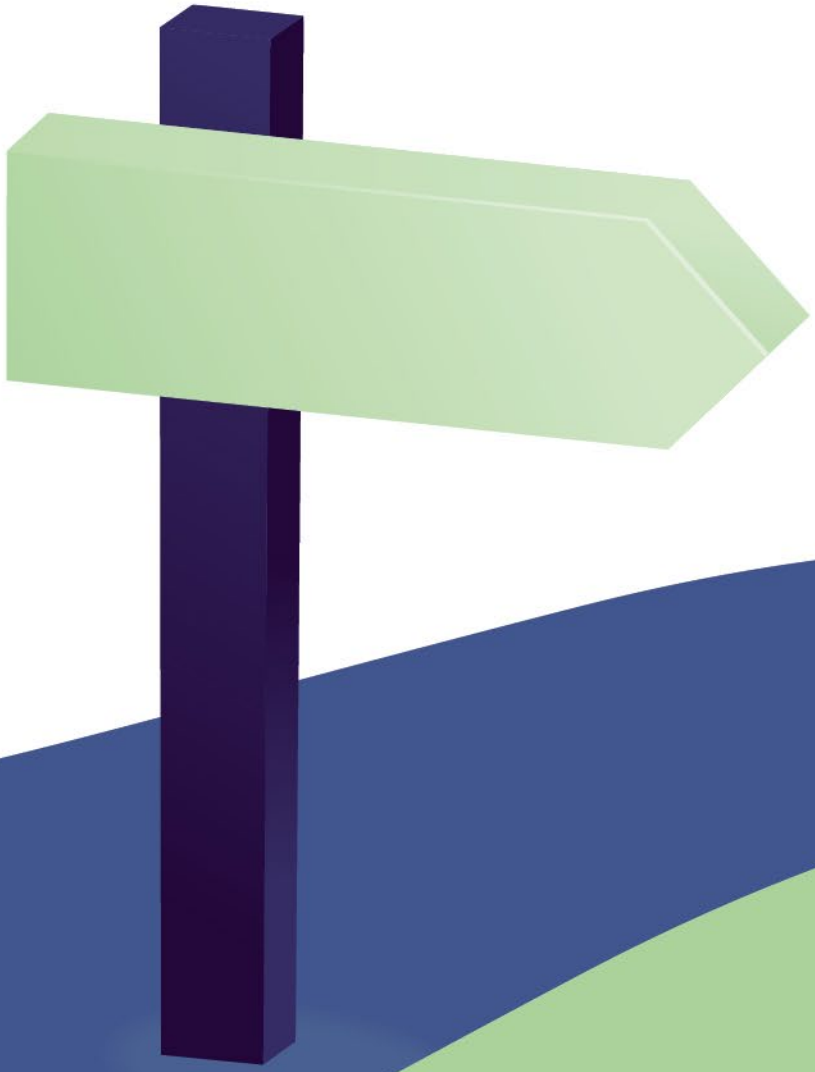
ErametManagementSystem

September 2023

POLICY

Risk Management



eramet

OUR LONG-TERM OBJECTIVES

At Eramet, effective risk management is an integral part of how we protect ourselves and how we create value to give our different stakeholders confidence in our ability to achieve our objectives in line with our purpose.

We are committed to managing risks proactively and effectively. Risk awareness is integrated into all decision-making throughout the organisation. All our employees and managers are responsible for identifying, assessing, and managing risks in order to prevent and overcome the significant risks faced by Eramet.

To support this commitment, our Risk Management Framework defines the fundamentals and organisational factors of effective risk management, as well as the basic risk management principles.

IDENTITY CARD

TYPE	**POLICY**
PROCESS	**S1 - Manage our risks**
KEYWORDS	Risks, management, governance, audit, control line
EXCOM OWNER	Chief Financial Officer in charge of Procurement and IT

1. ERAMET GROUP COMMITMENTS

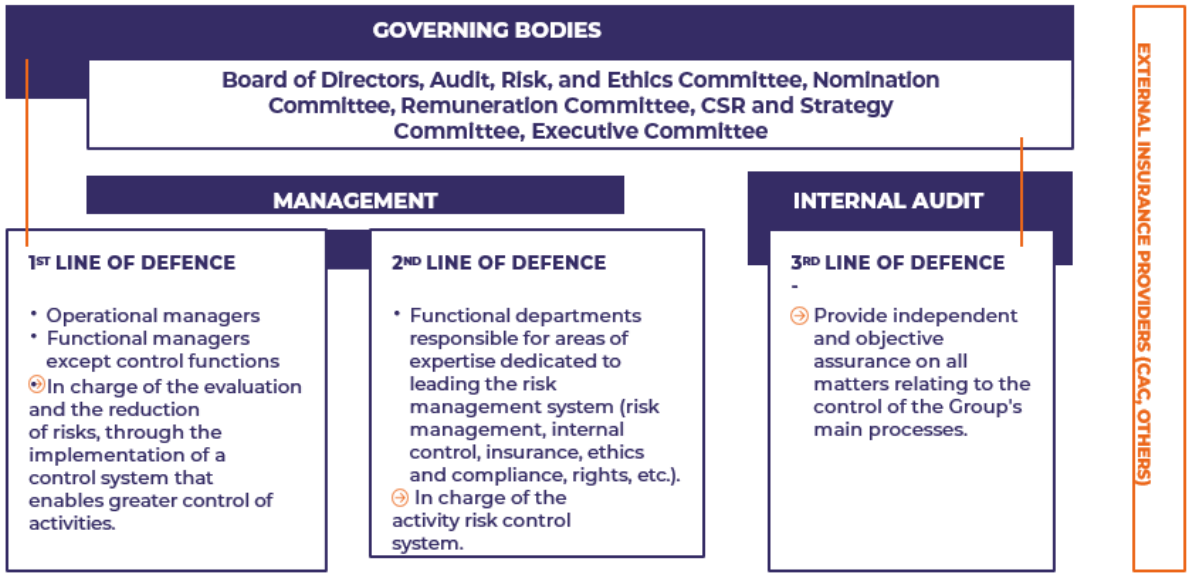
Convinced that risk-taking is vital and inherent to its business development and aware of the potential impacts of mining and metallurgical activities on the natural environment and local populations, the Eramet Group has been committed for several years to a risk management approach. It provides a better understanding of risks, enabling it to improve its long-term performance and to take better advantage of opportunities.

As part of its Risk Management Policy, the Eramet Group commits to:

- **Manage** the risks inherent to all its activities for the benefit of its stakeholders and employees, in order to achieve financial results, make a positive contribution to society and create sustainable value in a responsible, transparent manner that respects the interests of its stakeholders.
- **Mobilise** Eramet's managers to take responsibility for risk management, to confirm that appropriate risk control resources are implemented and to ensure that risks are dealt with and, where necessary, escalated.
- **Explain** the 3 lines of defence that contribute to good risk management and control, which must be understood by ALL Eramet employees, allowing to embed a culture of compliance and risk reduction in the Group DNA. All our employees must be responsible for managing the risks associated with their respective areas of responsibility.
- **Review** regularly its risks and assess emerging issues, both internal and external, that could manifest themselves as significant events for the Group.
- **Monitor** the effectiveness of risk management activities and defence measures, and proactively consult relevant internal stakeholders about risks.
- **Consider** CSR dimensions in the broadest sense as early as possible in the design and development of industrial and mining projects, with reference to national regulations, Group policies, the IRMA standard and the international standards of the profession or financiers.
- **Implement** effective environmental and industrial risk management systems on all sites, as well as in its transport and supply chain. Emergency plans and a crisis organisation are defined to ensure an effective response in the event of an incident.

2. GOVERNANCE

In a constantly changing environment and marked by significant uncertainties, risk management is considered by the Group's Executive Committee to be a key component of its governance system. This is why the Group has developed an integrated risk management approach in line with the organisation's objectives and its strategy, creating a Risk Management, Internal Control, and Internal Audit functions, and coordinating the three lines of defence as presented below:



The **first line of defence** relies on operational managers, who are responsible for applying the internal control processes in their organisations, as defined by the second line of defence, and constitutes a key element of the system. They oversee the implementation of control activities, analyse results, correct deficiencies, and seek to improve the efficiency of their system. The BUs, together with the Directors of the operating entities, are responsible for implementing and supervising internal control within the scope of their activities. They play an essential role in ensuring the quality of the control environment: promoting the Group's values, defining the organisation, assessing results, etc.

The **second line of defence** is provided by various functions (Controlling, Insurance, Ethics and Compliance, Human Rights, Environment, Safety, Tax, etc.) set up by management to monitor risk control and compliance.
In addition, the **Internal Control and Risk Management Department** provides second-line defence functions.

- coordinates the implementation of all internal control processes at Eramet,
- helps to protect Eramet's assets and secure the achievement of its operating and strategic objectives, by providing a structured approach to identify, prioritise, handle, and control high-stake risks of all kinds that the Group may face.

The **third line of defence** is provided by Internal Audit, an independent and objective activity that helps protect Eramet's assets by assessing the Group's Governance, Risk Management, and Group Internal Control systems and their proper application by all Group entities. Business processes are reviewed based on the multiannual audit plan, linked to the Group risk mapping and BU activity. The Internal Audit department bases its work on Group standards and the operational efficiency objectives described in the standards developed by the different functions of the Group.

The three lines of defence that make up the risk management system **are coordinated** by the Risk Management Committee, which is made up of eleven permanent members: the Director entrusted with Risk Management, the DRCA (Risk, Control Audit) Director, the Environment Director, the Societal Impact and Human Rights Manager, the Industrial Risks Coordinator, the Safety and Prevention Director, the Group Insurance Manager, the Ethics and Compliance Director, the Information Systems Security Manager and the Public Affairs Director. This Committee is an operational body across the different business lines, contributing to risk management processes and representing a vector for risk management culture within the Group. Its main objectives are to keep its members informed of their respective work, thereby helping to improve risk management; to communicate an overall view of risks and the issues involved, enabling them to position the risks in their area of expertise in relation to other risks; to ensure that emerging or rapidly evolving risks are taken into account.

3. IMPLEMENTATION METHODS

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

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 Control function checks the effectiveness of the system. However, like any control system, it cannot provide an absolute guarantee that these risks are totally eliminated.

To help the Group's managerial and operational functions to better manage our risks, the Group has brought together Internal Control, Internal Audit, and Risk Management within a single department (**the DRCA Department**), drawing on the expertise of each of the three functions that work in synergy and ensure methodological consistency in their approaches.

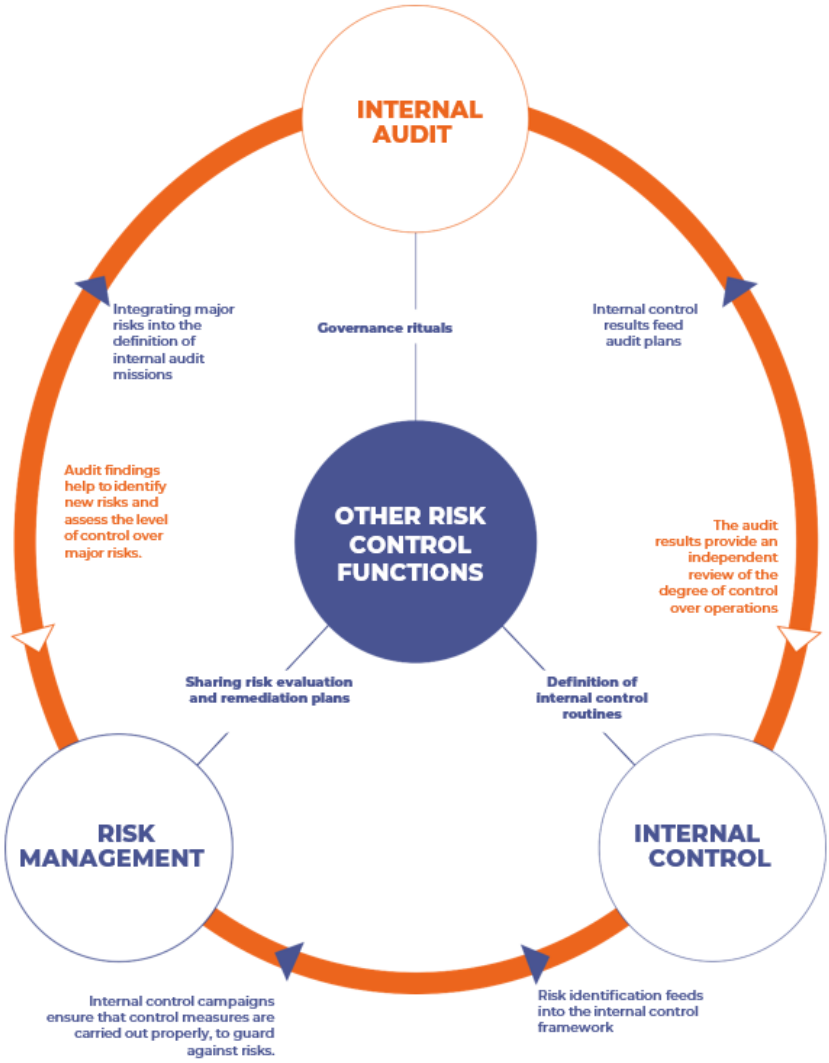
The Internal Audit Department is managed by the Deputy Director of Internal Audit and comprises 6 auditors and an anti-fraud Officer.

The Internal Control and Risk Management Department is co-headed by the Director of DRCA and the Deputy Director of Risk Management. It is organised by geographical region and runs a network of **Internal Control & Risk Management Officers**, under the dual responsibility of the Finance Directors of the entities and the Heads of the geographical regions, whose main tasks are to deploy:

- the local internal control system.
- the risk management approach in the operating entities.
- EMS reference system, particularly through training and information sessions.

Finally, **the Operational Excellence cluster** is responsible for providing the best frameworks for the Group (Eramet Management System, reference system of internal control points), supporting change through communication tools and fostering a culture of compliance in the Group DNA, and providing tools to improve the performance of the DRCA department, while simplifying the work for operational staff.

The Risk Management, Internal Control, and Internal Audit system is summarised in the diagram below:



The acronym **DRCA** reflects Management's philosophy of 'taking care' of all the Group processes to better control them, contribute to their improvement, and identify what needs to be fixed, to successfully reach the strategic objectives and for the shared success of the Group.