



AMG Critical Materials N.V.

CORPORATE ENVIRONMENTAL, HEALTH, SAFETY and SUSTAINABILITY POLICY

AMG Critical Materials N.V. (“AMG”) endorses and supports the definition of corporate social responsibility as set by the World Business Council for Sustainable Development, being: “...the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” For AMG and its affiliated companies, this definition translates into three main sustainable development objectives that the Company has formulated in connection with its financial objectives, technological capabilities, and its leading position in the global metallurgical industry. These objectives are:

- To provide safe working conditions for our employees and be responsible stewards of the environment.
- To meet or exceed regulatory standards by engaging in ethical business practices; and
- To be a valued member of the local economy, community, and society by contributing to solutions to address some of the fundamental environmental and social challenges facing society today.
- To target industrial activities which either contribute to the reduction of greenhouse gas levels through the circular economy or by arriving at technologies which enable our business partners to reduce greenhouse gas levels and quantify the success of these endeavors.

The following sections describe AMG’s commitment and efforts to facilitate and implement our corporate social responsibilities. The AMG portfolio of companies is held accountable for implementing sound and regulatory compliant programs that are applicable to their operations and protective of the communities in which they do business. As an integral part of its sustainability strategy, AMG is committed to reduce the exposure of its employees, customers, subcontractors, suppliers, and local communities to professional and industrial risks.

OCCUPATIONAL SAFETY AND HEALTH

Nothing is more important to AMG than the safety, health and well-being of our employees and their families. AMG as a company, its employees and contractors are responsible for safety and compliance with all applicable regulations and standards. All injuries and occupational illnesses are preventable and there is no job worth doing in an unsafe way. We are a team treating everyone with respect and building trust. We listen to and understand safety and health issues, while supporting each other to work in a safe and healthy manner and in compliance with all local and national rules and regulations.

Safety performance data is a key metric used for identifying initiatives for strengthening safety culture and ensuring a safe workplace for our employees, contractors, and visitors. Each lost time incident is investigated and immediately communicated to AMG's senior management across the company to ensure lessons learned are shared. Safety performance data, including injuries and accidents for all AMG employees, are compiled into a monthly report which is distributed internally to and reviewed by the Management Board, the Supervisory Board, and stakeholders throughout the AMG businesses. At the conclusion of the calendar year a final Safety Performance report is prepared, and the relevant data included in the AMG Annual and Sustainability reports.

AMG has implemented, throughout the organization, critical planning processes such as emergency preparedness, crisis management, business continuity and, where applicable, flood and earthquake emergency response plans to help ensure resilience and the ability to recover quickly from unexpected events. These detailed and comprehensive plans involve the identification of the risks, tools, and resources to mitigate impact and the responsible personnel to successfully implement the response. Using internal and external resources, employees are trained on their responsibilities and participate in exercises to ensure readiness. The practice improves our production rates and helps avoid long downtimes.

AMG businesses conform to the highest standards and implementation of Internationally recognized standards such as OHSAS 18001 and the newly updated ISO 45001 Standard. Beholden to continuous improvement, each business annually identifies or recommits to initiatives aligned with strengthening the safety culture and empowering employees to work safely.

ENVIRONMENTAL

Regarding the global environmental legacy of our generation, AMG is committed to making a positive contribution to a sustainable world. AMG's fundamental target is to directly enable activities that make a substantial contribution to CO₂ emissions reduction through the circular economy or by developing technologies which enable our business partners to reduce greenhouse gas levels. In doing so, AMG seeks to establish and sustain a positive environmental legacy for future generations. In doing so, AMG is committed to minimizing its overall impact on the environment while encouraging its business units to continue progressing innovative CO₂ reduction enabling technologies.

Specifically, AMG aims to conserve water, energy, and ecosystems; to reduce all emissions; to minimize waste and to support environmental sustainability. The company seeks to identify, measure, and understand the direct and indirect impact of its operations and develop realistic solutions for mitigating those impacts. It also complies with, and when possible exceeds environmental laws and regulations. The company is committed to regularly communicating its progress in implementing its policies.

Management regularly assesses and manages the company's environmental risks and opportunities through its corporate risk management framework. The risk management framework considers the applicable metrics for each environmental aspect and impact and is inclusive of both the Management Board and the Supervisory Board.

The AMG businesses rely on implementation of business specific environmental management systems, such as ISO 14001, to help structure and guide continuous improvement opportunities.

COMMITMENT TO SUSTAINABILITY

AMG is dedicated to reducing the impact of its operations on the environment and promotes environmental sustainability at all levels of the organization. Across AMG global operations, sustainability drives us to minimize our negative impacts and maximize our value. Beyond compliance, AMG strives to make positive and tangible efforts to protect our environment, preserve global resources and protect the rights of the people and communities where we operate.

Climate Change

Limiting climate change global warming to 2°C will reduce impacts on ecosystems and human health. AMG has a significant role to play in responding to climate change by implementing voluntary reductions of GHGs within their control, and by developing material science solutions that assist our customers in reducing CO₂ emissions through the end use of their products (enabling CO₂ reduction).

- AMG climate change risks are regularly considered as part of the overall AMG risks management process.
- AMG annually measures its climate change performance, both physical emissions and CO₂ reduction enabled, which is published in its sustainability report.
- AMG's key climate change opportunities are related to the growth of its enabling CO₂ reduction portfolio.
- AMG is committed to the reduction of its energy consumption from non-renewable sources, which is demonstrated through its investment in owned renewable energy production as well as encouraging our businesses to purchase renewable power from the grid.

Water Conservation

AMG views water consumption and water scarcity as global trends that are important to monitor, though AMG's activities are not significantly water intensive. AMG considers the right to water a fundamental human right.

AMG performs a water risk review of its facilities annually using WRI Aqueduct and has determined that our site locations are in areas unaffected by significant water scarcity concerns. AMG will continue to improve water efficiencies in its operations and will invest in innovative technologies and systems that enhance water and energy conservation.

AMG encourages its businesses to recycle water within their operations.

Managing Waste

As a leader in circular economy trends, AMG is committed to minimizing waste. We use recycled material where technically possible, and in doing so have innovated several secondary metals manufacturing technologies.

AMG continues to minimize waste streams by deploying comprehensive waste management programs within the businesses promoting the management and recycling of business, production and chemical wastes. The waste management program is built on the foundations of efficient use of raw materials, increasing reuse, recycling, and minimizing landfill disposal – landfill is a last resort. As a result of this

deliberate approach AMG routinely generates minimal amounts of hazardous waste compared to the scale of its global operations.

Biodiversity

When we operate in critical habitats – those that are rich in biodiversity and important to conservation– we apply stringent mitigation standards. AMG’s position on areas of High Conservation Value is to limit development as much as possible.

We apply the mitigation hierarchy in our projects and operations to minimize our impact on the environment as much as possible. First, we avoid impacts on biodiversity and ecosystem services. Where avoidance is not possible, we minimize our impact. Where our operations have affected biodiversity, we seek to help restore impacted habitats.

AMG has identified three land areas with high biodiversity value, sensitive habitats, or which are otherwise protected. These areas are native forest in Sao Joao del Rei, Brazil; river frontage and setback areas in Nazareno, Brazil; and wetlands in Ohio, United States. AMG takes its responsibility as stewards of these key areas very seriously.

The biodiversity of an area is assessed when we conduct impact assessments for any new major project or large expansions to existing operations. We carefully consider the potential environmental impact of our activities and how local communities may be affected before, during and after operations.

We also develop biodiversity action plans before we start projects in sensitive environments. This helps us to identify and minimize any impacts during planning, operations and at decommissioning. Measures are taken to restore habitats or ecosystems that are close to our operations.

Our standards are designed in-line with relevant international standards, including those set by the International Finance Corporation.

PRODUCT STEWARDSHIP

We are committed to minimizing the harmful impact of our operations and products. As a global manufacturer, we comply with global product-related regulations. We work to limit the negative environmental impact of our products and this responsibility is at the forefront of our employee’s daily focus.

Conflict Minerals

AMG is committed to social responsibility, ethical business practices, sourcing responsibly and considers mining activities that fuel conflict as unacceptable. AMG holds our business and vendors accountable and support global legislative efforts to discourage companies from engaging in trade that supports conflicts and human rights violations in all countries where minerals are mined and extracted.

AMG is the world’s largest supplier of conflict-free tantalum, a metal used in various consumer electronic products. Sourcing critical materials from conflict-free suppliers is significant to AMG and our clients in the electronics industry, and we proudly work with them to meet this goal.

REACH

AMG conforms to the requirements of the European Commission REACH (Registration, Evaluation, Authorization and Restriction) Program for the manufacturing and importing of products. AMG manufactured and imported products' properties of chemical substances are identified, which will allow their safe handling, and applicable information registered as required by REACH. AMG is committed, when possible, to the substitution of the most dangerous chemicals when suitable alternatives have been identified.

This Policy has been reviewed by senior management, is applicable to all AMG business units. AMG applies the standards of this policy to its suppliers and vendors.

AMG's Management Board reviews the Company's policies, programs and practices on environment, health, and sustainability, including enterprise goals on a regular basis, and shares these findings with the Supervisory Board.



Dr. Heinz C. Schimmelbusch
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AMG Critical Materials N.V.