or loss	(8.9)	-	0.4	-	-	-
Of which reversals of impairment in profit or loss	6.2	0.2	(2.4)	-	-	-



At December 31, 2020

	Non-hedge accounting		Non IFRS 9	Cash flow hedge		Total
	IFRS 9 categories					
(€ millions)	Amortized cost	Fair value through profit or loss		Hedged item	Hedge	
Operating income						
Revenue	3,516.2	(2.5)	-	278.1	6.7	3,798.5
Transactional currency risk - continuing hedges	-	-	-	278.1	6.7	284.9
Transactional currency risk - discontinued hedges	-	(2.5)	-	-	-	(2.5)
Raw materials and consumables used	(1,104.6)	-	(64.1)	(105.8)	(18.3)	(1,292.9)
Transactional currency risk	-	-	-	(31.5)	(0.9)	(32.3)
Energy price risk	-	-	-	(74.3)	(17.5)	(91.8)
External expenses	(970.6)	-	2.2	-	-	(968.4)
Other current income and expenses	0.6	-	19.9	-	-	20.5
Financial income						
Income from securities	-	2.6	-	-	-	2.6
Gross financial debt expense	(47.0)	(0.1)	-	-	-	(47.1)
Interest rate risk - discontinued hedges	-	(0.1)	-	-	-	(0.1)
Other financial income (expenses)	(9.9)	2.6	(9.7)	-	-	(17.0)
Transactional currency risk - change in fair value	-	0.1	-	-	-	0.1
Transactional currency risk - discontinued hedges	-	2.5	-	-	-	2.5
Other financial assets - change in fair value	-	0.1	-	-	-	0.1
Equity						
Recognition in equity	-	-	-	-	1.4	1.4
Reclassification in profit or loss	-	-	-	-	11.6	11.6
From the cash flow hedge reserve	-	-	-	-	11.6	11.6
Total	1,384.7	2.6	(51.7)	172.3	1.4	1,509.2
Of which impairment in profit or loss	(8.8)	(0.3)	(4.3)	-	-	-
Of which reversals of impairment in profit or loss	11.1	0.3	1.0	-	-	-



NOTE 12 FINANCIAL INCOME

The following tables present the financial income (loss) by category of financial instrument. A description of the categories of financial instruments is provided in [Note 11](#).

At December 31, 2021

	Non-hedge accounting			Cash flow hedge		Total		
	IFRS 9 categories		Non IFRS 9	Hedged item	Hedge	Income	Expenses	Net
	Amortized cost	Fair value through profit or loss						
(€ millions)								
Net financial debt expense	(40.4)	2.6	0.0	0.0	0.0	2.6	(40.4)	(37.8)
Income from securities	-	2.6	-	-	-	2.6	-	2.6
Gross financial debt expense	(40.4)	-	-	-	-	-	(40.4)	(40.4)
Other financial income (expenses)	9.7	0.0	(11.6)	0.0	0.0	153.7	(155.6)	(1.9)
Net exchange rate differences	2.9	(0.2)	0.2	-	-	129.0	(126.1)	2.9
Financial income and expenses of defined benefit plans	-	-	(7.8)	-	-	14.6	(22.4)	(7.8)
Unwinding of other provisions	-	-	(2.9)	-	-	-	(2.9)	(2.9)
Other financial income (expenses)	6.8	0.2	(1.1)	-	-	10.1	(4.2)	5.9
Financial income (loss)	(30.7)	2.6	(11.6)	0.0	0.0	156.3	(196.0)	(39.7)

At December 31, 2020

	Non-hedge accounting			Cash flow hedge		Total		
	IFRS 9 categories		Non IFRS 9	Hedged item	Hedge	Income	Expenses	Net
	Amortized cost	Fair value through profit or loss						
(€ millions)								
Net financial debt expense	(47.1)	2.7	0.0	0.0	0.0	2.7	(47.1)	(44.4)
Income from securities	-	2.7	-	-	-	2.7	-	2.7
Gross financial debt expense	(47.1)	-	-	-	-	-	(47.1)	(47.1)
Other financial income (expenses)	(9.8)	2.5	(9.7)	0.0	0.0	270.8	(287.8)	(17.0)
Net exchange rate differences	(11.9)	2.5	(0.2)	-	-	245.1	(254.7)	(9.6)
Financial income and expenses of defined benefit plans	-	-	(6.6)	-	-	22.0	(28.6)	(6.6)
Unwinding of other provisions	-	-	(2.6)	-	-	-	(2.6)	(2.6)
Other financial income (expenses)	2.1	-	(0.3)	-	-	3.7	(1.9)	1.8
Financial income (loss)	(56.9)	5.2	(9.7)	0.0	0.0	273.5	(334.9)	(61.4)

NOTE 13 INCOME TAXES

Accounting policy

Income taxes are made up of two components: (i) taxes paid in France and overseas on taxable profits, including similar contributions calculated on the difference between income and expenses, such as the French companies' added value contribution (Cotisation sur la Valeur Ajoutée des Entreprises, CVAE); and (ii) withholding taxes paid by entities on the dividends they distribute to the Group. Income taxes are broken down into payable taxes and deferred taxes. Payable taxes are recognized as a liability until they have been paid and an asset when the amount paid exceeds the amount due. Deferred tax assets and liabilities are accounted for with respect to all taxable temporary differences between the taxes and consolidated values of assets and liabilities, except mainly for differences related to the initial recognition of goodwill and, in the case of taxable temporary differences, between the carrying amount and tax value of investment securities, when the Group is able to control the date of reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. A deferred tax asset is recognized with respect to taxable temporary differences, tax losses and tax credits only if it is probable that they will yield taxable amounts in the future, or there are taxable temporary differences in the same tax group that mature during the period these items remain recoverable. Imerys applies the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and will be applicable over the period of reversal of the temporary difference. Deferred taxes are not discounted. The amount of income tax payable includes uncertainties in the measurement of income taxes. Each uncertainty is assessed individually, unless it affects several entities in the same way. The assessment of uncertainties assumes that the taxation authority has full knowledge of all relevant information when examining any amounts reported to it and considers whether it is probable that the relevant authority will accept each tax treatment. Judgments and estimates made about uncertainties are reassessed if facts and circumstances change. Deferred tax assets and liabilities are offset by tax group, i.e. by legal entity or tax consolidation group. Payable and/or deferred taxes are recognized in the same level of profit or loss as the item to which they are related. The principle of linking taxes to their base also applies to transactions recognized directly in equity.

Tax consolidation scope

In several countries, Imerys has set up tax consolidation systems that enable the Group to offset potential tax gains and losses within the consolidation group. Such tax consolidation systems exist in France, the US, the UK, Spain, Germany and Italy.

Income taxes paid

In 2021, income taxes paid in cash and using tax credits amounted to €72.0 million (€63.9 million in 2020).

Tax losses carried forward

Deferred tax assets are recognized as carried forward tax losses when they are deemed to be recoverable and the expected recovery time frame does not exceed five years. Deferred tax assets recognized in this way are based on analyzing past losses, whether it is probable these losses will be incurred again in future, the business outlook and national legislation limiting the use of carried forward tax losses. At December 31, 2021, deferred tax assets represented €12.9 million (€16.4 million at December 31, 2020). On the other hand, deferred tax assets not recognized as a tax loss or tax credit (because their recovery is uncertain) amounted to €478.3 million and €16.3 million, respectively, at December 31, 2021 (€437.8 million and €12.8 million, respectively, at December 31, 2020), of which €429.3 million and €16.3 million, respectively, expire after 2025 or may be carried forward without any time limit. Deferred taxes are calculated using effective rates over the period in question in accordance with the tax laws applicable in each country.

Temporary differences controlled by the Group

No deferred tax liability is recognized for taxable temporary differences between the carrying amount and tax value of investment securities, when the Group is able to control the date of reversal of the temporary difference and it is probable that the temporary difference shall not be reversed in the foreseeable future. The Group reported €11.6 million in unrecognized deferred tax liabilities at December 31, 2021 (€14.6 million at December 31, 2020).



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Income taxes recognized in profit or loss

(€ millions)	2021	2020
Payable and deferred income taxes		
Income tax payable	(104.5)	(64.5)
Income tax payable for the year	(93.4)	(68.9)
Income tax payable – prior year adjustments	(11.1)	4.4
Deferred taxes	9.4	20.2
Deferred taxes due to changes in temporary differences	11.4	20.2
Deferred taxes due to changes in income tax rates	(2.0)	-
Total	(95.1)	(44.3)
Income taxes by level of profit		
Income taxes on current operating and financial income (loss)	(111.4)	(65.9)
Current operating and financial income (loss) tax payable	(112.9)	(82.2)
Current operating and financial income (loss) deferred taxes	1.5	16.3
Income taxes on other operating income and expenses	16.3	21.6
Income tax payable on other operating income and expenses	8.4	17.7
Deferred taxes on other operating income and expenses	7.9	3.9
Total	(95.1)	(44.3)

Income taxes recognized in equity

(€ millions)	2021	2020
Gains (losses) on remeasurements of defined benefit plans	(22.6)	7.4
Income taxes on components that will not be reclassified	(22.6)	7.4
Cash flow hedges	(14.0)	(3.2)
Income taxes recognized in equity	(25.3)	0.1
Income taxes reclassified in profit or loss	11.3	(3.4)
Translation reserve	0.8	2.8
Income taxes recognized in equity	(0.2)	2.8
Income taxes reclassified in profit or loss	1.0	-
Income taxes on components that will be reclassified	(13.2)	(0.4)
Total	(35.8)	7.0



Tax reconciliation excluding non-recurring items

	2021	2020
Standard tax rate in France	27.4%	28.9%
National rate differences	(1.5)%	(4.4)%
Europe	(2.3)%	(3.9)%
North America	(0.4)%	(0.3)%
Asia – Oceania	(0.5)%	(1.2)%
Other countries	1.7%	1.0%
Permanent differences	(0.6)%	(2.3)%
Tax losses	(1.4)%	5.0%
Income taxes at different rates and bases	2.1%	3.2%
Impact of equity-accounted companies	(1.0)%	(0.1)%
Other (tax credits, reassessments and tax provisions, deferred tax adjustments in bases and rates, etc.)	2.0%	(2.4)%
Effective tax rate on current operating and financial income (loss)⁽¹⁾	27.0%	27.9%

(1) In 2021, 27.0% = €111.3 million (income tax on current operating income and financial income (loss))/[€452.3 million (current operating income) - €39.7 million (financial income (loss))]. In 2020, 27.9% = €65.9 million (income taxes on current operating income and financial income (loss))/[€298.5 million (current operating income) - €61.4 million (financial income (loss))].

Tax reconciliation including non-recurring items

	2021	2020
Standard tax rate in France	27.4%	28.9%
National rate differences	(1.0)%	(4.6)%
Europe	(1.4)%	(6.7)%
North America	0.3%	2.8%
Asia – Oceania	(0.7)%	(3.5)%
Other countries	0.8%	2.8%
Permanent differences	(0.9)%	(3.0)%
Tax losses	0.5%	22.3%
Income taxes at different rates and bases	2.0%	6.1%
Impact of equity-accounted companies	(1.2)%	(0.5)%
Other (tax credits, reassessments and tax provisions, deferred tax adjustments in bases and rates, etc.)	0.8%	8.5%
Effective tax rate on current operating income from continuing operations⁽¹⁾	27.6%	57.7%

(1) In 2021, 27.6% = €95.1 million (income tax)/[€384.5 million (operating income (expense)) - €39.7 million (financial income (loss))]. In 2020, 57.7% = €44.3 million (income taxes)/[€137.9 million (operating income) - €61.4 million (financial income (loss))].



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Change in deferred taxes

At December 31, 2021

(€ millions)	Jan. 1, 2021	Profit or loss	Scope, equity and others	Dec. 31, 2021
Deferred tax assets	129.4	49.3	(40.1)	138.6
Deferred tax liabilities	(92.0)	(39.9)	2.3	(129.6)
Net deferred tax positions	37.4	9.4	(37.8)	9.0

At December 31, 2020

(€ millions)	Jan. 1, 2020	Profit or loss	Scope, equity and others	Dec. 31, 2020
Deferred tax assets ⁽¹⁾	120.6	13.1	(4.3)	129.4
Deferred tax liabilities	(106.9)	7.1	7.8	(92.0)
Net deferred tax positions	13.7	20.2	3.5	37.4

(1) Including a €1.0 million decrease in scope, equity and others with respect to the change in accounting policy IFRS IC IAS 19 (Note 2.1).

Deferred tax breakdown by nature

(€ millions)	2020	Profit or loss	Scope, equity and others	2021
Deferred tax assets	316.0	7.7	(25.7)	298.0
Provisions for employee benefits	49.3	19.2	(16.9)	51.6
Other provisions	36.2	(0.9)	0.3	35.6
Intangible assets	16.7	(1.8)	1.3	16.2
Property, plant and equipment	89.5	(4.8)	(11.2)	73.5
Long-term investments	-	0.1	-	0.1
Current assets and liabilities	47.7	2.1	2.2	52.0
Tax losses carried forward	16.4	(4.1)	0.6	12.9
Other	60.2	(2.1)	(2.0)	56.1
Deferred tax liabilities	(278.6)	1.7	(12.1)	(289.0)
Intangible assets	(62.9)	0.4	(0.5)	(63.0)
Property, plant and equipment	(161.6)	(15.8)	2.7	(174.7)
Long-term investments	(11.4)	0.8	(14.8)	(25.4)
Current assets and liabilities	(4.6)	0.7	(0.4)	(4.3)
Other	(38.1)	15.6	0.9	(21.6)
Net deferred tax positions	37.4	9.4	(37.8)	9.0

NOTE 14 NET INCOME FROM CURRENT OPERATIONS AND NET INCOME, GROUP SHARE

(€ millions)	2021	2020
Current operating income	452.3	298.5
Financial income (loss)	(39.7)	(61.4)
Income taxes on current operating income and financial income (loss)	(111.4)	(65.9)
Current operating income (expenses) and financial income (loss) attributable to non-controlling interests	(13.3)	(4.2)
Net income from current operations, Group share	287.9	167.0
Other operating income (expenses), gross	(67.8)	(160.5)
Income taxes on other operating income and expenses	16.3	21.6
Other operating income (expenses) attributable to non-controlling interests	3.7	2.0
Net income, Group share	240.1	30.1



NOTE 15 EARNINGS PER SHARE

Accounting policy

In its financial statements, Imerys presents both basic earnings per share and diluted earnings per share. Basic earnings per share is equal to net income attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding over the period, i.e. excluding treasury shares (Note 22). Basic earnings per share can be broken down as net basic earnings per share from current operations and net basic earnings per share. Diluted earnings per share simulates the dilutive effect of free shares and share options (Note 8). The previously defined weighted average number of ordinary shares is increased by the average number of ordinary shares that would have been issued between the start and the end of the reporting period if all dilutive options had been exercised by the end of the reporting period. The number of dilutive shares is equal to the difference between the number of shares to be issued through free shares and options and the number of shares that would be issued at the average market price over the year for an issue of the same amount. To calculate the amount of this issue, each share issued by exercising share options is valued at the share option exercise price plus the fair value of services to be rendered (Note 8), while each free share is valued solely at the fair value of

services to be rendered with an exercise price of nil. The surplus number of shares to be issued as free shares and options above the number of shares issued under market conditions corresponds to the number of dilutive shares. However, shares to be issued through options are only taken into account in the calculation for diluted earnings per share when the options are in the money, i.e. the exercise price plus the fair value of services to be rendered is below the average market price for the Imerys share over the year.

Earnings per share

The number of potential ordinary shares taken into account to calculate diluted earnings per share excludes share options out of the money, i.e. options where the exercise price plus the fair value of services to be rendered is above the average market price of the Imerys share over the year (€39.90 in 2021 and €32.30 in 2020). All option plans were therefore excluded from the calculation of diluted earnings per share at December 31, 2021. No significant transaction has changed the number of ordinary shares and potential ordinary shares between December 31, 2021 and February 16, 2022, date at which the financial statements were approved for publication by the Board of Directors.

(€ millions)	2021	2020
Numerator		
Net income, Group share	240.1	30.1
Net income from current operations, Group share	287.9	167.0
Denominator		
Weighted average number of shares used to calculate basic income per share	84,689,581	82,168,061
Impact of share option conversion	1,436,525	885,438
Weighted average number of shares used to calculate diluted income per share	86,126,106	83,053,499
Basic income per share, Group share (in €)		
Basic net income per share	2.83	0.37
Basic net income from current operations per share	3.40	2.03
Diluted income per share, Group share (in €)		
Diluted net income per share	2.79	0.36
Diluted net income from current operations per share	3.34	2.01



■ NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Accounting policy

The assets and liabilities recognized in the consolidated statement of financial position are grouped by materiality and ranked in ascending order of liquidity and due date distinguishing between non-current and current items, according to whether they will be recovered or settled in more or less than 12 months after the end of the reporting period. They are only

offset or incorporate the cost of revenue when required by a standard or interpretation. Comparative information is presented for the prior year Y-1, while comparative information for Y-2 is incorporated by reference ([chapter 9, section 9.4 of the Universal Registration Document](#)).

NOTE 16 GOODWILL

Accounting policy

Goodwill is recognized when the acquisition price of a business is greater than the sum of the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is recognized at the date control is acquired. Transaction costs are recognized as they are incurred in profit under other operating income and expenses ([Note 10](#)). When the value of the identifiable net assets of the acquired business is greater than its acquisition price, negative goodwill is credited to the acquirer's profit or loss account for the reporting period in which the entity was acquired under other operating income and expenses ([Note 10](#)). The definitive value of goodwill is finalized within 12 months following the date at which control was acquired. Goodwill for a foreign company is measured in the functional currency of the company and translated in accordance with the rules applicable to translating financial statements of foreign operations. Goodwill is not amortized and is allocated to the Cash Generating Units ([Note 19](#)) that benefit from the synergies resulting from the acquisition. Goodwill is initially tested for impairment before the end of the reporting period during which the entity was acquired and subsequently at least once a year or more frequently if there is an indication that it may be impaired. Impairment loss on goodwill is recognized in other operating income and expenses ([Note 10](#)) and cannot be reversed.

Estimates

The value of the assets and liabilities of an acquired business is estimated by Executive Management on the basis of a series of assumptions. Assets and liabilities are measured at their acquisition-date fair value except for certain items measured in

accordance with specific rules, such as income taxes, measured using the principles set out in [Note 13](#), or employee benefits, measured using the principles set out in [Note 23.1](#). When making its estimates, Executive Management may consult third-party specialists, in particular to estimate the value of certain material assets and liabilities or that require complex valuation techniques.

Table of changes

The goodwill recognized on acquisitions represents in particular the development prospects of the acquired businesses within Imerys. Impairment loss on goodwill is presented in [Note 19](#). When an impairment loss is recorded against goodwill, it is only maintained on the Statement of Financial Position in the event of a partial write-down, as presented in the following table. When goodwill is fully impaired, the gross amount and impairment loss are removed from the Statement of Financial Position and no longer appear in the table. In 2021, the Group did not make any acquisitions. The definitive goodwill generated from acquisitions completed in 2020 totaled €47.9 million, including €28.3 million in relation to the Turkish group Haznedar, which integrated the HTMS business group. The definitive goodwill from this transaction was calculated on the basis of the 60.00% stake acquired by Imerys. Its long-standing shareholders, which hold the remaining 40.00%, have the unconditional right to sell their non-controlling stake to Imerys. The Group therefore recognized at €50.2 million debt ([Note 24.3](#)) and derecognized this non-controlling stake, in accordance with the accounting policy set out in [Note 25](#). Furthermore, Imerys has the option to purchase the remaining 40.00% stake. If the Group decides not to exercise this option, the long-standing shareholders of Haznedar will gain the right to purchase the 60.00% stake held by Imerys.

(€ millions)	2021	2020
Carrying amount at the beginning of the period	2,149.1	2,153.1
Gross amount	2,236.4	2,230.8
Impairment	(87.3)	(77.7)
Incoming entities	(23.8)	69.4
Outgoing entities	(0.2)	(2.1)
Exchange rate differences	24.6	(58.6)
Impairment	-	(12.7)
Reclassification to assets held for sale ⁽¹⁾	(5.0)	-
Carrying amount at the end of the period	2,144.7	2,149.1
Gross amount	2,241.0	2,236.4
Impairment	(96.3)	(87.3)

(1) Disposal of the hydrous kaolin business in the US ([Note 25](#)).



NOTE 17 INTANGIBLE ASSETS

Accounting policy

Intangible assets controlled by Imerys are recognized as assets over their useful life. They are measured at acquisition cost, minus accumulated amortization and any impairment loss. The expenditure incurred by the research teams at Imerys in their efforts to improve the quality and properties of the Group's products is generally in response to customers' specific requirements. Such costs are therefore recognized immediately as an expense in current operating income. They are capitalized only if they correspond to a new or improved industrial process that is both technically feasible and a driver of future economic benefits. In the absence of any applicable standard or interpretation, Executive Management considers greenhouse gas emission rights as an intangible asset. Imerys uses this allocation with the sole intent to justify its emissions volume and not for trading purposes by making forward purchases or sales. Rights granted free of charge are recognized to have zero value and rights acquired on the market are recognized at acquisition cost. If at the end of the reporting period, the total rights allocation is not sufficient to cover actual emissions, a provision is recognized in current operating income for the value of rights to be acquired, measured at market value (net liability method). Disposals only relate to surplus rights and are recognized in current operating income as asset disposals (Note 9). Executive Management makes estimates regarding the amortization methods applied to intangible assets.

Estimates

In the ordinary course of its business, Imerys uses intangible assets, the consumption of which is represented by amortization. Executive Management believes the best way to estimate this consumption is by using the straight-line method over the assets' useful life applied as follows:

- Software: 1 to 5 years
- Trademarks, patents and licenses: 5 to 40 years
- Industrial processes and others: maximum 10 years

The Group's greenhouse gas emission rights cannot be amortized.

Emission rights

Imerys is subject to greenhouse gas regulation schemes at 11 of its facilities in Europe and one facility in the US. In 2021, Imerys used 100.0% of the emission rights allocated to its eligible facilities (85.0% in 2020). As the estimated volume of greenhouse gas emissions exceeded the Group's emission rights in 2021, Imerys set aside a provision of €1.4 million at December 31, 2021 to cover the deficit.

Table of changes

(€ millions)	Software	Trademarks, patents and licenses	Industrial processes and others	Total
Carrying amount at January 1, 2020	20.4	163.8	97.5	281.8
Gross amount	108.2	180.4	168.1	456.7
Amortization and impairment	(87.7)	(16.5)	(70.6)	(174.9)
Incoming entities	-	2.3	7.7	10.0
Acquisitions	3.6	0.2	18.7	22.4
Disposals	(0.3)	-	(0.4)	(0.7)
Amortization	(10.6)	(1.5)	(10.1)	(22.2)
Reclassification and other	37.6	0.1	(37.7)	0.0
Exchange rate differences	(0.6)	(1.8)	(1.3)	(3.7)
Carrying amount at December 31, 2020	50.1	163.1	74.4	287.6
Gross amount	144.0	180.6	152.6	477.3
Amortization and impairment	(93.9)	(17.5)	(78.3)	(189.7)
Incoming entities	-	27.3	-	27.3
Outgoing entities	-	-	(0.6)	(0.6)
Acquisitions	17.0	0.1	7.2	24.3
Disposals	-	-	(0.1)	(0.1)
Amortization	(13.9)	(3.3)	(9.2)	(26.4)
Reclassification and other	0.4	-	(0.4)	0.0
Exchange rate differences	0.3	(9.4)	0.9	(8.2)
Carrying amount at December 31, 2021	53.9	177.8	72.2	303.9
Gross amount	163.7	198.3	166.7	528.7
Amortization and impairment	(109.8)	(20.5)	(94.5)	(224.8)



NOTE 18 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Freehold property, plant and equipment. Items of property, plant and equipment for which Imerys owns the property rights are initially measured at acquisition or production cost. The cost of property, plant and equipment includes the cost of borrowings that finance their construction or production, when this process takes a substantial period of time. Where applicable, the cost of property, plant and equipment is reduced by the value of government grants awarded to finance their acquisition or construction. Maintenance and repair costs are immediately recognized as an expense in current operating income. The cost of property, plant and equipment also includes the discounted value of restoring or dismantling obligations, where a present obligation exists, in particular for satellite industrial facilities built on land owned by customers (*Note 23.2*). Items of property, plant and equipment are subsequently measured at cost, minus accumulated depreciation and any impairment loss. Executive Management makes estimates regarding the depreciation methods applied to property, plant and equipment.

Leasehold property, plant and equipment. All contracts that convey the right to use an item of non-substitutable property, plant and equipment for a period of time in exchange for consideration are recognized as right-of-use assets against a lease liability (*Note 24.2 – Reconciliation of net financial debt*). This treatment applies to all leases except mine land leases, which are recognized in the manner described in the following paragraph, as well as immaterial leases (leases with terms of 12 months or less and low-value assets), for which payments are recognized as an expense (*Note 7*). Easements, especially for pipelines used to connect mineral deposits, processing facilities and shipping facilities are analyzed as non-mine land leases. Right-of-use assets are initially measured at the value of the lease liability, plus any initial direct costs and equipment dismantling costs where necessary. Lease liabilities are measured at the discounted value of future fixed lease payments due in accordance with a contractual payment schedule, adjusted for rent-free periods. Payments are therefore scheduled through to the reasonably certain end date of the lease, reflecting the date beyond which the lease ceases to be legally enforceable. This date represents the end of the lease, adjusted for any options the lessee is able to exercise regarding early termination or extension and any restrictions the lessor is able to exercise. The lease payments taken into account in the calculation of the lease liabilities include the unconditional payments due in exchange for the right to use the asset, as well as the cost related to the early termination, extension or purchase clauses when it is reasonably certain they will be exercised. The liability calculation excludes any variable payment related to the use of the asset (for example, a payment dependent on the actual number of hours a piece of mining equipment is used), as well as any payment for services rendered by the lessor (for example, rail car maintenance). In the absence of implicit interest rates, future payments determined in this way are discounted using the lessees' incremental borrowing rate. These rates are calculated over the duration of each lease by applying the risk-free rate of the lease currency, increased by Imerys' credit spread in euros and

adjusted for the difference between credit default swaps in France and the lessees' country. The first time deferred tax assets and liabilities are recognized, they are calculated separately for lease liabilities and right-of-use assets, respectively. In subsequent years, right-of-use assets are amortized in current operating income and lease liabilities are measured at amortized cost, which generates an interest expense that is recognized in financial income (loss). When an option is exercised, the lease must be reassessed to symmetrically adjust the carrying amounts of the lease liability and the right of use. Any modification to leases gives rise to such a symmetrical adjustment, except when the scope of the lease is restricted to reduce the capacity of the asset leased or the duration of the lease. In this situation, the carrying amount of the lease liability and the right of use are reduced in proportion to the reduction of the scope, generating an impact recognized in current operating income (*Note 7*). In the financial statements, the following items are presented separately: right-of-use assets, lease liabilities, amortization and depreciation in current operating income generated by right-of-use assets and the interest expense generated by lease liabilities in financial income. In the Consolidated Statement of Cash Flows, the cash payment for the principal portion of the lease liability is presented in payments for lease liabilities for financing activities and the cash payment for the interest portion of the lease liability is presented in interest paid for operating activities.

Mining assets. In the absence of any specific applicable standard or interpretation, Executive Management has defined the following methods to recognize and measure mining assets. Prospection expenditure, i.e. searching for new sites with mineral producing potential and studying the technical feasibility and commercial viability of a geographical area, is immediately recognized as an expense in current operating income. Mineral reserves are included in property, plant and equipment. Freehold mineral deposits are initially measured at acquisition cost minus subsoil. Leasehold mineral deposits are measured at a value of nil if the lease is entered into in the ordinary course of business. If the lease is acquired through a business combination, the acquisition cost of the deposit is measured at the fair value of the ore. Costs incurred to determine the tonnage of ore present in the deposit are added to the acquisition cost. Overburden work, i.e. the process of removing the topsoil to gain access to the deposit, is considered a component of mineral reserve assets. The initial measurement of overburden work includes the production cost and the discounted value of restoration obligations as a result of the deterioration caused by such work. Mineral reserves and overburden assets form the mining assets column in the table of changes below. Mining assets are subsequently measured at cost, minus accumulated depreciation and any impairment loss. Executive Management makes estimates regarding the depreciation methods applied to mining assets. Mining assets are allocated to Cash Generating Units (*Note 19*) in the same way as the Group's other assets and are subject to the same impairment tests.

Estimates

In the ordinary course of its business, Imerys uses property, plant and equipment, the consumption of which is represented by depreciation. Executive Management believes the best way to estimate this consumption is by using the straight-line method over the assets' useful life applied as follows:

- Office buildings: 10 to 50 years
- Industrial buildings: 10 to 30 years
- Improvements to office and industrial buildings: 5 to 15 years
- Machinery, tooling, facilities and equipment: 5 to 20 years
- Vehicles: 2 to 5 years

Right-of-use assets held through leases are depreciated over the reasonably certain end date of the lease. If the lessee is considering exercising their right to purchase the asset, the useful life of the asset leased is applied. Rights of use are depreciated or amortized on a straight-line basis, except those applicable to bulk carriers, which are depreciated by the number of journeys made. Freehold and leasehold equipment is depreciated over its useful life, up to the end of the reasonably

certain end date of the lease. Furthermore, Executive Management does not consider the straight-line depreciation method appropriate to reflect the consumption of property, plant and equipment related to mining activities such as mineral reserves (representing €308.7 million at December 31, 2021 and €313.3 million at December 31, 2020) and overburden assets (€110.3 million at December 31, 2021 and €112.3 million at December 31, 2020), as well as certain industrial assets where the realization of the economic benefit is directly related to the level of production. Depreciation of mining assets is therefore estimated in units of production on the basis of actual extraction, while operational monitoring units such as production or operating hours are used to estimate depreciation of industrial assets. A mineral reserve is depreciated to the quantity of the geological inventory of the deposit minus discounts for the geological uncertainty inherent to the resources. Overburden assets, a component of mineral reserve assets, are depreciated over the quantity of reserve to which they specifically give access. Subsoil, i.e. the area of land not part of the mineral deposit, is not depreciated since it is not consumed by mining operations.



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Table of changes

The following table shows the change in the carrying amount of property, plant and equipment owned by the Group between the beginning and end of the periods presented. The right-of-use assets column presents the change in rights conveyed by leases to use property, plant and equipment. The mining

assets column includes the carrying amount of mineral deposits that Imerys owns or leases, as well as the overburden work required to gain access to the deposit. The other columns in the table analyze the change in freehold movable and immovable property, depending on their nature.

(€ millions)	Right-of-use assets	Mining assets	Land and buildings	Plant and equipment	Down payments and plants under construction	Other plant and equipment	Total
Carrying amount at January 1, 2020	245.2	502.9	325.4	1,012.8	217.5	76.5	2,380.3
Gross amount	499.5	947.1	589.1	3,735.9	243.1	303.5	6,318.2
Depreciation and impairment	(254.3)	(444.2)	(263.7)	(2,723.1)	(25.6)	(227.0)	(3,937.9)
Incoming entities	7.1	0.1	10.8	16.2	0.1	5.0	39.3
Outgoing entities	-	(1.2)	(0.1)	(0.9)	(0.5)	(0.1)	(2.8)
Acquisitions	-	57.1	4.8	38.1	122.8	8.9	231.7
Acquisition cost and subsequent adjustments	23.5	-	-	-	-	-	23.5
Disposals	-	(0.1)	(4.1)	(0.9)	(0.5)	(2.8)	(8.4)
Depreciation	(73.4)	(59.4)	(16.2)	(149.6)	(0.8)	(21.1)	(320.5)
Impairment	(4.2)	(32.9)	(8.3)	(21.0)	(0.3)	(0.2)	(66.9)
Reversals of impairment	-	-	1.2	0.3	-	-	1.5
Reclassification and other	-	2.1	15.1	87.1	(120.3)	16.0	0.0
Exchange rate differences	(5.7)	(43.0)	(22.5)	(58.8)	(19.1)	(3.6)	(152.7)
Carrying amount at December 31, 2020	192.5	425.6	306.1	923.3	198.9	78.6	2,125.0
Gross amount	397.5	907.2	579.7	3,622.2	222.0	309.8	6,038.4
Depreciation and impairment	(205.0)	(481.6)	(273.6)	(2,698.9)	(23.1)	(231.2)	(3,913.4)
Incoming entities	-	-	9.7	6.3	-	0.9	16.9
Outgoing entities	-	-	(0.6)	(5.9)	(0.3)	-	(6.8)
Acquisitions	-	65.1	9.1	59.9	203.2	5.5	342.8
Acquisition cost and subsequent adjustments	34.4	-	-	-	-	-	34.4
Contributions in kind	-	-	1.1	-	-	-	1.1
Disposals	-	(0.2)	(0.8)	(3.7)	(1.6)	(0.4)	(6.7)
Depreciation	(53.4)	(57.6)	(13.3)	(153.2)	-	(19.9)	(297.4)
Impairment	(0.3)	(22.1)	(0.9)	(12.3)	(1.3)	-	(36.9)
Reversals of impairment	-	-	0.4	7.3	0.3	-	8.0
Reclassification and other	-	0.4	(8.3)	179.2	(178.9)	7.6	0.0
Reclassification to assets held for sale ⁽¹⁾	(2.7)	(11.6)	(6.7)	(13.2)	(3.4)	(0.3)	(37.9)
Exchange rate differences	5.1	19.4	6.6	34.3	7.5	1.8	74.7
Carrying amount at December 31, 2021	175.6	419.0	302.4	1,022.0	224.4	73.8	2,217.2
Gross amount	364.0	966.1	555.2	3,844.9	248.5	307.9	6,286.6
Depreciation and impairment	(188.4)	(547.1)	(252.8)	(2,822.9)	(24.1)	(234.1)	(4,069.4)

(1) Disposal of the hydrous kaolin business in the US (Note 25).



Leases

The Group negotiates leases to obtain from lessors the right to use certain mining, industrial and logistics equipment, as well as immovable administrative, industrial and logistical property. At December 31, 2021, the value of these rights, recognized in "Right-of-use assets", amounted to €175.6 million (€192.5 million at December 31, 2020). The following table presents the change in the carrying amount of right-of-use assets by asset type.

(€ millions)	Industrial land, plants and warehouses	Offices and housing	Bulk carriers	Rail cars	Mining equipment	Other equipment	Right-of- use assets
Carrying amount at January 1, 2020	78.9	58.1	39.0	22.6	15.8	30.8	245.2
Gross amount	133.0	106.4	108.0	64.2	32.0	55.9	499.5
Depreciation and impairment	(54.1)	(48.3)	(69.0)	(41.6)	(16.2)	(25.1)	(254.3)
Outgoing entities	7.1	-	-	-	-	-	7.1
Acquisition cost and subsequent adjustments	6.9	4.2	(20.1)	6.9	14.6	11.0	23.5
Acquisition cost	3.4	2.9	-	7.3	14.6	10.6	38.8
Exercise of contractual options	2.7	1.2	-	-	-	0.1	4.0
Modification of leases	0.8	0.1	(20.1)	(0.4)	-	0.3	(19.3)
Amortization	(16.4)	(11.4)	(14.2)	(9.4)	(8.0)	(14.0)	(73.4)
Impairment	-	-	(4.2)	-	-	-	(4.2)
Exchange rate differences	(1.5)	(0.2)	(0.5)	(1.7)	(0.8)	(1.0)	(5.7)
Carrying amount at December 31, 2020	75.0	50.7	0.0	18.4	21.6	26.8	192.5
Gross amount	138.1	101.2	-	56.9	39.0	62.3	397.5
Depreciation and impairment	(63.1)	(50.5)	-	(38.5)	(17.4)	(35.5)	(205.0)
Acquisition cost and subsequent adjustments	4.9	3.6	-	4.6	10.9	10.4	34.4
Acquisition cost	16.6	0.7	-	4.6	11.0	10.8	43.7
Exercise of contractual options	1.1	0.2	-	-	-	-	1.3
Modification of leases	(12.8)	2.7	-	-	(0.1)	(0.4)	(10.6)
Amortization	(12.6)	(11.0)	-	(7.8)	(8.5)	(13.5)	(53.4)
Impairment	(0.2)	(0.1)	-	-	-	-	(0.3)
Reclassification to assets held for sale ⁽¹⁾	-	-	-	-	-	(2.7)	(2.7)
Exchange rate differences	1.7	1.0	-	1.4	0.6	0.4	5.1
Carrying amount at December 31, 2021	68.8	44.2	0.0	16.6	24.6	21.4	175.6
Gross amount	111.8	105.6	-	47.6	43.0	56.0	364.0
Depreciation and impairment	(43.0)	(61.4)	-	(31.0)	(18.4)	(34.6)	(188.4)

(1) Disposal of the hydrous kaolin business in the US (Note 25).

The right-of-use and lease liability model is applied to all leases, except leases with a term of 12 months or less, leases of low-value assets and variable lease payments and services, which are recognized in expenses. At December 31, 2021, this liability amounted to €36.8 million (€30.7 million at December 31, 2020, as detailed in Note 7). At December 31, 2021, lease liabilities recognized against right-of-use assets amounted to €188.2 million (€210.4 million at December 31, 2020, as detailed in Note 24.2 – Reconciliation of net financial debt) and generated interest expense of €3.8 million (€4.9 million at December 31, 2020) recognized in financial income (loss) (Consolidated Income Statement). Cash payments for right-of-use contracts made in 2021 totaled €62.6 million (€84.2 million at December 31, 2020), broken down as €58.8 million for the

principal (€79.3 million at December 31, 2020) and €3.8 million in interest (€4.9 million at December 31, 2020), in financing and operating activities, respectively in the Consolidated Statement of Cash Flows. Cash payments made in 2021 for leases with a term of 12 months or less, leases of low-value assets and variable lease payments and services do not differ materially from the amounts recognized in expenses (Note 7). Note 24.5 – Borrower's liquidity risk presents the schedule of future payments for lease liabilities in that of financial liabilities. It also analyzes the sensitivity of such future payments to early termination and extension options. The Group does not generate any material revenue from leasing the freehold assets it owns, nor from the sub-lease of assets leased.



NOTE 19 IMPAIRMENT TESTS

Accounting policy

Impairment tests on goodwill are performed every 12 months at the end of the reporting period. The test compares the carrying amount of assets to their recoverable amount (fair value minus costs to sell or value in use, whichever is higher). Fair value corresponds to the selling price. Value in use is measured by discounting the future cash flows generated by the continuous use of assets and, eventually, disposal. Consequently, the recoverable amount of an asset may not be considered an indicator of the price at which that asset could be sold. In addition to the annual impairment test on goodwill, impairment indicators may trigger immediate testing in the event of an unfavorable development. Furthermore, each director of operations, under the supervision of segment directors, ensures that the individual assets do not present any impairment risk. Impairment loss is recognized as soon as the recoverable amount of an asset falls below its carrying amount. Any increase in the recoverable amount of an asset results in the reversal of the previously recognized impairment loss, within the carrying amount that would have been obtained in the absence of impairment. Impairment losses on goodwill cannot be reversed. Executive Management makes judgments to define impairment indicators and the levels at which goodwill is tested along with estimates regarding the timeframe and amount of cash flow forecasts as well as the discount rates used to calculate the value in use.

Judgments

Levels of tests on goodwill. As goodwill feeds into the business management indicators monitored by Executive Management, it is tested for impairment at the same levels as those monitored by Executive Management, which are as follows: Performance Minerals, Europe Middle East Africa (PMEMEA), Performance Minerals Americas (PMA), Performance Minerals, Asia Pacific (PMAPAC) excl. G&C and Graphite & Carbon (G&C) within the Performance Minerals (PM) segment; and High Temperature Solutions (HTS) and Refractory, Abrasives & Construction (RAC) within the High Temperature Materials & Solutions (HTMS) segment. Other than goodwill, all assets within the Group including right-of-use assets net of lease liabilities and mining assets are covered within the scope of these tests.

Impairment indicators. Executive Management makes judgments as to which events should trigger an impairment test. They mainly include significant changes in the business,

interest rates, technology, obsolescence, return on assets and the value of market capitalization falling below consolidated equity. An adverse change to one of these factors will trigger an immediate impairment test.

Estimates

Recoverable amount. The recoverable amount of an asset is equal to its fair value minus costs to sell or its value in use, whichever is higher. In practice, fair value is able to be reliably measured for individual assets only, where it corresponds to the transaction price of recently disposed similar assets. Value in use is the most frequently used basis of assessment in impairment tests.

Cash flow forecasts. The cash flow forecasts used for impairment tests at December 31, 2021 are taken from the 2022-2025 plan approved by Executive Management. This mid case was developed using independent analysis of underlying markets. In 2020, the mid case integrated the best estimate of the identifiable impact of the Covid-19 crisis. These impacts, which proved not to be material in 2020, were deemed to be negligible in 2021. To calculate the terminal growth rate, Imerys uses the Gordon Growth Model. Future cash flows correspond to net current free operating cash flow (*Note 24.2 – Reconciliation of net financial debt*) adjusted for lease payments and the change in non-operating working capital requirement (*Note 24.2 – Reconciliation of net financial debt*).

Discount rates. The discount rate used to calculate value in use is determined using the weighted average cost of capital in the industrial minerals sector, i.e. an estimate of the rate of return demanded by the community of industry lessors, on both equity and debt instruments, with the exception of lease liabilities due to a lack of sufficient observable data. This rate, set at 6.75% for 2021 (6.50% for 2020), is adjusted for a country-market risk premium, which depending on the assets tested ranged from 32 to 142 basis points (29 to 158 basis points in 2020). In 2021, the average discount rate after income taxes amounted to 7.57% (7.24% in 2020). The calculations net of income taxes are the same as those that would be performed with cash flows and rates before income taxes, as required by applicable standards.

In the following table, the discount and terminal growth rates used to calculate the value in use are weighted by the cash flow forecasts of assets tested.



	2021		2020	
	Discount rate	Terminal growth rate	Discount rate	Terminal growth rate
Performance Minerals (PM)	7.48%	1.29%	7.47%	1.72%
Performance Minerals, Europe Middle East and Africa (PMEMEA)	7.62%	1.55%	7.41%	1.00%
Performance Minerals Americas (PMA)	7.34%	2.02%	7.70%	1.80%
Performance Minerals, Asia Pacific (PMAPAC) excl. G&C	7.95%	2.90%	8.08%	2.30%
Graphite & Carbon (G&C)	7.39%	0.00%	7.07%	1.00%
High Temperature Materials & Solutions (HTMS)	7.75%	2.86%	7.09%	2.36%
High Temperature Solutions (HTS)	8.17%	3.27%	7.70%	3.30%
Refractory, Abrasives & Construction (RAC)	7.07%	2.20%	6.79%	1.90%
Total	7.57%	1.82%	7.24%	2.16%

Changes in cash flow forecasts, discount rates and terminal growth rates have the most significant impact on the Group's financial statements. Imerys conducted simulations to measure the impairment that would be recognized as a result of adverse changes to the assumptions retained in the mid case at December 31, 2021. Executive Management deems the various adverse changes used for the sensitivity tests to be reasonably possible in the context of the test. They are as follows: 5.00% decrease in cash flow forecasts (5.00% decrease at December 31, 2020); 1.00% increase in the

discount rate (1.00% increase at December 31, 2020); and 1.00% decrease in the terminal growth rate (1.00% decrease at December 31, 2020). Furthermore, Imerys calculated its sensitivity to risks and opportunities arising from climate change with respect to the global warming scenario of 2°C by 2050. The risks taken into account in this model include uninsurable physical risks, energy price risks as well as market risks and opportunities. As summarized in the table below, the sensitivity calculated in the mid case and with respect to climate change did not indicate any impairment.

	Mid case			Risks and opportunities arising from climate change
	5% decrease in cash flow	1% increase in the discount rate	1% decrease in the terminal growth rate	
(€ millions)				
Performance Minerals (PM)				
Performance Minerals, Europe Middle East and Africa (PMEMEA)	None	None	None	None
Performance Minerals Americas (PMA)	None	None	None	None
Performance Minerals, Asia Pacific (PMAPAC) excl. G&C	None	None	None	None
Graphite & Carbon (G&C)	None	None	None	None
High Temperature Materials & Solutions (HTMS)				
High Temperature Solutions (HTS)	None	None	None	None



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Annual impairment test on goodwill

The annual impairment test did not lead to the recognition of any impairment loss in 2020 or 2021. The following table presents the carrying amount of goodwill at December 31.

(€ millions)	2021	2020
	Carrying amount	Carrying amount
Performance Minerals (PM)	1,201.4	1,186.2
Performance Minerals, Europe Middle East and Africa (PMEMEA)	558.6	554.6
Performance Minerals Americas (PMA)	457.7	450.2
Performance Minerals, Asia Pacific (PMAPAC) excl. G&C	157.9	154.7
Graphite & Carbon (G&C)	27.2	26.7
High Temperature Materials & Solutions (HTMS)	942.5	962.0
High Temperature Solutions (HTS)	190.4	222.8
Refractory, Abrasives & Construction (RAC)	752.1	739.2
Goodwill	2,143.9	2,148.2
Holding	0.8	0.8
Total	2,144.7	2,149.1

Impairment tests on individual assets

An adverse change in impairment indicators may trigger an immediate impairment test on individual assets, in addition to the annual impairment test on goodwill. Directors of operations and segment directors pay particular attention to identifying impairment indicators for individual assets. In 2021, Imerys recognized impairment of €37.0 million with respect to its industrial production facilities, of which €28.2 million in the Performance Minerals segment and €8.8 million in the High Temperature Materials & Solutions segment. In 2021, €8.1 million was recognized in reversals of impairment, of which €0.5 million in the Performance Minerals segment and €7.6 million in the High Temperature Materials & Solutions segment. As a result, €28.9 million was recognized in impairment loss, net of reversals

in Other operating income and expenses ([Note 10](#)). In 2020, tests on individual assets led to the recognition of €83.5 million in impairment loss, of which €68.4 million in the Performance Minerals segment, €15.2 million in the High Temperature Materials & Solutions segment (€12.7 million with respect to goodwill and €2.5 million with respect to the Group's industrial production assets). In 2020, €5.4 million was recognized in reversals of impairment, of which €1.5 million in the Performance Minerals segment and €3.9 million in the High Temperature Materials & Solutions segment. As a result, €78.1 million was recognized in impairment loss, net of reversals in other operating income and expenses ([Note 10](#)).



NOTE 20 INVENTORIES

Accounting policy

Inventories are recognized as assets at the date at which the risks, rewards and control are transferred to Imerys. When sold, inventories are recognized as an expense in current operating income at the same date as the corresponding revenue. Inventories are measured at cost of production or net realizable value, whichever is lower. When production is below normal capacity, fixed production overheads specifically exclude any idle capacity costs. Inventories with similar characteristics are measured using the same method. The Group uses “First-In,

First-Out” (FIFO) accounting and the weighted average cost method. If the cost of production is not recoverable, it is written down to its net realizable value in accordance with the physical condition of the stock or the forecast movement of existing stock at the end of the reporting period for the type of inventory considered. Due to the vast range of minerals extracted and benefited by the Group, it is not possible to systematically estimate inventory write-downs simply based on turnover rate.

Gross amount and write-down of inventories

(€ millions)	2021			2020		
	Gross amount	Write-down	Carrying amount	Gross amount	Write-down	Carrying amount
Raw materials	426.3	(21.9)	404.4	325.2	(23.2)	302.0
Work in progress	112.1	(3.8)	108.3	99.5	(3.9)	95.6
Finished goods	275.5	(17.4)	258.1	235.9	(20.7)	215.2
Merchandise	80.2	(1.9)	78.3	81.7	(2.7)	79.0
Total	894.1	(45.0)	849.1	742.3	(50.5)	691.8



NOTE 21 FINANCIAL ASSETS

21.1 CATEGORIES OF FINANCIAL ASSETS

The following tables present the value of financial instruments with respect to consolidated assets. The categories used to present the carrying amounts of financial instruments are explained in [Note 11](#). The totals distinguish between operational hedge derivatives (hedge of operational foreign exchange risk and energy price risk) and financial hedge derivatives (hedge of

financial foreign exchange risk, interest rate risk and conversion of financial statements risk). Financial hedge derivatives are used to calculate net financial debt ([Note 24.2 – Reconciliation of net financial debt](#)). The carrying amounts represent fair value, insofar as they correspond to the amount of cash to be received.

At December 31, 2021

	Non-hedge accounting			Hedge accounting				Total
	IFRS 9 categories		Non IFRS 9	Cash flow		Net investment		
	Amortized cost	Fair value through profit or loss		Hedged item	Hedge	Hedged item	Hedge	
Non-current assets								
Other financial assets	16.6	-	26.8	-	-	-	-	43.4
Other receivables	4.0	-	37.6	-	-	-	-	41.6
Derivative financial assets	-	-	-	-	-	-	0.6	0.6
Conversion of financial statements risk	-	-	-	-	-	-	0.6	0.6
Current assets								
Trade receivables	614.3	-	-	-	-	-	-	614.3
Other receivables	38.8	-	199.9	-	-	-	-	238.7
Derivative financial assets	-	5.3	-	-	70.1	-	-	75.4
Transactional currency risk	-	5.3	-	-	4.4	-	-	9.7
Energy price risk	-	-	-	-	65.7	-	-	65.7
Other financial assets	2.7	5.3	-	-	-	-	-	8.0
Cash and cash equivalents	577.2	-	-	-	-	-	-	577.2
Total	1,253.6	10.6	264.3	0.0	70.1	0.0	0.6	1,599.2
Of which operational derivatives	-	-	-	-	70.1	-	-	70.1
Of which financial derivatives	-	5.3	-	-	-	-	0.6	5.9



At December 31, 2020

	Non-hedge accounting			Hedge accounting				Total
	IFRS 9 categories		Non IFRS 9	Cash flow		Net investment		
	Amortized cost	Fair value through profit or loss		Hedged item	Hedge	Hedged item	Hedge	
Non-current assets								
Other financial assets	42.1	0.5	6.5	-	-	-	-	49.1
Other receivables	6.8	-	23.0	-	-	-	-	29.8
Derivative financial assets	-	-	-	-	-	-	4.1	4.1
Conversion of financial statements risk	-	-	-	-	-	-	4.1	4.1
Current assets								
Trade receivables	568.0	-	-	-	-	-	-	568.0
Other receivables	45.8	-	150.5	-	-	-	-	196.3
Derivative financial assets	-	1.4	-	-	12.7	-	-	14.2
Transactional currency risk	-	1.4	-	-	8.6	-	-	10.0
Energy price risk	-	-	-	-	4.1	-	-	4.1
Other financial assets	2.9	7.0	-	-	-	-	-	9.9
Cash and cash equivalents	648.5	-	-	-	-	-	-	648.5
Total	1,314.1	9.0	180.0	0.0	12.7	0.0	4.1	1,519.9
Of which operational derivatives	-	-	-	-	12.7	-	-	12.7
Of which financial derivatives	-	1.4	-	-	-	-	4.1	5.5

21.2 TRADE RECEIVABLES, OTHER RECEIVABLES AND OTHER FINANCIAL ASSETS

Accounting policy

After their initial recognition, receivables are measured at their amortized cost. A write-down is recognized for the value of expected credit losses. Such losses correspond to the estimated weighted probability of credit losses, i.e. the expected loss of cash over the life of the trade receivable, minus cash to be received from credit insurance where applicable (Note 21.3). A receivable sold to a banking institution for financing purposes is only derecognized if the factoring agreement also transfers to the factor all the risks and rewards incidental to the receivable.

Table of changes

At December 31, 2021, other non-current financial assets reflected €30.5 million in loans to joint ventures and associates (€40.2 million at December 31, 2020), €12.8 million in loans and deposits (€8.4 million at December 31, 2020), €26.9 million in assets related to employee benefits (€6.5 million at December 31, 2020) (Note 23.1) and investments in equity instruments. A significant proportion of other non-current receivables and related write-downs is made up of tax receivables excluding income taxes in Brazil. Other current receivables are also mainly made up of tax receivables excluding income taxes.



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(€ millions)	Other non-current financial assets	Other non-current receivables	Trade receivables	Other current receivables	Other current financial assets	Total
Carrying amount at January 1, 2020	45.8	37.8	623.9	231.5	11.2	950.2
Gross amount	69.3	68.2	658.6	236.1	12.5	1,044.7
Write-down	(23.5)	(30.4)	(34.7)	(4.6)	(1.3)	(94.5)
Change in the scope of consolidation	(16.2)	-	10.3	30.8	-	24.9
Net change	17.0	0.9	(34.5)	(54.6)	0.8	(70.3)
Write-downs	3.9	(2.6)	(0.3)	(0.7)	(1.4)	(1.0)
Other	(0.9)	2.2	(1.2)	2.0	-	2.2
Exchange rate differences	(0.5)	(8.6)	(30.2)	(12.6)	(0.8)	(52.7)
Carrying amount at December 31, 2020	49.1	29.8	568.0	196.4	9.9	853.3
Gross amount	66.9	53.7	601.1	201.4	12.6	935.8
Write-down	(17.8)	(23.9)	(33.2)	(5.0)	(2.6)	(82.5)
Change in the scope of consolidation	-	-	(2.6)	1.0	-	(1.6)
Net change	(5.5)	14.1	48.4	40.3	(2.1)	95.2
Write-downs	0.3	(2.7)	(1.8)	0.7	-	(3.5)
Reclassification to assets held for sale ⁽¹⁾	-	-	(9.1)	(0.5)	-	(9.6)
Other	0.1	(0.1)	1.0	(1.0)	-	0.0
Exchange rate differences	(0.6)	0.5	10.4	1.8	0.2	12.3
Carrying amount at December 31, 2021	43.4	41.6	614.3	238.7	8.0	946.0
Gross amount	61.1	68.5	650.3	242.9	10.7	1,033.5
Write-down	(17.7)	(26.9)	(36.0)	(4.2)	(2.7)	(87.5)

(1) Disposal of the hydrous kaolin business in the US (Note 25).

The following table presents details of the main factoring agreement signed by the Group as well as the amount derecognized at the end of the reporting period.

(€ millions)	PM
Effective date of the agreement	September 2009
Possible redress for factor from Imerys on derecognized receivables	No
Since 90 days and more	20
Contractual duration	Unlimited
Maximum outstanding amount including all taxes (in € millions)	21.0
Pre-identification of derecognized receivables	Yes
Transfer of all risks and benefits to the factor, including default and late payment risks	Yes
Carrying amount of derecognized receivables at December 31, 2021	18.3
Carrying amount of derecognized receivables at December 31, 2020	8.4



21.3 MANAGING RISK IN RESPECT OF FINANCIAL ASSETS

Credit risk

Description. Credit risk is the risk that a debtor of Imerys does not reimburse their debt at the agreed due date. It mainly affects the trade receivables category.

Management. Credit risk is monitored at entity level by analyzing the breakdown of receivables by maturity. Generally due between 30 and 90 days, the Group's receivables are not covered by any material financing component. The following table presents a breakdown by maturity at December 31.

(€ millions)	2021	2020
Receivables not yet due	525.8	499.0
Receivables due	151.2	139.4
1 to 30 days	80.8	79.1
31 to 60 days	23.5	14.8
61 to 90 days	5.2	9.4
More than 90 days	41.7	36.1
Total	677.0	638.5

At the end of the reporting period, receivables and other financial assets are written down to their recoverable amount (Note 21.2). Group entities may hedge credit risk through credit insurance contracts or warranties (Note 28 – Commitments received). At December 31, 2021, the Group's maximum

exposure to credit risk before credit insurance and warranties, i.e. gross receivables net of write-downs, amounted to €946.0 million (€853.3 million at December 31, 2020). The following table presents the change in write-downs of receivables and other financial assets:

(€ millions)	Other non-current financial assets	Other non-current receivables	Trade receivables	Other current receivables	Other current financial assets	Total
Balance at January 1, 2020	(23.4)	(30.5)	(34.7)	(4.6)	(1.3)	(94.5)
Change in the scope of consolidation	-	-	(0.1)	-	-	(0.1)
Increase	(0.8)	(2.7)	(6.9)	(1.5)	(1.4)	(13.4)
Utilizations	4.8	0.2	6.6	0.8	-	12.4
Other	1.5	-	0.3	0.1	-	1.9
Exchange rate differences	0.2	9.0	1.6	0.3	-	11.2
Balance at December 31, 2020	(17.8)	(23.9)	(33.2)	(5.0)	(2.6)	(82.5)
Change in the scope of consolidation	-	-	(0.5)	-	-	(0.5)
Increase	(0.6)	0.5	(8.3)	(0.1)	-	(8.5)
Utilizations	0.9	(3.2)	6.5	0.8	-	5.0
Other	-	(0.1)	(0.1)	0.2	-	0.0
Exchange rate differences	(0.2)	(0.2)	(0.4)	(0.1)	(0.1)	(1.0)
Balance at December 31, 2021	(17.7)	(26.9)	(36.0)	(4.2)	(2.7)	(87.5)

Transactional currency risk

Description. Transactional currency risk is the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by unfavorable fluctuations in its cross-entry in functional currency. In assets, transactional currency risk mainly affects trade receivables.

Management. In assets, transactional currency risk is managed in accordance with the same principles as the transactional currency risk related to financial liabilities (Note 24.5 – Transactional currency risk).



NOTE 22 SHAREHOLDERS' EQUITY

Management principles

The management of capital covers three main fields: consolidated equity, share-based payments and share buybacks. Consolidated equity is managed to maintain a stable financial structure that generates dividends for shareholders by increasing earnings at a sustained, regular pace. Incentive schemes in which share options and free shares are granted to certain key employees help Imerys to reach this objective (*Note 8*). Share buyback programs are intended to improve the transaction liquidity and price stability of the Imerys share and well as make certain share-based payments and cancellations necessary to offset the dilutive impact of exercised share options and vested free share grants.

Consolidated equity is composed of the capital and premiums of Imerys S.A. as well as its consolidated income and reserves. There are no hybrid instruments that combine the characteristics of liabilities and equity instruments. At December 31, 2021:

- consolidated equity amounted to a negative balance of €3,241.9 million (€2,960.5 million at December 31, 2020) on the basis of which the Board of Directors has proposed a dividend of €1.55 per share (€1.15 in 2020);
- a total of 77,220 share options and 1,340,150 free shares granted to certain employees and executive corporate officers that have not been exercised or not yet vested,

which represents 1.66% of the capital of Imerys S.A. after dilution (1.43% of the capital after dilution at December 31, 2020);

- after transactions made throughout the year to purchase, sell, cancel or transfer shares, Imerys S.A. held 356,196 Imerys shares (182,330 shares at December 31, 2020).

The capital of Imerys S.A. is subject to a number of mandatory requirements under the French Commercial Code (Code de commerce). These requirements do not have any material impact on the financial statements. However, the Statutory Auditors carry out verifications to ensure Imerys S.A. is compliant. Furthermore, part of the Group's financing is secured through debt instruments, issued on the condition of compliance with a covenants related to the amount of consolidated equity. The covenant and the corresponding value recorded at the end of the reporting period are presented in *Note 24.5 – Borrower's liquidity risk*.

Accounting policy

Treasury share buybacks are recognized at acquisition cost against equity. The price of any subsequent disposal is directly recognized in equity.

Activity for the period

(number of shares)	2021			2020		
	Shares issued	Treasury shares	Outstanding shares	Shares issued	Treasury shares	Outstanding shares
Number of shares at January 1	84,940,955	(182,330)	84,758,625	79,485,694	(540,759)	78,944,935
Capital increase	-	-	0	5,686,703	-	5,686,703
Capital decrease	-	-	0	(231,442)	231,442	0
Treasury share transactions	-	(173,866)	(173,866)	-	126,987	126,987
Number of shares at December 31	84,940,955	(356,196)	84,584,759	84,940,955	(182,330)	84,758,625

At December 31, 2021, Imerys' fully paid up share capital totaled €169,881,910 divided into 84,940,955 shares each with a par value of €2 (no change on December 31, 2020). No stock options were exercised in 2021.

The share capital has not changed and the number of voting rights has not undergone any significant change between December 31, 2021 and February 16, 2022, i.e. the date at which the annual financial statements at December 31, 2021 were approved by the Board of Directors.



NOTE 23 PROVISIONS

23.1 Provisions for employee benefits

In accordance with the regulatory framework and business practices in each country, Imerys makes contributions to pension plans for its employees. Benefits are granted either through defined contribution plans, the future value of which is not guaranteed by Imerys (*Note 8*), or defined benefit plans, the future value of which is guaranteed by Imerys by the provisions analyzed in this note.

(€ millions)	2021	2020
Pension plans ⁽¹⁾	221.9	302.1
Health insurance	18.7	20.5
Other long-term employee benefits	13.2	12.4
Termination benefits	5.9	11.5
Total	259.7	346.5

(1) Change in accounting policy IFRS IC IAS 19 (*Note 2.1*).

Accounting policy

Defined contribution plans. In accordance with the regulatory framework and business practices in each country, Imerys makes contributions to pension plans for its employees by making, either on a mandatory or voluntary basis, contributions to third-party institutions such as pension funds, insurance companies or financial institutions. These plans, called defined contribution plans, do not provide beneficiaries with a guarantee of the total benefit that will be paid in the future. Contributions to these plans are recognized as staff expenses (*Note 8*).

Defined benefit plans. In contrast, Imerys provides beneficiaries of defined benefit plans with a guaranteed future benefit. The corresponding obligations are measured using the Projected Unit Credit Method by means of economic and demographic actuarial assumptions. These assumptions are used to measure the value of the rights acquired by beneficiaries on the basis of an estimated salary at retirement date. Provisions and assets are recognized for the discounted value of the obligation, minus the fair value of plan assets, and capped where necessary. The rates used to discount obligations and calculate the normative return on assets in profit or loss are fixed by reference to the rates of bonds issued by AA-rated companies (high quality) within the main iBoxx GBP and USD Corporate AA indices. Where negative interest rates arise, they are applied as published, without a lower limit

of zero. Executive Management make estimates concerning actuarial assumptions. Contributions to the funds and direct payments to beneficiaries are recognized in current operating income (*Note 8*) except for contributions and payments related to restructuring operations, which are recognized in other operating revenue and expenses (*Note 10*) and contributions to under-funded closed plans with mandatory funding requirements, which are recognized in financial income (loss) (*Note 12*). The impact of these contributions is neutralized by decreases in provisions recognized in each of these three levels of profit or loss. Other items of change in post-employment plans are recognized in current operating income (*Note 8*), except for amendments, curtailments and settlements related to restructuring operations, which are recognized in other operating income and expenses (*Note 10*) and unwinding of obligations and normative return on assets, which are recognized in financial income (loss) (*Note 12*). Administrative fees are recognized in current operating income (*Note 8*) except for administrative fees for under-funded closed plans with mandatory funding requirements, which are recognized in financial income (loss) (*Note 12*). Plan amendments, curtailments and settlements are immediately recognized in profit or loss. Actuarial differences and caps on post-employment plan assets are fully recognized in other comprehensive income, net of asset management fees, with no subsequent reclassification in profit or loss.



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Characteristics of defined benefit plans

At December 31, 2021, the Group's defined employee benefit obligations totaled €1,450.9 million (€1,496.4 million at December 31, 2020), made up of retirement benefits, post-employment health insurance and other pre-retirement benefits such as jubilee awards. The obligations, the value of which is presented as negative values in the following table, are mainly incurred in the UK and the US.

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Pension plans ⁽¹⁾	(948.2)	(248.1)	(222.6)	(1,418.9)	(1,001.5)	(233.8)	(228.0)	(1,463.3)
Post-employment health insurance	-	(11.4)	(7.3)	(18.7)	-	(13.6)	(6.9)	(20.5)
Other pre-retirement benefits	-	-	(13.3)	(13.3)	-	-	(12.6)	(12.6)
Total	(948.2)	(259.5)	(243.2)	(1,450.9)	(1,001.5)	(247.4)	(247.5)	(1,496.4)

(1) Change in accounting policy IFRS IC IAS 19 (Note 2.1).

At December 31, 2021, 17,810 beneficiaries were covered by these obligations (17,373 beneficiaries at December 31, 2020), including employees who have been granted rights in return for the years of service they accumulate within the Group (active beneficiaries), employees who will no longer acquire rights in

return for the years of service accumulated within the Group as well as former employees still in employment outside the Group (deferred beneficiaries) and former employees now in retirement (retired beneficiaries). The following table breaks down the main characteristics of these beneficiaries:

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Headcount								
Active beneficiaries	371	976	7,255	8,602	410	1,016	7,266	8,692
Deferred beneficiaries	1,411	1,042	545	2,998	1,503	1,013	496	3,012
Retired beneficiaries	3,944	1,501	765	6,210	3,985	927	757	5,669
Total	5,726	3,519	8,565	17,810	5,898	2,956	8,519	17,373
Average age								
Active beneficiaries	56	54	43	45	55	53	43	45
Deferred beneficiaries	57	58	51	56	56	57	50	55
Retired beneficiaries	75	72	75	75	75	72	74	74
Years of service								
Active beneficiaries	31	19	13	14	30	18	13	14



At December 31, 2021, 76.2% of the Group's total obligation was accounted for by just two plans (76.4% at December 31, 2020) – the Imerys UK Pension Scheme (Imerys UK) and the Imerys USA Retirement Growth Account Plan (Imerys USA). The following table breaks down the main characteristics of these two plans:

	2021		2020	
	Imerys UK	Imerys USA	Imerys UK	Imerys USA
Obligation by category of beneficiaries (€ millions)				
Active beneficiaries	(140.4)	(48.9)	(155.2)	(46.0)
Deferred beneficiaries	(205.4)	(46.4)	(229.5)	(42.5)
Retired beneficiaries	(602.4)	(62.5)	(616.8)	(58.0)
Total	(948.2)	(157.8)	(1,001.5)	(146.5)
Average age				
Active beneficiaries	56	55	55	54
Deferred beneficiaries	57	59	56	58
Retired beneficiaries	75	73	75	72
Eligibility				
Recruitment cut-off date	Dec. 31, 2004	Mar. 31, 2010	Dec. 31, 2004	Mar. 31, 2010
Retirement age	65	65	65	65
Description of the benefit				
Type of payment	Annuity ⁽¹⁾	Capital ⁽²⁾	Annuity ⁽¹⁾	Capital ⁽²⁾
Pegged to retail price index	Yes	No	Yes	No
Closing date for future accruals	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014
Regulatory framework				
Minimum employer funding requirement	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾
Minimum beneficiary contribution requirement	Yes	No	Yes	No
Governance				
Trustees representing the employer	Yes	Yes	Yes	Yes
Trustees representing the beneficiaries	Yes	No	Yes	No
Independent trustees	Yes	No	Yes	No
Trustee responsibility				
Defining the investment strategy	Yes	Yes	Yes	Yes
Negotiating deficit refinancing with the employer	Yes	-	Yes	-
Administrative management of the benefit payment	Yes	Yes	Yes	Yes

(1) The annuity is calculated according to the number of years of service accumulated, annual salary at retirement and an average of the three last annual salaries.

(2) Capital with guaranteed interest rate (Cash Balance Plan).

(3) The employer is required to fund each unit of service accumulated at 100.0% on the basis of a funding valuation.



Managing employee benefit risk

Description. Through the financial management of employee benefits, Imerys seeks to control of the funding ratio of obligations, i.e. the ratio between the value of plan assets and the value of obligations. The funding ratio of obligations may be deteriorated by a decorrelation between a change in value (generally negative) of plan assets and a change in value (generally positive) of obligations. The value of plan assets may be reduced by deteriorating the fair value of investments. The value of obligations may rise for (i) all plans after a drop in discount rates or (ii) benefits paid as life annuities, either due to an increase in the inflation rates used to remeasure the obligations of certain plans, or due to an increase in the life expectancy of beneficiaries.

Management. In order to control the funding ratio of obligations, Imerys aims first and foremost to optimize the value of plan assets. Investment strategies are therefore devised to deliver a steady return while also taking advantage of opportunities with limited or moderate risks levels. The choice of investments is specific to each plan and factors in the duration of the plan as well as minimum funding regulatory constraints. Since 2011, Imerys has pursued a specific strategy to control the funding ratio of obligations in the UK in particular, which defines plan asset investments to match the obligation. The strategy, known

as Liability Driven Investment (LDI), controls the funding ratio of the obligation by pegging cash inflows to cash outflows over the duration of the obligation. In practice, it involves structuring the portfolio of plan assets so that the cash inflows generated by the return on investments match the cash outflows generated by the payment of benefits. It hedges the risk of an increase in the obligation due to a drop in discount rates (or an increase in inflation rates) by covering a portion of the value of the regularly revised obligation.

Financing employee benefits

Imerys finances the majority of employee benefits with investments unavailable to third parties in trusts or insurance contracts legally separate from the Group. At December 31, 2021, the value of these investments designated as plan assets amounted to €1,217.8 million (€1,161.9 million at December 31, 2020). Imerys also holds reimbursement rights, i.e. investments held directly by the Group, which amounted to €6.2 million at December 31, 2021 (€6.1 million at December 31, 2020). Therefore, the funding ratio of obligations equaled 84.3% at December 31, 2021 (77.8% at December 31, 2020). The total deficit of funded plans and unfunded plans amounted to €226.9 million at December 31, 2021 (€328.5 million at December 31, 2020), as disclosed in the following table:

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Obligations funded by plan assets ⁽¹⁾	(948.2)	(246.5)	(108.8)	(1,303.5)	(1,001.5)	(232.2)	(106.3)	(1,340.0)
Obligations funded by reimbursement rights	-	-	(28.2)	(28.2)	-	-	(31.6)	(31.6)
Plan assets	968.4	180.9	68.5	1,217.8	924.3	172.9	64.7	1,161.9
Reimbursement rights	-	-	6.2	6.2	-	-	6.1	6.1
Funded plans surplus (deficit)	20.2	(65.6)	(62.3)	(107.7)	(77.1)	(59.3)	(67.5)	(203.9)
Unfunded obligations ⁽¹⁾	-	(13.0)	(106.2)	(119.2)	-	(15.2)	(109.7)	(124.9)
Total surplus (deficit)	20.2	(78.6)	(168.5)	(226.9)	(77.1)	(74.6)	(176.8)	(328.5)

(1) In 2020, change in accounting policy IFRS IC IAS 19 (Note 2.1).

The following table presents the contributions paid to the funds by profit or loss level in 2020 and 2021 as well as an estimate for 2022. Contributions are generally recognized in current operating income. They are recognized in other operating revenue and expenses when they relate to restructuring. Contributions recognized in financial income (loss) are intended to recover the deficit of closed plans (absence of current

service) with mandatory funding requirements. In this respect, each euro of service rendered before the plan was closed has been funded by a contribution of the same amount in current operating income. However, a drop in discount rates, increase in inflation rates and reduction in the fair value of investments has broken this initial balance and additional contributions are now required to restore it.



(€ millions)	2022 (estimate)	2021	2020
Contributions in current operating income	(6.1)	(9.2)	(6.3)
Contributions in financial income (loss) (closed plans)	(4.2)	(11.2)	(3.7)
Employer contributions	(10.3)	(20.4)	(10.0)

Plan assets are mainly invested in instruments whose market values are listed on an active market:

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Listed assets	100.0%	100.0%	10.3%	95.0%	100.0%	100.0%	60.1%	96.6%
Equity	5.4%	20.0%	-	7.3%	4.2%	20.0%	-	5.8%
Debt	93.7%	60.0%	0.8%	83.5%	92.7%	60.0%	0.8%	82.9%
Real estate	0.4%	-	-	0.3%	0.4%	-	-	0.6%
Money market investments	0.5%	20.0%	9.5%	3.9%	2.6%	20.0%	59.3%	7.3%
Unlisted assets	-	-	89.7%	5.0%	-	-	39.9%	3.4%
Debt	-	-	0.2%	-	-	-	-	-
Money market investments	-	-	89.5%	5.0%	-	-	39.9%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In 2021, the assets held by Imerys to finance employee benefits generated €20.1 million in actual interest earnings (€133.4 million in 2020), i.e. an actual rate of return, including currency effects, of 1.7% in 2021 (12.9% in 2020), as presented in the following table. In accordance with applicable legal and regulatory standards, this return was only credited to

financial income (loss) to the extent of a normative share of €14.5 million in 2021 (€22.0 million in 2020), calculated on the basis of the risk-free rate used to discount the obligations. The surplus of the actual return above the normative return was credited to other comprehensive income for €5.6 million in 2021 (€111.4 million debited in 2020).

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Assets at January 1	924.4	172.9	70.7	1,168.0	917.4	173.5	70.4	1,161.3
Contributions	7.5	8.1	6.1	21.7	1.6	2.9	6.7	11.2
Payments to beneficiaries	(42.5)	(18.4)	(4.9)	(65.8)	(48.3)	(17.2)	(6.9)	(72.4)
Exchange rate differences	64.1	14.2	1.7	80.0	(49.8)	(15.7)	(0.1)	(65.6)
Actual return on assets	15.0	4.1	1.0	20.1	103.4	29.4	0.6	133.4
Normative return (financial income (loss))	10.4	3.8	0.3	14.5	16.3	5.3	0.4	22.0
Adjustment to actual return (equity)	4.6	0.3	0.7	5.6	87.1	24.1	0.2	111.4
Assets at December 31	968.5	180.9	74.6	1,224.0	924.4	172.9	70.7	1,168.0
Actual rate of return	1.5%	2.3%	1.6%	1.7%	12.8%	18.9%	0.9%	12.9%



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Estimates

Executive Management makes estimates regarding the actuarial assumptions used to measure defined benefit plans. The following assumptions are weighted by the amount of obligations or assets, depending upon the item to which they apply.

(€ millions)	2021				2020			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Discount rates	1.80%	2.20%	1.07%	1.75%	1.10%	2.10%	0.85%	1.22%
Retail price index	3.40%	-	1.19%	3.13%	2.90%	-	-	2.66%
Salary increase rate	2.95%	-	2.57%	2.89%	2.45%	-	2.40%	2.44%
Changes in medical expense rates	-	-	9.31%	9.31%	-	-	7.65%	7.65%
Duration (years)	14	10	13	13	15	10	13	14

Among these estimates, it is the discount rate that has most significant impact on the Group's financial statements. The following table presents the impact of a reasonably estimated change in discount rates following a possible decrease (lower case) or increase (higher case) in the assumption applied to the financial statements at December 31, 2021 (actual 2021). The impact of these changes is measured on three aggregates

(obligation, net interest and current service cost) in the two monetary zones in which the most significant obligations have been undertaken (UK and US). The reasonably estimated change in discount rates has been set at 50 basis points, based on the weighted average change in discount rates in the UK and the US over the last five years.

(€ millions)	Lower case	Mid case	Higher case
UK			
Discount rates	1.3%	1.8%	2.3%
Obligation at December 31	(1,020.7)	(948.2)	(883.6)
Net interest in 2022 profit or loss ⁽¹⁾	(0.6)	0.4	2.0
Current service cost in 2022 profit or loss ⁽²⁾	-	-	-
US			
Discount rates	1.7%	2.2%	2.7%
Obligation at December 31	(272.6)	(259.8)	(248.2)
Net interest in 2022 profit or loss ⁽¹⁾	(1.6)	(1.8)	(1.9)
Current service cost in 2022 profit or loss	(1.0)	(0.9)	(0.9)

(1) Unwinding of the obligation, net of normative return on assets.

(2) Plan closed and frozen since April 1, 2015.



Table of changes

At December 31, 2021

(€ millions)	Obligations	Assets	Assets (provisions)
Balance at January 1, 2021	(1,496.4)	1,167.9	(328.5)
Plan assets			0.5
Reimbursement rights			6.0
Provisions			(335.0)
Unwinding	(18.6)	-	(18.6)
Current service cost	(16.5)	-	(16.5)
Curtailments	3.3	-	3.3
Settlements	(0.3)	-	(0.3)
Normative return on plan assets	-	14.5	14.5
Change recognized in profit or loss			(17.6)
Surplus (deficit) of actual return on assets over normative return	-	5.6	5.6
Actuarial gains (losses) of post-employment benefits on:			
• changes in demographic assumptions	33.3	-	33.3
• changes in financial assumptions	49.3	-	49.3
• experience adjustments	12.9	-	12.9
Change recognized in equity			101.1
Incoming entities	(0.3)	-	(0.3)
Outgoing entities	0.1	-	0.1
Routine benefit payments	72.9	(65.7)	7.2
Settlement payments	0.1	(0.1)	0.0
Employer contributions	-	20.4	20.4
Employee contributions	(1.2)	1.2	0.0
Exchange rate differences	(89.5)	80.2	(9.3)
Balance at December 31, 2021	(1,450.9)	1,224.0	(226.9)
Plan assets			20.7
Reimbursement rights			6.2
Provisions			(253.8)

Change recognized in profit or loss can be broken down as follows:

(€ millions)	Assets (provisions)
Current operating income	(9.7)
Net change in provisions for employee benefits	6.5
Contributions to defined benefit plans	(16.2)
Other operating income and expenses	(0.1)
Net change in provisions for employee benefits	0.2
Contributions to defined benefit plans	(0.3)
Financial income (loss)	(7.8)
Net change in provisions for employee benefit liabilities - Closed plans	7.5
Contributions to defined employee benefit plans - Closed plans	(11.2)
Normative return on assets of defined benefit plans	14.5
Unwinding of defined employee benefit liabilities	(18.6)
Change recognized in profit or loss	(17.6)



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At December 31, 2020

(€ millions)	Obligations	Assets	Assets (provisions)
Balance at January 1, 2020	(1,465.6)	1,161.3	(304.3)
Plan assets			0.6
Reimbursement rights			5.8
Provisions			(310.7)
Change in accounting policy ⁽¹⁾	5.8	-	5.8
Balance at January 1, 2020 after change in accounting policy	(1,459.8)	1,161.3	(298.5)
Plan assets			0.6
Reimbursement rights			5.8
Provisions			(304.9)
Unwinding	(26.4)	-	(26.4)
Current service cost	(15.7)	-	(15.7)
Plan amendments	(1.2)	-	(1.2)
Curtailments	1.6	-	1.6
Settlements	(0.6)	-	(0.6)
Actuarial gains (losses) of other employee benefits	0.2	-	0.2
Normative return on plan assets	-	22.0	22.0
Change recognized in profit or loss			(20.1)
Surplus (deficit) of actual return on assets over normative return	-	111.4	111.4
Actuarial gains (losses) of post-employment benefits on:			
• changes in demographic assumptions	3.6	-	3.6
• changes in financial assumptions	(155.3)	-	(155.3)
• experience adjustments	0.7	-	0.7
Change recognized in equity			(39.6)
Incoming entities	(0.2)	-	(0.2)
Outgoing entities	0.2	-	0.2
Routine benefit payments	81.9	(72.4)	9.5
Employer contributions	-	10.0	10.0
Employee contributions	(1.2)	1.2	0.0
Exchange rate differences	75.8	(65.6)	10.2
Balance at December 31, 2020	(1,496.4)	1,167.9	(328.5)
Plan assets			0.5
Reimbursement rights			6.0
Provisions			(335.0)

(1) Change in accounting policy IFRS IC IAS 19 (Note 2.1).

Change recognized in profit or loss can be broken down as follows:

(€ millions)	Assets (provisions)
Current operating income	(12.5)
Net change in provisions for employee benefits	2.5
Contributions to defined benefit plans	(15.0)
Other operating income and expenses	(1.2)
Net change in provisions for employee benefits	(0.3)
Contributions to defined benefit plans	(0.8)
Financial income (loss)	(6.6)
Net change in provisions for employee benefit liabilities - Closed plans	1.5
Contributions to defined employee benefit plans - Closed plans	(3.7)
Normative return on assets of defined benefit plans	22.0
Unwinding of defined employee benefit liabilities	(26.4)
Change recognized in profit or loss	(20.1)



Change recognized in equity

	2021				2020			
	Actuarial gains (losses)	Surplus of actual return on assets over normative return in profit	Asset cap	Total	Actuarial gains (losses)	Surplus of actual return on assets over normative return in profit	Asset cap	Total
(€ millions)								
Balance at January 1	(812.3)	511.3	2.4	(298.6)	(697.8)	423.0	2.5	(272.3)
Change in obligations	95.5	-	-	95.5	(151.0)	-	-	(151.0)
Change in assets	-	5.6	-	5.6	-	111.4	-	111.4
Change recognized in equity	95.5	5.6	0.0	101.1	(151.0)	111.4	0.0	(39.6)
Outgoing entities	0.1	-	-	0.1	-	-	-	0.0
Exchange rate differences	(50.8)	36.6	0.2	(14.0)	36.5	(23.1)	(0.1)	13.3
Balance at December 31	(767.5)	553.5	2.6	(211.4)	(812.3)	511.3	2.4	(298.6)

23.2 OTHER PROVISIONS

(€ millions)	2021	2020
Other non-current provisions	414.0	394.9
Other current provisions	53.2	58.8
Total	467.2	453.7

Accounting policy

A provision is recognized as soon as it becomes likely that a present obligation will require settlement and a reliable estimate can be made of the amount of that obligation. Provisions are recognized against profit or loss, except provisions for dismantling and certain provisions for restoration, which are included in the cost of the assets of which the construction created the obligation. This treatment mainly applies to certain industrial facilities and mining overburden assets. Provisions are measured using the best estimate of the amount required to settle the obligation. Discounts are not applied to provisions that are expected to be settled within 12 months after the end of the reporting period and those that may be settled at any time. Discounts are applied to provisions that are not expected to be settled within 12 months after the end of the reporting period. This treatment applies in particular to provisions accrued with respect to environmental obligations for pollution remediation (€7.7 million at December 31, 2021 and €12.9 million at December 31, 2020), obligations to dismantle plants (€106.6 million at December 31, 2021 and €107.5 million at December 31, 2020) and obligations to restore mine sites that are no longer operational (€154.5 million at December 31, 2021 and €145.0 million at December 31, 2020). Changes in discounted provisions after revisions to the amount of the obligation, the timing of settlement or the discount rate are recognized in profit or loss or as an adjustment to the cost of assets for provisions recognized against assets. Unwinding is recognized as a debit in other financial income and expenses (Note 12). Executive Management makes estimates to assess the probability of settlement, amount of the obligation, expected timing of future payments and discount rates.

Estimates

Probability of settlement and amount of the obligation. The probability of settlement and the amount of the obligations are estimated by Executive Management, who generally call upon in-house company experts to approve the key assumptions, taking into account the anticipated effects, regulatory changes where applicable, and independent counsel regarding material disputes and claims. They relate to allegations of personal injury or financial losses regarding the potential civil liability of the Group or breaches of contractual obligations or regulations covering HR, real estate and environmental issues. The provisions for these risks are included in the €195.9 million set aside for legal, social and regulatory risks in the table of changes published at the end of the present note. This amount includes in particular the balance of the provision set aside to resolve the litigation involving the Group's talc operations in the US. On February 13, 2019, the Group's three North American talc subsidiaries (the "North American Talc Subsidiaries") decided to file for the protection, with immediate effect, of the special legal process of Chapter 11 under US bankruptcy law in order to permanently resolve the potential liabilities related to their historic commercial talc operations in the United States. Under Chapter 11, the Group remains the legal owner of the share capital of the North American Talc Subsidiaries, but their businesses are under the judicial control of the relevant US Delaware federal courts, which oversees the continuing operations of the entities concerned as well as the conclusion and execution of a business reorganization plan that these entities have sought to negotiate with representatives of existing and future potential claimants (the "Representatives of the Claimants") in talc related litigation brought against them. The Chapter 11 process also suspends all ongoing and future litigation proceedings and prevents any further claims being brought against these entities relating to past and current talc operations in the US. Given effective control of the North American Talc Subsidiaries was transferred on February 13, 2019 to the court to repay creditors, the assets and liabilities held by the North American Talc Subsidiaries were removed from the scope of consolidation of the Group's financial



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statements from this date forward, which led to an additional expense of €5.6 million being recognized in other operating income and expenses. Negotiations between the North American Talc Subsidiaries, which were joined by Imerys Talc Italy (the “Talc Subsidiaries Involved”), the Group and the Representatives of the Claimants led to the agreement on May 15, 2020 of a joint reorganization plan (the “Plan”), which was filed on the same day with the competent Federal Court for the District of Delaware (the “Bankruptcy Court”). The Plan provides that once the necessary approvals have been obtained, the Talc Subsidiaries Involved will emerge from the Chapter 11 process and the Group will be released from all existing and future talc-related liabilities arising out of their past operations, as such liabilities will be channeled into a dedicated trust to be established. Following the approval by the Bankruptcy Court of the disclosure statement of the Plan (the “Disclosure Statement”) in January 2021, the Plan was then submitted to the vote by the creditors and claimants against the Talc Subsidiaries Involved. In April 2021, the Plan was approved at a qualified majority exceeding the 75% required voting threshold under the applicable regulations. However, on October 13, 2021, the Bankruptcy Court issued a ruling that certain ballots cast in favor of the Plan will not be counted and, as a consequence, the approval of the Plan fell just short of the required 75% majority vote. This ruling is expected to result in a new solicitation of votes on an updated Plan. The North American Talc Subsidiaries, the Representatives of the Claimants, and other stakeholders in the Chapter 11 process are engaged in a mediation approved by the Bankruptcy Court to reach a revised Plan (the “Revised Plan”) that will achieve the required 75% majority approval vote. The key remaining disputed issues in the Chapter 11 process involve (i) monetization of the North American Talc Subsidiaries’ rights to insurance coverage and contractual indemnity and (ii) allocation of the North American Talc Subsidiaries’ assets, including current and future potential settlement proceeds with third parties, among claimants alleging different injuries. These issues are not related to the terms and conditions of the settlement with the Group as embedded in the Plan announced in May 2020, which continues to be supported by the Representatives of the Claimants. Once the relevant stakeholders reach an agreed Revised Plan following the ongoing mediation and other negotiations, the supporting documents of the Revised Plan will be submitted to the approval of the Bankruptcy Court before a new solicitation of claimants’ votes on the Revised Plan is undertaken by the Talc Subsidiaries Involved. Subject to

approval of the Revised Plan at the required 75% voting threshold, it will then undergo a confirmation procedure before the Bankruptcy Court to be followed by a final approval process before the competent Federal Court.

Imerys Talc Italy has been named in a few outstanding talc related lawsuits in the United States. Upon the grant of the required majority vote on the Revised Plan, Imerys Talc Italy also intends to file for Chapter 11 protection before the final confirmation of the Revised Plan and join the Revised Plan in order to benefit from the same comprehensive and permanent resolution of historic talc-related liabilities as the North American Talc Subsidiaries. In accordance with the Plan, the North American Talc Subsidiaries sold their assets to Magris Resources, a Canadian investment fund, for USD223.0 million on February 17, 2021. Imerys Talc Italy’s business was not included in this sale and will remain part of the Group throughout and after the closing of the Chapter 11 proceedings. Under the terms and conditions of the settlement with the Group as embedded in the Plan, the Group’s contribution consists of (i) a minimum cash payment of USD75.0 million, (ii) an additional amount of up to USD102.5 million subject to a reduction mechanism proportionate to the sale price for the assets of the North American Talc Subsidiaries, and (iii) certain other components further outlined in the Plan. These commitments primarily include certain insurance assets, financing of minor unsecured trade claims (USD5.0 million) and certain potential excess administrative costs of the Chapter 11 process incurred by the Talc Subsidiaries Involved up to a maximum of USD15.0 million. Given the North American Talc Subsidiaries assets were sold for USD223.0 million, the Group is expected to contribute the minimum of USD75.0 million to the Revised Plan under the above-mentioned (i) and (ii). In light of the current state and progress of mediation and negotiation toward a Revised Plan between the relevant stakeholders, at the date the Group’s 2021 annual financial results were approved, Executive Management reviewed with the help of independent third-party experts and reiterated its prior estimate of the risk related to the resolution of the Chapter 11 procedure and the forecasted financial impact for the Group. A provision of €250.0 million was initially accrued in Imerys’ 2018 consolidated financial accounts, bearing in mind that the North American Talc Subsidiaries have been deconsolidated since February 13, 2019. At December 31, 2021, the balance of this provision, which amounted to USD78.7 million and €32.7 million, was considered appropriate to cover the expected financial impact of the Revised Plan for the Group.



Expected timing of future payments. The following table presents the discounted value of future cash outflows required to settle the obligations included in other provisions:

(€ millions)	2022-2026	2027-2036	2037 and beyond	Total
Product warranties	2.6	-	-	2.6
Environmental and dismantling obligations	31.1	47.0	36.1	114.2
Mine site restoration	50.7	49.7	54.1	154.5
Legal, social and regulatory risks	195.9	-	-	195.9
Other provisions	280.3	96.7	90.2	467.2

Discount rates. Discount rates integrate the time value of money and monetary inflation at the date of future payments. The following assumptions are applied to the major monetary zones:

	2021			2020		
	EUR	GBP	USD	EUR	USD	GBP
Time value of money - environment and dismantling	0.8%	1.6%	2.1%	0.2%	0.9%	2.0%
Time value of money - mine site restoration	0.5%	1.6%	2.3%	0.1%	0.9%	1.7%
Inflation	1.8%	1.9%	2.0%	(0.4)%	0.6%	1.3%

Table of changes

(€ millions)	Product warranties	Environmental and dismantling obligations	Mine site restoration	Legal, social and regulatory risks	Total
Balance at January 1, 2020	3.8	126.7	153.2	183.3	467.0
Change in the scope of consolidation	-	-	(1.6)	(0.2)	(1.8)
Increase	1.7	5.9	7.4	17.3	32.3
Utilizations	(1.3)	(2.9)	(7.6)	(13.1)	(24.9)
Unused decreases	(0.6)	(3.2)	-	(15.4)	(19.2)
Unwinding expense	-	0.8	1.8	-	2.6
Reclassification and other	-	-	-	27.1	27.1
Exchange rate differences	(0.2)	(7.0)	(8.2)	(14.0)	(29.4)
Balance at December 31, 2020	3.4	120.3	145.0	184.9	453.7
Change in the scope of consolidation	-	0.2	-	0.1	0.3
Increase	0.7	16.4	10.5	28.5	56.1
Utilizations	(0.7)	(2.3)	(6.4)	(13.2)	(22.6)
Unused decreases	(0.9)	(5.8)	(0.4)	(10.5)	(17.6)
Unwinding expense	-	0.9	1.6	0.4	2.9
Reclassification and other	-	(20.2)	0.2	(2.4)	(22.4)
Reclassification in liabilities related to assets held for sale ⁽¹⁾	-	(0.5)	(1.4)	-	(1.9)
Exchange rate differences	0.1	5.2	5.4	8.0	18.7
Balance at December 31, 2021	2.6	114.2	154.5	195.9	467.2

(1) Disposal of the hydrous kaolin business in the US (Note 25).



NOTE 24 FINANCIAL LIABILITIES

24.1 CATEGORIES OF FINANCIAL LIABILITIES

The following tables analyze the value of financial instruments with respect to consolidated liabilities. The categories used to present the carrying amounts of financial instruments are explained in [Note 11](#). The totals distinguish between operational hedge derivatives (hedge of operational foreign exchange risk and energy price risk) and financial hedge derivatives (hedge of financial foreign exchange risk, interest rate risk and conversion of financial statements risk). Financial hedge derivatives are used to calculate net financial debt ([Note 24.2 – Reconciliation of net financial debt](#)). Since they correspond to the amount of

cash to be paid, carrying amounts represent fair value for all instruments except bonds. The tables are followed by an analysis of the difference between carrying amounts and fair value. The fair value of listed bonds is directly observable as it corresponds to the market value at the end of the reporting period (level 1 fair value). The fair value of unlisted bonds including accrued interests is calculated by a model using observable data, i.e. a revised valuation of discounted future contractual flows (level 2 fair value).

At December 31, 2021

(€ millions)	Non-hedge accounting			Hedge accounting				Total
	IFRS 9 categories		Non IFRS 9	Cash flow hedge		Net investment hedge		
	Amortized cost	Fair value through profit or loss		Hedged item	Hedge	Hedged item	Hedge	
Non-current liabilities								
Borrowings and financial debt	1,695.0	-	-	-	-	-	-	1,695.0
Lease liabilities	155.7	-	-	-	-	-	-	155.7
Other debts	54.2	-	16.5	-	-	-	-	70.7
Derivative financial liabilities	-	-	-	-	-	-	1.8	1.8
Conversion of financial statements risk	-	-	-	-	-	-	1.8	1.8
Current liabilities								
Trade payables	660.1	-	-	-	-	-	-	660.1
Other debts	166.8	-	243.3	-	-	-	-	410.1
Derivative financial liabilities	-	2.2	-	-	5.7	-	-	7.9
Transactional currency risk	-	2.2	-	-	2.5	-	-	4.7
Energy price risk	-	-	-	-	3.2	-	-	3.2
Borrowings and financial debt	124.9	-	-	-	-	-	-	124.9
Lease liabilities	32.5	-	-	-	-	-	-	32.5
Bank overdrafts	30.1	-	-	-	-	-	-	30.1
Total	2,919.3	2.2	259.8	0.0	5.7	0.0	1.8	3,188.8
Of which operational derivatives	(0.1)	-	-	-	5.7	-	-	5.6
Of which financial derivatives	-	2.2	-	-	-	-	1.8	4.0

The fair value of fixed rate bonds included in borrowings and financial debt exceeded their carrying amount by €80.3 million:

Nominal amount (in millions)		Maturity	Listing	Interest rate		Carrying amount	Fair value	Difference
				Nominal	Effective			
300.0	EUR	Mar. 31, 2028	Listed	1.88%	1.92%	303.0	326.5	23.5
500.0	EUR	Dec. 10, 2024	Listed	2.00%	2.13%	498.4	524.9	26.5
600.0	EUR	Jan. 15, 2027	Listed	1.50%	1.63%	603.3	637.1	33.8
300.0	EUR	Jul. 15, 2031	Listed	1.00%	1.07%	298.3	294.8	(3.5)
Total at December 31, 2021 (€ millions)						1,703.0	1,783.3	80.3



At December 31, 2020

(€ millions)	Non-hedge accounting			Hedge accounting				Total
	IFRS 9 categories		Non IFRS 9	Cash flow hedge		Net investment hedge		
	Amortized cost	Fair value through profit or loss		Hedged item	Hedge	Hedged item	Hedge	
Non-current liabilities								
Borrowings and financial debt	1,698.3	-	-	-	-	-	-	1,698.3
Lease liabilities	167.8	-	-	-	-	-	-	167.8
Other debts	10.5	-	23.7	-	-	-	-	34.3
Derivative financial liabilities	-	-	-	-	-	-	0.5	0.5
Conversion of financial statements risk	-	-	-	-	-	-	0.5	0.5
Current liabilities								
Trade payables	475.6	-	-	-	-	-	-	475.6
Other debts	165.3	-	206.3	-	-	-	-	371.6
Derivative financial liabilities	-	1.2	-	-	4.8	-	-	6.0
Transactional currency risk		1.2	-	-	3.9	-	-	5.1
Energy price risk		-	-	-	0.9	-	-	0.9
Borrowings and financial debt	261.3	(0.4)	-	-	-	-	-	260.9
Lease liabilities	42.6	-	-	-	-	-	-	42.6
Bank overdrafts	0.7	-	-	-	-	-	-	0.7
Total	2,822.1	0.9	230.0	0.0	4.8	0.0	0.5	3,058.3
Of which operational derivatives	-	-	-	-	4.8	-	-	4.8
Of which financial derivatives	-	1.2	-	-	-	-	0.5	1.7

The fair value of fixed rate bonds included in borrowings and financial debt exceeded their carrying amount by €88.4 million:

Nominal amount <i>(in millions)</i>		Maturity	Listing	Interest rate		Carrying amount	Fair value	Difference
				Nominal	Effective			
300.0	EUR	Mar. 31, 2022	Listed	0.88%	0.96%	301.5	305.0	3.5
300.0	EUR	Mar. 31, 2028	Listed	1.88%	1.92%	302.7	321.3	18.6
500.0	EUR	Dec. 10, 2024	Listed	2.00%	2.13%	497.6	531.6	34.0
600.0	EUR	Jan. 15, 2027	Listed	1.50%	1.63%	602.2	634.5	32.3
Total at December 31, 2020 <i>(€ millions)</i>						1,704.0	1,792.4	88.4



24.2 CASH FLOWS RELATED TO FINANCIAL LIABILITIES

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The *Consolidated Statement of Cash Flows* analyzes the change in cash and cash equivalents broken down across operating activities, investing activities and financing activities. In the following tables, cash flow from financing activities is presented in the cash changes column, in accordance with their source positions in the Statement of Financial Position.

In 2021, cash flow from financing activities represented a net cash outflow of €341.3 million, including €226.4 million broken down in the following table arising from changes in liabilities from financing activities. The main components driving this change include the issue of a Sustainability Linked Bond (€300.0 million), the reimbursement of a bond issue (representing an outflow of €300.0 million), the reimbursement of lease liabilities (representing an outflow of €58.8 million) and the reimbursement of short-term negotiable securities (NEU CP, representing an outflow of €130.0 million).

Non-cash changes								
	Change in lease liabilities against rights of use	Accrued interest	Fair value	Reclassification	Exchange rate differences	Jan. 1, 2021	Cash changes	Change in the scope of consolidation
(€ millions)	Dec. 31, 2021							
Non-current assets	(4.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative financial assets	(4.1)	-	-	-	-	-	-	-
Current assets	(26.7)	(0.1)	0.0	0.0	2.3	(57.8)	(3.5)	(0.3)
Derivative financial assets	(14.2)	-	-	-	-	(57.7)	(3.5)	-
Other financial assets	(12.6)	(0.1)	-	-	2.3	-	-	(0.3)
Non-current liabilities	1,866.6	257.4	(0.4)	34.4	0.0	0.0	(348.7)	43.2
Borrowings and financial debt	1,866.1	257.4	(0.4)	34.4	-	-	(350.0)	43.2
Derivative financial liabilities	0.5	-	-	-	-	-	1.3	-
Current liabilities	309.5	(483.6)	0.0	0.0	2.9	1.4	348.7	(13.6)
Derivative financial liabilities	6.0	-	-	-	-	3.2	(1.3)	-
Borrowings and financial debt	303.5	(483.6)	-	-	2.9	(1.8)	350.0	(13.6)
Total	2,145.2	(226.3)	(0.4)	34.4	5.2	(56.4)	0.0	29.3
Loans issued	-	298.3	-	-	-	-	-	-
Repayments of borrowings	-	(312.3)	-	-	-	-	-	-
Payments of lease liabilities	-	(58.8)	-	-	-	-	-	-
Other cash inflows (outflows)	-	(153.5)	-	-	-	-	-	-



In 2020, cash flow from financing activities represented a net cash outflow of €216.9 million, including €198.7 million broken down in the following table arising from changes in liabilities from financing activities. The main components driving this change include the reimbursement of a bond issue (representing

an outflow of €223.5 million), the reimbursement of lease liabilities (representing an outflow of €79.3 million) and the issue of short-term negotiable securities (NEU CP, representing an inflow of €130.0 million).

Non-cash changes								
	Change in lease liabilities against rights of use	Accrued interest	Fair value	Reclassification	Exchange rate differences	Change in the scope of consolidation	Cash changes	
(€ millions)	Jan. 1, 2020	Dec. 31, 2020						
Non-current assets	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	(4.1)
Derivative financial assets	(4.5)	-	-	-	-	0.4	-	(4.1)
Current assets	(18.7)	2.1	0.0	0.0	(3.0)	(7.7)	(0.4)	(26.7)
Derivative financial assets	(6.1)	-	-	-	(7.7)	(0.4)	-	(14.2)
Other financial assets	(12.5)	2.1	-	(3.0)	-	-	0.8	(12.6)
Non-current liabilities	1,884.3	52.0	7.0	23.5	2.2	0.1	(50.6)	(51.9)
Borrowings and financial debt	1,883.6	52.0	7.0	23.5	2.2	0.1	(50.3)	(51.9)
Derivative financial liabilities	0.7	-	-	-	-	-	(0.3)	-
Current liabilities	480.3	(252.9)	22.6	0.0	(1.9)	(5.0)	50.1	16.3
Derivative financial liabilities	11.9	-	-	-	-	(6.2)	0.3	-
Borrowings and financial debt	468.4	(252.9)	22.6	-	(1.9)	1.2	49.8	16.3
Total	2,341.5	(198.7)	29.6	23.5	(2.7)	(12.6)	(0.5)	(34.8)
Loans issued	-	30.5	-	-	-	-	-	-
Repayments of borrowings	-	(294.0)	-	-	-	-	-	-
Payments of lease liabilities	-	(79.3)	-	-	-	-	-	-
Other cash inflows (outflows)	-	144.0	-	-	-	-	-	-

Reconciliation of net financial debt

Net financial debt reflects the Group's net position on the market and with financial institutions. It is used to manage the Group's financial resources, in particular to calculate covenants with which Imerys has to comply as part of the financing agreements entered into with financial markets (*Note 24.5 – Borrower's liquidity risk*).

Net financial debt corresponds to the total financing liabilities subscribed on the market and with financial institutions in the form of bonds, bank credits and bank overdrafts, minus cash, cash equivalents and other current financial assets. Although offset in the calculation of net financial debt, overdrafts and surplus cash are presented separately on the statement of financial position, either in the form of bank overdrafts or cash,

in accordance with the agreements signed between Imerys and its bank counterparties. In general, these agreements stipulate that the various accounts opened at the bank counterparties remain as debit or credit balances, without any offset. However, some netting agreements exist within the Group in order to achieve a single position with certain bank counterparties across a given scope. A single position is organized by the entity heading the netting scope, either directly through its own bank account, or indirectly through an investment made at the bank counterparty that is credited in the form of loans to the entities within the scope. Direct netting is practiced on agreements in force in Europe and the US, while indirect netting is applied in China.



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The following table presents the link between net financial debt and the Consolidated Statement of Financial Position with a distinction between non-derivative and derivative financial instruments. Derivative financial instruments included in the calculation of net financial debt correspond to financing hedge assets and liabilities since they are part of the future cash outflows of this aggregate (*Note 24.5 – Borrower's liquidity risk*). Operational hedge instruments (*Note 24.4 – Derivative instruments in the financial statements*) are not included in the calculation of net financial debt. At December 31, 2021, cash

and cash equivalents included a restricted balance of €2.7 million (€2.5 million at December 31, 2020) not available for Imerys S.A. and its subsidiaries, of which €2.0 million (€2.0 million at December 31, 2020) due to legal restrictions or foreign exchange controls and €0.7 million (€0.5 million at December 31, 2020) due to statutory requirements. At December 31, 2021, cash equivalents were composed of €91.7 million in short-term deposits and similar investments (€193.3 million at December 31, 2020).

(€ millions)	Notes	2021	2020
Non-derivative financial liabilities		2,038.2	2,170.3
Borrowings and financial debt – non-current		1,695.0	1,698.3
Lease liabilities – non-current		155.7	167.8
Borrowings and financial debt – current		124.9	260.9
Lease liabilities – current		32.5	42.6
Bank overdrafts		30.1	0.7
Non-derivative financial assets		(585.2)	(658.5)
Other financial assets		(8.0)	(10.0)
Cash and cash equivalents		(577.2)	(648.5)
Hedge derivatives		(1.9)	(3.8)
Financing hedge instruments – liabilities	24.1	4.0	1.7
Financing hedge instruments – assets	21.1	(5.9)	(5.5)
Net financial debt		1,451.1	1,508.0

In 2021, the change in net financial debt corresponded to a net cash outflow of €76.4 million (€173.5 million in 2020) as presented in the following table.

(€ millions)	2021	2020
Net financial debt at January 1	(1,508.0)	(1,685.0)
Change in net financial debt excl. exchange rate effects	76.4	173.5
Exchange rate effects	(19.5)	3.5
Change in net financial debt	56.9	177.0
Net financial debt at December 31	(1,451.1)	(1,508.0)

The following tables analyze the change in net financial debt in two steps. Firstly, cash flow from recurring operations (net current free operating cash flow) and secondly, cash flow from non-recurring operations.

Net current free operating cash flow corresponds to the residual cash flow from recurring operations after current operating income taxes and operating capital expenditure, taking into

account proceeds from operating asset disposals and cash changes in operating working capital requirement. In comparison with the cash flow presented in the *Consolidated Statement of Cash Flows*, net current free operating cash flow corresponds to the recurring portion of net cash flows from (required for) operating activities adjusted for acquisitions and disposals of intangible assets and property, plant and equipment in cash flow from investing activities after income taxes.



(€ millions)	Notes	2021	2020
Consolidated Income Statement			
Revenue	5	4,382.9	3,798.5
Raw materials and consumables used	6	(1,495.6)	(1,292.9)
External expenses	7	(1,162.8)	(968.4)
Staff expenses	8	(939.8)	(875.2)
Taxes and duties ⁽¹⁾		(39.0)	(41.7)
Other current income and expenses	9	30.5	20.5
Adjustments			
Change in provisions for employee benefits	8	(6.5)	(2.5)
Change in current operating write-downs and provisions	9	0.8	(10.0)
Share in net income of joint ventures and associates	9	(14.7)	(1.2)
Dividends received from joint ventures and associates	9	5.2	4.4
Current EBITDA		761.0	631.5
Income taxes			
Notional income tax on current operating income		(122.1)	(83.0)
Adjustments			
Change in operating working capital requirement ⁽²⁾		(19.3)	74.9
Carrying amount of intangible assets and property, plant and equipment disposed of		6.2	35.7
Net current operating cash flow		625.8	659.1
Investing activities			
Acquisitions of intangible assets and property, plant and equipment ⁽³⁾		(336.3)	(262.1)
Additions to right-of-use assets	18	(34.4)	(23.5)
Net current free operating cash flow		255.1	373.5
<i>(1) Consolidated Income Statement</i>			
<i>(2) Change in operating working capital requirement (Consolidated Statement of Cash Flows)</i>			
Adjustments for decrease (increase) in inventories		(145.7)	86.3
Adjustments for decrease (increase) in trade receivables		(40.7)	34.9
Adjustments for increase (decrease) in trade payables		167.1	(46.3)
<i>(3) Acquisitions of intangible assets and property, plant and equipment (Consolidated Statement of Cash Flows)</i>			
Acquisitions of intangible assets		(24.3)	(22.3)
Acquisitions of property, plant and equipment		(337.0)	(231.6)
Change in payables on acquisitions of intangible assets and property, plant and equipment		25.0	(8.2)



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The following table presents the cash flow from non-recurring operations, i.e. non-recurring operating transactions, changes in the scope of consolidation, financing transactions and transactions with shareholders. These cash flows, added to the net current free operating cash flow from the previous table, give the total change in net financial debt.

(€ millions)	2021	2020
Net current free operating cash flow	255.1	373.5
Income taxes		
Notional income tax on financial income (loss) and non-recurring income and expenses	10.7	17.1
Change in current and deferred tax assets and liabilities	(1.5)	(16.4)
Change in income tax payables and receivables	32.5	0.8
Income taxes paid on non-recurring income and expenses	8.3	17.7
Consolidated Income Statement		
Financial income (loss)	(39.7)	(61.4)
Other operating income and expenses	(67.8)	(160.5)
Adjustments		
Change in non-operating working capital requirement	(32.6)	34.7
Change in financial write-downs and provisions	-	4.1
Change in fair value of hedging instruments	(4.8)	0.4
Non-recurring impairment losses	(1.7)	12.7
Change in non-recurring write-downs and provisions	8.2	48.2
Share in net income of joint ventures and associates	-	8.9
Gain (loss) on businesses disposed of	(3.2)	2.7
Gain (loss) on intangible assets and property, plant and equipment disposed of	0.5	1.3
Investing activities		
Acquisition of businesses	(45.3)	(99.0)
Disposal of businesses	38.7	0.8
Disposal of intangible assets and property, plant and equipment	-	0.5
Loans and advances in cash received from (granted to) third parties	25.4	(0.1)
Equity		
Share capital increases (decreases)	1.5	-
Disposals (acquisitions) of treasury shares	(10.0)	(0.5)
Share-based payments	8.6	5.8
Dividends	(106.5)	(17.6)
Change in net financial debt excl. exchange rate effects	76.4	173.5

24.3 OTHER DEBTS

(€ millions)	2021	2020
Non-current liabilities		
Income tax payable	0.4	0.3
Debt on assets ⁽¹⁾	54.1	10.5
Tax debt	0.6	0.6
Social security debt	12.7	19.4
Other	2.9	3.6
Total	70.7	34.3
Current liabilities		
Debt on assets	125.5	113.1
Tax debt	46.6	33.4
Social security debt	194.3	168.9
Contract liabilities	2.4	4.0
Other	41.3	52.3
Total	410.1	371.8

(1) Including a debt of €50.2 million at December 31, 2021, which corresponds to the commitment to purchase the non-controlling stake in the Turkish group Haznedar (Note 16).

Contract liabilities correspond to the value of goods and services to be transferred after the end of the reporting period as part of agreements signed with customers (*Note 5*) for which compensation is due before the transfer of the good or service. Of the €16.7 million of goods and services to be

transferred at December 31, 2021 (€12.4 million at December 31, 2020), €14.2 million of trade payables had been received (€8.4 million at December 31, 2020) and €2.4 million was still outstanding (€4.0 million at December 31, 2020).

24.4 DERIVATIVE INSTRUMENTS

Management principles

The use of derivative instruments is controlled by a policy defined and implemented by the Group Treasury Department and periodically presented to the Board of Directors. The policy specifies that derivative instruments are exclusively used to hedge risks related to operating transactions (transactional currency risk and energy price risk), foreign investments (conversion of financial statements risk) and financing (transactional currency risk and interest rate risk). Imerys does not take speculative positions. Derivative instruments are negotiated centrally by the Group Treasury Department on over-the-counter markets with the highest rated banking institutions. Imerys prohibits its entities from subscribing derivative instruments directly outside the Group, except to comply with local legal or regulatory requirements. The application of this policy to foreign exchange risk (transactional currency and conversion of financial statements), interest rate risk and energy price risk is detailed in *Note 24.5*.

Accounting policy

Derivatives are recognized at the transaction date, i.e. the date at which the hedging contract is agreed, in non-current and current assets and liabilities by maturity and that of underlying transactions. Derivatives are initially measured at fair value and subsequently re-measured at the end of each period in line with market conditions. The fair value including accrued interests of derivatives is measured by a model using observable data, i.e. prices at the closing date provided by third parties active on financial markets (level 2 fair value). These values are adjusted for counterparty credit risk and the Group's own credit risk. Therefore, when the market value of a derivative is positive (derivative asset), its fair value includes the probability of counterparty default (Credit Value Adjustment, CVA). When the market value of a derivative is negative (derivative liability), its fair value includes the probability of Imerys defaulting (Debit Value Adjustment, DVA). These adjustments are measured using the spread of bonds outstanding on the secondary market, as issued by Imerys and its counterparties (level 2 fair value). The sole purpose of these instruments is to hedge the financial risks to which the Group is exposed. However, only those that meet hedge accounting criteria undergo the accounting treatment described below. All hedge accounting transactions are documented in reference to the hedging strategy by identifying the risk hedged, item hedged, hedging instrument, hedging relationship and method used to measure the hedge effectiveness. The measurement of hedge effectiveness is reviewed at the end of each reporting period.

The recognition of hedge derivatives may vary depending upon their designation as either a fair value hedge, a cash flow hedge or a hedge of a net investment in foreign operations (*Notes 11, 12 and 24.5*). Any derivative that is not eligible for hedge accounting is recognized in financial income (loss).

Fair value hedges. When changes in the fair value of a recognized asset or liability or an unrecognized firm commitment are likely to impact profit or loss, they may be hedged using a fair value hedge. The hedged item and hedging instrument are both re-measured against profit or loss at the end of each reporting period. The impact in profit is limited to the ineffective portion of the hedge (*Note 11*).

Cash flow hedge. Cash flow hedges cover adverse changes in the cash flow of a recognized asset or liability or a highly probable future transaction, if these changes are likely to impact profit or loss. At the end of each reporting period, the effective portion of the hedge and any fluctuations in the time value of options or forward points of forward contracts are recognized in equity. The ineffective portion is recognized in profit or loss. When the transaction is recognized, the components previously recognized in equity are reclassified in profit at the same time the hedged item is recognized (*Note 11*). If a derivative is de-designated, i.e. hedge accounting is voluntarily discontinued, the effective portion of the hedge previously recognized in equity is amortized in operating income or financial income (loss), depending on the nature of the hedged item, and the change in fair value after the de-designation date is recognized in financial income (loss).

Hedge of a net investment in foreign operations. Currency fluctuations generated by net assets held by the Group in foreign currencies may be hedged (*Note 24.5 – Conversion of financial statements risk*). At the end of each reporting period, the effective portion of the hedge is recognized in equity and the ineffective portion in profit or loss. The effective portion in equity is reclassified in other operating income and expenses only when control over a consolidated business is lost or interest in a business under significant influence is reduced.

The ineffective portion of operational hedge instruments is recognized in current operating income. The ineffective portion of financing hedge instruments is recognized in financial income (loss). Changes in fair value of financial instruments that do not qualify for hedge accounting are immediately recognized in other financial income and expenses (*Note 11*). In the Consolidated Statement of Cash Flows, the cash flows of derivatives are presented in the same levels as the cash flows of the underlying transactions.



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Derivative instruments in the financial statements

Assets and liabilities. Derivative instruments recognized in assets and liabilities are presented by type of risk covered, i.e. foreign exchange risk, interest rate risk, energy price risk and conversion of financial statements risk, in [Notes 21.1 and 24.1](#). At December 31, 2021, no legally enforceable right existed to offset the amounts recognized above. Imerys intends neither to settle the net amount, nor to realize the asset and settle the liability simultaneously. However, in accordance with applicable framework agreements, any default of Imerys or one of its counterparties would settle their outstanding transactions on a net basis. The total of all positions that would be offset in the event of default would reduce total derivative assets and liabilities by €7.1 million at December 31, 2021 (€5.6 million at December 31, 2020).

Equity. As part of its strategy to manage foreign exchange, interest rate and energy price risks, Imerys holds derivative instruments to hedge certain future purchases and sales in foreign currencies, as well as part of its floating rate financing and part of its future energy consumption in the US, UK and France. These positions are considered cash flow hedges. The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss. Details of these reclassifications in underlying income and expenses are presented in [Note 11](#). Cash flow hedges are further outlined in the context of managing foreign exchange, interest rate and energy price risks in [Note 24.5](#).

(€ millions)	Transactional currency risk	Interest rate risk	Energy price risk	Total
Balance at January 1, 2020	0.7	0.0	(6.3)	(5.7)
Continuing hedges	0.7	-	(6.3)	(5.7)
Effective portion of hedges	11.8	-	(8.0)	3.8
Time value of optional derivative instruments	2.5	-	-	2.5
• Transaction related hedged item	2.5	-	-	2.5
Forward points of forward derivative instruments	(5.0)	-	-	(5.0)
• Transaction related hedged item	(5.0)	-	-	(5.0)
Recognition in equity	9.3	0.0	(8.0)	1.4
Continuing hedges	(5.3)	-	17.5	12.2
Discontinued hedges	(0.6)	-	-	(0.6)
Reclassification in profit or loss	(5.9)	0.0	17.5	11.6
Balance at December 31, 2020	4.2	0.0	3.2	7.3
Continuing hedges	4.2	-	3.2	7.3
Effective portion of hedges	(0.2)	-	93.2	93.0
Forward points of forward derivative instruments	0.1	-	-	0.1
• Transaction related hedged item	0.1	-	-	0.1
Recognition in equity	(0.1)	0.0	93.2	93.1
Continuing hedges	(2.7)	-	(38.6)	(41.3)
Reclassification in profit or loss	(2.7)	0.0	(38.6)	(41.3)
Balance at December 31, 2021	1.4	0.0	57.8	59.2
Continuing hedges	1.4	-	57.8	59.2



24.5 MANAGING RISKS ARISING FROM FINANCIAL LIABILITIES

Transactional currency risk

Description. Transactional currency risk is the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by unfavorable fluctuations in its cross-entry in functional currency.

Management. The transactions performed by the Group's entities are accounted for, wherever possible, in the functional currency of the entity that carries out the transaction.

The following table presents the impact of a change in foreign exchange rates on the underlying items of net financial debt, i.e. before foreign exchange rates derivatives at December 31, 2021. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2021 foreign exchange rates (*Note 26*) (actual 2021).

(€ millions)	Lower case	Actual 2021	Higher case
Foreign exchange rates	10.0% decrease	-	10.0% increase
Net financial debt	1,424.1	1,451.1	1,478.0

When it is not possible to record a transaction in the functional currency of the entity, the transactional currency risk may be hedged on an individual basis using forwards, swaps or options. These instruments are used to hedge highly probable forecast transactions and are considered cash flow hedges. At

December 31, 2021, Imerys held €325.2 million in transactional currency hedges at nominal value (€170.6 million at December 31, 2020). The following table presents the amount before income taxes recognized in equity within the translation reserve as well as the reclassifications in profit or loss.

(€ millions)	2021	2020
Balance at January 1	4.1	0.7
Recognition in equity	(0.1)	9.3
Reclassification in profit or loss	(2.6)	(5.9)
Balance at December 31	1.4	4.2
Of which reclassification in profit or loss expected within 12 months	1.4	4.2

The following table presents the impact of a change in foreign exchange rates on the portfolio of derivative instruments held at December 31, 2021 with respect to highly probable future purchases and sales in foreign currencies. The analysis involves simulating both a decrease (lower case) and an increase

(higher case) in 2021 foreign exchange rates (*Note 26*) (actual 2021). The impact of changes in the effective portion of cash flow hedges is measured in equity while the impact of changes in the ineffective portion of cash flow hedges and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2021	Higher case
Foreign exchange rates	10.0% decrease	-	10.0% increase
Effective portion in equity at December 31	5.6	1.4	(0.7)
Ineffective portion in profit or loss for the year	-	-	-

Interest rate risk

Description. Interest rate risk is the risk whereby interest due on financial debt may be subject to a deterioration by a rise in the market interest rates.

Management. Managing interest rate risk aims to guarantee the medium-term cost of net financial debt. Net financial debt is calculated in a report that records the financial debt of each entity with details of its components and characteristics. Reviewed each month by the Financial Department and each quarter by the Board of Directors, the report makes it possible to monitor the debt situation and adapt the management strategy where necessary. The management strategy is drawn up by the Group Treasury Department and approved every year by the Financial Department and the Board of Directors. As part of

this process, the Group Treasury Department works with the highest rated banking institutions and obtains financial data and pricing from information providers. The Group's strategy focuses on obtaining finances mainly in euros, which is the most accessible fixed-rate financial resource. Medium-term fixed-rate bond issues may be converted to floating rates using interest rate swaps. Given the interest rates trends anticipated in 2021, the Group fixed the interest rate for part of its future financial debt on various terms. The following table presents the impact of a change in interest rates on the interest expense generated by the underlying items of net financial debt, i.e. before interest rate derivatives at December 31, 2021. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2021 interest rates (actual 2021).



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(€ millions)	Lower case	Actual 2021	Higher case
Interest rate	0.5% decrease	-	0.5% increase
Net financial debt expense	(40.5)	(37.8)	(35.1)

Imerys usually holds a certain number of derivative instruments to hedge a portion of its floating rate debt. These instruments include interest rate swaps as well as options, including caps, floors, swaptions and futures. These instruments are considered cash flow hedges. At December 31, 2021, Imerys did not hold

any interest rate risk hedges. The nominal value at December 31, 2020 was therefore zero. The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss.

(€ millions)	2021	2020
Balance at January 1	0.0	0.0
Recognition in equity	-	-
Reclassification in profit or loss	-	-
Balance at December 31	0.0	0.0
Of which reclassification in profit or loss expected within 12 months	-	-

The following table presents a breakdown of net financial debt between floating and fixed rate by currency at December 31, 2021:

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Debt at fixed rate	1,904.5	39.1	0.0	48.6	1,992.2
Debt at fixed rate on issue	1,904.5	39.1	-	48.6	1,992.2
Fixed-for-floating swap	-	-	-	-	-
Debt at floating rate	(543.1)	263.5	1.2	(262.7)	(541.1)
Debt at floating rate on issue	14.0	(15.8)	3.4	12.4	14.0
Net cash and marketable securities	(197.9)	(85.9)	(10.9)	(260.4)	(555.1)
Fixed-for-floating swap	-	-	-	-	-
Exchange rate swap	(359.2)	365.2	8.7	(14.7)	0.0
Net financial debt at December 31, 2021	1,361.4	302.6	1.2	(214.1)	1,451.1

The following table presents a breakdown of interest rate hedging transactions by foreign currency at December 31, 2021:

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Exposure at floating rate before hedging	(543.1)	263.5	1.2	(262.7)	(541.1)
Fixed rate hedges	-	-	-	-	-
Swap at average rate of	-	-	-	-	-
Capped rate hedges	-	-	-	-	-
Cap at average rate of	-	-	-	-	-
Exposure at floating rate after hedging	(543.1)	263.5	1.2	(262.7)	(541.1)

The following table presents the changes in interest rate hedging transactions at December 31, 2021 for 2021 and beyond by maturity:

(€ millions)	2021	2022-2026	2027 and beyond
Total exposure before hedging	(541.1)	(541.1)	(541.1)
Fixed rate hedges	-	-	-
Swap at average rate of	-	-	-
Capped rate hedges	-	-	-
Cap at average rate of	-	-	-
Total exposure after hedging	(541.1)	(541.1)	(541.1)



The following table presents the impact of a change in the interest rate of net financial debt on the portfolio of interest rate derivative instruments held at December 31, 2021. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2021 interest rates (actual 2021).

(€ millions)	Lower case	Actual 2021	Higher case
Interest rate	0.5% decrease	-	0.5% increase
Effective portion in equity at December 31	-	-	-
Ineffective portion in profit or loss for the year	-	-	-

Energy price risk

Description. Energy price risk is the risk whereby the cash outflow due in relation to energy purchases may be subject to a deterioration by a rise in its market price. Imerys is exposed to the price risk of energy used in the production cycle of its activities, mainly natural gas, electricity and, to a lesser extent, coal.

Management. To manage energy price risk, Imerys sources its energy from a variety of geographical locations and sources. The Group looks to pass on any energy price increases in the selling price of its products. Furthermore, Imerys has centralized price risk management for natural gas in Europe and the US. The Group Treasury Department is responsible for implementing the framework and resources needed for the single management

strategy, which includes the appropriate use of financial instruments available in the market. Since 2006, the Group has strengthened its research programs on alternative energy sources as well as its projects to reduce energy consumption under the supervision of a Group Energy Supervisor. Since 2008, energy managers have been appointed across the Group. Energy price risk is hedged using forward and option contracts, instruments that are considered cash flow hedges. At December 31, 2021, Imerys held €69.0 million in energy price risk hedges at nominal value (€42.3 million at December 31, 2020). The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss.

(€ millions)	2021	2020
Balance at January 1	3.2	(6.3)
Recognition in equity	93.2	(8.0)
Reclassification in profit or loss	(38.6)	17.5
Balance at December 31	57.8	3.2
Of which reclassification in profit or loss expected within 12 months	57.8	3.2

The following table summarizes the main energy price risk hedge positions at December 31, 2021.

	Net notional amounts (in MWh)	Maturity
Underlying position	8,847,038	<24 months
Management transactions	1,723,662	<24 months

The following table presents the impact of a change in natural gas and Brent prices on the portfolio of derivative instruments held at December 31, 2021 with respect to highly probable future purchases of natural gas and Brent crude. The analysis involves simulating both a decrease (lower case) and an

increase (higher case) in 2021 natural gas and Brent prices (actual 2021). The impact of changes in the effective portion of cash flow hedges is measured in equity while the impact of changes in the ineffective portion of cash flow hedges and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2021	Higher case
Natural gas and Brent prices	10.0% decrease	-	10.0% increase
Effective portion in equity at December 31	53.1	57.8	62.5
Ineffective portion in profit or loss for the year	-	-	-



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Borrower's liquidity risk

Description. Borrower's liquidity risk is the risk whereby Imerys would not be in a position to meet the repayment obligations of its financial liabilities. To assess the exposure of the Group to this risk, the following table presents maturity on issue at December 31, 2021. The maturity of lease liabilities presented below represents future cash outflows for the lease liability

measured across a reasonably certain lease term ([Note 18 – Accounting policy](#)). If all early termination options were exercised, future cash outflows for lease liabilities would total €226.2 million. If all extension options were exercised, future cash outflows for lease liabilities would total €265.2 million.

(€ millions)	2022		2023-2027		2028 and beyond		Total
	Capital	Interest	Capital	Interest	Capital	Interest	
Non-derivative financial liabilities	143.6	27.0	1,228.9	101.3	649.9	32.9	2,183.6
Eurobond/EMTN/Sustainability-Linked Bonds	-	25.0	1,100.0	93.8	600.0	17.3	1,836.1
Private placements	-	-	-	-	-	-	0.0
Short-term negotiable debt securities issued	100.0	-	-	-	-	-	100.0
Bilateral facilities	-	-	-	-	-	-	0.0
Other facilities	4.9	-	-	-	-	-	4.9
Lease liabilities	38.7	2.0	128.9	7.5	49.9	15.6	242.6
Hedge derivatives	(1.9)	0.0	0.0	0.0	0.0	0.0	(1.9)
Financing hedge instruments – liabilities	4.0	-	-	-	-	-	4.0
Financing hedge instruments – assets	(5.9)	-	-	-	-	-	(5.9)
Future cash outflows with respect to gross financial debt	141.7	27.0	1,228.9	101.3	649.9	32.9	2,181.7
Non-derivative financial liabilities	30.1	0.0	0.0	0.0	0.0	0.0	30.1
Bank overdrafts	30.1	-	-	-	-	-	30.1
Non-derivative financial assets	(585.2)	0.0	0.0	0.0	0.0	0.0	(585.2)
Other current financial assets	(8.0)	-	-	-	-	-	(8.0)
Cash and cash equivalents	(577.2)	-	-	-	-	-	(577.2)
Future cash outflows with respect to net financial debt	(413.4)	27.0	1,228.9	101.3	649.9	32.9	1,626.6
Of which items recognized at December 31, 2021 (net financial debt)	(413.4)	(14.3)	1,228.9	-	649.9	-	1,451.1
Non-derivative financial liabilities	1,064.7	0.0	0.0	0.0	0.0	0.0	1,064.7
Trade payables	660.1	-	-	-	-	-	660.1
Other debts	404.6	-	-	-	-	-	404.6
Hedge derivatives	(64.6)	0.0	0.0	0.0	0.0	0.0	(64.6)
Operational hedge instruments – liabilities	5.6	-	-	-	-	-	5.6
Operational hedge instruments – assets	(70.2)	-	-	-	-	-	(70.2)
Future cash outflows	586.7	27.0	1,228.9	101.3	649.9	32.9	2,626.7



The maturity of the net financial debt after interest rate swaps is as follows:

(€ millions)	2022	2023-2027	2028 and beyond	Total
Debt at fixed rate	113.4	1,228.9	649.9	1,992.2
Debt at fixed rate on issue	113.4	1,228.9	649.9	1,992.2
Fixed-for-floating swap	-	-	-	0.0
Debt at floating rate	(541.1)	0.0	0.0	(541.1)
Debt at floating rate on issue	14.0	-	-	14.0
Net cash and other current financial assets	(555.1)	-	-	(555.1)
Fixed-for-floating swap	-	-	-	0.0
Net financial debt	(427.7)	1,228.9	649.9	1,451.1

Management. Imerys is required to maintain one covenant for a portion of its finance agreements. The main restrictive terms and conditions attached to certain bilateral facilities are as follows:

- Purpose: general corporate financing requirement.
- Covenant compliance obligations: consolidated net financial debt excluding IFRS 16 lease liabilities/consolidated equity shall, in accordance with the related financing agreements, be less than or equal to 1.60 at the end of each reporting period for annual consolidated financial statements. At December 31, 2021, the ratio worked out at 0.39 (0.44 at December 31, 2020).
- Absence of any collateral in favor of lenders.

Failure to comply with the above obligations in any of the related financing agreements could lead to the available amount being canceled and the corresponding financial debt becoming immediately due, upon demand of the lender(s) in question. Other than with two exceptions, the Group's financing agreements do not provide for any cross default if a mandatory covenant is breached. At December 31, 2021, Imerys had a long-term rating of Baa3 stable outlook (Baa3, negative outlook at December 31, 2020) from Moody's and BBB- stable outlook (BBB-, stable outlook at December 31, 2020) from S&P.

On June 22, 2021, Imerys updated its Euro Medium Term Note program (EMTN) with the Financial Industry Regulatory Authority in Luxembourg, the Commission de Surveillance du Secteur Financier. The program amounted to €3.0 billion and is approved to issue notes similar to ordinary bonds with maturities from one month to 30 years. At December 31, 2021, outstanding securities amounted to €1,400.0 million (€1,700.0 million at December 31, 2020). Imerys also has a short-term negotiable securities program (NEU CP) capped at €1,000.0 million (€1,000.0 million at December 31, 2020) rated P-3 by Moody's (P-3 at December 31, 2020). At December 31, 2021, outstanding short-term negotiable securities amounted to €100.0 million (€230.0 million at December 31, 2020). At December 31, 2021, Imerys had access to €1,160.0 million in bilateral facilities (€1,110.0 million at December 31, 2020), a portion of which secures the short-term negotiable securities issued, in accordance with the Group's financial policy.

Moreover, Imerys further underscored its commitment in its sustainable development policy by tying its financing strategy to its environmental ambition in 2021. Therefore, on May 14, 2021, the Group completed an issue of bonds indexed to its sustainable development objectives (Sustainability-Linked Bonds) for a principal amount of €300.0 million. These bonds, due to mature on July 15, 2031, bear an annual coupon of 1.00% and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Issued in accordance with the Sustainability-Linked Bond Principles as published by the International Capital Market Association (ICMA), these instruments are indexed to a target to reduce greenhouse gas emissions by 22.9% in 2025 and 36.0% in 2030 in relation to the revenue (tCO₂e/million euros) considering 2018 as the reference year, as approved by the Science Based Target initiative (SBTi). This includes Scope 1 emissions (direct emissions from sources owned or controlled by Imerys) and Scope 2 emissions (indirect emissions from the production of electricity, heat or steam imported or purchased by the Group). At December 31, 2021, Imerys had reduced the metric tons of CO₂ emitted per million euros of revenue by 23.0% compared with 2018 levels.

Market liquidity risk

Description. Market liquidity risk is the risk whereby a non-confirmed financial resource (short-term negotiable securities [NEU CP], bank facility and accrued interests, or other debts and facilities) would not be renewed.

Management. Imerys tends to use financial resources to adjust its financing capabilities, which exist either as financial debt that has been drawn or financing commitments granted by the highest rated banking institutions. Medium-term financial resources provided by bilateral facilities may be used over very short drawing periods (between one and 12 months) while remaining available over longer maturities (five years). The financial resources of the Group amounted to €2,860.0 million at December 31, 2021 (€2,810.0 million at December 31, 2020). Imerys manages the value of financial resources through regular comparison with the amount drawn down in order to measure available funds to which the Group may have access.



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The robustness of financial resources is assessed on the basis of their amounts and average maturity as presented in the following table:

	2021	2020
Financial resources by maturity (€ millions)		
Maturity within one year	150.0	100.0
Maturity between one and five years	1,510.0	1,810.0
Maturity beyond five years	1,200.0	900.0
Total	2,860.0	2,810.0
Financial resources by nature (€ millions)		
Bond resources	1,700.0	1,700.0
Eurobond/EMTN	1,700.0	1,700.0
Private placements	-	-
Bank resources	1,160.0	1,110.0
Miscellaneous bilateral facilities	1,160.0	1,110.0
Total	2,860.0	2,810.0
Average maturity of financial resources (in years)		
Bond resources	5.4	4.8
Bank resources	2.9	2.4
Total	4.4	3.9

The following table measures the available financial resources after repayment of financing from uncommitted resources. It measures the actual exposure of Imerys to an illiquidity crisis on both financial and banking markets. At December 31, 2021, available financial resources after repayment of uncommitted

resources corresponded to €853.8 million (€644.2 million at December 31, 2020), which gives the Group substantial room for maneuver, guarantees financial stability and helps to mitigate any going concern risk.

(€ millions)	2021			2020		
	Resources	Utilization	Available	Resources	Utilization	Available
Bonds	1,700.0	1,700.0	0.0	1,700.0	1,700.0	0.0
Short-term negotiable securities	-	100.0	(100.0)	-	230.0	(230.0)
Committed bank facilities	1,160.0	-	1,160.0	1,110.0	-	1,110.0
Bank facilities and accrued interests	-	13.2	(13.2)	-	8.7	(8.7)
Other debts and facilities	-	193.0	(193.0)	-	227.1	(227.1)
Total	2,860.0	2,006.2	853.8	2,810.0	2,165.8	644.2

Conversion of financial statements risk

Description. Conversion of financial statements risk is a form of foreign exchange risk whereby the value in euros of the financial statements of a foreign operation may be subject to a deterioration due to an unfavorable change in the foreign exchange rate of the functional currency of that business.

Management. Imerys hedges part of its net investments in foreign operations by granting loans specifically allocated to financing the operations in the long term and by controlling the proportion of its financial debt stated in foreign currencies. The exchange rate differences generated by the loans and borrowings

qualified as hedges of net investments in foreign operations are recognized in equity (*Note 26 – Translation reserve*) so as to neutralize, to a certain extent, the translation gains or losses on hedged net investments. At December 31, 2021, the borrowings and exchange rate swaps taken out to hedge net investments in foreign entities included: USD378.3 million, CHF47.5 million, GBP62.4 million, DKK257.5 million and SGD37.9 million (USD568.3 million, CHF47.5 million, GBP80.9 million, DKK257.5 million and SGD5.5 million at December 31, 2020).



The following table presents financial debt before and after the impact of these foreign currency swaps.

(€ millions)	2021			2020		
	Before currency swap	Currency swap	After currency swap	Before currency swap	Currency swap	After currency swap
EUR	1,918.5	(359.2)	1,559.3	2,052.1	(627.7)	1,424.4
USD	23.3	365.2	388.5	42.6	460.6	503.2
JPY	3.4	8.7	12.1	4.5	11.9	16.4
Other foreign currencies	61.0	(14.7)	46.3	66.6	155.2	221.8
Total	2,006.2	0.0	2,006.2	2,165.8	0.0	2,165.8

At December 31, 2021, the portion of financial debt in each foreign currency, after swaps, was as follows:

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Gross financial debt	1,559.3	388.5	12.1	46.3	2,006.2
Net cash and marketable securities	(197.9)	(85.9)	(10.9)	(260.4)	(555.1)
Net financial debt at December 31, 2021	1,361.4	302.6	1.2	(214.1)	1,451.1

The following table presents the impact of a change in foreign exchange rates on the portfolio of foreign exchange swaps held at December 31, 2021 with respect to hedges of net investments in foreign operations. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2021 foreign exchange rates (Note 26) (actual 2021).

The impact of changes in the effective portion of hedges of net investments in foreign operations is measured in equity while the impact of changes in the ineffective portion of hedges of net investments in foreign operations and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2021	Higher case
Foreign exchange rates	10.0% decrease	-	10.0% increase
Effective portion in equity at December 31	(262.0)	(204.9)	(158.2)
Ineffective portion in profit or loss for the year	-	-	-



■ OTHER INFORMATION

NOTE 25 MAIN CONSOLIDATED ENTITIES

Accounting policy

The entities controlled by Imerys, i.e. those over which the Group has the power to govern the financial and operating policies, are consolidated. Their assets, liabilities, income and expenses contribute to the various items in the consolidated financial statements. Intra-group transactions are eliminated. An entity's losses are allocated to non-controlling interests in proportion to the interest held, even if the result presents a negative balance. Where there is no impact on control, changes in interest are recognized in equity. In the absence of sufficient detail in existing standards and interpretations, Executive Management considers that any commitment entered into by Imerys with the intent to acquire shares from non-controlling interests is recognized as a liability measured at the fair value of the commitment against a derecognition of these interests. Any difference between the fair value of the liability and the carrying amount of the non-controlling interests is recognized in equity. If, at the end of the reporting period, it is highly probable that non-current assets or groups of directly related assets and liabilities will be disposed of, they are designated as non-current assets or groups of assets held for sale. Disposal is considered highly probable if, at the end of the reporting period, a plan to sell them at a reasonable price given their fair value has been initiated to identify a buyer and definitively conclude the disposal within a maximum of one year. Executive Management makes judgments to assess the

highly probable nature of the transaction. Non-current assets or groups of assets held for sale are presented in separate items in the financial statements. They cease to be amortized or depreciated and are measured either at carrying amount or fair value less costs to sell, whichever is lower. Non-current assets or groups of assets that are to be closed rather than sold are considered non-current assets to be abandoned and not held for sale. When non-current assets corresponding to a disposal, held for sale or to be abandoned are allocated to a separate line item for the main operation and are to be abandoned as part of a single coordinated plan, they are categorized as discontinued operations and their related flows are disclosed separately in the income statement and statement of cash flows.

Changes in the scope of consolidation

Performance Minerals (PM). In the second quarter of 2021, the segment received a proposal to purchase several of its hydrous kaolin mining and industrial transformation assets in the paper market in Georgia, US. At June 30, 2021, the assets and liabilities for this business were classed as assets (and liabilities related to assets) held for sale. On July 24, 2021, Imerys announced the sale agreement had been finalized. At December 31, 2021, Imerys was considering lifting the conditions precedent clauses in the offer received.

(€ millions)	2021
Non-current assets	44.6
Goodwill	5.0
Property, plant and equipment	39.6
Current assets	18.5
Inventories	8.5
Trade receivables	9.5
Other receivables	0.5
Assets held for sale	63.1
Non-current liabilities	2.0
Other provisions	2.0
Current liabilities	11.5
Trade payables	4.9
Other debts	3.3
Borrowings and financial debt	3.3
Liabilities related to assets held for sale	13.5

High Temperature Materials & Solutions (HTMS). The segment has not undergone any material change in the scope of consolidation since the acquisition on July 18, 2017 of the French group Kerneos, the world's leading manufacturer of high performance calcium aluminate binders.



2021 Scope of consolidation

The following table presents the main consolidated entities in 2021. The percentages of interest are identical to the percentages of control, unless otherwise indicated. The Group holds no unconsolidated structured entity.

Country Entity	Segment	% interest	Entity	Segment	% interest
France					
Calderys France (SAS U)	HTMS	100.00	Imerys Refractory Minerals Clérac (SAS U)	HTMS	100.00
Imerys Aluminates (SAS)	HTMS	100.00	Imerys Refractory Minerals Glomel (SAS)	HTMS	100.00
Imerys Ceramics France (SAS)	PM	99.99	Imerys Refractory Minerals International Sales (SAS U)	HTMS	100.00
Imerys Filtration France (SAS U)	PM	100.00	Imerys (S.A.)	Holding	Parent
Imerys Fused Minerals Beyrede SAS	HTMS	100.00	Imerys Services (SAS U)	Holding	100.00
Imerys Minéraux France (SAS U)	PM	100.00	Imerys Tableware France (SAS)	PM	100.00
Imerys Metalcasting France Sarl	HTMS	100.00	Imerys Talc Luzenac France (SAS U)	PM	100.00
Imerys PCC France (SAS U)	PM	100.00	Mircal (SAS U)	Holding	100.00
Europe					
Austria					
Imerys Fused Minerals Villach GmbH	HTMS	100.00	Imerys Talc Austria GmbH	PM	100.00
Belgium					
Imerys Graphite & Carbon Belgium S.A.	PM	100.00	Imerys Talc Belgium (NV)	PM	100.00
Imerys Minéraux Belgique S.A.	PM	100.00			
Denmark					
Imerys Industrial Minerals Denmark A/S	PM	100.00			
Finland					
Calderys Finland O.Y.	HTMS	100.00	Imerys Minerals O.Y.	PM	100.00
Germany					
Calderys Deutschland GmbH	HTMS	100.00	Imerys Metalcasting Germany GmbH	HTMS	100.00
Imerys Fused Minerals Laufenburg GmbH	HTMS	100.00	Imerys Minerals GmbH	PM	99.99 ⁽¹⁾
Imerys Fused Minerals Murg GmbH	HTMS	100.00	Imerys Tableware Deutschland GmbH	PM	100.00
Imerys Fused Minerals Teutschenthal GmbH	HTMS	100.00			
Imerys Fused Minerals Zschornowitz GmbH	HTMS	100.00			
Greece					
Imerys Bauxites Greece Single Member S.A.	HTMS	100.00	Imerys Industrial Minerals Greece Single Member S.A.	PM	100.00
Hungary					
Imerys Kiln Furniture Hungary KFT	PM	100.00			
Italy					
Calderys Italia Srl	HTMS	100.00	Imerys Minerali Corsico Srl	PM	100.00
Imerys Bentonite Italy SpA	HTMS	100.00	Imerys Talc Italy SpA	PM	99.66
Imerys Ceramics Italy Srl	PM	100.00	Imerys Minerali SpA	PM	100.00
Imerys Fused Minerals Domodossola SpA	HTMS	100.00			
Luxembourg					
Imerys Minerals International Sales (S.A.)	PM	100.00			
Netherlands					
Calderys The Netherlands B.V.	HTMS	100.00			
Russia					
OOO Calderys	HTMS	100.00	LLC Imerys Aluminates	HTMS	100.00
Slovenia					
Imerys Fused Minerals Ruse doo	HTMS	100.00			

(1) Percentage of direct control: 100.00%.



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Country Entity	Segment	% interest	Entity	Segment	% interest
Europe					
Spain					
Imerys Diatomita Alicante S.A.	PM	100.00	Imerys Perlita Barcelona S.A.	PM	100.00
Sweden					
Calderys Nordic A.B.	HTMS	100.00	Peramin A.B.	HTMS	100.00
Imerys Mineral A.B.	PM	100.00			
Switzerland					
Imerys Graphite & Carbon Switzerland S.A.	PM	100.00			
UK					
Calderys NGJ Ltd	HTMS	100.00	Imerys PCC UK Ltd	PM	100.00
Imerys Aluminates Ltd	HTMS	100.00	Imerys UK Ltd	Holding	100.00
Imerys Minerals Ltd	PM/Holding	100.00			
Ukraine					
Vatutinsky Kombinat Vognetryviv (PSC)	HTMS	89.39			

Country Entity	Segment	% interest	Entity	Segment	% interest
US					
Americarb Inc.	PM	100.00	Imerys Perlite USA Inc.	PM	100.00
Calderys USA Inc.	HTMS	100.00	Imerys Refractory Minerals USA Inc.	HTMS	100.00
Imerys Carbonates USA Inc.	PM	100.00	Imerys Steelcasting USA Inc.	HTMS	100.00
Imerys Clays Inc.	PM/Holding	100.00	Imerys USA Inc.	Holding	100.00
Imerys Filtration Minerals Inc.	PM	100.00	Imerys Wollastonite USA LLC	PM	100.00
Imerys Fused Minerals Greeneville Inc.	HTMS	100.00	Kentucky-Tennessee Clay Co.	PM	100.00
Imerys Fused Minerals Niagara Falls Inc.	HTMS	100.00	Kerneos Inc.	HTMS	100.00
Imerys Minerals USA Inc.	HTMS	100.00			
Rest of the world					
Bahrain					
Imerys Al Zayani Fused Minerals Co. WLL	HTMS	70.00			
Brazil					
Imerys Do Brasil Comercio De Extracao de Minerios Ltda	PM	100.00	Pará Pigmentos S.A.	PM	100.00
Imerys Fused Minerals Salto Ltda	HTMS	100.00	Imerys Itatex Solucoes Minerais Ltda	PM	100.00
Imerys Rio Capim Caulim S.A.	PM	100.00			
Canada					
Imerys Talc Canada Inc.	PM	100.00	Imerys Graphite & Carbon Canada Inc.	PM	100.00
Chile					
Imerys Minerales Chile SpA	PM	100.00			
China					
Calderys China Co. Ltd	HTMS	100.00	Kerneos China Aluminate Technologies Co. Ltd	HTMS	100.00
Guiyang Jianai Special Aluminates Co. Ltd	HTMS	100.00	Linjiang Imerys Diatomite Co. Ltd	PM	100.00
Imerys Fused Minerals Yingkou Co. Ltd	HTMS	100.00	S&B Bentonite Chaoyang Co. Ltd	HTMS	50.00
Imerys Pigments Wuhu Co Ltd	PM	100.00	Shangdong Imerys Mount Tai Co Ltd	HTMS	65.00
Imerys Shanghai Investment Management Co. Ltd	HTMS/PM/ Holding	100.00	Zhengzhou Jianai Special Aluminates Co. Ltd	HTMS	90.00
Imerys Zhejiang Zirconia Co. Ltd	HTMS	100.00			



Country Entity	Segment	% interest	Entity	Segment	% interest
Rest of the world					
India					
Calderys India Refractories Ltd	HTMS	100.00	Imerys Newquest India Private Ltd	PM	73.99
Imerys Minerals India Private Ltd	PM	100.00			
Indonesia					
PT ECC Corp.	PM	51.00	PT Indoporlen Corp.	HTMS	70.00
Japan					
Calderys Japan Co. Ltd	HTMS	100.00	Imerys Specialities Japan Co. Ltd	PM	100.00
Imerys High Resistance Minerals Japan KK	HTMS	100.00	Niigata GCC Co. Ltd	PM	60.00
Imerys Minerals Japan KK	PM	100.00			
Malaysia					
Imerys Minerals Malaysia SDN BHD	PM	100.00			
Mexico					
Imerys Diatomita Mexico SA de CV	PM	100.00	Minera Roca Rodando S. de RL de CV	PM	100.00
Imerys Ceramics Mexico SA de CV	PM	100.00			
Singapore					
Imerys Aluminates Asia Pacific Pte Ltd	HTMS	100.00	Imerys Asia Pacific Pte Ltd	PM	100.00
South Africa					
Calderys South Africa Pty Ltd	HTMS	73.95	Imerys Refractory Minerals South Africa Pty Ltd	HTMS	73.95 ⁽¹⁾
South Korea					
Imerys Graphite & Carbon Korea Ltd	PM	100.00	Imerys Minerals Korea Ltd	PM	100.00
Taiwan					
Calderys Taiwan Co. Ltd	HTMS	100.00	Sunward Refractories Co Ltd	HTMS	78.31
Thailand					
MRD ECC Co. Ltd	PM	68.89	MRD Co. Ltd	PM	68.89 ⁽¹⁾
Turkey					
Haznedar Durer Refrakter Malzemeleri Sanayi Ve Ticaret AS	HTMS	60.00			

(1) Percentage of direct control: 100.00%.



NOTE 26 TRANSLATION OF FOREIGN CURRENCIES

Accounting policy

The consolidated financial statements of Imerys are presented in euros. The main consolidated entities (Note 25) use the local currency as their functional currency. The accumulated impact of translating the financial statements of foreign operations is recognized in equity within the translation reserve. Assets and liabilities of foreign operations are translated at the exchange rate at the end of the reporting period and their income and expenses at the average exchange rate for the year. Non-monetary assets and liabilities from transactions in foreign currencies are measured at the exchange rate of the day or the average rate for the month of the transaction. With the exception of derivative financial instruments, monetary assets

and liabilities from transactions in foreign currencies are measured at the exchange rate at the end of the reporting period. The corresponding exchange rate differences are recognized in other financial income and expenses (Note 12) except for those generated by monetary assets and liabilities from net investments in foreign operations and their hedges, which are recognized in equity within the translation reserve (Note 24.5 – Conversion of financial statements risk). Upon disposal of a foreign operation, the accumulated impact of translating financial statements and hedges is recognized in other operating income and expenses with the proceeds from the disposal of the business segment (Note 10).

Exchange rate

The following table presents the exchange rates applied to translate the financial statements of the main consolidated entities at December 31, 2021 (Note 25).

(€1=)		2021		2020	
		Closing	Average	Closing	Average
Bahrain	BHD	0.4288	0.4458	0.4606	0.4311
Brazil	BRL	6.3205	6.3773	6.3769	5.8480
Canada	CAD	1.4393	1.4826	1.5633	1.5303
Chile	CLP (100)	9.5670	8.9789	8.7241	9.0376
China	CNY	7.2211	7.6304	8.0067	7.8703
Denmark	DKK	7.4364	7.4370	7.4409	7.4544
Hungary	HUF (100)	3.6919	3.5852	3.6389	3.5148
India	INR	84.1550	87.4225	89.6441	84.6331
Indonesia	IDR (100)	161.0042	169.2072	172.4076	166.6553
Japan	JPY (100)	1.3038	1.2988	1.2649	1.2185
Malaysia	MYR	4.7282	4.9006	4.9337	4.7955
Mexico	MXN	23.1438	23.9852	24.4160	24.5503
Russia	RUB	85.3004	87.1527	91.4671	82.8226
Singapore	SGD	1.5279	1.5891	1.6218	1.5743
South Africa	ZAR	18.0625	17.4766	18.0219	18.7825
South Korea	KRW (100)	13.4270	13.5351	13.3509	13.4512
Sweden	SEK	10.2503	10.1465	10.0343	10.4959
Switzerland	CHF	1.0331	1.0811	1.0802	1.0704
Taiwan	TWD	31.3538	33.0750	34.7928	33.6807
Thailand	THB	37.6530	37.8368	36.7270	35.7272
Turkey	TRY	15.2335	10.5124	9.1131	8.0512
UK	GBP	0.8403	0.8596	0.8990	0.8893
Ukraine	UAH	30.8866	32.2498	34.6022	30.8762
US	USD	1.1326	1.1827	1.2271	1.1420



Translation reserve

The following table presents the amount before income taxes recognized in equity within the translation reserve with respect to the translation of the financial statements of entities in the main foreign currencies. This table provides details of movements related to hedges of net investment in foreign operations (*Note 24.5 – Conversion of financial statements risk*).

(€ millions)	BRL	GBP	INR	SGD	TRY	USD	Other foreign currencies	Total
Balance at January 1, 2020	(268.9)	(60.3)	(75.9)	126.1	(45.8)	(44.7)	(91.4)	(460.9)
Of which net investment hedge reserve	(0.5)	(29.7)	(0.6)	(3.2)	(6.4)	(135.6)	(25.3)	(201.3)
• continuing hedges	(0.5)	(29.7)	(0.6)	(3.2)	(6.4)	(135.6)	(25.3)	(201.3)
Recognition in equity	(99.3)	(21.0)	(11.4)	(36.3)	(3.1)	(16.5)	(30.2)	(217.8)
Hedges of net investments in foreign operations	-	3.9	(2.9)	0.1	-	(0.2)	(4.5)	(3.6)
Conversion of financial statements	(99.3)	(24.9)	(8.5)	(36.4)	(3.1)	(16.3)	(25.7)	(214.2)
Reclassification in profit or loss	-	0.9	-	-	-	(0.8)	(0.9)	(0.8)
Change in the scope of consolidation	(4.7)	-	-	-	-	4.9	(0.2)	0.0
Balance at December 31, 2020	(372.9)	(80.4)	(87.3)	89.8	(48.9)	(57.1)	(122.7)	(679.5)
Of which net investment hedge reserve	(0.5)	(25.8)	(3.5)	(3.1)	(6.4)	(135.8)	(30.4)	(205.5)
• continuing hedges	(0.5)	(25.8)	(3.5)	(3.1)	(6.4)	(135.8)	(30.4)	(205.5)
Recognition in equity	2.1	25.1	4.4	23.9	(51.9)	18.9	31.7	54.2
Hedges of net investments in foreign operations	-	(5.4)	1.9	-	-	8.7	(2.1)	3.1
Conversion of financial statements	2.1	30.5	2.5	23.9	(51.9)	10.2	33.8	51.1
Reclassification in profit or loss	-	0.6	-	-	(0.2)	1.3	(2.5)	(0.8)
Of which net investment hedge reserve	-	-	-	-	-	-	(2.5)	(2.5)
Balance at December 31, 2021	(370.8)	(54.7)	(82.9)	113.7	(101.0)	(36.9)	(93.5)	(626.1)
Of which net investment hedge reserve	(0.5)	(31.2)	(1.6)	(3.1)	(6.4)	(127.1)	(35.0)	(204.9)
• continuing hedges	(0.5)	(31.2)	(1.6)	(3.1)	(6.4)	(127.1)	(35.0)	(204.9)



NOTE 27 RELATED PARTIES

Related parties outside Imerys

Imerys has related party relationships with The Desmarais Family Residuary Trust, held by the Desmarais family (Canada), and Stichting A.K. Frère-Bourgeois, controlled by the Frère family (Belgium). These entities are the ultimate controlling parties of Imerys. Through their joint venture Parjointco, they jointly control the Belgian group Groupe Bruxelles Lambert (GBL), which controls Belgian Securities BV (Netherlands), a shareholder of Imerys. In this respect, GBL is considered a related party of Imerys. Imerys is not involved in any transactions with these related parties.

Key management personnel of Imerys

The managers qualifying as related parties at December 31, 2021 are the 12 members of the Board of Directors, including the two employee representative directors and excluding the non-voting observer (11 members at

December 31, 2020) and the 11 members of the Executive Committee, including the Chief Executive Officer (11 members at December 31, 2020).

In accordance with the acquisition agreement concluded between Imerys, S&B GP, Blue Crest and K and R Holdings Sarl on November 5, 2014 and subsequently amended, PropCO₂, an entity affiliated with Blue Crest, which holds 6.05% of voting rights in Imerys, in which Ulysses Kyriacopoulos, director of Imerys S.A. until May 2021, also held a directorship, must reimburse Imerys Industrial Minerals Greece S.A., which owns land in the name and on behalf of these entities, for the expenses it incurred in relation to its ownership of this land. In 2021, this €18,000 commitment was considered a related party transaction. No amount was reimbursed in 2020 or 2021.

Compensation and assimilated benefits granted to these related parties are presented in the following table:

(€ millions)	Notes	2021		2020	
		Expense	Liability	Expense	Liability
Short-term benefits	1	(8.1)	3.5	(7.5)	2.8
Directors' compensation	2	(0.7)	0.3	(0.6)	0.3
Post-employment benefits	3	(0.2)	1.1	(0.2)	1.2
Contributions to defined contribution plans		(0.7)	-	(0.7)	-
Share-based payments	4	(3.2)	-	(1.2)	-
Total		(12.9)	4.9	(10.2)	4.3

Note 1. Short-term benefits. These amounts include the fixed part of the compensation paid for the year as well as the variable part also due for the year, but paid the subsequent year.

Note 2. Directors' compensation. These amounts correspond to the attendance fees paid to the members of the Board of Directors.

Note 3. Post-employment benefits. These amounts include in particular post-employment defined benefit plans available to the main executives of the Group's entities in France who meet the eligibility criteria. They are recognized for the beneficiaries qualifying as related parties, some of whom are among the above mentioned executives. The maximum life annuity that can be paid to the beneficiaries of these plans upon liquidation of their retirement rights is calculated to guarantee a life annuity:

- equal to a total gross annual amount (after recognition of pensions from mandatory and complementary retirement plans) that corresponds to 60.0% of their reference salary, which is capped at 30 times the annual French Social Security ceiling at December 31, 2021 (30 times at December 31, 2020);
- subject to a payment ceiling of 25.0% of the above-mentioned reference salary over the last 12 calendar months preceding the withdrawal from the Group's payroll.

Note 4. Share-based payments. These amounts correspond to expenses recognized with respect to Imerys share options and free shares granted to related parties.

Post-employment benefits for Imerys employees

The post-employment benefit plans to which Imerys employees are entitled are deemed to be related party agreements. The amount of the contributions to external funds recognized as an expense in 2021 amounted to €20.4 million (€10.0 million in 2020), including €7.5 million for Imerys UK Pension Fund Trustees Ltd, United Kingdom (€1.6 million in 2020) and €8.1 million for Comerica, United States (€2.9 million in 2020).

FCPE Imerys Actions

The corporate mutual fund holding Imerys shares, known as FCPE Imerys Actions, is managed by BNP Paribas Asset Management SAS and overseen by a Supervisory Board of eight members made up of four shareholder representatives and four Imerys representatives. As Imerys, together with the shareholders, exercises joint control over FCPE Imerys Actions, the fund is deemed to be a related party. The amounts recognized in 2020 and 2021 for the FCPE Imerys Actions are immaterial.



NOTE 28 COMMITMENTS

To the best of Imerys' knowledge, other than contracts agreed (i) in the ordinary course of business, including contracts covering operating rights for mineral reserves and resources, (ii) as part of an acquisition or disposal of assets or companies already completed or announced or (iii) in relation to the financing operations mentioned in the present Universal Registration Document, no major contracts have been signed by any Group company in the two years prior to the date the present Universal Registration Document was filed that are currently still in force and contain provisions imposing any obligations or commitments likely to have a material impact on

the Group's business, financial position or cash flow. Nevertheless, in the ordinary course of its business, Imerys is liable to third parties for obligations, often related to conditions or subsequent events, that do not (or only partially) meet the criteria for recognizing liabilities but may impact the future financial position. The unrecognized portion of the obligation is designated hereinafter by the term commitment. Identified in accordance with applicable accounting standards, material commitments, both given and received, are presented in the following tables.

Commitments given

(€ millions)	Notes	2021	2020
Mineral leases and services on lease contracts	1	5.2	4.2
Site restorations	2	67.3	48.6
Operating commitments	3	208.7	98.1
Financial commitments	4	63.6	57.3
Other commitments	5	176.8	138.0
Total		521.6	346.2

Note 1. Mineral leases and services on lease contracts.

The remaining off balance sheet items are limited to contracts outside the scope of IFRS 16, Leases, in particular mineral leases and commitments to purchase services related to lease contracts.

Note 2. Site restorations. These commitments correspond to sureties and guarantees obtained from financial institutions in accordance with legal requirements minus any recognized provisions (Note 23.2). Sureties and guarantees are generally taken out with government agencies to secure the financial capacity of Imerys to meet its environmental obligations.

Note 3. Operating commitments. These commitments correspond to firm purchase commitments made by Imerys as part of purchase contracts of goods, services, energy and freight. Energy supply commitments (mainly electricity and gas) amounted to €24.0 million at December 31, 2021 (€30.5 million at December 31, 2020).

Note 4. Financial commitments. These commitments correspond to letters of credit as well as sureties, guarantees, mortgages and pledges obtained by Imerys from financial institutions in order to guarantee operating treasury requirements in favor of customers.

Note 5. Other commitments. This item encompasses all commitments given that are not mentioned above, including seller warranties and price adjustment clauses given by the Group upon business disposals.

Commitments received

(€ millions)	Notes	2021	2020
Operating leases	1	24.5	23.8
Operating commitments	2	125.8	151.5
Financial commitments	3	3.0	3.0
Available financial resources	4	1,160.0	1,110.0
Other commitments	5	210.3	196.9
Total		1,523.6	1,485.2



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Note 1. Operating leases. These commitments correspond to future rent payments on lease contracts in which Imerys is the lessor.

Note 2. Operating commitments. These commitments correspond to firm purchase commitments made by customers in favor of Imerys as part of sales contracts of goods and services.

Note 3. Financial commitments. These commitments correspond to letters of credit as well as sureties, guarantees, mortgages and pledges obtained by certain suppliers from their financial institutions, in order to guarantee operating treasury requirements in favor of Imerys.

Note 4. Available financial resources. These commitments correspond to the amount of available financial resources after the repayment of financing from uncommitted resources. (*Note 24.5 – Market liquidity risk*).

Note 5. Other commitments. This item encompasses all the commitments received not mentioned above, including €59.6 million at December 31, 2021 (€59.6 million at December 31, 2020) in seller warranties and price adjustment clauses in favor of the Group upon business acquisitions.

NOTE 29 AUDIT FEES

For many years, the Group has endeavored to appoint in priority ERNST & YOUNG et Autres and Deloitte & Associés as the two Statutory Auditors of Imerys to audit its entities across equal scopes. However, for practical or historical reasons,

other audit firms have been involved in a marginal capacity. The following table presents the fees charged for the statutory audit of the consolidated financial statements broken down by firm.

Year	2021	2020
Audit fees (€ millions)	7.8	8.6
Breakdown of fees		
ERNST & YOUNG et Autres	46%	48%
Deloitte & Associés	44%	41%
Other firms	10%	11%

The following table presents the breakdown of fees awarded to ERNST & YOUNG et Autres (EY) and Deloitte & Associés (DA) by the type of service rendered. Other services correspond to services other than statutory audit services as defined in French

legal and regulatory texts, various tax services and services provided when conducting agreed procedures, issuing various declarations and auditing consolidated, social, environmental and societal information.

	2021				2020			
	EY		DA		EY		DA	
	(€M)	(%)	(€M)	(%)	(€M)	(%)	(€M)	(%)
Individual and consolidated statutory audit services	3.6	89.1%	3.4	72.5%	4.1	95.3%	3.5	89.7%
Imerys S.A.	0.7		1.0		0.7		0.9	
Consolidated entities	2.9		2.4		3.4		2.6	
Other services	0.4	10.9%	1.3	27.5%	0.2	4.7%	0.4	10.3%
Imerys S.A.	-		1.0		-		0.2	
Consolidated entities	0.4		0.3		0.2		0.2	
Total	4.0	100.0%	4.7	100.0%	4.3	100.0%	3.9	100.0%

NOTE 30 SUBSEQUENT EVENTS

Accounting policy

Events occurring between the end of the reporting period and the date at which the Board of Directors approve the financial statements for publication result in an adjustment to the financial statements only if they reveal, specify or confirm situations existing at the end of the reporting period.

Subsequent events

The annual consolidated financial statements at December 31, 2021 were approved by the Board of Directors at its meeting held on February 16, 2022. No significant event occurred between the end of the reporting period and the meeting of the Board of Directors.

6.2 STATUTORY FINANCIAL STATEMENTS

6.2.1 FINANCIAL STATEMENTS

■ INCOME STATEMENT

(€ thousands)	Notes	2021	2020
Operating revenue		137,704	143,520
Rendering of services		137,406	143,031
Other revenue and decreases in provisions		298	489
Operating expenses		(179,202)	(163,402)
Purchases and external services		(99,146)	(106,959)
Taxes and duties		(2,307)	(1,757)
Staff expenses		(59,536)	(43,186)
Amortization, depreciation, write-downs and provisions		(11,717)	(7,514)
Other expenses		(6,496)	(3,986)
Operating income	10	(41,498)	(19,882)
Financial income	11	158,610	415,865
Revenue from subsidiaries and affiliates		182,904	428,157
Net financial expenses		(7,612)	(14,050)
Increases and decreases in write-downs and provisions		(1,092)	(3,534)
Exchange rate gains (losses)		(15,590)	5,292
Current income		117,112	395,983
Exceptional income (loss)	12	(4,757)	(4,524)
Exceptional revenue		37,975	19,202
Exceptional expenses		(42,732)	(23,726)
Income tax	13	18,678	8,362
Net income		131,033	399,821



Financial statements

STATUTORY FINANCIAL STATEMENTS

■ BALANCE SHEET

(€ thousands)	Notes	2021	2020
Net intangible assets		52,949	48,931
Intangible assets	14	86,863	72,733
Accumulated depreciation	14	(33,914)	(23,802)
Net property, plant and equipment		4,581	5,172
Property, plant and equipment	14	12,612	12,093
Accumulated depreciation	14	(8,031)	(6,921)
Net investments		4,518,730	4,518,730
Equity interests	15	4,518,730	4,518,730
Write-downs		-	-
Loans related to direct investments and other subsidiaries, net value	16	921,887	1,016,055
Loans related to direct investments and other subsidiaries		921,887	1,016,107
Write-downs		-	(52)
Other financial investments	17	14,873	1,430
Other financial investments		14,928	1,430
Write-downs		(55)	-
Non-current assets		5,513,020	5,590,318
Other receivables	16	64,337	51,466
Marketable securities	18	6,328	71,882
Cash and cash equivalents		132,885	187,923
Current assets		203,550	311,271
Regularization accounts	16	52,794	52,781
Assets		5,769,364	5,954,370
Share capital		169,882	169,882
Additional paid-in capital		614,414	614,414
Reserves		961,153	959,939
Retained earnings		604,391	303,107
Net income for the year		131,033	399,821
Shareholders' equity	19	2,480,873	2,447,163
Provisions for risks and expenses	20	32,678	41,997
Financial debt	21	3,126,120	3,346,306
Other debts	21	78,720	71,427
Debt		3,204,840	3,417,733
Regularization accounts	21	50,973	47,477
Shareholders' equity and liabilities		5,769,364	5,954,370

6.2.2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS

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■ ACCOUNTING PRINCIPLES AND POLICIES

Imerys S.A. presents its annual financial statements in accordance with the accounting principles and policies established by the General Accounting Plan, as required by ANC Regulation No. 2014-03 issued by France's national accounting standards board on June 5, 2014 and amended by subsequent regulations. French generally accepted accounting principles were applied using a conservative approach in accordance with the following fundamental assumptions: going concern, consistent accounting policies from one year to the next, independence of financial years and in accordance with

the general rules of preparation and presentation of annual financial statements. The generally applied methodology uses the historical cost method for the items recognized in the financial statements. The statutory financial statements present comparative information for the prior year Y-1. Comparative information for Y-2 is incorporated by reference to the financial statements included in the Y-2 Universal Registration Document ([chapter 9, section 9.4 of the Universal Registration Document](#)).

NOTE 1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets

Intangible assets recorded on the balance sheet are measured at acquisition cost. Software is amortized over a period of three to eight years using the straight-line method.

Property, plant and equipment

Property, plant and equipment are measured at acquisition cost or contribution value.

Depreciation methods are representative of economic depreciation; therefore, no excess tax depreciation was recognized as liabilities on the balance sheet.

The depreciation methods and useful lives are applied as follows:

- Machinery and equipment: straight-line method, over 10 years
- Equipment and office furniture: straight-line method, over 5 to 10 years
- Office equipment: straight-line method, over 5 years
- IT equipment: straight-line method, over 3 to 5 years

NOTE 2 LONG-TERM INVESTMENTS

Long-term investments are measured at acquisition cost, excluding ancillary expenses. Securities and other long-term investments are measured at value in use. Value in use is calculated on the basis of the equity value of the entities concerned at end of the reporting period, as well as their level of profitability and business forecasts. If value in use exceeds the carrying amount recognized on the balance sheet, the carrying amount is not modified. On the contrary, if value in use

is less than the carrying amount recognized on the balance sheet, the investment is written down. Securities and other long-term investments in foreign currencies are not remeasured at the closing exchange rate. Unrealized losses from fluctuations in foreign currencies in which long-term investments are denominated are not destined to realize. Therefore, unrealized foreign exchange losses are not in themselves sufficient to systematically justify a write-down.

NOTE 3 RECEIVABLES AND DEBT IN FOREIGN CURRENCIES

Receivables and debt in foreign currencies are translated at the closing exchange rate.

NOTE 4 MARKETABLE SECURITIES

The value in use of marketable securities is assessed at the average market price over the last month of the period for listed securities, at the last known redemption price for money market funds and at net asset value for mutual funds. Unrealized losses result in a write-down and unrealized gains are not recognized.

NOTE 5 PROVISIONS

Provisions for risks

Provisions for risks cover identified risks and are determined as follows:

- Provisions for management risks include ongoing disputes related to recurring operations.
- Provisions for restructuring relate to restructuring plans that have been officially approved and initiated before the end of the reporting period.
- Provisions for the risk of fluctuations in the value of certain equity interests are determined in accordance with the latest financial information available taking into account the outlook for the future.
- Provisions for risks relating to free share grants are determined by maturity, on the basis of the opening share price at the date of their allocation to the plan or, if the shares have not been purchased before the end of the reporting period, at the share price at that date, in accordance with CNC

Recommendation No. 2008-17 issued by France's national accounting standards commission. The calculation for these provisions takes into account an assessment of the fulfillment of economic and/or financial performance objectives to which the shares are conditioned and proportionate. Increases and decreases in provisions and expenses for employer contributions are presented in staff expenses.

Provisions for expenses

Provisions for expenses include:

- Provisions for the refurbishment of the company headquarters.
- Provisions for complementary pension plans and retirement benefits for former employees.
- The retirement indemnities expense, calculated using the Projected Unit Credit Method. Imerys applies ANC Recommendation No. 2013-R02 to recognize and measure retirement benefit commitments and similar benefits. Actuarial differences are recognized using the corridor rule.

NOTE 6 FINANCIAL DEBT

Financial debt includes:

- Commission due and external costs incurred in connection with new borrowings, which are recognized in "Expenses to be allocated over several periods" and are spread on a straight-line basis over the maturity of borrowings.
- Bond reimbursement premiums, which are amortized on a straight-line basis over the maturity of each bond.

NOTE 7 DERIVATIVE INSTRUMENTS

Management principles

As the holding company of the Imerys Group, Imerys S.A. implements the Group's risk management strategy relating to the financial markets identified within the Group: foreign exchange risk, interest rate risk and energy price risk. Derivatives subscribed by Imerys S.A. are intended solely to hedge the financial risks to which the Group is exposed.

Derivative instruments are negotiated centrally by the Group Treasury Department on over-the-counter markets with the highest rated banking institutions. Imerys prohibits its entities from subscribing derivative instruments directly outside the Group.

Accounting policy

Derivative instruments are accounted for in accordance with ANC Regulation No. 2015-05 issued on July 2, 2015 by France's national accounting standards board.

Simple hedge. A derivative instrument qualifies as a simple hedge if it is the subject of documentation identifying the hedged item, the type of hedging instrument, the type of risk hedged, the hedging relationship and the method used to assess its effectiveness. When the swap is agreed, the nominal

value of the derivative instrument is recognized in off balance sheet commitments (*Note 23 – Commitments on interest rate risk*). Realized and unrealized interest coupons are recognized symmetrically with the hedged item in profit. The simple hedge categorization was only tested for the swap agreed to hedge the interest rate risk of borrowings in JPY until March 18, 2019, the date at which the debt was due to be repaid and the rate swap unwound.

Isolated open position. Any derivative instrument that does not meet the documentation criteria of a simple hedge is classified as an isolated open position. This designation applies in particular to derivative instruments subscribed to hedge foreign exchange risk (swaps, forwards and options) and energy price risk (swaps and options). When the instruments are agreed, the nominal value of the derivative instrument is recognized in off balance sheet commitments (*Note 23 – Commitments on foreign exchange risk, Commitments on energy price risk*). Subsequently, the fair value of derivative instruments is measured as follows.

- With foreign exchange risk hedges, the value of derivatives measured at the closing exchange rate is aggregated with the value of the underlying assets (loans and borrowings in

foreign currencies) in a comprehensive foreign exchange position calculated by currency or strongly correlated currencies. The resulting unrealized exchange rate gains and losses are recognized separately in regularization accounts – in assets for unrealized exchange rate losses (*Note 16*) and in liabilities for unrealized exchange rate gains (*Note 21*). A provision is recorded to fully cover unrealized exchange rate losses (*Note 20*).

- With energy price risk, the value of derivative instruments measured at the closing price is aggregated into a comprehensive commodity position calculated for all energy sources. A provision is recorded to fully cover unrealized losses (*Note 20*).

Fair value

The following table presents the derivative instruments held by Imerys S.A. at the end of the reporting period for interest rate risk (simple hedging) as well as foreign exchange and energy price risks (isolated open positions).

(€ millions)	2021				
	Derivative assets		Derivative liabilities		Net
	External	Internal	External	Internal	
Foreign exchange risk (forwards, swaps, options)	9.7	3.9	4.7	5.9	3.0
Forward derivative instruments	9.7	3.9	4.7	5.9	3.0
Optional derivative instruments	0.0	0.0	0.0	0.0	0.0
Interest rate risk (swaps)	0.0	0.0	0.0	0.0	0.0
Forward derivative instruments					0.0
Optional derivative instruments					0.0
Energy price risk (swaps, options)	65.7	2.0	3.2	55.0	9.5
Forward derivative instruments	65.7	2.0	3.2	55.0	9.5
Optional derivative instruments	0.0		0.0		0.0
Total	75.4	5.9	7.9	60.9	12.5

NOTE 8 TAX CONSOLIDATION

Since 1993, Imerys S.A. and some of its French subsidiaries have been taxed in accordance with article 223-A of the French Tax Code (*Code général des impôts*) on tax consolidation. In 2021, no entity left the tax consolidation scope. At December 31, 2021, the tax consolidation scope included the following 24 entities:

• Ardoisières d'Angers	• Imerys Refractory Minerals Glomel
• Calderys France	• Imerys Services
• Imertech	• Imerys Metalcasting France Sarl
• Imerys S.A.	• Imerys Tableware France
• Imerys Aluminates S.A.	• Imerys Talc Europe SAS
• Imerys Ceramics France	• Imerys Talc Luzenac France
• Imerys Filtration France	• Kerneos Corporate
• Imerys Fused Minerals Beyreide	• Kerneos Group
• Imerys PCC France	• Mircal
• Imerys Refractory Minerals International Sales	• Mircal Brésil
• Imerys Minéraux France	• Parimetal
• Imerys Refractory Minerals Clerac	• Parnasse 32

Relationships within the tax group, headed by Imerys S.A., are governed by an agreement that sets out the following principles:

- Each entity in the tax group records in its accounts the amount of tax that it would have paid on a stand-alone basis.
- All additional liabilities arising as a result of tax consolidation are recorded by Imerys S.A., which benefits from any savings resulting from consolidation.

NOTE 9 TRANSFER OF EXPENSES

“Transfer of expenses” includes:

- Transfers of expenses to balance sheet accounts (expenses incurred on new borrowings and capital increase expenses).
- Transfers from one category of expenses to another (operating expenses transferred to exceptional or financial expenses or vice versa).

■ NOTES TO THE INCOME STATEMENT

NOTE 10 OPERATING INCOME

In 2021, operating income amounted to €137.7 million (€143.5 million in 2020), down €5.8 million (4%). Operating expenses came out at €179.2 million (€163.4 million in 2020), up €15.8 million, primarily due to additional staff expenses

following the increase in headcount, as well as higher variable components of pay given the Group's strong financial performance.

NOTE 11 FINANCIAL INCOME

(€ thousands)	2021	2020
Financial revenue	293,856	670,818
Revenue from subsidiaries and affiliates ⁽¹⁾	182,904	428,157
Other financial income ⁽¹⁾	74,617	53,061
Decrease in provisions and transfer of expenses	9,450	7,738
Exchange rate gains	26,885	181,862
Financial expenses	135,246	254,952
Financial interest and expenses on financial instruments ⁽²⁾	83,147	67,110
Increase in financial amortization and provisions	9,624	11,272
Exchange rate losses	42,475	176,570
Financial income	158,610	415,866
(1) Of which revenue related to controlled entities	211,974	473,302
(2) Of which expenses related to controlled entities	42,390	5,085

Revenue from subsidiaries and affiliates amounted to €182.9 million, down €245.3 million on 2020. Imerys S.A. manages the foreign exchange risk related to changes in directly or indirectly held foreign net assets, as well as that resulting from loans and advances granted to subsidiaries and entities under cash pooling agreements, by adjusting the

proportion of its debt drawn in foreign currencies. In 2021, Imerys S.A. recognized in this respect a net foreign exchange loss of €15.6 million (compared with a €5.3 million net gain in 2020). Increases and decreases in financial provisions are presented in [Note 20](#).



NOTE 12 EXCEPTIONAL INCOME (LOSS)

(€ thousands)	2021	2020
Gains (losses) on asset disposals	(13,025)	1,810
Other exceptional revenue	0	1
Decrease in provisions and transfer of expenses	15,323	10,331
Increase in provisions	(250)	(6,427)
Other exceptional expenses	(6,805)	(10,240)
Exceptional income (loss)	(4,757)	(4,525)

The Group reversed €8.4 million in provisions for tax risks and €6.5 million in provisions for staff-related risks to cover the exceptional expenses incurred in 2021. Additional provisions of €0.2 million were recorded for staff-related risks in 2021.

NOTE 13 INCOME TAX

(€ thousands)	2021	2020
Tax on long-term capital gains	-	-
Income tax	18,678	8,362
Total	18,678	8,362

Breakdown of tax expenses

(€ thousands)	Profit or loss before tax	Tax	Profit or loss after tax
Current income	117,112	0	117,112
Exceptional income (loss)	(4,757)	0	(4,757)
Impact of tax consolidation	0	18,678	18,678
Total	112,355	18,678	131,033

In accordance with the terms of the tax consolidation agreements signed by each Imerys Group company in France, the tax expense or savings recognized in the accounts of Imerys S.A. is made up of:

- the tax expense of Imerys S.A., calculated on a stand-alone basis; and
- the net amount of additional expenses and savings resulting from tax consolidation.

In this respect, Imerys S.A. recognized savings of €18.7 million in 2021 (€8.4 million in 2020).

In 2021, Imerys S.A. recorded a loss of €58.6 million on a stand-alone basis. Imerys S.A. carried forward losses on a stand-alone basis for a cumulated amount of €1,422.9 million at December 31, 2021 (€1,364.3 million at December 31, 2020).

Deferred tax

The deferred tax position is due to temporary differences in the treatment of certain items of revenue and expenses between tax rules and accounting rules. In accordance with French generally accepted accounting principles, decreases and increases in the future tax expense resulting from such differences are not recognized, but are subject to the following disclosure:

(€ thousands)	2021	2020
Deferred tax assets (decrease in the future tax expense)	6,757	6,310
Deferred tax liabilities (increase in the future tax expense)	1,738	2,185



■ NOTES TO THE BALANCE SHEET

NOTE 14 CHANGE IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	Gross amount Dec. 31, 2020	Acquisitions	Disposals	Gross amount Dec. 31, 2021
Intangible assets	72,733	14,130	0	86,863
Property, plant and equipment	12,093	520	0	12,613
Total gross intangible assets and property, plant and equipment	84,826	14,650	0	99,476

(€ thousands)	Amortization and depreciation Dec. 31, 2020	Increase	Decrease	Amortization and depreciation Dec. 31, 2021
Amortization of intangible assets	23,802	10,112	0	33,914
Depreciation of property, plant and equipment	6,921	1,110	0	8,031
Total amortization of intangible assets and depreciation and property, plant and equipment	30,723	11,222	0	41,945

In 2021, Imerys S.A. continued to invest in its management IT systems and rolled out its “Core Model”, which is amortized over a period of eight years using the straight-line method. Concerning this project, €6.5 million are included in Intangible assets under construction.

NOTE 15 CHANGE IN THE VALUE OF INVESTMENTS

At December 31, 2021, the total gross amount of investments amounted to €4,518.7 million (€4,518.7 million at December 31, 2020).

NOTE 16 RECEIVABLES AND REGULARIZATION ACCOUNTS

(€ thousands)	Amount	Maturity in less than 1 year	Maturity from 1 to 5 years	Maturity beyond 5 years
Loans and receivables related to investments	921,887	245,345	613,142	63,400
Loans and receivables related to direct investments	336,955	5,638	331,317	
Loans and receivables related to other Group subsidiaries	584,932	239,707	281,825	63,400
Other receivables	64,337	56,990	6,199	1,148
Operating receivables	56,645	56,645		
Bond issuance premium	7,692	345	6,199	1,148
Regularization accounts	52,794	49,180	3,084	530
Prepaid expenses ⁽¹⁾	3,754	3,754		
Bond issuance cost	4,421	807	3,084	530
Unrealized exchange rate losses ⁽²⁾	44,619	44,619		
Total	1,039,018	351,515	622,425	65,078

(1) Prepaid expenses mainly comprise purchases of external services.

(2) Unrealized exchange rate gains and losses derive from remeasuring loans and receivables in foreign currencies at the closing exchange rate and adjustments on cash instruments.

The gross amount of loans and receivables related to investments fell by €94.9 million. Loans and receivables related to investments are governed by loan agreements and intragroup credit agreements aimed at optimizing cash management.

**NOTE 17 OTHER FINANCIAL INVESTMENTS**

At end-2021, other financial investments totaled €14.9 million, up €13.5 million on end-2020. At December 31, 2021, the Company held 9.7 million treasury shares.

NOTE 18 MARKETABLE SECURITIES**Net securities**

(€ thousands)	2021	2020
Money market funds and mutual funds	2,618	-
Deposit certificates	5	65,151
Treasury shares	3,705	6,731
Total	6,328	71,882

At December 31, 2021, the gross amount of marketable securities amounted to €6.3 million. At this date, the Company held 2.6 million stakes in money market funds or mutual funds.

NOTE 19 CHANGE IN SHAREHOLDERS' EQUITY

(€ thousands)	Share capital	Premiums	Reserves ⁽¹⁾			Retained earnings	Income for the year	Total
			Legal	Regulated	Other			
Equity at Jan. 1, 2020 before appropriation of profit	158,971	520,412	15,986	273,471	670,482	299,534	139,509	2,078,365
Appropriation of 2019 profit	-	-	-	-	-	139,509	(139,509)	0
Dividends	11,344	108,447	-	-	-	(135,936)	-	(16,145)
Capital increase	30	480	-	-	-	-	-	510
Capital decrease	(463)	(14,926)	-	-	-	-	-	(15,389)
Profit at Dec. 31, 2020	-	-	-	-	-	-	399,821	399,821
Equity at Jan. 1, 2021 before appropriation of profit	169,882	614,413	15,986	273,471	670,482	303,107	399,821	2,447,162
Appropriation of 2020 profit	-	-	1,003	-	-	301,284	(399,821)	(97,534)
Dividends	-	-	-	-	-	-	-	0
Change in accounting policy	-	-	-	-	212	-	-	212
Profit at Dec. 31, 2021	-	-	-	-	-	-	131,033	131,033
Equity at Jan. 1, 2022 before appropriation of profit	169,882	614,413	16,989	273,471	670,694	604,391	131,033	2,480,873
Proposed appropriation of profit	-	-	-	-	-	131,033	(131,033)	0
Dividend payout ⁽²⁾	-	-	-	-	-	(131,658)	-	(131,658)
Shareholders' equity at Jan. 1, 2022 incl. proposed appropriation of profit	169,882	614,413	16,989	273,471	670,694	603,766	0	2,349,215

(1) Imerys' shareholders' equity does not include remeasurement differences.

(2) Submitted for approval to the Shareholders' General Meeting on May 10, 2022.



Number of shares

	2021	2020
Number of shares outstanding at January 1	84,940,955	79,485,694
Capital increase		5,686,703
Capital decrease		(231,442)
Number of shares outstanding at December 31	84,940,955	84,940,955

At December 31, 2021, Imerys' fully paid up share capital amounted to €169,881,910 divided into 84,940,955 shares each with a par value of €2.

At December 31, 2021:

- parent company shareholders' equity amounted to €2,480.9 million (€2,447.2 million at December 31, 2020) on the basis of which the Board of Directors has proposed a dividend of €1.55 per share (€1.15 in 2020);
- a total of 77,220 share options and 1,340,150 free shares granted to certain employees and executive corporate officers that have not been exercised or not yet vested, which represents 1.66% of the capital of Imerys S.A. after dilution (1.43% of the capital after dilution at December 31, 2020);
- After transactions made throughout the year to purchase, sell, cancel or transfer shares, Imerys S.A. held 356,196 Imerys shares (182,330 shares at December 31, 2020).

The capital of Imerys S.A. is subject to a number of mandatory requirements under the French Commercial Code (*Code de commerce*). These requirements do not have any material impact on the financial statements. However, the Statutory Auditors carry out verifications to ensure Imerys S.A. is compliant. Furthermore, part of the Group's financing is secured through debt instruments, issued on the condition of compliance with a covenant related to the amount of consolidated equity.

At December 31, 2021, Imerys' fully paid up share capital totaled €169,881,910 divided into 84,940,955 shares each with a par value of €2 (no change on December 31, 2020). No stock options were exercised in 2021.

The share capital has not changed and the number of voting rights has not undergone any significant change between December 31, 2021 and February 16, 2022, i.e. the date at which the annual financial statements at December 31, 2021 were approved by the Board of Directors.

Change in treasury shares

(€ thousands)	2021	2020
Gross amount of treasury shares at January 1	6,732	27,519
Disposals (acquisitions) of treasury shares		
Transfer of treasury shares to be granted (free shares)	(3,025)	(5,398)
Capital decrease by canceling treasury shares		(15,389)
Gross amount of treasury shares at December 31⁽¹⁾	3,707	6,732

(1) At December 31, 2021, €3.7 million in treasury shares was recognized in marketable securities.



NOTE 20 WRITE-DOWNS AND PROVISIONS

	Amount at	Increases			Decreases ⁽¹⁾			Amount at
(€ thousands)	January 1	Operating	Financial	Exceptional	Operating	Financial	Exceptional	December 31
Write-downs								
Equity interests	0							0
Trade receivables	0							0
Loans and receivables related to investments	52					(52)		0
Non-consolidated investments	0							0
Bond issuance premium ⁽²⁾	7,594		1,896			(1,798)		7,692
Miscellaneous debts	460							460
Marketable securities	0	-	-	-	-	-	-	0
Total assets	8,106	0	1,896	0	0	(1,850)	0	8,152
Provisions								
Provisions for risks	30,987	20,049	6,730	0	(12,761)	(8,460)	(8,820)	27,725
Management risks	21,887	20,049			(12,761)		(8,820)	20,355
Provisions for exchange rate losses	8,460		6,730			(8,460)		6,730
Staff-related risks	640							640
Financial instruments	0							0
Risks related to subsidiaries and investments	0							0
Provisions for expenses	11,010	283	44	250	(110)	(21)	(6,503)	4,953
Refurbishment of Company premises	1,496							1,496
Future employee benefits	2,322	283	44		(110)	(21)		2,518
Provisions for termination benefits	7,192			250			(6,503)	939
Total liabilities	41,997	20,332	6,774	250	(12,871)	(8,481)	(15,323)	32,678
Total write-downs and provisions	50,103	20,332	8,670	250	(12,871)	(10,331)	(15,323)	40,830

(1) A €12,761 thousand provision was reversed, in line with amounts used.

(2) A new bond issuance premium was recognized at December 31, 2021 after a new bond was underwritten for an amount of €1.9 million.

As head of the Group, Imerys S.A. recognizes provisions for management risk, specifically in relation to future performance share grants, as well as environmental provisions. In 2021, a €20.0 million provision for risks was set aside in view of future performance share grants with respect to shares not yet

acquired. The €12.8 million provision for risks recorded in 2020 was fully reversed in 2021 following the grant of 126,987 treasury shares during the year and new plans granted in 2020.



Future employee benefits

The defined benefit plans include both retirement benefits awarded in accordance with the collective bargaining agreement applicable to the metalworking industry, and complementary retirement plans, which has not taken on any new active beneficiaries since 2008.

In accordance with the ANC update to its 2013-02 recommendation, the Company started to recognize past service costs immediately in profit and loss from January 1, 2021 and determine the return on plan assets at a discount rate set to calculate the current value of the commitment. This

change helps produce better financial information as Imerys S.A. seeks to harmonize the policies applied in its company financial statements and its consolidated financial statements.

Following this change in the accounting policy, Imerys S.A. reduced the provision set aside to cover its post-employment commitments for past service costs that had not yet been recognized at December 31, 2021, and consequently allocated €212 thousand to retained earnings at January 1, 2021. The provision for future employee benefits is calculated using the following assumptions:

	Pension plans	Other long-term employee benefits
Discount rate	0.3%	0.7%
Expected rate of salary increases	2.6%	2.6%
Annual turnover rate:		
• Managers and non-managers under 30 years old	8.4%	8.4%
• Managers and non-managers between 30 and 40 years old	5.7%	5.7%
• Managers and non-managers between 40 and 49 years old	4.0%	4.0%
• Managers and non-managers between 50 and 55 years old	2.3%	2.3%
• Managers and non-managers over 55 years old	-	-

Change in the discounted value of obligations

(€ thousands)	2021			2020		
	Retirement	Other	Total	Retirement	Other	Total
Obligations at January 1	(7,354)	(1,078)	(8,432)	(8,326)	(1,209)	(9,535)
Interest cost	(40)	(4)	(44)	(63)	(8)	(71)
Current service cost	(195)	(120)	(315)	(210)	(112)	(322)
Benefit payments	95	14	109	1,404	81	1,485
Curtailments and settlements	488		488	124	209	333
Reclassification			0	(263)	-	(263)
Actuarial gains (losses)	(99)	39	(60)	(20)	(39)	(59)
Obligations at December 31	(7,105)	(1,149)	(8,254)	(7,354)	(1,078)	(8,432)
Funded by plan assets	(4,899)		(4,899)	(4,845)	-	(4,845)
Unfunded	(2,206)	(1,149)	(3,355)	(2,509)	(1,078)	(3,587)

Change in fair value of plan assets

(€ thousands)	2021			2020		
	Retirement	Other	Total	Retirement	Other	Total
Assets at January 1	5,238	0	5,238	6,393	0	6,393
Expected return on assets	21		21	45	-	45
Benefit payments			0	(1,200)	-	(1,200)
Employer contributions			0	-	-	0
Actuarial gains (losses)	(10)		(10)	-	-	0
Assets at December 31	5,249	0	5,249	5,238	0	5,238



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Assets/liabilities recorded in the balance sheet

(<i>€ thousands</i>)	2021			2020		
	Retirement	Other	Total	Retirement	Other	Total
Funded obligations	(4,899)		(4,899)	(4,845)	-	(4,845)
Fair value of assets	5,249		5,249	5,238	-	5,238
Funded status	350	0	350	393	0	393
Unfunded obligations	(2,206)	(1,149)	(3,355)	(2,509)	(1,078)	(3,587)
Unrecognized past service cost	38		38	53	-	53
Net unrecognized actuarial differences	450		450	819	-	819
Assets (provisions) in the balance sheet	(1,368)	(1,149)	(2,517)	(1,244)	(1,078)	(2,322)
Provisions for pensions	-	-	0	-	-	0
Provisions for future employee benefits	(1,368)	(1,149)	(2,517)	(1,244)	(1,078)	(2,322)

Change in assets (provisions) in the balance sheet

(<i>€ thousands</i>)	2021			2020		
	Retirement	Other	Total	Retirement	Other	Total
Assets (provisions) at January 1	(1,244)	(1,078)	(2,322)	(938)	(1,209)	(2,147)
Reclassification			0	(235)	-	(235)
Current service cost after curtailments/settlements	(235)	(85)	(320)	(275)	50	(225)
Contributions	111	14	125	204	81	285
Assets (provisions) at December 31	(1,368)	(1,149)	(2,517)	(1,244)	(1,078)	(2,322)

NOTE 21 DEBT AND REGULARIZATION ACCOUNTS

(<i>€ thousands</i>)	Amount	Maturity in less than 1 year	Maturity from 1 to 5 years	Maturity beyond 5 years
Financial debt	3,126,120	1,426,120	500,000	1,200,000
Other debts ⁽¹⁾	78,720	78,720	-	-
Deferred income	-	-	-	-
Unrealized exchange rate gains	50,973	50,973	-	-
Total	3,255,813	1,555,813	500,000	1,200,000

(1) Other debts include €14.7 million in intragroup debt, €7.4 million of which relates to tax consolidation in France.

The Group's various bank overdrafts do not provide any grants or guarantees to the benefit of the lending banks. The following table presents the breakdown of financial debt by foreign currency:

(<i>€ thousands</i>)	Amount
EUR	2,809,762
USD	125,086
GBP	44,153
JPY	6,253
Other foreign currencies	140,866
Total	3,126,120

The following table analyzes financial debt by type and maturity:

<i>(€ thousands)</i>	Amount	Maturity in less than 1 year	Maturity from 1 to 5 years	Maturity beyond 5 years
Bonds	1,702,982	2,982	500,000	1,200,000
Commercial papers	100,000	100,000	-	-
Bank loans	-	-	-	-
Subsidiary loans	650	650	-	-
Group financial current accounts	1,286,596	1,286,596	-	-
Bank overdrafts and accrued interests	35,892	35,892	-	-
Total	3,126,120	1,426,120	500,000	1,200,000

Debt due to mature in less than one year is backed up by draw-downs on confirmed, non-utilized and available bilateral credit lines if necessary. The amount of confirmed and available bilateral credit lines at December 31, 2021 is presented in [Note 23](#).

NOTE 22 ACCRUED RECEIVABLES AND PAYABLES

<i>(€ thousands)</i>	Accrued receivables	Accrued payables
Operating	-	5,127
Financial	349 ⁽¹⁾	357
Total	349	5,484

(1) Accrued receivables are mainly made up of accrued interests on financial instruments.



■ OTHER INFORMATION

NOTE 23 OFF BALANCE SHEET COMMITMENTS

Endorsements, sureties, guarantees

At December 31, 2021, the amount of confirmed, non-utilized and available multi-currency bilateral credit lines granted to Imerys and maturing between 2022 and 2025 totaled €960.0 million.

The following table presents the amount of commitments received and given for endorsements, sureties and guarantees to subsidiaries (direct investment), equity interests (indirect investment) and other entities:

Commitments given

(€ thousands)	Subsidiaries	Equity interests	Other	Total
Endorsements, sureties, guarantees	84,024	136,758	149,513	370,295

Commitments on foreign exchange risk

The following table presents the breakdown of net commitments on forward purchases and sales by foreign currency at December 31, 2021 (the equivalent value in thousands of euros is presented in the two right-hand columns):

	(local currency thousands)		(€ thousands)	
	Forward purchases	Forward sales	Forward purchases	Forward sales
AUD	34,382	1,624	22,019	1,040
BRL	24,112	0	3,815	0
CAD	9,601	1,174	6,670	816
CHF	75,335	100,433	72,922	97,215
CLP	5,640,778	0	5,896	0
CNY	39,510	1,228	5,471	170
CZK	409	12,457	16	501
DKK	17,479	351,994	2,350	47,334
GBP	85,871	62,413	102,193	74,276
HUF	6,910,944	431,849	18,719	1,170
INR	0	3,182,721	0	37,820
JPY	3,323,747	6,558,156	25,493	50,300
MXN	3,013,952	0	130,227	0
MYR	46,039	0	9,737	0
NZD	9,979	1,298	6,019	783
PLN	2,122	0	462	0
SAR	886	0	208	0
SEK	280,575	26,237	27,372	2,560
SGD	88,252	91,523	57,760	59,901
THB	0	395,983	0	10,517
TRY	55,398	0	3,637	0
USD	9,182	632,325	8,107	558,295
ZAR	290,755	117,695	16,097	6,516
Total			525,191	949,214

These transactions were entered into to hedge the foreign exchange risk generated by intragroup funding and investments in foreign currencies. They also include the net positions between internal and external derivatives on transactions carried out in relation with the Group's strategy to manage foreign exchange risk.

Commitments on interest rate risk

Imerys has not held any interest rate derivatives since March 16, 2019.

Commitments on energy price risk

The following table presents the positions taken at December 31, 2021 to hedge energy price risk:

	Net notional amounts (MWh)	Maturity
Underlying position	8,847,038	<24 months
Management transactions	1,723,662	<24 months



NOTE 24 ITEMS RECOGNIZED IN MORE THAN ONE LINE ON THE BALANCE SHEET (NET VALUE)

(€ thousands)	Total	Of which controlled entities ⁽¹⁾
Investments	4,518,730	4,518,715
Loans related to direct investments and other subsidiaries	921,887	921,887
Other financial investments	14,928	-
Operating receivables	64,337	21,476
Financial debt	3,126,120	1,286,596
Other debts	78,720	14,735

(1) Controlled entities are companies that are fully consolidated in the same group.

NOTE 25 MAJOR SHAREHOLDERS

	Number of shares	% of interest	of voting rights ⁽¹⁾
Belgian Securities B.V. ⁽²⁾	46,341,270	54.56%	67.53%
Blue Crest Holding S.A.	4,305,235	5.07%	6.05%
Group employees	774,751	0.91%	1.04%
Treasury shares	356,196	0.42%	0.00%
Public float	33,163,503	39.04%	25.38%
Total at December 31, 2021	84,940,955	100.00%	100.00%

(1) Total theoretical voting rights: 132,085,706

(2) A wholly-owned subsidiary of Groupe Bruxelles Lambert.

The consolidated financial statements of Imerys are included in the scope of consolidation of the Belgian group GBL.

NOTE 26 2021 AVERAGE HEADCOUNT

	Non-managers	Managers	Total
Full time	25	263	288
Part time	1	2	3
Total employees of the entity	26	265	291

NOTE 27 COMPENSATION AWARDED TO DIRECTORS AND EXECUTIVE MANAGERS

(€ thousands)	2021	2020
Board of Directors	915	838
Executive management	2,065	1,502
Total	2,980	2,340

NOTE 28 SUBSEQUENT EVENTS

The annual statutory financial statements at December 31, 2021 were approved by the Board of Directors at its meeting on February 16, 2022.



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NOTE 29 APPROPRIATION OF PROFIT

The appropriation of profit is proposed in accordance with the provisions of article L. 232-7 of the French Commercial Code (*Code de commerce*)⁽¹⁾.

(€)

Income for the period	131,032,874.92
Allocation to the legal reserve to reach 10% of the share capital	0.00
Retained earnings	604,391,373.21
Distributable profit	735,424,248.13
Dividend of €1.55 paid for each of the 84,940,955 shares outstanding at December 31, 2021	(131,658,480.25)
Retained earnings	603,765,767.88

(1) Which will be submitted for approval at the Shareholders' General Meeting on May 10, 2022.

NOTE 30 TABLE OF SUBSIDIARIES AND EQUITY INTERESTS

(local currency thousands)						
	Country	SIREN number	Share capital	Shareholders' equity other than share capital	Number of treasury shares held	Type of securities
Subsidiaries (at least 50% of equity held by Imerys)						
Mircal	France	333 160 620	1,352,038	2,082,473	90,135,848	shares of €15
Imerys USA	US	-	594,700	565,485	1,000	shares of USD1
Imerys Services	France	320 750 730	371	1,094	24,700	shares of €15
S&B Minerals Finance	Luxembourg	-	121,505	228,938	12,150,505,599	shares of €0.01
Imertech	France	509 434 296	5,037	231	503,700	shares of €10
Imerys (SHANGHAI) Investment Management Company Limited	China	-	14,404	123,506	1	share of CNY14,404,000

(€ thousands)									
	% of interest held by Imerys	Gross carrying amount of securities held	Net carrying amount of securities held	Loans and advances granted by Imery and not repaid	Borrowings taken out by Imerys and not repaid	Sureties and endorsements given by Imerys	Dividends received by Imerys in 2021	2021 revenue	2021 net profit (loss)
Subsidiaries (at least 50% of equity held by Imerys)									
Mircal	100.00	3,076,544	3,076,544	0	41,403		180,272		219,846
Imerys USA	100.00	721,734	721,734	336,212	49,994	112,046			(2,136)
Imerys Services	100.00	1,043	1,043	743			988		174
S&B Minerals Finance	100.00	712,768	712,768		41				3,157
Imertech	100.00	5,037	5,037		1,873		1,209		140
Imerys (SHANGHAI) Investment Management Company Limited	100.00	1,359	1,359					61,908	3,248
Equity interests									
Between 10 and 50% of equity held by Imerys		-	-	-	-	-	-	-	-
Miscellaneous equity interests									
Immaterial French entities		245	245		20	-	435	-	-
Total		4,518,730	4,518,730	336,955	93,331	112,046	182,904	61,908	224,429



6.3 STATUTORY AUDITORS' REPORT

6.3.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2021

To the Annual General Meeting

■ OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of IMERYS for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

■ BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1st, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5⁽¹⁾ of Regulation (EU) N°. 537/2014.

■ Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

**Impairment of long-term assets (including goodwill) – Note 19**

Risk identified The carrying value of long-term assets on the balance sheet amounts to **4,665.8 million euros** as of December 31, 2021 and includes *goodwill* for an amount of **2,144.7 million euros**. Such *goodwill* are tested at the level at which they are monitored by the General Management as indicated in note 19 to the consolidated financial statements.

An impairment test of *goodwill* is carried out every 12 months at the end of the period. During the year, Management reviews any indicators of impairment for CGUs, group of CGUs or long-term individual assets. As soon as facts indicating that a CGU, a group of CGUs or an individual long-term asset may be impaired, Management performs an impairment test at an interim date.

An impairment test consists in comparing the carrying value of the assets in the scope of IAS 36 with its recoverable amount, corresponding to the highest amount between its value in use, estimated based on discounted future cash flows and its fair value less cost to sell.

We considered the impairment of non-current assets (including *goodwill*) to be a key audit matter for the following reasons:

- The amount of *goodwill* is material in the consolidated financial statements;
- The determination of the parameters used to implement impairment tests require management to make significant estimates, such as the levels of expected organic growth underlying the projected cash flows and perpetual growth and discount rates, in the specific context of Covid-19 crisis, which is source of volatility and uncertainty.

Our response We met with management to identify possible Impairment loss indices.

We analyzed the consistency with IAS 36 “Impairment of assets” of the method used by Management to determine the recoverable amount of main CGUs or groups of CGUs and, where necessary, significant individual long-term assets falling within the scope of the standard, presenting an indication of impairment.

We have also, with the assistance of our valuation experts, studied the implementation terms of this methodology and analyzed in particular:

- the reasonableness of the cash flow projections relating to each group of CGUs compared to the economic and financial context in which they operate;
- the consistency of these cash flow projections with the most recent Management estimates that were presented to the Board of Directors as part of the budget process and with external studies related to the markets served by the group;
- the reasonableness of hypotheses applied to the projected cash flows, and mainly long-term growth rate and discount rate, with regards to market analyses, the consensus of the main players and the economic environment of countries in which the Group operates.

We have also assessed the relevance of information disclosed in § 19 of the notes to the consolidated financial statements and verified arithmetical calculations of sensitivity analyses presented by Management.



Valuation of the provisions for mining sites restoration and dismantling – note 23.2

Risk identified	Imerys is subject to different regulatory requirements relating to the restoration and dismantling, at the end of their operations, of the mining and industrial sites that the Group operates. Provisions have been recognized on the balance sheet for this purpose, for an amount of 261.1 million euros as of December 31, 2021 (154.5 million euros for mining site restoration and 106.6 million euros for industrial site dismantling). The calculation of these provisions requires Management to make assumptions to estimate the useful life of the mining sites and industrial sites as well as to determine the costs related to the aforementioned regulatory requirements and the implementation timetable with regard to the specificities of each site, the time frame considered and local regulatory requirements. The determination of the discount rates for forecast costs is also an important assumption. Management relies on in-house experts to determine the main assumptions, by considering the expected impacts, where applicable, of regulatory changes. The valuation of provisions for restoration of mining sites and dismantling of industrial sites are therefore considered to be a key audit matter given the estimated nature of their determination.
Our response	We familiarized ourselves with the procedures set up by Management to determine these provisions and have performed certain specific tests on a sampling of operating entities. As part of those tests: • we have examined the competence of the in-house experts contacted by the Group; • we have assessed the pertinence of the method adopted and analyzed the reasonableness of the cost estimates with respect to applicable legal or contractual requirements; • we have analyzed the method for determining discount rates and reconciled the component parameters with market data. For the other entities, we have analyzed the changes in provisions to identify any possible inconsistencies with respect to our understanding of the relevant site restoration or dismantling programs.

Assessment of the financial consequences of litigation related to talc activity – note 23.2

Risk identified	Certain Group subsidiaries are involved in litigations related to the talc business in the United States. In February 2019, the North American entities exposed to these disputes filed for Chapter 11 bankruptcy protection. Under this procedure, the Group remains legal owner of the relevant entities. However, the analysis of their placement under the legal control of the Court of the State of Delaware (United States) requested to negotiate a business reorganization plan that resulted in their exit from the Group's consolidation scope as from February 13, 2019, as the latter lost the previous control it exercised over them. On May 15, 2020, the Group reached an agreement with plaintiffs' representatives on a joint restructuring plan which should lead to the resolution of the litigations. This plan is still subject to the approval of the majority of debtors and should be ratified by a US Federal Court. As part of this plan, the North American subsidiaries sold their assets to the Magris investment fund on February 17, 2021 for 223 million dollars. In April 2021, the Plan reached the approval threshold required, under the applicable specific legal provisions, of 75% of the votes of creditors and plaintiffs. However, on October 13, 2021, the Competent Court issued a decision that certain votes in favor of the Plan should not be taken into account in the calculation of the final vote and, as a result, the approval of the Plan did not reach the required majority of 75% of the votes. As of December 31, 2021, the remaining provisions for these claims amounts to 78.7 million dollars and 32.7 million euros. The assessment of a provision depends on management's judgment of the possibility of making a reliable estimate of the resulting obligation and all the related costs, where necessary. Management also exercised its judgment in determining the provision amount to be recorded. Considering the material financial impacts for the Group and the decisive nature of the judgments and estimates made by Management to assess the potential liability, we considered the assessment of the provision set aside for the risk relating to the litigation related to the talc activity to be a key audit matter.
Our response	We assessed the reasonableness of the residual provision recorded in the balance sheet, based on: • the "Disclosure Statement" submitted to the Court for approval; • extracts from the minutes of the Company's various Board of Directors' meetings, featuring the exchanges relating to this talc dispute in the US and the Chapter 11 proceedings. We obtained confirmation from the external legal advisors representing the Company in connection with the Chapter 11 proceedings of its North American subsidiaries that the provision reflected a reasonable estimate of the net financial impact for the Group arising from the potential resolution of these proceedings. We assessed the disclosure in the notes to the consolidated financial statements with regard to IAS 37 "Provisions, contingent liabilities and contingent assets".



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STATUTORY AUDITORS' REPORT

■ SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group is included in the Group management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

■ REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the General Manager's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) N°. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of IMERYS by your annual general meeting held on May 5, 2003 for DELOITTE & ASSOCIÉS and on April 29, 2010 for ERNST & YOUNG et Autres.

As at December 31, 2021, DELOITTE & ASSOCIÉS and ERNST & YOUNG et Autres were in the 19th year and 12th year of total uninterrupted engagement.

Previously, ERNST & YOUNG Audit had been statutory auditor since 1986.

■ RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

■ STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.



As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N°. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 17, 2022

The Statutory Auditors French original signed by

DELOITTE & ASSOCIES

Olivier Broissand

ENRST & YOUNG et Autres

Sébastien Huet



6.3.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2021

To the Annual General Meeting of IMERYS,

■ OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of IMERYS for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

■ BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1st, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5⁽¹⁾ of Regulation (EU) N°. 537/2014.

■ EMPHASIS OF MATTER

We draw your attention to the matter described in Note 20 to the financial statements relating to the change in method related to the accounting of pension liabilities resulting from the update of the ANC Recommendation 2013-02. Our opinion is not modified in respect of this matter.

■ JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments

Risk identified	Equity interests, appearing on the balance sheet as of December 31, 2021 for a net amount of 4,518,730 thousand euros, represent one of the most significant balance sheet items. They are recognized on their entry date at acquisition cost excluding incidental expenses and impaired, where necessary, based on their value in use. As indicated in Note 2 to the financial statements, the value in use is estimated by Management based on the value of equity at the year end of the entities concerned, their level of profitability and their business forecasts. The estimate of the value in use of these securities requires Management to exercise its judgment in its choice of items to consider according to the type of equity interests concerned. Such items may correspond to historical items such as equity, and for others, (earnings outlooks). Competition and the economic environment confronted by certain subsidiaries as well as the geographical location of some of them can lead to a decrease in their activity and a deterioration in their operating income. In this context and because of uncertainties inherent to certain items and specifically the probability of attaining forecasts, we considered the valuation of equity interests based on a value in use to be a key audit matter.
Our response	To assess the reasonableness of the estimate of value in use of equity interests, based on the information communicated to us, our work mainly consisted in controlling that the estimate of these values, as determined by Management, is based on an appropriate justification of the valuation method and the figures used. For the valuations based on historical items, our work consisted in verifying that the equity retained is consistent with the accounts of the entities that were the subject of an audit or analytical procedures. For the valuations based on forecast items, our work consisted in: • obtaining the cash flow forecasts of the entities concerned prepared by Management and assessing their consistency with budget forecasts; • analyzing the consistency of the assumptions adopted with the economic environment on the dates the accounts were prepared and closed; • reconciliation of the value resulting from the projected cash flow adjusted by the amount of indebtedness of the entity concerned with the net book value of the securities on the balance sheet.

■ SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 4416- of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 2210-9- of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 2210-11- of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.



■ REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the General Manager's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) N°. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of IMERYS by your annual general meeting held on May 5, 2003 for DELOITTE & ASSOCIÉS and on April 29, 2010 for ERNST & YOUNG et Autres.

As at December 31, 2021, DELOITTE & ASSOCIÉS and ERNST & YOUNG et Autres were in the 19th year and 12th year of total uninterrupted engagement.

Previously, ERNST & YOUNG Audit had been statutory auditor since 1986.

■ RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

■ STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;



- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N°. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 17, 2022

The Statutory Auditors French original signed by

DELOITTE & ASSOCIES

Olivier Broissand

ERNST & YOUNG et Autres

Sébastien Huet



6.3.3 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2021

To the Annual General Meeting,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2021, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

■ AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been notified of any agreements authorized during the year ended December 31, 2021 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

■ AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2021.

Paris-La Défense Cedex and Paris-La Défense, March 17, 2022

The Statutory Auditors *French original signed by*

DELOITTE & ASSOCIÉS
Olivier Broissand

ERNST & YOUNG et Autres
Sébastien Huet



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Information about the Company and its share capital

INFORMATION ABOUT IMERYS

The details included in the present chapter regarding the terms and conditions of shareholders' participation in the Shareholders' General Meeting (*see section 7.1 of the present chapter*), financial authorizations currently in force (*see paragraph 7.3.3 of the present chapter*), elements that could have an impact in the event of a takeover bid (*see section 7.4 of the present chapter*) and the assessment process to which

related party agreements are subject (*see section 7.8 of the present chapter*) form an integral part of the Corporate Governance Report. This report, the cross-reference table for which can be found in *chapter 9*, was approved by the Board of Directors on February 16, 2022. *Chapter 4* and *chapter 8* cover all other elements of the Corporate Governance Report.

7.1 INFORMATION ABOUT IMERYS

■ CORPORATE NAME

Imerys.

■ REGISTERED OFFICE AND COMPANY WEBSITE

43 quai de Grenelle, 75015 Paris, France.

Telephone: + 33 (0)1 49 55 63 00

The Company website can be accessed at www.imerys.com⁽¹⁾.

■ INCORPORATION DATE AND TERM

Imerys was incorporated on April 22, 1880.

An extension to the Company's term was approved by the Shareholders' General Meeting held on May 3, 2017 until May 3, 2116 (article 5 of the by-laws).

■ REGISTRATION AND LEGAL ENTITY IDENTIFIER

The Company is registered at the Paris Trade and Companies Registry under number 562 008 151. Its N.A.F. code (French industry classification) is 7010Z. Its Legal Entity Identifier (LEI) is 54930075MZSSIB2TGC64.

■ LEGAL FORM

Imerys is a French Public Limited Company (*Société Anonyme*) with a Board of Directors (*Conseil d'Administration*) governed by French law.

■ TIMELINE – KEY DATES

The Group was originally formed as a mining and metallurgy business. Initially, its core business involved extracting and processing non-ferrous metals. Numerous acquisitions led the Group to withdraw from the metallurgy of non-ferrous metals to focus on industrial minerals.

In the early 1970s, united under the name Imetal, the Group acquired the French company Huguenot Fenal, marking its entry into the clay roof tile market. It then purchased Copperweld Corporation (US), a company specialized in steel production and metals processing.

In 1985, the Group made its first material investment in refractory minerals and ceramics with the acquisition of Damrec (France). It then structured its business around three sectors: Building Materials, Industrial Minerals and Metals Processing. This reorganization was part of the Group's later withdrawal from non-ferrous metallurgy activities.

From 1990, the Group began to focus heavily on developing industrial minerals⁽²⁾, entering the markets for kaolin (Dry Branch Kaolin Company, US), calcium carbonate (Georgia Marble, US), refractory minerals (C-E Minerals, US), monolithic refractories (Plibrico, Luxembourg), ball clays (Ceratera, France), ceramic bodies (KPCL, France), graphite (Stratmin Graphite, Canada and Timcal, Switzerland) and technical ceramics (Imerys Kiln Furniture, France). Through its Timcal subsidiary (North America, Europe, Asia) acquired in 1994, Imerys became a leading supplier of technical applications for high performance graphite.

In 1999, the Group became one of the world's leading producers⁽³⁾ of white pigments following the acquisition of industrial mineral specialist English China Clays plc (ECC, UK). It then strengthened its presence in kaolin resources by acquiring Rio Capim Caulim S.A. (Brazil) and continued to grow its industrial base in refractory minerals with the acquisitions of Transtech and Napco (US) and Rhino Minerals (South Africa). By acquiring ECC and consequently divesting from Copperweld (US) and ECC's specialty chemicals business (Calgon, US), the Group focused on processing industrial minerals. To reflect this development, Imetal changed its name to Imerys.

Since then, Imerys has kept developing by continually growing its range of products, extending its geographic network into high-growth areas and expanding into new markets.

From 2000 to 2002, Imerys added new minerals to its portfolio, including halloysite (New Zealand China Clays, New Zealand), clays and feldspar (K-T Clay, US and Mexico). The Group increased its carbonate resources in South America (Quimbarra, Brazil), Asia (Honaik, Malaysia) and France (AGS-BMP's carbonate activity). The takeover of the world's leading producer of corundum (fused alumina and bauxite), Treibacher Schleifmittel (Austria), was followed by further acquisitions in the sector in Brazil, China, the Czech Republic and Germany. By acquiring local kaolin producer MRD-ECC (Thailand), the Group increased its presence in the Asian market for applications designed mainly for the sanitaryware industry.

(1) The information published on the Company website does not form part of the Universal Registration Document, except where it is incorporated by reference in the present document.

(2) Industrial minerals: non-metallic and non-combustible rocks or minerals, mined and processed for industrial purposes.

(3) Throughout the Universal Registration Document, information on market positions corresponds to assessments made by Imerys on the basis of its market knowledge, or is derived from trade publications such as Roskill and Industrial Minerals.



In early 2005, Imerys became the leading European supplier of monolithic refractories following the acquisition of Lafarge Réfractaires Monolithiques. The merger of these activities with Plibrico, acquired a few years earlier, led to the creation of a new entity, Calderys. In July, Imerys acquired World Minerals (US), a leading producer of filtration and performance minerals, which introduced diatomite and perlite into the Group's activities. The year ended with the acquisition of Denain Anzin Minerals, providing the Group with deposits of feldspar, mica, quartz and kaolin in Europe.

From 2006 to 2008, the Group continued to grow, acquiring calcined clay specialists AGS (France) and Vatutinsky (Ukraine), extensive reserves of high-quality white marble in China, Malaysia and Vietnam as well as Europe, and several feldspar mines across the world including Jumbo Mining (India), the Feldspar Corporation (US) and others in Turkey. The acquisition of ACE, the leading monolithic refractory company in India, took Calderys to a new level, further reinforced by the acquisitions of B&B (South Africa) and Svenska Silikaverken A.B. (Sweden). Imerys added fused zircon (a mineral for the refractory, technical ceramics and automotive markets) to its portfolio, becoming the world's leading provider with the successive acquisitions of UCM Group Plc (UK) and Astron China. The perlite businesses were bolstered in South America with the acquisition of Perfiltra (Argentina). The acquisitions of Kings Mountain Minerals, Inc. (North Carolina, US) and Suzorite Mining, Inc. (Quebec, Canada) added high-quality mica to the Group's mineral portfolio.

In 2010, the acquisition of Pará Pigmentos S.A. increased the Group's kaolin resources in Brazil.

In 2011, Imerys acquired the Luzenac Group and became the world's leading talc processing company. A production unit was inaugurated in Andersonville (Georgia, US) to manufacture ceramic proppants, used to keep fractures open in unconventional oil and gas exploration. Through "The Quartz Corp S.A.S.", a joint venture created with the Norwegian group Norsk Mineral A.S., the Group was able to meet the increasing demand for high-purity quartz in the semiconductor and photovoltaic markets. The Group extended the production capacity of its calcium carbonate plant in Malaysia and the Miyagi plant in Japan, which was rebuilt after the tsunami.

In 2012, the Group strengthened its operations in Brazil, extending its product range for the paint, polymer and rubber markets with the acquisition of Itatex and a refractory bauxite deposit from the Vale Group.

In 2013, several acquisitions were made by the Group's businesses: PyraMax Ceramics LLC (US) and its ceramic proppant manufacturing plant, Goonvean (UK) and its kaolin reserves in Cornwall, and local feldspar producer Ceraminas (Thailand). To support soaring demand in the mobile energy sector, the Group doubled capacity at the Willebroek carbon black plant (Belgium). The lime production plant in Deresopolis (Brazil) was completed and put into production. Arefcon B.V. (Netherlands), Indoporlen (Indonesia) and Tokai (Japan) were brought into the Group's Monolithic Refractories division. The disposal of Imerys Structure (brick walls, partitions and flues) to Bouyer Leroux group (France) was finalized.

In 2014, the acquisition of Termorak (Finland) strengthened the Group's expertise in designing and installing refractory materials for the petrochemical and thermal industries. The Group expanded its geographical footprint in natural calcium carbonate with the integration of Kinta Powdertec Sdn Bhd (Malaysia). An applied R&D center opened in Japan to support the Group's major local graphite and carbon black customers. The result of a joint venture with Al Zayani Investments, the fused alumina production plant in Bahrain went into production after construction began in 2012. It represented Imerys' first industrial base in the Middle East, enabling the Group to gain a foothold in the region. At the same time, the Group disposed of four calcium carbonate paper plants in Europe and the US as well as a production plant in Tunisia, and it permanently closed the Ardoisières d'Angers site (France).

In 2015, Imerys acquired the S&B Group, the world's leading producer of steel casting fluxes, wollastonite and perlite-based solutions and the leading European supplier of bentonite. The Group also acquired the Precipitated Calcium Carbonate divisions (Austria, France, Germany and UK) of the Solvay Group, Europe's leading producer of fine and ultrafine PCC, which is used as a functional additive in specialty applications (polymers, paints, hygiene, health and beauty), and the Matisco Development Group (France), a company specialized in metal profile manufacturing.

In 2016, Imerys stepped up its development strategy by signing an agreement to acquire the Kerneos group, a leading global expert in high-performance calcium aluminate-based binders. The Group also purchased the specialty alumina business from the Alteo group (France and Germany) and completed its geographical coverage of monolithic refractories by acquiring the industrial production site SPAR (US), and extending its service offer with the acquisition of Fagersta Eldfasta (Sweden).

In 2017, Imerys completed its acquisition of the Kerneos group initiated in 2016. A major year in the rollout of Imerys' strategy, 2017 also saw the completion of several further acquisitions, allowing the Group to broaden its specialty offering and continue to develop its presence in countries such as Brazil, China and India.

In 2018, Imerys completed the disposal of its Roofing division to the private equity fund Lonestar.

In 2019, Imerys disposed of its ceramic proppants business (IOS) in the US and its plastics recycling business (Imerplast) in the UK. The Company acquired certain assets from EDK (a leading producer of Ground Calcium Carbonate) in Brazil, as well as a 65% stake in Shandong Luxin Mount Tai, the foremost producer of abrasive grains in China.

In 2020, Imerys acquired a 60% majority stake in the Haznedar group (Turkish supplier of high-quality refractory bricks and monolithic products), a 100% stake in Cornerstone and American Garden Perlite (horticulture and industrial grade perlite mining and transformation in the US), a 75.9% stake in Sunward (manufacturer of high-grade monolithic refractories and refractory bricks in Taiwan and Asia) and a 100% stake in Hysil (major manufacturer of calcium silicate blocks in India). Imerys also disposed of its Kaolin business in Australia.



Information about the Company and its share capital

INFORMATION ABOUT IMERYS

In 2021, Imerys inaugurated its European Research & Development center for performance minerals in Toulouse, fitted with specialist equipment for the polymer, ceramics, building materials, filtration, health and food markets. Imerys also announced the Group was increasing its production capacity of carbon black in its Willebroek plant (Belgium) in order to meet growing demand in special conductive additives, in particular for lithium-ion batteries. The Group disposed of its 50% stake in Fiberlean Technologies in Werhahn (Germany), as well as four cellulose microfibrils production facilities for customers in the paper and board markets in France, India and the US. Furthermore, Imerys began the process to dispose its non-strategic natural graphite assets in Namibia and Lac des Îles (Canada). Beginning of 2022, Imerys disposed its US-based kaolin assets serving the paper and board markets in North America.

■ REGULATORY ENVIRONMENT

Although they do not operate in an industry subject to specific regulation that may materially affect their business, the Group's companies must comply with a great number of national and regional laws and regulations due to the nature of their work (particularly mining and natural resources) and their industrial operations.

■ CORPORATE PURPOSE (ARTICLE 3 OF THE BY-LAWS)

Imerys is the parent company of an industrial and business group that is the world's leading supplier of mineral-based specialty solutions for industry.

Under the terms of article 3 of the by-laws, "The Company's purpose, in France and overseas, is:

- the research, acquisition, farmout, sale and operation of mines and quarries, of any kind whatsoever;
- the processing, transformation and trading of any minerals, metals, organic or non-organic materials and mineral substances, as well as their by-products and alloys;
- the manufacturing of any product in which minerals, metals, organic or non-organic materials and mineral substances are used;
- the purchase, acquisition, operation, concession, sale and full or partial, temporary or permanent handover, of any patents, certificates or licenses pertaining to the aforementioned purposes;
- the creation, acquisition, sale and concession of any buildings, plants, means of transportation and energy sources;
- the participation in any country in any mining, quarrying, commercial, industrial and maritime operations to promote or develop the Company's own industries and businesses, through the creation of new companies, alliances, joint ventures or otherwise; and, generally, any mining, quarrying, commercial, industrial, maritime, real estate, personal property and financial operations related directly or indirectly, in whole or in part, to any of the purposes specified above or any other similar or related purposes."

■ FINANCIAL YEAR (ARTICLE 28 OF THE BY-LAWS)

The financial year spans a 12-month period that begins on January 1 and ends on December 31 of each year.

■ BOARD OF DIRECTORS (ARTICLES 12 AND 13 OF THE BY-LAWS)

The Company is managed by a Board of Directors composed of at least three but no more than eighteen members, subject to certain exceptions permitted by law.

Directors are appointed for a three-year term of office, renewed by the Ordinary Shareholders' General Meeting, which may remove them at any time. In accordance with legal provisions, the number of directors over the age of 70 may not exceed one third of all directors in office. In the event that this limit should be exceeded, the oldest director shall automatically be deemed to have resigned. The Board of Directors also includes one or several employee representative directors, in accordance with current legal provisions.

Furthermore, the Board of Directors may appoint up to two non-voting observers for a three-year term, who may or may not already be Imerys shareholders.

For further details regarding the powers, structure and operating procedures of the Board of Directors, [see chapter 4, section 4.1 of the Universal Registration Document](#).

■ SHAREHOLDERS' GENERAL MEETINGS (ARTICLES 21 AND 22 OF THE BY-LAWS)

Convening

Shareholders' General Meetings are convened under the terms and conditions provided by current legal provisions and are held at the registered office or any other place specified in the notice of meeting.

Admission

All shareholders have the right to take part in Shareholders' General Meetings – whether in person or by proxy – simply by providing proof of their identity and share ownership by means of either registering shares, or providing a share certificate proving the registration of bearer shares. These formalities must be completed in accordance with the deadlines set out in the notice of meeting. Shareholders may also, by decision of the Board of Directors indicated in the notice of meeting, take part in General Meetings and vote through video conference and/or by any other means of communication under the conditions provided by current legal provisions.

Exercising voting rights

All documents specified by articles R. 225-81 and R. 225-83 of the French Commercial Code (*Code de commerce*), including a postal or proxy voting form, are sent to shareholders on request. This form can only be effectively taken into account if it is completed in accordance with current legislation and returned to the registered office or to the address given in the notice of meeting. Moreover, any shareholder may, by decision of the Board of Directors indicated in the notice of meeting, receive and return the voting form by post, proxy, email or by any other means of communication, under the terms and conditions provided by current legal provisions.



Double voting rights

Shares held in registered form under the name of the same shareholder for at least two years carry double voting rights. This right is provided by article 22 of the by-laws and aims to reward the Company's loyal shareholders. Double voting rights are also granted to new free shares in the event of a capital increase, if the old shares also carried this right. The double voting right ceases automatically when a registered share is converted to a bearer share or is transferred, except in cases of collateral assignment, transfer as life interest, inheritance or family bequest. Finally, double voting rights may be canceled by decision of an Extraordinary Shareholders' General Meeting after having obtained the prior authorization of the Special General Meeting of the holders of this right.

Restriction of voting rights

None.

■ PUBLICLY AVAILABLE DOCUMENTS

The by-laws, minutes of Shareholders' General Meetings, statutory and consolidated financial statements, Statutory Auditors' reports and all documents that must be made available to shareholders may be accessed via the Company's registered office or on the Company's website (www.imerys.com – Finance – Shareholders' corner).

■ COVID-19 PANDEMIC

Due to the Covid-19 pandemic, the aforementioned terms and conditions of shareholders' participation in the 2022 Shareholders' General Meeting and the ways in which they are able to exercise their voting rights may be adapted in accordance with legal and regulatory provisions in force at that time. Shareholders are asked to regularly check the dedicated page on the Imerys website (www.imerys.com – Finance – Shareholders' corner), which will be updated accordingly.

7.2 RELATIONS WITH SHAREHOLDERS

7.2.1 GENERAL INFORMATION

Imerys takes special care of its shareholders, ensuring they are regularly informed about changes in its business, strategy, investments, earnings and outlook. This is reflected in the various communication tools that are made available to involve shareholders in the life of the Group, such as:

- the website www.imerys.com, which enables shareholders to keep up to date in real time with changes in the Group and share prices, including a specific section dedicated to individual shareholders, where they can find the "Shareholders' Guide";
- a Letter to Shareholders published several times a year, detailing the Group's news, earnings and outlook;
- the Universal Registration Document, including the Integrated Report, the Annual Financial Report and the Management Reports, which itself includes the Corporate Governance Report, as well as a Half-year Financial Report;
- a direct phone number and e-mail address.

All these documents are published in both English and French and are sent electronically to every holder of registered or bearer shares who wishes to receive them regularly.

Imerys also informs the financial community and individual shareholders about the Company's business through financial announcements published in the press (print and/or web format) whenever results are published and the annual Shareholders' General Meeting is held.

Through the intermediary of CACEIS Corporate Trust, in charge of share registry services, Imerys provides holders of shares in registered form with an online service that allows them to consult their share portfolio via the secure website www.nomi.olisnet.com. The website gives shareholders access to the prices and characteristics of the shares in their portfolio, their recent transactions as well as the availability of their stocks and the attached voting rights. It also contains all documentation concerning the annual Shareholders' General Meeting and gives them the option to vote on-line ahead of the day.

Imerys maintains regular, open and transparent relations with the entire financial, institutional and socially responsible investment community through individual meetings, industry conventions and conference calls.



Information about the Company and its share capital

RELATIONS WITH SHAREHOLDERS

The Group will publish its quarterly results on the following dates:

April 28, 2022	Q1 2022 Results
July 28, 2022	H1 2022 Results
November 2, 2022	Q3 2022 Results

The Group Finance Department is responsible for Financial Communication:

- Telephone: + 33 (0)1 49 55 64 01
- Fax: + 33 (0)1 49 55 63 16
- e-mail: finance@imerys.com

Imerys share registry services are provided by:

- CACEIS Corporate Trust
14, rue Rouget-de-Lisle
92862 Issy-les-Moulineaux Cedex 9, France
Telephone: + 33 (0)1 57 78 34 44
Fax: + 33 (0)1 49 08 05 80
e-mail: ct-contact@caceis.com

CACEIS Corporate Trust is more specifically at the service of registered shareholders to provide support and manage their Imerys shares.

7.2.2 IMERYS STOCK MARKET INFORMATION

Imerys shares are listed on Euronext Paris and are eligible for the deferred settlement service (*Service à Règlement Différé* – SRD) (ISIN code FR 0000120859-Mnemo NK). Imerys is included in the CAC MD (mid 60) index within the SBF 120, which represents the 120 largest stocks listed on Euronext Paris (in terms of market capitalization, free float and trading volumes), as well as in the CAC Basic Materials index. Since November 2, 2009, Imerys shares have been listed on the

SBF 120 under the general mining sector ("55102000 General Mining" according to ICB classification).

The Group also places great importance on the ratings of non-financial rating agencies ([see chapter 3, section 3.2 of the Universal Registration Document](#)).

No shares belonging to any subsidiary of Imerys are traded on a stock exchange.

■ STOCK MARKET HIGHS AND LOWS BETWEEN 2017 AND 2021

Full year	Highest market price* (€)	Lowest market price* (€)	Market closing price for the year (€)
2017	81.54	71.40	78.54
2018	87.45	41.04	41.98
2019	51.65	32.10	37.68
2020	43.54	20.68	38.66
2021	46.14	33.44	36.54

* Market prices observed during trading (sources: Bloomberg and Euronext).



■ TRADING SINCE JANUARY 2019

	Highest market price* (€)	Lowest market price* (€)	Total monthly trading volume		Average daily trading		
			Number of shares	Capital (€ millions)	Number of shares	Capital (€ millions)	Number of transactions
2019**							
January	47.40	40.60	2,424,934	108.14	110,224	4.91	1,201
February	51.15	44.76	2,981,564	144.61	149,078	7.23	1,556
March	51.65	41.88	3,640,868	171.77	173,375	8.18	1,693
April	49.72	44.84	2,750,313	129.81	137,516	6.49	1,401
May	48.64	37.54	6,190,799	252.69	281,400	11.45	2,348
June	47.42	37.24	5,790,284	253.12	289,514	12.68	2,135
July	46.88	37.84	4,030,795	173.59	175,252	7.54	1,844
August	38.62	34.60	2,788,460	101.49	126,748	4.61	1,218
September	40.12	35.00	3,653,014	136.48	173,953	6.51	1,576
October	37.66	32.10	5,928,284	205.04	257,751	8.89	2,142
November	38.38	34.64	7,891,800	289.37	375,800	13.77	2,099
December	38.38	34.50	3,316,846	121.00	165,842	6.04	1,376
2019 Total	-	-	51,387,961	2,087.11	-	-	-
2020							
January	41.72	36.54	4,088,903	160.2	185,859	7.34	1,698
February	43.54	34.50	4,394,199	176.3	219,710	8.76	2,243
March	36.50	20.68	5,143,930	136.1	233,815	6.32	2,209
April	29.80	21.12	2,401,536	58.2	120,077	2.96	1,051
May	32.20	26.82	2,951,233	85.7	147,562	4.33	1,326
June	34.90	28.64	3,309,135	103.1	150,415	4.71	1,438
July	34.74	28.96	2,352,226	73.0	102,271	3.20	978
August	36	31.24	1,656,948	56.2	78,902	2.67	800
September	34.66	30.16	2,028,234	67.4	92,192	3.06	975
October	33.16	24.66	2,636,644	77.7	119,847	3.44	1,172
November	35.80	25.80	2,733,790	87.2	130,180	4.11	1,189
December	39.24	34.48	2,157,586	80.8	98,072	3.66	1,174
2020 Total	-	-	35,854,364	1,161.9	-	-	-
2021							
January	44.30	38.66	2,742,150	112.9	137,108	5.63	1,555
February	43.32	39.66	1,699,274	70.2	84,964	3.53	1,052
March	44.92	41.22	2,483,435	105.3	107,975	4.60	1,246
April	45.34	41.6	2,528,028	108.9	126,401	5.42	1,360
May	46.14	41.66	1,717,640	74.7	81,792	3.57	926
June	43.7	39.4	1,591,976	66.6	72,363	3	976
July	40.20	35.98	1,612,166	61.7	73,280	2.80	1,013
August	40.66	37.64	1,563,435	61.4	71,065	2.79	942
September	39.92	36.58	1,285,043	49.4	58,411	2.24	824
October	38.54	36.78	1,357,808	51.3	64,658	2.43	847
November	38.9	34.52	1,602,647	59	72,848	2.67	951
December	36.54	33.44	1,328,855	46.2	57,776	2.01	785
2021 Total	-	-	21,512,457	867.6	-	-	-

* Market prices observed during trading (sources: Bloomberg and Euronext).

** Amounts for 2019 include correction of non-material formal errors.



7.3 SHARE CAPITAL AND SHAREHOLDING

7.3.1 SHARE CAPITAL

■ SHARE CAPITAL AT DECEMBER 31, 2021

Imerys' fully-paid up share capital at December 31, 2021 totaled €169,881,910, made up of 84,940,955 shares with a par value of €2, including 47,500,947 that carried double voting rights pursuant to article 22 of Imerys' by-laws. In total, 132,441,902 theoretical voting rights were attached to outstanding shares. Taking into account the 356,196 treasury shares held by the Company at December 31, 2021 (see paragraph 7.3.4 of the present chapter), the total number of net voting rights attached to outstanding shares was 132,085,706 at that date.

Taking into account the 77,220 share options and 1,340,150 free shares granted to certain employees and executive corporate officers and not yet exercised or acquired at December 31, 2021, the maximum potential dilution of the share capital was 1.67% at this date (i.e. a nominal amount of €2,834,739).

No stock options were exercised in 2021.

The Imerys share capital has not changed since this date.

■ PLEDGES

The Company has not pledged any directly registered shares.

7.3.2 CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

Over the past five years, the following changes have occurred in the number of shares and the Company's share capital:

Full year	Transaction	Nominal change in capital (€)	Additional paid-in capital/ Issue premium (€)	Number of shares created	Par value (€)	Company capital (€)	Number of shares that make up the capital
	Cancellation of shares	(800,000)	(23,841,188)	(400,000)	2	158,335,748	79,167,874
2017	Exercise of stock options	872,822	22,418,675	436,411	2	159,208,570	79 604 285*
	Cancellation of shares	(471,762)	14,232,373	(235,881)	2	158,736,808	79,368,404
2018	Exercise of stock options	234,580	5,495,695	117,290	2	158,971,388	79,485,694*
2019	Exercise of stock options**	29,526	480,388	14,763	2	159,000,914	79,500,457*
	Cancellation of shares	(314,684)	(12,046,384)	(157,342)	2	158,686,230	79,343,115
	New shares issued in consideration for the 2019 dividend payment	11,343,880	108,447,493	5,671,940	2	170,030,110	85,015,055
2020	Cancellation of shares	(148,200)	(2,880,198)	(74,100)	2	169,881,910	84,940,955
2021	N/A***	0	0	0	2	169,881,910	84,940,955

* At December 31.

** The increase in capital due to stock options exercised in 2019 was acknowledged by the Board of Directors on February 12, 2020, taking effect at December 31, 2019.

*** The number of shares and the amount of share capital did not change in 2021.



7.3.3 FINANCIAL AUTHORIZATIONS

■ SUMMARY OF THE FINANCIAL AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY IN FORCE

Type of authorization	Expiration and term of the authorization	Maximum nominal amount authorized	Use in 2021
Share buyback and cancellation of shares			
Treasury share purchase by the Company (<i>Shareholders' General Meeting of May 10, 2021, 13th resolution</i>)	November 9, 2022 (18 months)	10% of outstanding shares at January 1, 2021 (representing 8,494,095 shares)	356,196 shares (i.e. 0.42% of share capital)
Share capital decrease by canceling treasury shares (<i>Shareholders' General Meeting of May 10, 2021, 23rd resolution</i>)	July 9, 2023 (26 months)	10% of the capital per 24-month period	None
Issue of shares and securities			
Issue of shares or securities conferring entitlement to the Company's capital with pre-emptive subscription rights (<i>Shareholders' General Meeting of May 10, 2021, 14th resolution</i>)	July 9, 2023 (26 months)	Capital: €75 million Debt securities: €1 billion the amount issued being included in the Overall Cap	None
Issue of shares or securities conferring entitlement to the Company's capital through an offer of securities to the public without pre-emptive subscription rights, but with, where applicable, a priority period granted by the Board of Directors open to the public (<i>Shareholders' General Meeting of May 10, 2021, 15th resolution</i>)	July 9, 2023 (26 months)	Capital: €15 million Debt securities: €1 billion the amount issued being included in the Overall Cap and Sub-Cap	None
Issue of shares or securities conferring entitlement to the Company's capital through private placements without pre-emptive subscription rights granted to qualified institutional buyers or a limited number of investors (<i>Shareholders' General Meeting of May 10, 2021, 16th resolution</i>)	July 9, 2023 (26 months)	10% of share capital at the issue date the amount issued being included in the Overall Cap and Sub-Cap	None
Increase in the number of shares to be issued in the event of excess demand for issued shares or securities conferring entitlement to the capital with or without pre-emptive subscription rights (<i>Shareholders' General Meeting of May 10, 2021, 17th resolution</i>)	July 9, 2023 (26 months)	15% of the initial issue, the amount issued being included in the Overall Cap and, where applicable, the Sub-Cap	None
Setting of the issue price of shares or securities conferring entitlement to the capital in the event pre-emptive subscription rights are canceled (<i>Shareholders' General Meeting of May 10, 2021, 18th resolution</i>)	July 9, 2023 (26 months)	10% of capital per year the amount issued being included in the Overall Cap and Sub-Cap	None
Issue of shares or securities conferring entitlement to the capital in consideration for contributions in kind made up of shares or securities (<i>Shareholders' General Meeting of May 10, 2021, 19th resolution</i>)	July 9, 2023 (26 months)	Capital: 10% of capital per year Debt securities: €1 billion, the amount issued being included in the Overall Cap and Sub-Cap	None
Increase of share capital paid up by capitalizing retained earnings, profits, additional paid-in capital or issue premiums (<i>Shareholders' General Meeting of May 10, 2021, 20th resolution</i>)	July 9, 2023 (26 months)	€75 million the amount issued being included in the Overall Cap	None
Overall cap for share capital increases and issues of debt securities with or without pre-emptive subscription rights (<i>Shareholders' General Meeting of May 10, 2021, 21st resolution</i>)	July 9, 2023 (26 months)	Capital: €75 million represents the maximum common cap set in the 14 th to the 20 th resolutions approved by the Shareholders' General Meeting of May 10, 2021 (the "Overall Cap") Capital: €15 million represents the common cap applicable to issues without pre-emptive subscription rights (the "Overall Sub-Cap")	-
Issues granted to employees and executives			
Issue of shares or securities giving access to the Company's capital reserved for Group employees who are members of a Company or Group savings plan (<i>Shareholders' General Meeting of May 10, 2021, 22nd resolution</i>)	July 9, 2023 (26 months)	€1.6 million	None
Grant of Imerys stock options to employees and corporate officers or certain categories among them (<i>Shareholders' General Meeting of May 4, 2020, 22nd resolution</i>)	July 3, 2023 (38 months)	Common cap: 3% of share capital at the grant date	None
Free Imerys share grant to employees and corporate officers or certain categories among them (<i>Shareholders' General Meeting of May 4, 2020, 23rd resolution</i>)	July 3, 2023 (38 months)	Sub-cap for executive corporate officers: 0.5% of share capital at the grant date	483,700 performance shares were granted in 2021, representing 0.57% of the Company's share capital



Information about the Company and its share capital

SHARE CAPITAL AND SHAREHOLDING

■ SUMMARY OF THE FINANCIAL AUTHORIZATIONS FOR WHICH RENEWALS WILL BE SUBMITTED FOR APPROVAL AT THE ORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 10, 2022

The following table presents the financial authorizations submitted to the approval of the Ordinary Shareholders' General Meeting of May 10, 2022.

✓ For further details see chapter 8, paragraph 8.2.7 of the *Universal Registration Document*.

Type of authorization	Expiration and term of the authorization	Maximum nominal amount authorized
Share buyback and cancellation of shares		
Treasury share purchase by the Company (<i>Shareholders' General Meeting of May 10, 2022, 17th resolution</i>)	November 9, 2023 (18 months)	10% of outstanding shares at January 1, 2022 (representing 8,494,095 shares)

■ OTHER SECURITIES

On February 17, 2021, as the decision to issue ordinary bonds falls within the authority of the Board of Directors, in accordance with article L. 228-40 of the French Commercial Code, the Board of Directors delegated full powers to the Chief Executive Officer for the purposes of carrying out such issues and deciding their conditions, in particular for the Company's Euro Medium Term Note ("EMTN") program, within the period of one year and a maximum nominal amount per year of €1.5 billion and a maximum nominal amount per operation of

€600 million. At its meeting of May 10, 2022, the Board of Directors will consider the renewal of this delegation to the Chief Executive Officer, under the same terms and conditions.

On May 14, 2021, the Company issued €300 million in Sustainability-Linked Bonds due on July 15, 2031 and bearing an annual coupon of 1%. These bonds were admitted to trading on the regulated market of the Luxembourg Stock Exchange. (For further details, see www.imerys.com – Finance).

7.3.4 SHARE BUYBACK PROGRAM

■ LEGAL FRAMEWORK OF SHARE BUYBACK PROGRAMS IMPLEMENTED IN 2021

The Ordinary and Extraordinary Shareholders' General Meeting held on May 10, 2021 renewed for a period of 18 months, i.e. until November 9, 2022, the authorization previously granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2020. In accordance with articles L. 22-10-62 *et seq.* of the French Commercial Code, this authorization enables the Company to buy back its own shares within the limit of 10% of the shares existing and outstanding at January 1, 2021, representing 8,494,095 shares, and within the limit of a total investment of €721.9 million. It was also decided at the 2021 Shareholders' General Meeting that the number of shares likely to be held by the Company, directly or indirectly, at any time, shall not exceed 10% of the total share capital. Lastly, the maximum acquisition price was set at €85 per share.

On May 10, 2021, in accordance with article L. 22-10-62 paragraph 3 of the French Commercial Code, the Board of Directors delegated full powers for the purposes of purchasing Company shares to the Chief Executive Officer, within the conditions and limits set by the Shareholders' General Meeting.

■ Transactions carried out in 2021⁽¹⁾

In accordance with article L. 225-211 of the French Commercial Code, the following transactions were carried out as part of the Company's share buyback programs in force in 2021.

Transactions completed between January 1 and May 9, 2021 as part of the share buy-back program approved by the Shareholders' General Meeting of May 4, 2020

As part of the following liquidity agreements, which both comply with the applicable decision made by the French Financial Market Authority (*Autorité des Marchés Financiers*, AMF)⁽²⁾:

- For the period between January 1 and March 31, 2021 concluded by the Company with Rothschild & Cie Banque on February 14, 2019.
- For the period between April 12 and May 9, 2021 concluded by the Company with Exane on April 1, 2021 and taking effect on April 12, 2021⁽³⁾,

together, the "Liquidity Agreement", the following transactions were completed:

- 293,339 shares were purchased on the market at an average weighted price of €42.572; and
- 273,681 shares were sold on the market at an average weighted price of €42.564.

Transactions completed between May 10 and December 31, 2021 as part of the share buy-back program approved by the Shareholders' General Meeting of May 10, 2021

As part of the Liquidity Agreement concluded with Exane:

- 574,160 shares were purchased on the market at an average weighted price of €39.087; and
- 539,914 shares were sold on the market at an average weighted price of €39.017.

(1) All prices and amounts are given excluding fees and commission.

(2) AMF decision n°2018-01 of July 2, 2018 and AMF decision n°2021-01 of June 22, 2021.

(3) As updated on January 24, 2022, taking effect retroactively from July 1, 2021.



Furthermore, on August 2, 2021, the Company granted a share purchase agreement to an investment services firm ("PSI"), in accordance with Regulation (EU) No 596/2014, Commission Delegated Regulation (EU) No 2016/1052, articles 241-1 et seq. of the AMF's General Regulations and the AMF's guidelines on trading by issuers in their own shares and stabilization measures, which had expired by the date the program was completed on September 28, 2021 (the "**Purchase Agreement**"). Under the Purchase Agreement, 200,000 of the Company's shares were purchased on the market between August 4, 2021 and September 28, 2021 at an average weighted price of €38.799.

Treasury shares held at December 31, 2021

Taking into account:

- the balance of treasury shares held at December 31, 2020, representing 182,330 shares;
- the delivery in 2021 of 80,038 vested shares to the beneficiaries of performance share grants (for further details, [see chapter 4, paragraph 4.3.3 of the Universal Registration Document](#));
- 867,499 shares purchased and 813,595 shares sold under the Liquidity Agreement in 2021; and
- 200,000 shares purchased under the Purchase Agreement;
- the balance of treasury shares held at December 31, 2021 totaled 356,196. These shares, which have a par value of €2, represented 0.42% of share capital at December 31, 2021.

It should be noted that:

- the transactions carried out by the Company in 2021 as part of its share buy-back programs were made in full and without opening any buying or selling positions;
- the Company does not use derivatives as part of its share buy-back programs;
- taking into account the shares bought back within the framework of the Purchase Agreement, the Company incurred trading fees of €5,179.75 and paid €23,279.59 in financial transaction tax.

■ DETAILS OF THE SHARE BUYBACK PROGRAM PUT FORWARD FOR RENEWAL

As the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' General Meeting held on May 10, 2021 expires on November 9, 2022, shareholders will be asked to renew it at the Ordinary Shareholders' General Meeting held on May 10, 2022 for a further period of 18 months, *i.e.* until November 9, 2023 ([see chapter 8, paragraph 8.2.7 of the Universal Registration Document](#)).

The buyback program put forward for renewal at the Ordinary Shareholders' General Meeting held on May 10, 2022 is drawn up in accordance with articles L. 22-10-62 et seq. of the French Commercial Code, Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, and articles 241-1 to 242-7 of the AMF's General Regulations.

Purpose of the share buyback program

The purpose of the program is to enable the Company to buy back its own shares, primarily so as to:

- cancel the shares at a later date to reduce the Company's share capital;
- implement and cover stock option plans and/or free share grants, as well as any shares granted under employee share ownership plans set up by the Company (or assimilated plans), or with respect to profit-sharing programs for current employees, former employees and/or corporate officers of the Company and/or any related companies as defined by articles L. 225-180, L. 225-197-2 and L. 233-16 of the French Commercial Code, within the current legal framework or ad hoc plans set up by the Company;
- grant or exchange shares purchased, in particular, on exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- maintain the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under a liquidity agreement, it being specified that for the calculation of the 10% cap on purchases set out above, the number of shares bought back should be considered net of any shares sold within the duration of the agreement;
- hold them before using them at a later date as payment for or in consideration of external growth operations; and
- more generally, operate for any other purpose that is or may come to be authorized by law, and/or implement any market practice that is or may come to be authorized by the AMF.

Maximum proportion of capital, maximum number and characteristics of shares, maximum purchase price

The number of shares that could be purchased under the agreement cannot exceed 8,494,095 shares, representing 10% of shares issued and outstanding at January 1, 2022 (or 5% of the total number of shares that make up the share capital if the shares were acquired by the Company with a view to holding them before using them at a later date as payment for or in consideration of a merger, demerger or contribution). Buybacks concern Imerys shares (code ISIN FR0000120859) listed on Euronext Paris. The purchase price may not exceed €85 per share, representing a maximum total investment of €721,998,075.

Buyback conditions

Shares are purchased on the market or over the counter and by any means, including through block transfers and with the use or exercise of any financial instrument, financial agreement or derivative, and at any time, except during a public offer for the Company's shares.



Information about the Company and its share capital

SHARE CAPITAL AND SHAREHOLDING

7.3.5 SHAREHOLDING

7.3.5.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS OVER THE PAST THREE YEARS

The following changes in the breakdown of share capital and voting rights have occurred over the past three years:

	At December 31, 2019				At December 31, 2020				At December 31, 2021			
	Number of shares	% of share capital	Voting rights ⁽¹⁾	% of voting rights ⁽²⁾	Number of shares	% of share capital	Voting rights ⁽¹⁾	% of voting rights ⁽²⁾	Number of shares	% of share capital	Voting rights ⁽¹⁾	% of voting rights ⁽²⁾
Belgian Securities B.V.	42,851,473	53.91	85,702,946	67.59	46,341,270	54.56	89,192,743	67.53	46,341,270	54.56	89,192,743	67.53
Blue Crest Holding S.A.	4,166,275	5.24	7,983,256	6.30	4,305,235	5.07	7,835,669	5.93	4,305,235	5.07	7,989,470	6.05
Group employees	857,091	1.08	1,309,042	1.03	959,332	1.13	1,510,561	1.14	774,751	0.91	1,373,685	1.04
Treasury shares	540,759	0.68	540,759 ⁽³⁾	0.43	182,330	0.21	182,330 ⁽³⁾	0.14	356,196	0.42	0	0
Public float	31,070,096	39.09	31,258,911	24.65	33,152,788	39.03	33,350,984	25.25	33,163,503	39.04	33,529,808	25.38
Total	79,485,694	100	126,794,914	100	84,940,955	100	132,072,287	100	84,940,955	100	132,085,706	100

(1) In accordance with article 22 of the Company by-laws, shares held in registered form for over two years carry double voting rights.

(2) Percentages are calculated on the basis of the theoretical voting rights existing at December 31 of each year (on the basis of the share capital for 2019).

(3) These figures reflect theoretical voting rights, as treasury shares are stripped of voting rights at Shareholders' General Meetings.

7.3.5.2 CROSSING OF STATUTORY THRESHOLDS

No disclosures were made to the Company to report a threshold being crossed in 2021 and up to the date the Universal Registration Document was filed.

To the best of Imerys' knowledge, no shareholder other than those mentioned in [paragraph 7.3.5.1 of the present chapter](#) either directly or indirectly held more than 5% of the Company's share capital or voting rights at the date of the Universal Registration Document was filed.

Shareholders are reminded that the Imerys by-laws do not contain any clauses requiring disclosures to be made when thresholds are crossed, other than those required by law. Any shareholder, whether acting alone or in concert, whose ownership exceeds or drops below one of the thresholds for the Company's capital and/or voting rights provided by the legislation in force must comply with the provisions of articles L. 233-7 et seq. of the French Commercial Code and article 223-14 of the AMF's General Regulations.

7.3.5.3 CONTROL OF THE COMPANY AND SHAREHOLDERS' AGREEMENT

Control of the Company

Given the number of voting rights held, the Company is legally controlled by Belgian Securities B.V., which itself is controlled directly by Groupe Bruxelles Lambert ("GBL") and indirectly by the Frère and Desmarais families through the company Parjointco (for further details, [see the organization chart in paragraph 7.3.5.6 of the present chapter](#)). Nevertheless, the Company does not believe there is a risk such control be exerted abusively. The Company and its Board of Directors have always considered protecting shareholder interests to be of great importance and consistently spare no effort to comply with Corporate Governance rules and best practice, as

demonstrated, in particular, by the number of independent members sitting on the Board of Directors and its Committees (for further details on the structure of the Board of Directors and its Committees, [see chapter 4, paragraph 4.1.1 of the Universal Registration Document](#)).

Shareholders' agreement

On November 5, 2014, GBL, Belgian Securities B.V. and Blue Crest Holding S.A. ("**Blue Crest**") entered into a shareholders' agreement with respect to their direct or indirect shareholding in the Company, which was updated by riders on March 17, 2015 and December 23, 2021.

Governed by Luxembourg law, the agreement currently includes the following conditions:

- joint tag-along rights granted by GBL to Blue Crest, in the event that GBL transfers Imerys shares to a third party, causing its interest to fall below 40% of Imerys' capital;
- a pre-emptive right granted to GBL to purchase any Imerys shares that Blue Crest may wish to sell;
- a right for Blue Crest to be represented on the Board of Directors. As such, as long as Blue Crest holds at least 3% of Imerys shares, a person nominated by Blue Crest will sit on the Imerys Board of Directors. This director will also sit on the Strategic Committee and will be invited to attend (without being a member) meetings of the Audit Committee.

The shareholders' agreement will remain in force until one of the following situations arise:

- Blue Crest comes to directly or indirectly hold less than 50% of the 3,728,308 shares created in consideration for the share transfer completed on February 26, 2015;
- the agreement is terminated by GBL, which it would be authorized to do if Blue Crest's current controlling shareholders were to change or no longer directly or indirectly hold 100% of capital in Blue Crest;

- GBL's direct or indirect interest in Imerys was to fall below 40%;
- on January 15, 2023, if one of the parties sends the other parties a letter informing them that they wish to terminate the agreement before December 15, 2022 (or before December 15 of the previous year with respect to subsequent years). If no such letter is sent by any of the parties, the agreement will be automatically renewed for another year.

It should be noted that the shareholders' agreement does not constitute a concert party as defined in articles L. 233-10 and L. 233-10-1 of the French Commercial Code. A copy of the agreement (as it currently stands) was sent to the AMF and the Company on December 24, 2021 (the AMF decision and information No. 221C3611 dated December 24, 2021 are both available on the AMF website: www.amf-france.org).

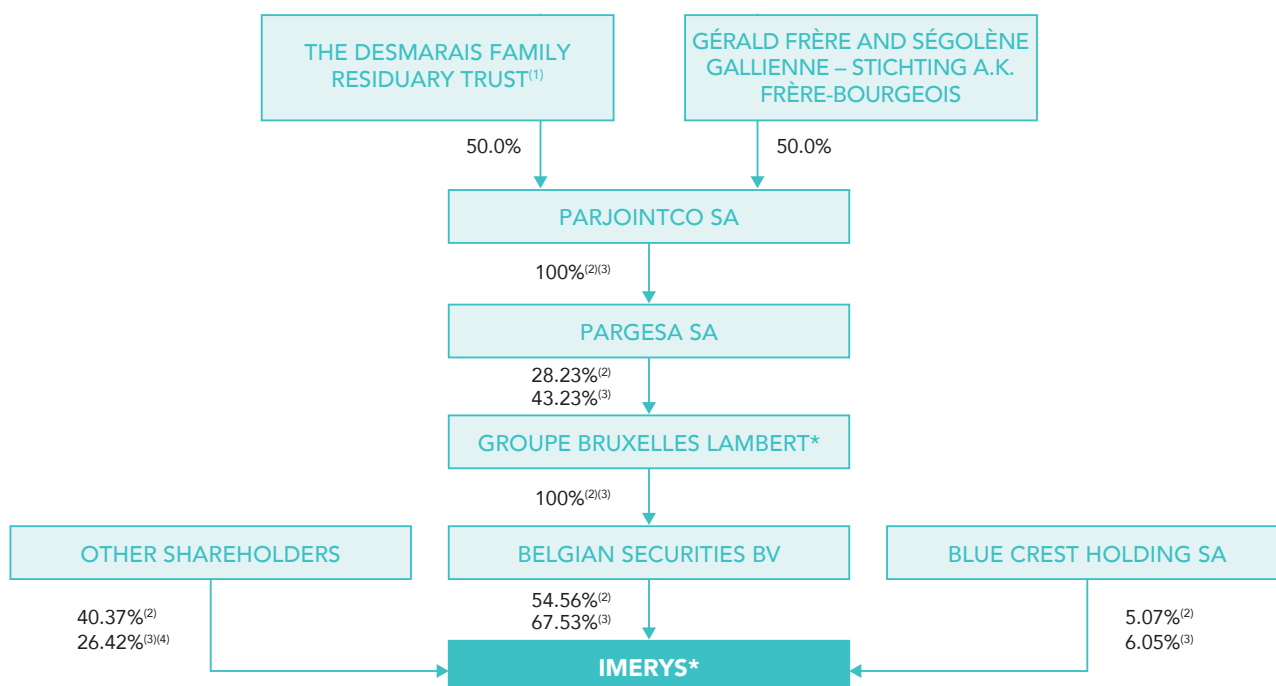
At the date this Universal Registration Document was filed, the Company had not been made aware of any other agreement between its shareholders, nor of any agreement that, if implemented, could trigger a change of control.

7.3.5.4 EMPLOYEE SHAREHOLDING

At December 31, 2021, Group employees held 0.91% of outstanding share capital and 1.04% of theoretical voting rights in the Company, particularly through operations intended to promote employee share ownership (see paragraph 7.3.1 of the present chapter).

7.3.5.6 GROUP SHAREHOLDING STRUCTURE

The following diagram represents the relationships between Imerys shareholders by share capital and theoretical voting rights at December 31, 2021 (see paragraph 7.3.1 of the present chapter):



* Listed company.

(1) Trustees of a trust set up on the death of Paul G. Desmarais, for the benefit of certain members of the Desmarais family.

(2) Stake held in share capital.

(3) Stake held in voting rights.

(4) Given treasury shares with no voting rights.

In order to make the present Universal Registration Document easier to read, details of the various long-term incentive plans, including past stock option and performance share grants, have been moved to [chapter 4, paragraph 4.3.3](#).

7.3.5.5 IDENTIFICATION OF BEARER SHARES

The Company did not carry out any survey of identifiable bearer shares at December 31, 2021.

At December 31, 2020, Imerys tasked Euroclear France with conducting a survey of identifiable bearer shares in the Company among financial intermediaries with holding thresholds over 30,000 shares. Excluding Belgian Securities BV, the controlling shareholder, the survey identified 5,636 holders of bearer shares, each with over 200 shares (representing 34.88% of share capital at December 31, 2020, of which 669 institutional shareholders holding 32.19% of share capital at that date). This request complied with current legislation and article 9 of the Company by-laws, which authorize it to ask Euroclear France to supply it with the information needed to identify the owners of bearer shares that grant, whether immediately or at a later date, voting rights in its Shareholders' Meetings, as well as the quantity of shares or other securities held by each of them and, where applicable, any restrictions that may apply to these securities. The Company by-laws are published on its website (www.imerys.com – Finance – Shareholders' corner).



Information about the Company and its share capital

ELEMENTS THAT COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Parjointco is a company governed by Belgian law whose registered office is located at Avenue Marnix 24, 1000 Brussels (Belgium). It is jointly owned and controlled by The Desmarais Family Residuary Trust, held by the Desmarais family (Canada), and Stichting A.K. Frère-Bourgeois controlled by the Frère family (Belgium).

Pargesa S.A. is a company governed by Swiss law whose registered office is located at 11, Grand-Rue, CH-1204 Geneva (Switzerland).

Groupe Bruxelles Lambert is a company governed by Belgian law whose registered office is located at Avenue Marnix 24, 1000 Brussels (Belgium).

Belgian Securities B.V. is a company governed by Dutch law whose registered office is located at Amstel 134, 1017 AD Amsterdam (Netherlands).

The direct affiliation of Imerys to the GBL group resulted from the Company's merger with Parfinance completed on June 30, 1998. Parfinance was the Company's controlling shareholder at that time and had been so for several years.

Blue Crest Holding S.A. is a company governed by Luxembourg law whose registered office is located at 19, rue Eugène Ruppert, L-2453 Luxembourg (Luxembourg). It is owned and controlled by the Kyriacopoulos family (Greece).

7.4 ELEMENTS THAT COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

It should be noted that no specific mechanism has been set up by the Company.

Structure of the share capital – direct or indirect investments in the share capital – shareholders' agreements

Information regarding the Company's share ownership (structure of the share capital, threshold crossings and control of the Company) appear in [section 7.3 of the present chapter](#).

Restrictions on voting rights and transfers of shares or agreements of which the Company is aware

[See paragraph 7.3.5.3 of the present chapter](#).

Holders of shares carrying specific control rights

The Company's by-laws state that shares held in registered form by the same shareholder for over two years carry double voting rights ([see section 7.1 of the present chapter](#)).

Control mechanisms applied to employee shareholding schemes

None.

Agreements between shareholders known by the Company that could lead to restrictions of share transfers and voting rights

[See paragraph 7.3.5.3 of the present chapter](#).

Specific rules governing the appointment or replacement of directors and amendments to the Company's by-laws

None.

Powers of the Board of Directors, in particular regarding issues of shares or share buybacks

The terms and conditions of share buybacks are set out in [paragraphs 7.3.3 and 7.3.4 of the present chapter](#).

It should be noted that when expired financial authorizations were submitted for renewal at the Shareholders' General Meeting held on May 10, 2021, shareholders excluded the option for the Board of Directors to buy back shares or use the delegations of authority granted to it during a takeover bid for the Company's shares. The same applies to the renewal of the share buyback authorization put forward at the next Shareholders' General Meeting ([see Chapter 8, paragraph 8.2.7 of the Universal Registration Document](#)).

Agreements that may be amended or terminated in the event of a change of control of the Company

Among the Company's main financing agreements ([see Note 24.5 to the consolidated financial statements published in chapter 6, paragraph 6.1.2 of the Universal Registration Document](#)) some contain a clause that provides for early reimbursement, under certain conditions and on the Company's initiative, in the event of a change of control.

Joint venture agreements entered into by the Company's subsidiaries generally include an exit clause in the event of a change of control.

Agreements including compensation clauses to be paid to members of the Board of Directors or employees if they resign or are dismissed without genuine or serious cause or if their contract is terminated as a result of a takeover bid

The terms and conditions applicable to compensation payable to corporate officers for termination of office are detailed in [chapter 4, section 4.3 of the Universal Registration Document](#).



7.5 DIVIDENDS

Imerys bases the distribution of dividends on the consolidated net income from current operations recorded in the financial year in question. The allocation of income is determined in accordance with current legal and regulatory provisions, as detailed in article 30 of the Company by-laws (published on its website www.imerys.com – Group – Governance).

In accordance with the provisions of article 243 bis of the French General Tax Code (*Code général des impôts*), the dividends paid in respect of the last three financial years were as follows:

	2020	2019	2018
Net income from current operations, per share	€2.03	€3.50	€4.50
Net dividend per share	€1.15	€1.72	€2.15
Gross dividend per share	€1.15	€1.72	€2.15
Number of shares carrying dividend rights	84,811,788	79,032,835	79,083,935
Total net distribution	€97.5 million	€135.9 million*	€170 million

* Including a €16.1 million dividend payment in cash and a €119.8 million dividend payment in shares.

As a general rule, Imerys does not distribute interim dividends. Dividends are paid once a year following the Shareholders' General Meeting held to approve the management and financial statements for the previous financial year. The Shareholders' General Meeting may grant to each shareholder, for all or part of the dividend being distributed, or where applicable for interim dividends, the option to choose between payment of the dividend in cash or in shares ⁽¹⁾.

Dividends that have not been claimed within five years after the dividend payment date are time-barred. Unclaimed dividends are paid to the French State in the first 20 days of January of the year following the expiration of the period of limitation.

(1) This situation arose following the decision made by the Shareholders' General Meeting of May 4, 2020, when shareholders representing 88.1% of voting rights opted for the alternative dividend payment in shares, which led to a €119.8 million increase in capital (issuance premium included). The dividend payment in cash totaled €16.1 million.



7.6 PARENT COMPANY/SUBSIDIARY ORGANIZATION

At December 31, 2021, the Group was made up of 282 companies based in 55 countries (the main consolidated entities of the Group are listed in *Note 25 to the consolidated financial statements published in chapter 6, paragraph 6.1.2 of the Universal Registration Document*). The Group's organizational structure is detailed in *chapter 1, paragraphs 1.1.2 et seq. of the Universal Registration Document*.

Imerys is the Group's holding company and therefore does not directly carry out any industrial or business activity. The Company's assets are mainly comprised of the investments it holds directly in certain Group subsidiaries.

✓ For further details about the subsidiaries directly controlled by the Company, *see Note 30 to the statutory financial statements published in chapter 6, paragraph 6.2.2 of the Universal Registration Document*.

Imerys, along with certain local holding companies (in Belgium, Brazil, China, India, Singapore, the UK and the US), provides all their subsidiaries with general support and expertise in the following areas in particular:

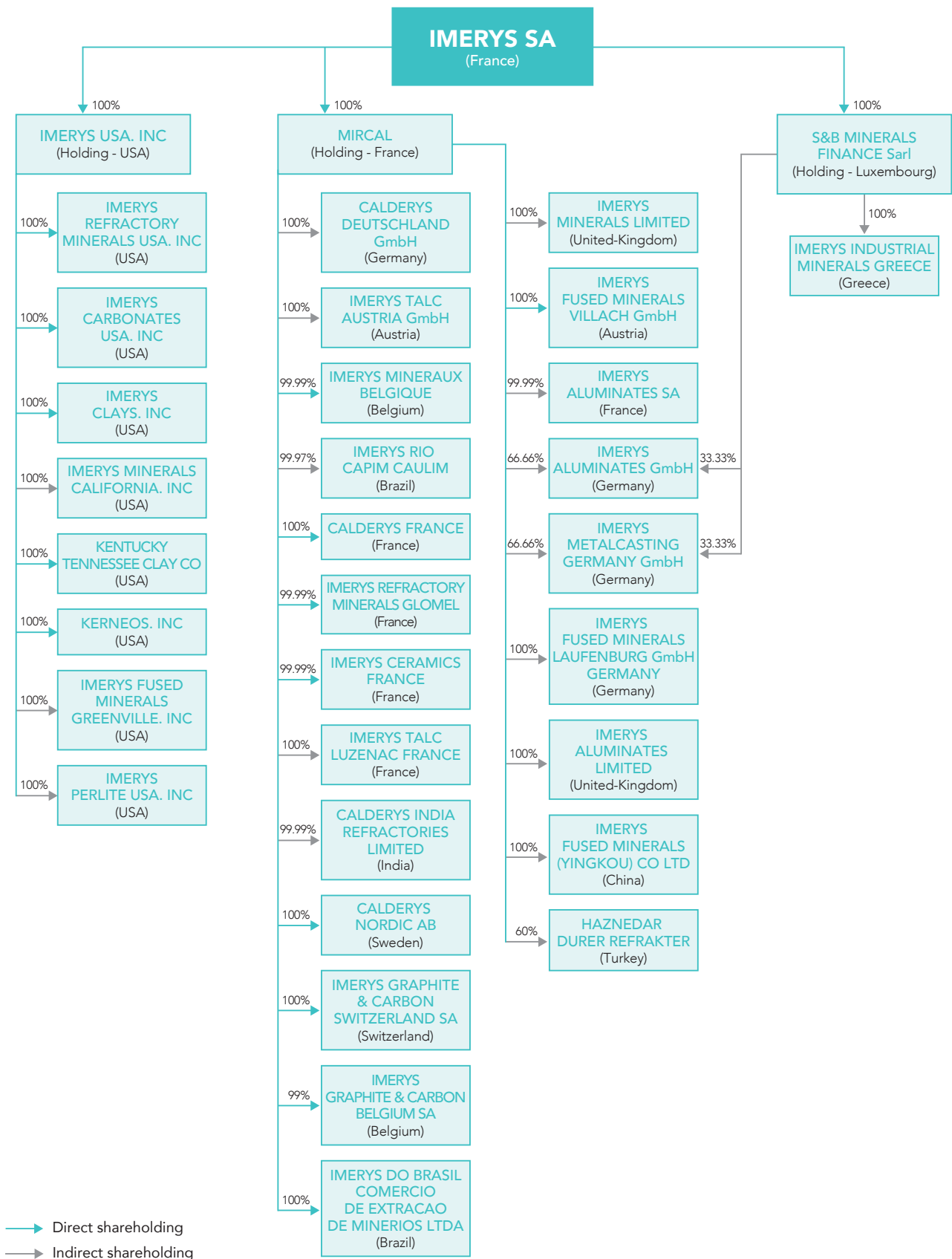
- Accounting & Financial Control;
- Audit;
- Cash Management;
- Communication;
- Environment, Health & Safety;
- Geology;
- Human Resources;
- Industrial Projects;
- Information Technology;
- Innovation, Research & Development;
- Insurance;

- Intellectual Property;
- Legal;
- Mineral Transformation Processes;
- Operational Excellence;
- Purchasing;
- Tax;
- Strategy.

These services include: support and advice in ad-hoc requests from its subsidiaries, as well as more general studies and analyses or even recommendations or suggested preventive measures.

Compensation for these services is determined on the basis of the costs incurred by Imerys and its local holding companies. These costs are allocated to the subsidiaries that benefit from the services, either in proportion to their total revenue compared to the total revenue of their operating segment or in proportion to the number of their employees. In addition, external costs incurred specifically on behalf of a subsidiary along with the cost of seconding employees to a subsidiary are allocated to that subsidiary separately. In 2021, the Company invoiced a net total amount of approximately €131 million for services provided to its subsidiaries. Furthermore, Imerys charges subsidiaries a fee to use the Imerys brand. Imerys is also the parent company of the tax consolidation group for the Group's companies based in France where more than 95% of the share capital is held by Imerys (*see Note 8 to the statutory financial statements published in chapter 6, paragraph 6.2.2 of the Universal Registration Document*).

The simplified organization chart presented below illustrates the main operating entities of the Group whose gross revenue exceeded €50 million at December 31, 2021.





7.7 STATUTORY AUDITORS

■ PRINCIPAL STATUTORY AUDITORS⁽¹⁾

Deloitte & Associés	Ernst & Young et Autres
represented by Olivier Broissand	Represented by Sébastien Huet
6, place de la Pyramide, 92908 Paris La Défense, France	1/2, place des Saisons, 92400 Courbevoie, Paris-La Défense 1, France
first appointed by the Ordinary and Extraordinary Shareholders' General Meeting held on May 5, 2003 and most recently re-appointed for a period of six years by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2016, which will come to an end following the 2022 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2021.	first appointed by the Ordinary and Extraordinary Shareholders' General Meeting held on April 29, 2010 to replace Ernst & Young Audit and most recently re-appointed for a period of six years by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2016, which will come to an end following the 2022 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2021.

The Shareholders' General Meeting of May 10, 2022 will be asked to approve:

- the re-appointment of Deloitte & Associés as Statutory Auditors for a period of six years, which will come to an end following the 2028 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2027;

- the appointment of PricewaterhouseCoopers Audit⁽²⁾ to replace Ernst & Young et Autres as Statutory Auditors for a period of six years, which will come to an end following the 2028 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2027.

✓ For further details see chapter 8, paragraph 8.2.6 of the Universal Registration Document.

■ ALTERNATE STATUTORY AUDITORS

BEAS	Auditex
195, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine-Cedex, France part of the Deloitte network	1/2, place des Saisons, 92400 Courbevoie, Paris-La Défense 1, France part of the Ernst & Young network
first appointed by the Ordinary and Extraordinary Shareholders' General Meeting held on May 5, 2003 and most recently re-appointed for a period of six years by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2016, which will come to an end following the 2022 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2021.	first appointed by the Ordinary and Extraordinary Shareholders' General Meeting held on April 29, 2010 to replace Jean-Marc Montserrat and most recently re-appointed for a period of six years by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2016, which will come to an end following the 2022 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2021.

In accordance with the provisions of article L. 823-1-I, paragraph 2 of the French Commercial Code and the Company's by-laws, which no longer require the imperative nomination of alternate auditors, the 2022 Shareholders' General Meeting will not be asked to re-appoint or replace these auditors.

(1) Deloitte & Associés and Ernst & Young et Autres are members of the Auditors' Regional Company of Versailles (Compagnie régionale des Commissaires aux comptes de Versailles).

(2) PricewaterhouseCoopers Audit, headquartered at 63, rue de Villiers 92208 Neuilly-sur-Seine (France), is a member of the Auditors' Regional Company of Versailles and represented by Cédric Haaser.



7.8 RELATED PARTY AGREEMENTS AND ASSESSMENT PROCEDURE FOR STANDARD AGREEMENTS

■ CHARTER ON RELATED PARTY AND STANDARD AGREEMENTS (CONVENTIONS LIBRES)

On July 25, 2019 the Company's Board of Directors adopted a charter on related party agreements and standard agreements, which sets out the procedure to assess standard agreements and identify any related party agreements that require prior approval from the Board. The Charter is published on the Company website (www.imerys.com – media center).

In accordance with article L. 22-10-10 6° of the French Commercial Code, the charter defines the notions of “standard agreement”, details the criteria taken into account in the assessment of such agreements, lists the agreements that are presumed to ordinarily be conducted in the standard course of business, identifies the people responsible for the assessment process and describes the conditions under which the annual assessment is conducted by the Board. The Board thereby assesses the categorization of agreements as concluded with related parties (given the criteria set out in the aforementioned charter).

■ RELATED PARTY AGREEMENTS IN 2021

At its meeting on February 16, 2022, the Board of Directors conducted its annual review of related party agreements for 2021, in accordance with the aforementioned charter.

As mentioned in the Statutory Auditors' special report published in *chapter 6, section 6.3 of the Universal Registration Document* and detailed in *chapter 8, paragraph 8.2.2 of the Universal Registration Document*, it should be noted that:

- no related party agreements were concluded in 2021 and no agreement concluded in previous years was no longer or newly considered to be a related party agreement.
- no related party agreements concluded in previous years continued to apply in 2021.



Ordinary Shareholders' Meeting of May 10, 2022

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AGENDA FOR THE ORDINARY SHAREHOLDERS' MEETING

At its meeting of February 16, 2022, the Board of Directors decided the agenda and resolutions that will be submitted to the Ordinary Shareholders' Meeting of May 10, 2022.

8.1 AGENDA FOR THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the Company's management and statutory financial statements for the year ended December 31, 2021;
2. approval of the consolidated financial statements for the year ended December 31, 2021;
3. appropriation of profit and setting the dividend with respect to the year ended December 31, 2021;
4. Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code;
5. approval of the compensation policy applicable to the Chairman of the Board of Directors with respect to the 2022 financial year;
6. approval of the compensation policy applicable to the Chief Executive Officer with respect to the 2022 financial year;
7. approval of the compensation policy applicable to members of the Board of Directors with respect to the 2022 financial year;
8. approval of the information relating to the compensation of corporate officers with respect to the 2021 financial year, set in article L. 22-10-9 I of the French Commercial Code;
9. approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chairman of the Board of Directors in the year ended December 31, 2021;
10. approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chief Executive Officer in the year ended December 31, 2021;
11. re-appointment of Ian Gallienne as a director;
12. re-appointment of Lucile Ribot as a director;
13. appointment of Bernard Delpit as a director;
14. appointment of Laurent Raets as a director;
15. re-appointment of Deloitte & Associés as Statutory Auditors;
16. appointment of PricewaterhouseCoopers Audit as Statutory Auditors;
17. purchase by the Company of its own shares;
18. powers to carry out formalities.



8.2 PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

All the resolutions will be submitted to the Ordinary Shareholders' Meeting.

Pursuant to the provisions of articles L. 225-37, L. 22-10-8, L. 22-10-9, L. 225-37-4, L. 22-10-10, L. 225-100 and L. 22-10-34 of the French Commercial Code (*Code de commerce*), *paragraphs 8.2.3 to 8.2.5 and section 8.3 of the present chapter* form an integral part of the Corporate Governance Report.

8.2.1 2021 ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

(First to third resolution)

Shareholders are invited to approve the Company's annual financial statements (**first resolution**) and the Group's consolidated financial statements (**second resolution**) for the year ended December 31, 2021.

These financial statements, along with the financial situation, business and results of the Group and the Company for the year ended December 31, 2021, as well as various items of information required by current laws and regulations, are published in *chapter 5 (Comments on 2021) and chapter 6 (Financial statements) of the Universal Registration Document*.

Shareholders are then called upon to approve the appropriation of the Company's profit for 2021 (**third resolution**). In 2021, the Company's distributable profit totaled €735,424,248.13, representing €131,032,874.92 in net profit plus €604,391,373.21 in retained earnings (without any allocation to the legal reserve which already represents 10% of the Company's capital). The Board of Directors recommends paying a per-share dividend of €1.55.

Dividends paid for the past three financial years were as follows:

Financial year ending	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net dividend per share*	€1.15	€1.72	€2.15
Number of shares carrying dividend rights	84,811,788	79,032,835	79,083,935
Total net distribution	€97.5 million	€135.9 million**	€170 million

* Fully eligible for the 40% tax allowance for individual shareholders domiciled in France for tax purposes stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting to be taxed according to the progressive income tax bands.

** The Ordinary and Extraordinary Shareholders' Meeting of May 4, 2020 approved an alternative payment option in shares for the dividend paid with respect to the 2019 financial year, which led to a €119.8 million increase in capital (issuance premium included) and a payment in cash totaling €16.1 million.

The ex-dividend date will be May 17, 2022 and the dividend will be paid on May 19, 2022.

8.2.2 RELATED PARTY AGREEMENTS AND COMMITMENTS

(Fourth resolution)

Pursuant to the provisions of article L. 225-40 of the French Commercial Code, shareholders are asked to approve the Statutory Auditors' special report on related party agreements and commitments governed by articles L. 225-38 *et seq.* of said Code and published in *chapter 6, section 6.3 of the Universal Registration Document*.

Shareholders are also informed that at its meeting held on February 16, 2022 and in accordance with legal requirements and its internal charter on related party agreements and commitments and on standard agreements (see *chapter 7, section 7.8 of the Universal Registration Document*), the Board of Directors reviewed all agreements in place with related parties.

The Board of Directors noted that:

- no related party agreements were concluded in 2021; and
- no related party agreements concluded in previous years and already approved by the Shareholders' General Meeting continued to apply in 2021.



8.2.3 COMPENSATION POLICIES APPLICABLE TO CORPORATE OFFICERS IN 2022

(Fifth, sixth and seventh resolutions)

Pursuant to the provisions of article L. 22-10-8 of the French Commercial Code, shareholders are asked to approve the compensation policies applicable to corporate officers (Chairman of the Board of Directors, Chief Executive Officer and members of the Board of Directors) with respect to the 2022 financial year, which protect the Company's corporate interests, contribute to its long-term success and reflect its business strategy.

In this regard, and in comparison with the 2021 compensation policies, at its meeting held on February 16, 2022, the Board of Directors, based on recommendations of the Compensation Committee, decided to:

- change the gross annual fixed component of compensation granted to the Chairman of the Board of Directors, from €250,000 to €400,000, but leave the structure and other components of compensation unchanged;
- update one of the quantifiable criteria used to assess the financial performance component of the annual variable compensation of the Chief Executive Officer, to take greater

account of environmental, social and governance criteria so as to better reflect the importance of these matters in the Group's strategy, and to extend the benefit to an official accommodation;

- confirm the compensation policy applied to members of the Board of Directors previously approved by maintaining the gross annual budget and allocation bands. Nevertheless, the Board of Directors decided to include (i) an annual fixed component of compensation to the ESG Referent Director so as to reflect the increasingly important role he or she plays on the Board of Directors, and (ii) a variable component of compensation with respect to the attendance of members of the Board of Directors at the annual strategic session organized within the Strategic Committee.

Details of the compensation policies applicable to corporate officers (Chairman of the Board of Directors, Chief Executive Officer and members of the Board of Directors) with respect to the 2022 financial year are set out in [chapter 4, section 4.3 of the Universal Registration Document](#).

8.2.4 COMPONENTS OF COMPENSATION PAID OR GRANTED TO CORPORATE OFFICERS IN 2021

(Eighth, ninth and tenth resolutions)

8.2.4.1 INFORMATION ON COMPONENTS OF CORPORATE OFFICERS COMPENSATION IN 2021 (EIGHTH RESOLUTION)

Pursuant to the provisions of article L. 22-10-34 I of the French Commercial Code, shareholders are asked to approve the information set out in article L. 22-10-9 I of said Code, which includes in particular details of 2021 corporate officers

compensation, as well as the executive corporate officers-to-average and median worker pay ratio. This information forms part of the Corporate Governance Report and is presented in [chapter 4, section 4.3 of the Universal Registration Document](#).



8.2.4.2 COMPONENTS OF COMPENSATION PAID OR AWARDED TO THE CHAIRMAN OF THE BOARD OF DIRECTORS, PATRICK KRON, FOR THE YEAR ENDED DECEMBER 31, 2021 (NINTH RESOLUTION)

Patrick Kron has held the office of Chairman of the Board of Directors since June 25, 2019.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2021	Amount granted in the year ended December 31, 2021 or equivalent accounting value	Details
Fixed compensation	€250,000	€250,000	Gross annual fixed compensation granted with respect to 2021 and paid in 2021: €250,000 (as decided by the Board of Directors at its meeting held on February 17, 2021) ✓ See chapter 4, paragraph 4.3.2.1 of the Universal Registration Document.
Annual variable compensation	N/A	N/A	N/A
Multi-annual variable compensation	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and any other long-term benefit	N/A	N/A	N/A
Severance package	N/A	N/A	N/A
Complementary pension plan	N/A	N/A	N/A
Directors' compensation	N/A	N/A	See details under "fixed compensation" above.
Benefits in kind	N/A	N/A	N/A

**8.2.4.3 COMPONENTS OF COMPENSATION PAID OR GRANTED TO THE CHIEF EXECUTIVE OFFICER, ALESSANDRO DAZZA, FOR THE YEAR ENDED DECEMBER 31, 2021 (TENTH RESOLUTION)**

Alessandro Dazza has held the office of Chief Executive Officer since February 17, 2020.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2021	Amount granted in the year ended December 31, 2021 or equivalent accounting value	Details
Annual fixed compensation	€800,000	€800,000	Gross annual fixed compensation granted with respect to 2021 and paid in 2021: €800,000 (as decided by the Board of Directors at its meeting held on February 17, 2021) ✓ See chapter 4, paragraph 4.3.2.1 of the Universal Registration Document.
Annual variable compensation	€742,000	€1,265,000	<u>Annual variable compensation for 2020:</u> The annual variable compensation for 2020, set by the Board of Directors at its meeting of February 17, 2021 and paid in 2021, following the approval by the Shareholders' General Meeting of May 10, 2021. <u>Annual variable compensation for 2021:</u> At its meeting of February 16, 2022 and based on the recommendations of the Compensation Committee, the Board of Directors considered the extent to which the Chief Executive Officer had achieved the quantitative and individual targets set for 2021 in order to determine the amount of variable compensation payable for this year. The quantitative criteria relating to financial performance for 2021 were tied to targets for the Group's net income from current operations, free operating cash flow and organic revenue growth, accounting for 40%, 40% and 20%, respectively. The individual criteria centered around accelerating organic growth as well as initiatives to best handle the challenging economic and public health crisis, and the implementation of the "SustainAgility" ESG program (including the workplace health & safety objective) as part of the Group's strategic priorities. After assessing the extent to which the quantitative criteria relating to financial performance had been met, the resulting amount of annual variable compensation was calculated based on the reference compensation equal to 110% of annual fixed compensation. In the event the targets are exceeded, the amount of variable compensation for quantitative objectives relating to financial performance may be increased to 137.5% of annual fixed compensation. The achievement of quantitative objectives is capped at 125% of the target. If the extent to which the quantitative objectives relating to financial performance have been met is below 85%, no compensation will be awarded in this respect. A factor of between 0.8 and 1.2 is applied to this amount depending on the fulfillment of individual performance criteria. Total annual variable compensation cannot exceed a maximum cap of 165% of the Chief Executive Officer's annual fixed compensation. To determine the extent to which the quantitative objectives relating to financial performance had been met, the Board of Directors assessed the performance criteria with respect to the 2021 budget, reviewed by the Board at its meeting in December 2020. The Board acknowledged that all three criteria had been met. The Board of Directors considered the Chief Executive Officer's individual performance met almost all the criteria set, given the following: • initiatives to accelerate organic growth: the Group's organic growth totaled 15.6%, outstripping the market average in its main business lines; • implementation of initiatives to best handle the challenging economic and public health crisis: executive management managed the crisis in a competent manner overall, introducing suitable measures and protocols; • implementation of the Imerys SustainAgility ESG policy: significant progress has been made, especially with respect to reductions in CO₂ emissions. The total injury frequency rate (TIFR) in 2021 came in below the target set; • the Board of Directors also took account of other factors, although these considerations cannot be disclosed as they constitute confidential information.



Components of compensation subject to approval	Amount paid in the year ended December 31, 2021	Amount granted in the year ended December 31, 2021 or equivalent accounting value	Details
			Consequently, the variable annual compensation granted to Alessandro Dazza with respect to 2021 amounts to €1,265,000, representing 158.12% of his fixed compensation granted/paid in 2021. This figure reflects the achievement of 125% of the quantitative targets, multiplied by a factor of 1.15 reflecting his individual performance. This sum will be paid to Alessandro Dazza, subject to the approval of the tenth resolution submitted to the Shareholders' General Meeting of May 10, 2022. The Company does not have the possibility to ask for this variable compensation to be returned. ✓ See chapter 4, paragraph 4.3.2.1 of the Universal Registration Document.
Multi-annual variable compensation	N/A	N/A	No decision was made to award multi-annual variable compensation (in cash) with respect to 2021.
Exceptional compensation	N/A	N/A	No decision was made to award exceptional compensation with respect to 2021.
Stock options, performance shares and any other long-term benefit	N/A	€2,331,000 (accounting value of performance shares granted in 2021)	<u>Performance shares</u> At its meeting held on May 10, 2021 and based on the recommendations of the Compensation Committee, the Board of Directors decided to grant Alessandro Dazza 75,000 performance shares, representing approximately 0.09% of the Company's share capital. This grant was made pursuant to the compensation policy approved by the Ordinary and Extraordinary Shareholders' General Meeting of May 10, 2021 (fifth resolution) and the authorization granted by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2020 (twenty-third resolution). The shares are subject to the same financial performance conditions as those applicable to the 2021 General Performance Share Plan offered to the Group's executive managers. The objectives related to the increase in net income from current operations per share and the Group's free cash flow over the period 2021-2023 (weighted 60/40). No other benefit/long-term compensation was granted in 2021.
Severance package	N/A	N/A	<u>Termination benefit:</u> Alessandro Dazza would be due severance pay in the event of a change in control, strategy or a major disagreement over these issues. The amount paid with respect to this package would be subject and proportionate to performance conditions – as detailed below – over a three-year period prior to departure. In the event the term of office exceeds two years, the severance package may not exceed two years' annual compensation (fixed and average variable compensation for the last two full financial years). Should Alessandro Dazza leave within the first two financial years, the amount of variable compensation taken into account will reflect the sum of the variable components paid over the period, divided by the number of years in office. The performance conditions applicable to the severance package include: • <u>Cash flow:</u> • If operating cash flow was positive across each of the past three financial years (or each year in office if the time served is less than three years), 100% of severance pay would be due. • If operating cash flow was positive in two of the past three financial years (or for over two thirds of the number of years spent in office if the time served is less than three years), 66% of severance pay would be due. • If operating cash flow was positive in one of the past three financial years (or for over one third of the number of years spent in office if the time served is less than three years), 33% of severance pay would be due.



PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Components of compensation subject to approval	Amount paid in the year ended December 31, 2021	Amount granted in the year ended December 31, 2021 or equivalent accounting value	Details
			- If operating cash flow was negative across each of the past three financial years (or each year in office if the time served is inferior to three years), no severance pay would be due. - Operating income: - If Group operating income, calculated at constant scope and exchange rates, fell by over 20% per year over the last three years in office prior to departure, the severance package calculated above would be reduced by 50%. - If Group operating income, calculated at constant scope and exchange rates, fell by over 25% per year over the last three years in office prior to departure, no severance pay would be due. No compensation would be due if Alessandro Dazza voluntarily steps down and is soon able to claim retirement benefits or if he is dismissed for gross or serious misconduct. ✓ For further details, see chapter 4, paragraph 4.3.2 of the Universal Registration Document. <u>Non-compete indemnity</u> Alessandro Dazza is subject to a non-compete period of one year following the date at which his duties as Chief Executive Officer are terminated. The Board of Directors reserves the right to decide whether or not to enforce this clause. In the event it is enforced, Alessandro Dazza will receive the equivalent of one year's annual fixed compensation plus the average of the last two years' annual variable compensation. No compensation would be due if Alessandro Dazza opts to claim retirement benefits. ✓ For further details, see chapter 4, paragraph 4.3.2 of the Universal Registration Document.
Complementary pension plan	N/A	N/A	Alessandro Dazza benefits from complementary defined contribution pension plans as defined in article 83 (awarded to certain senior executives in the Group) and article 82, to which the Company makes contributions of 5% of his annual fixed compensation. <i>For further details on these contributions, see below (Benefits in kind).</i>
Directors' compensation	N/A	N/A	-
Benefits in kind	€108,630	€108,630	These benefits include a complementary article 82 pension plan (detailed above) and official accommodation.



8.2.5 COMPOSITION OF THE BOARD OF DIRECTORS

(Eleventh to fourteenth resolutions)

The terms of office of Ian Gallienne and Lucile Ribot are due to expire at the close of the present Shareholders' General Meeting.

At its meeting held on February 16, 2022 and having considered the opinion given by the Appointments Committee, the Board of Directors:

- acknowledged that Colin Hall and Paul Desmarais III wished to resign from their directorships as from this Shareholders' General Meeting;
- decided to submit for approval at the Shareholders' General Meeting for a term of three years, i.e. until the Shareholders' General Meeting to be held in 2025 to approve the financial statements ending December 31 2024, renewal of the directorships of Ian Gallienne (**eleventh resolution**) and Lucile Ribot (**twelfth resolution**) and the appointment of Bernard Delpit (**thirteenth resolution**) and Laurent Raets (**fourteenth resolution**) as new directors;
- consequently, decided to appoint Rein Dirkx as non-voting observer to replace Laurent Raets, as of and subject to the appointment of the latter as a director being approved at the upcoming Shareholders' General Meeting.

Information and details of the careers of the directors put forward for re-appointment are published in [chapter 4, paragraph 4.1.2 of the Universal Registration Document](#). Furthermore, in accordance with article R. 225-83 5° of the French Commercial Code, the information and details of the careers of Bernard Delpit and Laurent Raets, who have been put forward for appointment, are also published in [chapter 4, paragraph 4.1.2 of the Universal Registration Document](#).

Regarding these candidates for appointment or re-appointment, the Board of Directors considered that:

- renewing the directorship of Ian Gallienne was in the interest of the Company, especially given his operational expertise and governance experience as an executive. Ian Gallienne offers a strategic vision of how to develop Imerys that takes into consideration the long-term interest of the Company and its shareholders, in particular through his work on the Strategic Committee, which he chairs. His in-depth understanding of the Group and its model represent valuable assets for the Company. Furthermore, the Board of Directors considered that Ian Gallienne has the necessary availability to regularly and actively participate in the work of the Board of Directors and its Committees, including taking into consideration the executive roles and directorships he occupies within Groupe Bruxelles Lambert (GBL, Imerys shareholder) and certain companies within its portfolio (including Adidas AG, Pernod Ricard and SGS). Indeed, the Board acknowledged that over the 2018-2021 period, Ian Gallienne attended 96.9% of meetings of the Board of Directors and 97.78% of meetings of the Committees he chairs (Strategic Committee) or on which he sits (Appointments and Compensation Committees);

- renewing the directorship of Lucile Ribot was also in the interest of the Company, especially given her considerable contribution to the work of the Board and the Audit Committee of which she is a member. Lucile Ribot is renowned for her expertise in finance and business. As a member of the Audit Committee, she helps in particular to develop a more sustainable business model. Renewing the term of office of Lucile Ribot would also help to maintain the proportion of women on the Board at 40%, and the proportion of independent directors at 60%. Over the 2018-2021 period, Lucile Ribot attended 96.4% of meetings of the Board of Directors and 100% of meetings of the Audit Committee;
- appointing Bernard Delpit would be beneficial for the Board given his extensive expertise in the industry. Until January 2022, Bernard Delpit occupied the office of Deputy CEO of the Safran Group, after having held the position of Group Chief Financial Officer, also responsible for Strategy, Mergers & Acquisitions and Real Estate. Throughout his career, he has occupied management roles in a number of major international corporations, including PSA Peugeot Citroën, La Poste and Crédit Agricole. He brings considerable international experience, in particular in Asia, through his role as Deputy CEO of the joint venture set up between the PSA group and its Chinese partner Dong Feng, which aligns with the Board's diversity policy and strengthens its structure in an area identified by its members as needing improvement. Since January 2022, Bernard Delpit has held the position of Deputy CEO of GBL;
- appointing Laurent Raets would also be beneficial for the Board given his in-depth knowledge of the Group, having acted as director from 2015 to 2018 and then non-voting director since 2018. Laurent Raets boasts considerable expertise in strategy and finance given the position he holds in GBL, where he was named partner of the Investment department in 2021. This appointment takes into consideration the Company's controlling shareholder.

The Board's decision to appoint Rein Dirkx as non-voting observer (as of and subject to the appointment of Laurent Raets as a director being approved at the upcoming Shareholders' General Meeting) takes account of his expertise in the mining business and experience as a consultant in operational and business matters within Bain & Cie.

In line with the proposal from the Appointments Committee and in accordance with the principles applied by the Company to determine the independent status of its directors, and after assessing their individual situations, the Board of Directors recognized the independent status of Lucile Ribot, but not Ian Gallienne, Bernard Delpit or Laurent Raets. Using the same criteria, the Board of Directors did not recognize independent status of Rein Dirkx (for further details, [see chapter 4, paragraph 4.1.1 of the Universal Registration Document](#)).



PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Consequently, at the close of the Shareholders' General Meeting of May 10, 2022 and subject to approval of the above proposals, the Board of Directors will be made up of 10 people, 40% of whom are women and 60% of whom are independent, as well as 2 employee representative directors. In detail, the Board will be composed as follows:

Expiration of term of office	Name	Independent
2025	Bernard Delpit	No
	Ian Gallienne	No
	Laurent Raets	No
	Lucile Ribot	Yes
2024	Patrick Kron, Chairman of the Board	Yes
	Paris Kyriacopoulos	No
	Marie-Françoise Walbaum	Yes
2023	Aldo Cardoso	Yes
	Annette Messemer	Yes
	Véronique Saubot	Yes
2023	Dominique Morin, employee representative director	N/A
	Carlos Perez, employee representative director	N/A

In addition, subject to his appointment as a director, the term of office of Laurent Raets as non-voting observer on the Board of Directors would end on May 10, 2022. Subsequently, Rein Dirx would be appointed by the Board of Directors as a replacement until 2025.

8.2.6 STATUTORY AUDITORS

(Fifteenth and sixteenth resolution)

The terms of office of the principal Statutory Auditors and alternate Statutory Auditors are due to expire at the close of the present Shareholders' General Meeting. At its meeting held on February 16, 2022 and in line with the recommendations made by the Audit Committee, the Board of Directors:

- acknowledged that the terms of office of the principal Statutory Auditors and alternate Statutory Auditors are due to expire, it being specified that:
 - Ernst & Young et Autres has served the legal maximum term of 24 years as Statutory Auditor of the Company, meaning its term of office cannot be renewed,
 - in accordance with the provisions of article L. 823-1, paragraph 2 of the French Commercial Code and the related modifications to the Company's by-laws approved by the Shareholders' General Meeting held on May 10, 2019, given that the Statutory Auditors put forward for appointment and re-appointment are owned and operated by multiple people, the appointment of an alternate statutory auditor is not required nor desired by the Company; and
- has consequently decided to ask the Shareholders' General Meeting to approve its proposal:
 - to re-appoint Deloitte & Associés as Statutory Auditors for a period of six years, which will come to an end following the 2028 Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2027 (**fifteenth resolution**),
 - to appoint PricewaterhouseCoopers Audit to replace Ernst & Young et Autres as Statutory Auditors for a period of six years, which will come to an end following the 2028

Ordinary Shareholders' General Meeting called to approve the financial statements at December 31, 2027 (**sixteenth resolution**),

- not to re-appoint BEAS and Auditex as alternate statutory auditors, in accordance with the Company's by-laws.

Furthermore, it should be noted that the choice of Statutory Auditors put forward to the Shareholders' General Meeting for appointment or re-appointment was made in particular:

- without the specific intention to re-appoint the whole college of Statutory Auditors for the reasons set out above;
- in accordance with regulatory requirements. In this regard, the Audit Committee oversaw the procedure, with support from the Group Finance Department, in particular approving the tender process and the assignment remit. The Audit Committee assessed the applications, interviewed the candidates and carried out all useful verifications. Following this, the Audit Committee recommended two candidates to the Board of Directors – KPMG and PricewaterhouseCoopers Audit, the latter being its preferred candidate. At its meetings of February 17, 2021 and February 16, 2022, the Board of Directors decided to follow the recommendation and preference expressed by the Audit Committee.

The Statutory Auditors put forward to the Shareholders' General Meeting for appointment or re-appointment have already informed the Company that they would accept the assignment should the shareholders vote in favor.

For further details regarding the Statutory Auditors, [see chapter 7, section 7.7 of the Universal Registration Document](#).



8.2.7 SHARE BUYBACK PROGRAM

(Seventeenth resolution)

The authorization to buy back the Company's shares granted to the Board of Directors for an 18-month period by the Ordinary and Extraordinary Shareholders' General Meeting of May 10, 2021 will expire on November 9, 2022. Shareholders are therefore asked to renew the authorization at the present meeting, in accordance with current provisions.

For further details about the way in which the Company implemented its share buyback programs in 2021, *see Chapter 7, paragraph 7.3.4 of the Registration Document*.

This authorization enables the Board of Directors to purchase a maximum of 10% of Company shares outstanding at January 1, 2022 (i.e. 8,494,095 shares) mainly for the purpose of:

- canceling the shares at a later date to reduce the Company's share capital, in accordance with the authorization granted to the Board of Directors by the twenty-third resolution of the Extraordinary Shareholders' Meeting held on May 10, 2021;
- implementing and covering stock option plans and/or free share grants, as well as any shares granted under employee share ownership plans set up by the Company (or assimilated plans), or with respect to profit-sharing programs for current employees, former employees and/or corporate officers of the Company and/or any related companies as defined by articles L. 225-180, L. 225-197-2 and L. 233-16 of the French Commercial Code, within the current legal framework or ad hoc plans set up by the Company;
- granting or exchanging shares purchased, in particular, on exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- maintaining the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under a liquidity agreement, it being specified that

for the calculation of the 10% cap on purchases set out below, the number of shares bought back should be considered net of any shares sold within the duration of the agreement;

- holding them before using them at a later date as payment for or in consideration of external growth operations; and
- more generally, operating for any other purpose that is or may come to be authorized by law or regulations, and/or implementing any market practice that is or may come to be authorized by the AMF.

The possibility to hold the shares before using them at a later date as payment for or in consideration of external growth operations is now expressly mentioned among the objectives of the share buyback program, in comparison with previous programs adopted by the Shareholders' General Meeting.

The number of shares that may be held, directly or indirectly at any time, may not exceed 10% of the Company's share capital (or 5% of the total number of shares that make up the share capital if the shares were acquired by the Company with a view to holding them before using them at a later date as payment for or in consideration of a merger, demerger or contribution). Furthermore, the purchase price may not exceed €85 per share, representing a maximum total investment of €721,998,075.

Shares may be purchased by any means, including block transfers and with the use of derivatives, at any time except during a public offer for the Company's shares.

The share buyback program, details of which are set out in *chapter 7, paragraph 7.3.4 of the Universal Registration Document*, was drawn up in accordance with articles L. 22-10-62 *et seq.* of the French Commercial Code, Regulation (EU) no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, and articles 241-1 to 242-7 of the AMF's General Regulations.

8.2.8 POWERS TO CARRY OUT FORMALITIES

(Eighteenth resolution)

As in previous years, the last resolution grants all necessary powers to carry out legal formalities arising from the Shareholders' General Meeting.



8.3 DRAFT RESOLUTIONS SUBMITTED TO THE VOTE AT THE ORDINARY SHAREHOLDERS' MEETING

■ FIRST RESOLUTION

Approval of the Company's management and statutory financial statements for the year ended December 31, 2021

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered both the Board of Directors' Report and the Statutory Auditors' report on the annual financial statements, the shareholders approve the financial statements for the year ended December 31, 2021 as presented, as well as the transactions reflected in them and referred to in the reports.

In accordance with article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders approve the total amount of charges and expenses, as defined in article 39, paragraph 4 of said Code, which corresponded to €172,712.44 over the year ended December 31, 2021. No tax was incurred on these expenses.

■ SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2021

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered both the Board of Directors' Report and the Statutory Auditors' report on the Group's consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2021 as presented, as well as the transactions reflected in them and referred to in the reports.

■ THIRD RESOLUTION

Appropriation of profit and setting the dividend with respect to the year ended December 31, 2021

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' Report, the shareholders:

• acknowledge that the Company registered profit in 2021 of:	€131,032,874.92
• plus retained earnings of:	€604,391,373.21
• minus the allocation to the legal reserve to reach 10% of the share capital:	N/A
• representing a total distributable amount of:	€735,424,248.13
• decide to award a dividend of €1.55 with respect to 2021 to each of the 84,940,955 shares that made up the share capital at December 31, 2021, representing a distribution of:	€(131,658,480.25)
• and acknowledge that, consequently, the balance of retained earnings now amounts to:	€603,765,767.88

The shareholders decide that the total dividend payout shall be adjusted to take into account the number of shares issued due to stock options that have been exercised since January 1, 2022 and are eligible for the 2021 dividend at the date of payment. The amount allocated to retained earnings will be determined on the basis of the total actual dividend payout. Furthermore, if the Company holds any treasury shares on the date at which the dividend is paid, the dividend corresponding to these shares will not be paid and will be allocated to retained earnings.

The ex-dividend date will be May 17, 2022 and the dividend will be paid on May 19, 2022.

In accordance with article 243 bis of the French Tax Code, individual shareholders domiciled for tax purposes in France may benefit from a 40% tax allowance, as stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting for his or her income from movable property to be taxed according to the standard progressive income tax bands set out in article 200-A-2 of said Code.

The shareholders acknowledge that the dividends paid with respect to the previous three financial years was as follows:

Financial year ending	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net dividend per share*	€1.15	€1.72	€2.15
Number of shares carrying dividend rights	84,811,788	79,032,835	79,083,935
Total net distribution	€97.5 million	€135.9 million**	€170 million

* Fully eligible for the 40% tax allowance for individual shareholders domiciled in France for tax purposes stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting to be taxed according to the progressive income tax bands.

** The Ordinary and Extraordinary Shareholders' Meeting of May 4, 2020 approved an alternative payment option in shares for the dividend paid with respect to the 2019 financial year, which led to a €119.8 million increase in capital (issuance premium included) and a payment in cash totaling €16.1 million.



■ FOURTH RESOLUTION

Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, having considered both the Board of Directors' Report and the Statutory Auditors' special report prepared in accordance with the provisions of article L. 225-40 of the French Commercial Code, the shareholders approve the special report and all the items covered therein.

■ Fifth resolution

Approval of the compensation policy applicable to the Chairman of the Board of Directors with respect to the 2022 financial year

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman of the Board of Directors of the Company with respect to the 2022 financial year, as detailed in chapter 4, section 4.3 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-8 II of said Code.

■ SIXTH RESOLUTION

Approval of the compensation policy applicable to the Chief Executive Officer with respect to the 2022 financial year

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chief Executive Officer of the Company with respect to the 2022 financial year, as detailed in chapter 4, section 4.3 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-8 II of said Code.

■ SEVENTH RESOLUTION

Approval of the compensation policy applicable to members of the Board of Directors with respect to the 2022 financial year

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy applicable to members of the Company's Board of Directors with respect to the 2022 financial year, as detailed in chapter 4, section 4.3 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-8 II of said Code.

■ EIGHTH RESOLUTION

Approval of the information relating to the compensation of corporate officers with respect to the 2021 financial year, settled in article L. 22-10-9 I of the French Commercial Code

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve all the components of compensation granted to corporate officers with respect to the 2021 financial year settled in article L. 22-10-9 I of the French Commercial Code, as detailed in chapter 4, section 4.3 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-34 I of said Code.

■ NINTH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chairman of the Board of Directors in the year ended December 31, 2021

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chairman of the Board of Directors with respect to the financial year ended December 31, 2021, as detailed in chapter 4, section 4.3 and chapter 8, paragraph 8.2.4 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-34 II of said Code.

■ TENTH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chief Executive Officer in the year ended December 31, 2021

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits paid or granted to the Chief Executive Officer with respect to the financial year ended December 31, 2021, as detailed in chapter 4, section 4.3 and chapter 8, paragraph 8.2.4 of the Company's 2021 Universal Registration Document, in accordance with the provisions of article L. 22-10-34 II of said Code.

■ ELEVENTH RESOLUTION

Re-appointment of Ian Gallienne as a director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, having considered the Board of Directors' Report and acknowledged that his directorship expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Ian Gallienne as a director for a term expiring at the close of the Shareholders' General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024, in accordance with statutory provisions.



■ TWELFTH RESOLUTION

Re-appointment of Lucile Ribot as a director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, having considered the Board of Directors' Report and acknowledged that her directorship expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Lucile Ribot as a director for a term expiring at the close of the Shareholders' General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024, in accordance with statutory provisions.

■ THIRTEENTH RESOLUTION

Appointment of Bernard Delpit as a director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' Report, the shareholders decide to appoint Bernard Delpit as a director of the Company for the first time, for a term expiring at the close of the Shareholders' General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024, in accordance with statutory provisions.

■ FOURTEENTH RESOLUTION

Appointment of Laurent Raets as a director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' Report, the shareholders decide to appoint Laurent Raets as a director of the Company for the first time, for a term expiring at the close of the Shareholders' General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024, in accordance with statutory provisions.

■ FIFTEENTH RESOLUTION

Re-appointment of Deloitte & Associés as Statutory Auditors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, having considered the Board of Directors' Report and acknowledged that their term of office expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Deloitte & Associés as Statutory Auditors for a term expiring at the close of the Shareholders' General Meeting to be held in 2028 to approve the financial statements for the year ending December 31, 2027, in accordance with statutory provisions.

■ SIXTEENTH RESOLUTION

Appointment of PricewaterhouseCoopers Audit as Statutory Auditors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' Report, the shareholders decide to appoint PricewaterhouseCoopers Audit as Statutory Auditors of the Company for the first time, for a term expiring at the close of the Shareholders' General Meeting to be held in 2028 to approve the financial statements for the year ending December 31, 2027, in accordance with statutory provisions.

■ SEVENTEENTH RESOLUTION

Purchase by the Company of its own shares

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, having considered the Board of Directors' Report and in accordance with the provisions of articles L. 22-10-62 of the French Commercial Code, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, articles 241-1 to 241-7 of the French Financial Market Authority's General Regulations and authorized market practices, the shareholders:

1. grant the Board of Directors an authorization - which may be delegated pursuant to the law - to purchase the Company's shares in order to:
 - cancel them at a later date to reduce the Company's share capital, in accordance with the authorization granted to the Board of Directors by the twenty-third resolution of the Extraordinary Shareholders' Meeting held on May 10, 2021,
 - implement and cover stock purchase option plans and/or free share grants, as well as any shares granted under shareholding plans set up by the Company (or assimilated plans), or with respect to profit-sharing for current employees, former employees and/or corporate officers of the Company and/or any related companies in accordance with articles L. 225-180 and L. 233-16 of the French Commercial Code, within the legal framework in force or ad hoc plans set up by the Company,
 - grant or exchange shares purchased, in particular, following the exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company,
 - maintain the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under, in particular, a liquidity agreement, it being specified that for the calculation of the 10% cap on purchases set out in paragraph 2 of the present resolution, the number of shares bought back should be considered net of any shares sold within the duration of the authorization,



- hold them before using them at a later date as payment for or in consideration of external growth operations, and
- more generally, operate for any other purpose that is or may come to be authorized by law or regulations, and/or implementing any market practice that is or may come to be authorized by the AMF.

Shares may be purchased, sold, transferred or exchanged at any time, except during a public offer for the Company's shares, in accordance with applicable regulations, on the market or over the counter and by any means, including through block transfers and with the use or exercise of any financial instrument, financial contract or derivative;

2. set the following limits within which the Board of Directors may use the present authorization:
 - the number of shares that may be purchased cannot exceed 10% of shares issued and outstanding at January 1, 2022, *i.e.* 8,494,095 shares (or 5% of the total number of shares that make up the share capital if the shares were acquired by the Company with a view to holding them before using them at a later date as payment for or in consideration of a merger, demerger or contribution),
 - the number of shares the Company may hold, whether directly or indirectly at any time, may not exceed 10% of the Company's share capital,
 - the price at which shares are purchased may not exceed €85,
 - consequently, the Company's total investment in share buybacks may not exceed €721,998,075;
3. decide that, if the par value of shares changes, the capital is increased by capitalizing reserves or granting free shares, or in the event of a stock split or reverse stock split, the aforementioned maximum investment available for share

buybacks and the maximum number of shares able to be repurchased will be adjusted by the ratio between the number of shares that made up the capital before the operation and the number after the operation. The Board of Directors will also have the power to adjust the maximum unit price in order to take account of the impact of these transactions on the share price;

4. set the term of this authorization at 18 months from the date of the present Shareholders' General Meeting, which renders null and void the unused portion of any authorizations previously granted to the Board of Directors regarding share buybacks;
5. grant full powers to the Board of Directors, or any representative duly empowered in accordance with the law, to implement this authorization and, in particular, place any and all buy and sell orders, sign any and all sale, exchange or transfer agreements, file any statements with the French Financial Market Authority or any other organization, make any adjustments provided for above, reallocate where authorized any shares purchased for one of the objectives of the share buyback program to another one or several other objectives, even shares bought under previous authorized programs, carry out all other formalities, and generally do everything necessary to use this authorization.

■ EIGHTEENTH RESOLUTION

Powers to carry out formalities

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders give full powers to the bearer of an extract or copy of the minutes of the present Shareholders' General Meeting to carry out any and all filing and publication formalities.



Appendices

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Appendices

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

9.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Alessandro Dazza, Chief Executive Officer.

9.2 PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Sébastien Rouge, Chief Financial Officer.

9.3 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, INCLUDING THE ANNUAL FINANCIAL REPORT

I hereby certify that the information presented in this Universal Registration Document is to the best of my knowledge in conformity with the Company's actual situation and contains no omission likely to affect the fairness of the presentation.

I further declare that to the best of my knowledge the financial statements have been prepared in compliance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company

and all consolidated entities, and that the Management Report published on pages 168 to 177 presents a fair review of business developments, the results of operations as well as the financial position of the Company and all consolidated entities, in addition to a description of the main risks and uncertainties to which they are exposed.

Paris, March 21, 2022

Alessandro Dazza, Chief Executive Officer

9.4 INFORMATION INCLUDED IN THE UNIVERSAL REGISTRATION DOCUMENT BY REFERENCE

Pursuant to article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in the present Universal Registration Document:

- With respect to the financial year ending December 31, 2020, the consolidated financial statements, annual financial statements, the related Statutory Auditors' Reports, the Statutory Auditors' special report on related party agreements and the Management Report published in chapter 6 – Financial Statements (pages 170 to 250 and pages 251 to 269), chapter 6 – Reports on the fiscal year 2020 (pages 270 to 274 and pages 275 to 278) and chapter 5 – Comments on fiscal year 2020 (pages 156 to 168), respectively, of the 2020 Universal Registration Document filed with the AMF on March 22, 2021 under number D.21-0167 available on the Company's website (<https://www.imerys.com/sites/imerys.com/files/2021/03/23/IMERYS-URD-2020-EN-ANNUAL-FINANCIAL-REPORT.pdf>).

- With respect to the financial year ending December 31, 2019, the consolidated financial statements, annual financial statements, the related Statutory Auditors' Reports, the Statutory Auditors' special report on related party agreements and the Management Report published in chapter 6 – Financial Statements (pages 170 to 251 and pages 252 to 269), chapter 6 – Reports on the fiscal year 2019 (pages 270 to 279 and pages 280 to 281) and chapter 5 – Comments on fiscal year 2019 (pages 153 to 164), respectively, of the 2019 Universal Registration Document filed with the AMF on March 24, 2020 under number D.20-0165 available on the Company's website (https://www.imerys.com/sites/imerys.com/files/2021/07/20/IMERYS_URD%202019_Final_2.pdf).

Any information included in these universal registration documents and not in the present Universal Registration Document is either of no relevance to investors or mentioned in another part of the Universal Registration Document.



INFORMATION INCLUDED IN THE UNIVERSAL REGISTRATION DOCUMENT BY REFERENCE

The information published on the websites linked in the present document does not form part of the Universal Registration Document, except where it is incorporated by reference. Therefore, it has not been reviewed or approved by the AMF.

Hyperlinks	Pages
www.amf-france.org	303; 166
www.imerys.com	7; 61; 62; 70; 73; 77; 82; 83; 84; 85; 89; 91; 96; 136; 169; 292; 295; 300; 303; 305; 309
www.nomi.olisnet.com	295
sdgs.un.org	56; 58
www.youtube.com/user/imerysreplay	57; 61
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www.usgbc.org/leed	74
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9.5 CROSS-REFERENCE TABLES

9.5.1 UNIVERSAL REGISTRATION DOCUMENT

The present cross-reference table sets out the sections included in Annex 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and indicates the pages of the present Universal Registration Document where users can find the information regarding each section.

Information	Chapter	Pages
■ 1 Persons responsible, third party information, experts' reports and competent authority approval		
1.1 Identification of persons responsible	9	328
1.2 Declaration by the persons responsible	9	328
1.3 Statement for expert reports	3	106-108
1.4 Third party declaration	N/A	N/A
1.5 Statement without prior approval	N/A	Introduction page
■ 2 Statutory Auditors	7	308
■ 3 Risk factors	2	42-47
■ 4 Information about the Issuer		
4.1 Legal and commercial name	7	292
4.2 The place of registration of the Issuer, its registration number and its legal entity identifier (LEI)	7	292
4.3 Date of incorporation and the length of life of the Issuer	7	292
4.4 Registered office of the Issuer, its legal form, the legislation under which it operates, its country of incorporation, its address, telephone number of its registered office and its website	7	292
■ 5 Business overview		
5.1 Principal activities	1	6-20
5.2 Principal markets	1	6-20
5.3 Important events in the development of the Issuer's business	5	168-171
5.4 Strategy and objectives	1; 5	7; 21-34; 173
5.5 Summary information regarding the extent to which the Issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1	10
5.6 Competitive position	1	16-17; 19-20
5.7 Investments	1; 5	7; 16-31; 170-171
■ 6 Organizational structure		
6.1 Brief description of the Group	1	6-20
6.2 List of the Issuer's significant subsidiaries	6; 7	255-257; 303
■ 7 Operating and financial review		
7.1 Financial condition	5; 6	168-177; 180-185
7.2 Operating income	5; 6	168-177; 180-181; 269



Information	Chapter	Pages
■ 8 Capital resources		
8.1 Information concerning the Issuer's capital resources	5; 6; 7	168-169; 183; 226; 272-273; 180-290; 298-304
8.2 Sources and amounts of the Issuer's cash flows	5; 6	168-171; 184-185
8.3 Information on the borrowing requirements and funding structure of the Issuer	5; 6	168-171; 184-185; 238-253
8.4 Restrictions on the use of capital resources	6	250-251
8.5 Anticipated sources of funds	5; 6	168-171; 203; 238- 253; 276
■ 9 Regulatory environment	7	294
■ 10 Trend information		
10.1 Most significant recent trends in production, sales, inventory, costs and selling prices since December 31	5	168-173
10.2 Description of any significant change in the Group's financial performance	5	168-173
10.3 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects	5	168-173
■ 11 Profit forecasts or estimates		
11.1 Profit forecasts or estimates	5	173
11.2 Main underlying assumptions of profit forecasts or estimates	5	173
11.3 Statement regarding the basis for preparing and compiling profit forecasts and estimates	5	173
■ 12 Administrative, management and supervisory bodies and senior management		
12.1 Information on the members of the Board of Directors and the Executive Management	4	111-147
12.2 Administrative, management and supervisory bodies and senior management conflicts of interests	4; 6; 7; 8	117-118; 260; 290; 302-303; 309
■ 13 Remuneration and benefits		
13.1 Remuneration & benefits in kind	4; 6; 7; 8	148-164; 260; 275; 314-318
13.2 Total amounts set aside or accrued by the Issuer or its subsidiaries to provide for pension, retirement or similar benefits	4; 7; 8	159-160; 156; 275; 151-153
■ 14 Board practices		
14.1 Date of expiration of the current term of office and the period during which the person has served in that office	4	112
14.2 Information about members of the administrative, management or supervisory bodies' service contracts with the Issuer or any of its subsidiaries	4	118
14.3 Information about the Issuer's audit committee and remuneration committee	4	138-144
14.4 Statement of compliance with the corporate governance regime(s) applicable to the Issuer	4	110
14.5 Potential material impacts on the corporate governance	4; 8	113; 319- 320



Appendices

CROSS-REFERENCE TABLES

Information	Chapter	Pages
■ 15 Employees		
15.1 Number of employees and breakdown of employed persons	1; 3	6; 65; 70; 100-101
15.2 Shareholdings and stock options	4	112; 155; 161-163
15.3 Arrangements for involving the employees in the capital of the Issuer	6	260
■ 16 Major shareholders		
16.1 Shareholders holding more than a 5% interest in the Issuer's share capital or voting rights	7	302-303
16.2 Different voting rights	7	295
16.3 Control or direct or indirect ownership of the Issuer	6; 7	279; 302-303
16.4 Arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer	7	304
■ 17 Related party transactions	6; 7	260; 309
■ 18 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses		
18.1 Historical financial information	5	168-173
18.2 Interim and other financial information	5; 6	168-171; 180-290
18.3 Auditing of historical annual financial information	6	281-290
18.4 Pro forma financial information	N/A	N/A
18.5 Dividend policy	1; 5	7; 169
18.6 Legal and arbitration proceedings	6	235-237
18.7 Significant change in the financial position	5	168-173
■ 19 Additional information		
19.1 Share capital	6; 7	226; 273; 280; 298-303
19.1.1 Issued capital	6; 7	226; 273; 280; 298-303
19.1.2 Shares not representing capital	N/A	N/A
19.1.3 Treasury shares	6; 7	226; 273; 300-302
19.1.4 Convertible securities, exchangeable securities or securities with warrants	N/A	N/A
19.1.5 Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A	N/A
19.1.6 Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option	N/A	N/A
19.1.7 History of share capital	7	298
19.2 Memorandum and Articles of Association	7	294-295
19.2.1 Corporate purpose	7	294
19.2.2 Description of rights, preferences and restrictions attached to shares	7	294-295
19.2.3 Provisions of the Issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the Issuer	7	304
■ 20 Material contracts	1	6-31
■ 21 Documents available	7	295

9.5.2 MANAGEMENT REPORT

In accordance to applicable legal provisions, the following information is incorporated by reference in the Company's Management Report (as published in [chapter 5](#)):

Required information	Chapter	Pages
Business of the Company		
Analysis of changes in Company's business performance, results and financial condition, in particular the debt position with respect to business volume and complexity	5	168-178
Key financial and non-financial performance indicators (article L. 225-100-1 of the French Commercial Code)	1	7
Main risks and uncertainties (article L. 225-100-1 of the French Commercial Code)	1; 2	32; 42-47
Financial risks of climate change and measures taken by the Company (article L. 22-10-35 of the French Commercial Code)	2; 3	42-47; 79-87
Internal control and risk management procedures put in place by the Company to collate and process financial and accounting data (article L. 22-10-35 of the French Commercial Code)	2	47-53
Purpose, hedging policy and exposure of the Company to price, credit, liquidity and cash risks; use of financial instruments (article L. 225-100-1 of the French Commercial Code)	6	238-253
Position of the Company during the previous financial year, its likely development, significant events that occurred between the closing date and the date at which the report is approved (article L. 232-1 of the French Commercial Code)	5	168-178
Research and development (article L. 232-1 of the French Commercial Code)	1	10
Investments and material takeovers made (article L. 233-6 of the French Commercial Code)	N/A	N/A
Main subsidiaries and equity interests (article L. 233-6 of the French Commercial Code)	6; 7	255-257; 307
Corporate governance		
Board of Directors' Corporate Governance Report (articles L. 225-37 et seq. and L. 22-10-8 et seq. of the French Commercial Code)	9	334 ⁽¹⁾
Shareholding and capital		
Employee shareholding at December 31 (article L. 225-102 of the French Commercial Code)	7	302
Trading in the Company's own shares (article L. 225-211 of the French Commercial Code)	7	300-301
Trading of Company shares by corporate officers (article 223-26 of the AMF's General Regulations and article L. 621-18-2 of the French Monetary and Financial Code)	4	166
Social, environmental and societal information		
Declaration of non-financial performance (articles L. 225-102-1, L. 22-10-36 and R. 225-105 of the French Commercial Code)	9	335 ⁽²⁾
Duty of care (article L. 225-102-4 of the French Commercial Code)	9	336 ⁽³⁾

(1) See relevant chapters and pages indicated in the concordance table on the corporate governance report ([paragraph 9.5.4](#) below).

(2) See relevant chapters and pages indicated in the concordance table on the declaration of non-financial performance ([paragraph 9.5.5.1](#) below).

(3) See Relevant chapters and pages indicated in the concordance table on the duty of care ([paragraph 9.5.5.2](#) below).



9.5.3 ANNUAL FINANCIAL REPORT

This Universal Registration Document includes the information contained in the Annual Financial Report mentioned in article L. 451-1-2 paragraph 1 of the French Monetary and Financial Code (*Code monétaire et financier*) and article 222-3 of the AMF's General Regulations.

The following table presents the cross-references between the two documents.

Sections	Pages
Statutory financial statements	263-280
Consolidated financial statements	180-262
Statutory Auditors' Report on the annual financial statements	286-289
Statutory Auditors' Report on the consolidated financial statements	281-285
Board of Directors' Management Report	168-177
Declaration by the person responsible for the Board of Directors' Management Report	328
Board of Directors' Corporate Governance Report	334 ⁽¹⁾
Declaration by the person responsible for the Annual Financial Report	328

(1) See relevant pages indicated in the concordance table on the corporate governance report ([paragraph 9.5.4](#) below).

9.5.4 CORPORATE GOVERNANCE REPORT

The present cross-reference table sets out the items comprising the Corporate Governance Report, as required by articles L. 225-37 et seq. and L. 22-10-8 et seq. of the French Commercial Code (*Code de commerce*) and indicates the chapters and pages of the present Universal Registration Document where users can find the information regarding each item.

Information	Chapter	Pages
• Offices and positions held by corporate officers	4	118-134; 146
• Related party agreements	7	309
• Summary table of financial delegations	7	299-300
• Operating procedures of Executive Management	4	146-148
• Composition, preparation and organization of the work of the Board of Directors	4	111-145
• Diversity policy applied to members of the Board of Directors	4	115-117
• Restrictions on the powers of the Chief Executive Officer	4	147
• Framework Corporate Governance Code	4	110
• Terms and conditions of shareholders' participation in Shareholders' General Meetings	7	294-295
• Assessment procedure for standard agreements	7	309
• Compensation package of corporate officers (<i>ex ante</i>)	4	148-154; 161-162
• Compensation and benefits paid in the last financial year (<i>ex post</i>)	4	154-160; 163
• Relative proportion of fixed and variable compensation	4	148-160
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• Consideration of the vote at the last Ordinary General Meeting on the compensation policy (<i>ex ante</i>)	4	148-154
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• Statutory restrictions on voting rights and transfers of shares or agreements known by the Company	7	304
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• Shareholder agreements	7	304
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• Powers of the Board	7	304
• Agreements amended or terminated in the event of a change of control of the Company	7	304
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CROSS-REFERENCE TABLES

9.5.5 DECLARATION OF NON-FINANCIAL PERFORMANCE AND DUTY OF CARE

9.5.5.1 DECLARATION OF NON-FINANCIAL PERFORMANCE

Components of the “Declaration of non-financial performance”		Pages
Business model		
Social		
Main social considerations, including:		
	Social commitments in favor of sustainable development	56; 58-61
	Collective bargaining agreements and their impact on the Company's financial performance	66
	Employee working conditions	45; 61-68
	Discrimination	66;69
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Main human rights considerations		66; 89-90
Policies to mitigate human rights risks		23-24; 56-57; 88-92
Results and KPIs		88-92, 100-104
Anti-corruption		
Main corruption considerations		89
Tax evasion		88
Policies to mitigate corruption risks		87-91
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9.5.5.2 DUTY OF CARE

Components of the “Duty of care plan”	Pages
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