

Risk Management Policy

The Eramet Group operates in a constantly changing environment, which creates risks, some of which are beyond its control, in addition to the operational risks inherent in its industrial and mining activities.

The risk management system is conducted by Executive Management and all operating teams in order to prevent and control the Group's significant risks that Eramet believes it may face.

1. PRINCIPLES

Convinced that risk-taking is vital and inherent to the development of its activities and aware of the potential impacts of mining and metallurgical activities on the natural environment and neighbouring populations, the Eramet Group is committed to a risk management approach. This approach provides a better understanding of its risks and enables it to take studied risks in order to improve its performance and take better advantage of its opportunities.

Moreover, Eramet considers that it is its responsibility to:

- Implement efficient environmental and industrial risk management systems at all its sites, as well as in its transport and supply chain. Contingency plans and crisis organization are defined to ensure an effective response in the event of an incident.

- Take the environmental dimension into account as early as possible in the design and development of industrial and mining projects, with reference to national regulations, Group policies and the international standards of the profession or financiers.
- To be a major player in the supply of the metals necessary to achieve the energy transition and to develop activities that contribute to the development of a model of economy that is more sober in primary resources and more circular.

The Eramet Group has embarked on an integrated Risk Management approach aligned with the organisation's objectives and the Group's strategy, in accordance with the AMF's 2010 recommendations, by creating a Risk Management function and coordinating the three lines of risk control as presented below:



The first line of control corresponds to the controls steered by operational management.

The second line of control is provided by various functions set up by management to monitor risk control and compliance.

The third line of control is provided by the independent assurance provided by Internal Audit.

The Risk Management, Audit and Internal Control Department oversees the entire risk management system in collaboration with the three lines of control, Executive Management and governance bodies.

The implementation of the policy is based on detailed procedures and is carried out by the Group's managerial and operational functions. Compliance with these principles is integrated into the risk management, control and internal audit processes.

The risk management system is overseen by a Risk Management Committee with ten permanent members, including the Group Risk Manager (who heads it), the Director of Risk Management, Internal Control and Audit, the Director of Environment, Industrial Risks and

Products, the Industrial Risk Coordinator, the Director of Safety, the Director of Security, the Group Insurance Manager, the Director of Ethics and Compliance, the Director of Information Systems Security, and the Director of Public Affairs.

This committee is an operational body for sharing information between business units, contributing to risk management initiatives. It is a vector of the risk management culture within the Group and its objectives are to:

- To inform its various members of their respective work, thus contributing to the improvement of risk control;
- To communicate a global vision of the risks and their stakes, thus enabling them to situate the risks falling within their field of expertise in relation to other risks;
- To ensure that emerging or fast-changing risks are taken into account.

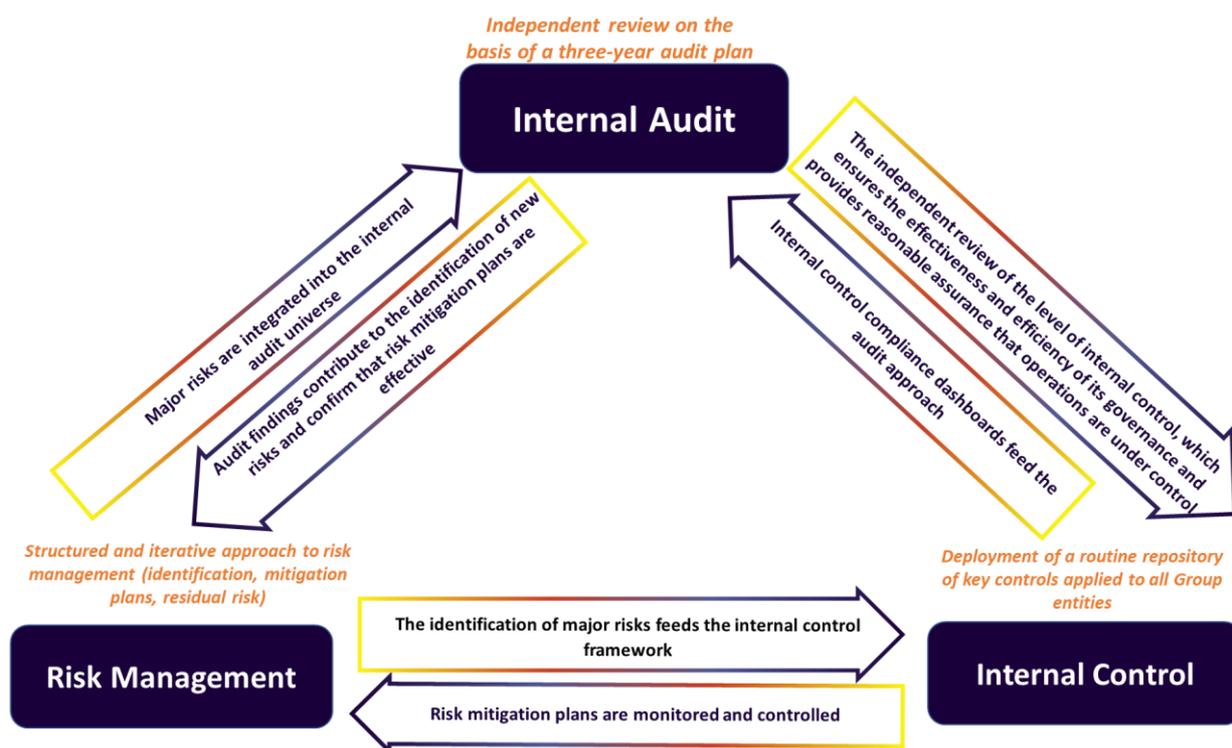
The risk management system also includes a Crisis Management system as well as a Country Risk Committee and an Ethics Compliance Committee.

2. MODALITIES OF IMPLEMENTATION

Organisation

The Group has brought together Risk Management, Internal Control and Internal Audit within a single department in order to

strengthen risk management for the Group, drawing on the expertise of each of the three functions:



Governance

THE RISK MANAGEMENT SYSTEM

It is supported by a team comprised of the Group Risk Manager, the two Division Risk Managers and Risk Management coordinators in the Group's various entities.

Divisional managers monitor changes in the risks identified and the implementation of control systems for operational risks, in coordination with the Group's management:

- The Group's Communication and Sustainable Development Department for industrial risks and risks related to the environment and CSR;
- The Group's Human Resources, Health and Safety Department for industrial risks and risks related to the environment and CSR.
- The Group Safety and Prevention Department for risks related to safety at work;

- The Ethics and Compliance Department for risks of non-compliance.

Changes in the Group's financial risks and the implementation of risk management systems are monitored by the Financing and Treasury Department for the entire Group, in liaison with the managers of Group subsidiaries.

The Executive Committee is responsible for managing and dealing with the Group's strategic and/or major and ethical risks, with the assistance of the Risk Management, Internal Control and Audit Department.

The Group Insurance Department defines and implements the policy for the transfer of the Group's residual insurance risks, after approval by the Executive Committee.

The Group Environment Department is responsible for monitoring the Environmental

Responsibility Policy. The other Group Departments mentioned above (the Communications and Sustainable Development Department, the Group Human Resources, Health and Safety Department, the Group Safety and Prevention Department, and the Ethics and

Compliance Department) have responsibilities for managing risks, which they exercise using their own methods and operating procedures, but with a conceptual approach similar to that of the risk management system described above.

THE INTERNAL CONTROL SYSTEM

It is supported by a network of Internal Controllers at Group, Division and entity level who are responsible for the effective

implementation of control routines to ensure that procedures are actually applied.

THE INTERNAL AUDIT

Group management is responsible for implementing appropriate risk management and maintaining an adequate level of internal control. The scope of the Internal Audit department's work is to assess whether the organizations audited and the processes are appropriate to enable the Group to achieve its objectives. Internal Audit identifies opportunities for improving internal control and ensures that quality, continuous improvement and value creation are encouraged in the Group's control processes.

The results of the risk mapping are incorporated into the Group's Internal Audit plan to ensure the proper functioning of existing control processes and the proper implementation of defined action plans. The work and conclusions of the Internal Audit department, as well as the progress of action plans in the audited entities, are presented regularly to the Group Executive Committee and the Audit, Risks and Ethics Committee.

Method

THE RISK MANAGEMENT SYSTEM

It provides a structured approach to identifying, prioritizing, addressing and controlling risks of all types facing the Group. It contributes to Eramet's success by anticipating risks: by minimising the probability and/or impact of those risks.

It aims to identify the strategic, operational, financial and regulatory risks that may arise

over a 3 to 5 year horizon, to address them by defining action plans to mitigate the probability and impact of risks, to implement or optimize the internal control processes required to control the Group's activities and operations, and to monitor exposure to its universe of risks specific to its business model. It is based on an iterative approach that allows for continuous monitoring of risks.



1

THE INTERNAL CONTROL SYSTEM

The internal control system contributes to the control of the Group's activities and the efficiency of operations. It includes procedures and controls designed to provide reasonable assurance regarding the control of risks related to the Group's activities and is implemented by the Group's operational management. **It is based on standards set out in a reference framework called the Eramet Management System (EMS).** Its components are the Ethics Charter, Group Policies, the Governance Guide, Delegations of Authority and functional, industrial and commercial procedures.

In accordance with the AMF Reference Framework, the internal control procedures in force at Eramet are designed to:

- Ensure that acts of management or the performance of operations as well as staff behaviour comply with the policies defined by the corporate bodies, applicable laws and regulations, and the Company's values, standards and internal rules;

- Verify that the accounting, financial and management information communicated to the Company's governing bodies fairly reflects the Company's business and situation;
- Ensure that procedures and/or insurance programs are in place to protect assets against the various risks of loss resulting from theft, fire, irregular or illegal activities and natural hazards;
- Prevent and control the risks of error or fraud, particularly in the accounting and financial areas.

Ownership and risk management are assigned to the most appropriate level (principle of subsidiarity). Each operational manager is therefore directly involved in the implementation of internal control and is responsible for assessing and mitigating risks relating to the processes and activities for which he or she is responsible.

THE INTERNAL AUDIT

Internal Audit is the third line of control that assesses the manner in which the Group identifies and manages its risks. It is an independent and objective activity that provides the Group with assurance on the degree of control over its operations and offers advice on how to improve them. It helps the Group to achieve its objectives by assessing,

through a systematic and methodical approach, its risk management, control and corporate governance processes, and by making proposals to enhance its effectiveness. It ensures compliance with procedures in the audited areas.