

# Transparency of revenue in the extractive sector

**Committed to promoting greater transparency, Orano Mining publishes its revenues and has supported the Extractive Industries Transparency Initiative (EITI) since its creation in 2003.**

At the EITI Global Conference held in Paris in June 2019, Nicolas Maes, CEO of Orano Mining, reaffirmed this commitment and his willingness to make further progress:

*« We strongly hope that the standard for disclosure of payments defined by the EITI will become the worldwide standard, both voluntary and regulatory in character, in order to avoid the publication of different numbers on the same subject depending on variable baselines or regulatory frameworks. In our view, this will enhance the credibility and transparency of disclosures. We really encourage States to work together in this direction.*

*To take this further, in keeping with our values of continuous improvement and integrity, we are committed to working with our public and private co-shareholders and the States of the countries in which we operate to aim for publication of our Mining Agreements by 2021. »*

## DESCRIPTION OF FRENCH LAW

### DEFINITION

#### Art. L. 225-102-3 of the French Commercial Code

- Companies [...] whose operations consist in or include exploring or prospecting for or discovering, developing or extracting [...] metallic minerals [...] or other mineral resources [...] must publish an annual report on the payments made to authorities in each country or territory in which it performs those operations.

### CATEGORY OF PAYMENT AND THRESHOLDS

#### Art. L. 225-102-3 of the French Commercial Code

- The report on payments [...] shall state the amount of any single or aggregate payment [...] equal to or greater than € 100,000 [...] made in favor of any national, regional or local authority of a country or a territory, or of any department, agency or undertaking controlled by such an authority, [...] as well as the amount of payments made for each of the defined categories of payments.

### SCOPE OF DECLARATION

#### Art. R. 225-105-3. of the French Commercial Code

- The thresholds envisaged in the first paragraph of I of Article L. 225-102-3 are set at 20 million euros for the balance-sheet total, 40 million euros for net revenue and 250 for the average number of employees employed over the course of the financial year:
  - Are assessed at the level of the legal entities concerned;
  - 2 out of 3 thresholds met to make reporting mandatory;
  - Orano SA then consolidates the data reported according to the above criteria.
- The companies stipulated shall make the report on payments available to the public free-of-charge on their website within a period of eight months from the close of the financial year and for a period of five years.

## DESCRIPTION OF EITI AND ESTMA

### EITI

#### (Extractive Industries Transparency Initiative)

The EITI encourages the disclosure of information related to the management of revenues and expenditures, to help stakeholders assess the extent to which the extractive sector is achieving the desired social, economic and environmental outcomes and impacts.

The EITI Requirements in respect of economic and social expenditure refer to the following aspects: social and environmental expenditure per company; quasi-fiscal expenditure of state-owned enterprises (financing of social services, local infrastructure, fuel subsidies, etc.); overview of the contribution of the extractive sector to the economy (public revenues generated, number of employees, etc.); and environmental impact of extractive activities (administrative standards and actual practices related to environmental management, monitoring of extractive investments in the country...).

For more information 

### ESTMA

#### (Extractive Sector Transparency Measures Act)

The Act is a follow-up to Canada’s international commitments on contributing to global efforts to increase transparency and curb corruption in the extractive sector. It requires extractive entities operating in Canada to publicly disclose, on an annual basis, payments made to the Government of Canada and to foreign governments.

A payment is considered “To Be Reported” if it meets the following requirements: it is made to a recipient (any government, in Canada or abroad, any organization performing a function for a government, in Canada or abroad) and within the context of the commercial development of oil, gas or minerals.

This amount may include the payment of taxes, royalties, fees, production rights, premiums, dividends and payments for infrastructure improvements.

For more information 

## LIST OF DECLARATIONS PER SUBSIDIARY

The reporting scope under French law is subject to stated thresholds (see description of the various declarations). This is why some entities are not eligible for declaration under this law.

Mongolia and Kazakhstan are both members of EITI. Niger reintegrated the EITI process in February 2020. Canada reports under ETSMA.

	EITI/ESTMA	French law
KATCO	✓	✓
Orano Canada	✓	✓
Orano Mining Central*	✓	✓
Orano Mining Niger**	✓	✓
SOMAÏR	✓	✓
IMOURAREN	✓	-
COMINAK	✓	-
Orano Gabon & COMUF	✓	-
Mongolia	✓	-

\* According to Strategic Partnership Agreement (Maison de l’Uranium et Route Tahoua Arlit).

\*\* Secondary Orano Mining site-entity in Niger



## SUMMARY OF THE DECLARATIONS ACCORDING TO REPORTING METHODS

	EITI/ESTMA	French law
KATCO (in KZT)	15,403,882,557	13,444,095,815
Orano Canada (in CAD)	35,046,898	38,624,908
Orano Mining SA* (in €)	4,782,000	4,782,000
Orano Mining Niger (in FCFA)**	1,438,631,042	1,197,437,279
SOMAÏR (in FCFA)	15,097,683,981	5,920,390,312
IMOURAREN (in FCFA)	591,138,784	
COMINAK (in FCFA)	8,248,231,569	
Orano Gabon & COMUF (in FCFA)	358,059,492	
Mongolia (in MNT)	6,964,757,735	

The differences between EITI/ESTMA and French law are mainly explained by differences in the definition of costs: indeed, there are categories listed under EITI that are not listed under French law, thus implying a lower amount under French law than under EITI and vice versa.

These variations can also be due to differences in reporting thresholds: under EITI, some amounts are reported from the first euro while under French law the report on payments includes amounts of any payment or group of payments in excess of € 100,000.

For more information of **the Orano report on payments made to governments in accordance with Article L 225-102-3 of the French Commercial Code** *(available in French only)*



\* According to Strategic Partnership Agreement (Maison de l'Uranium et Route Tahoua Arlit).

\*\* Secondary Orano Mining site-entity in Niger