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Letter to Shareholders

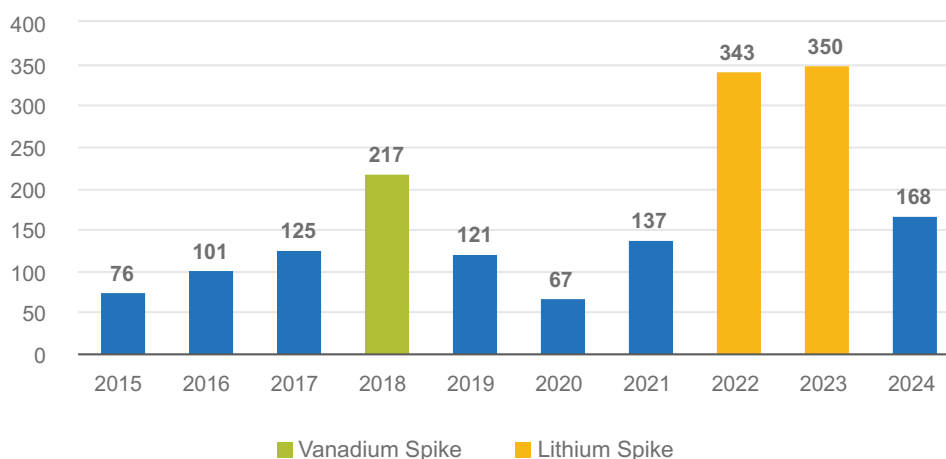
Dear fellow Shareholders,

I am pleased to share AMG's performance in 2024, a year in which we demonstrated resilience and strategic growth despite significant downward volatility in lithium and vanadium. In the face of a 65% drop in lithium market prices and a 23% decline in ferrovandium market prices compared to the prior year, we achieved an adjusted EBITDA of \$168 million, significantly surpassing our revised guidance of "\$150 million, or more."

AMG is a growth company. The 5- and 10-year compound annual growth rates (CAGR) for our adjusted EBITDA are 26% and 9%, respectively. Compared to 19 peers (AMG's peer group confirmed by a third party), our 5-year adjusted EBITDA CAGR is the second highest and our 10-year adjusted EBITDA CAGR is the third highest among this group. These results are driven by two key factors: first, our investment strategy in battery materials, initiated in 2017, and second, the advantages we realized from our critical materials portfolio.

AMG is a Growth Company

Adjusted EBITDA (millions of US dollars)



Compound Annual Growth Rate (CAGR)	5-Year	10-Year
2024 AMG EBITDA	26%	9%
2023 AMG EBITDA	30%	17%

AMG's critical materials portfolio is not a conglomerate. The different constituents of the portfolio have similar business models; share the same type of market dynamics; non-conventional origins of supply; need upgrading by partly proprietary process technologies; and the marketing of the resulting materials involves technical interaction with customers (mostly industrial majors). The volatile market dynamics demand sophisticated risk management methodologies. The conversion of metallic materials into high-end applications usually requires furnaces and it is a competitive advantage to be the global leader in furnace technology. Another critical material for us is like another chemical for a chemical company: familiar territory.

We believe that AMG is undervalued. This is supported by German analyst Joerg Lang from Boerse Online, who recently observed that the present AMG market capitalization of approximately \$500 million reflects only AMG Technologies. The headline for his article, "Zukunftrohstoffe gibt's geschenkt," translates as "Materials for the future for nothing." His estimated operating income for AMG Technologies is \$65 million. AMG Technologies' adjusted EBITDA in 2024 is approximately \$70 million. At a multiple of 10x, AMG Technologies would be valued at around \$700 million, substantially exceeding all of AMG's market capitalization of approximately \$500 million. We have no explanation other than we are difficult to model by outside analysts.

In the volatile world of critical materials, the rule for AMG management is to figure out how to be the sustainable low-cost producer, creating cash flow even when the prices reach their low. AMG has successfully applied that rule for lithium and vanadium when compared to the western competitors. Commodity investors will have observed that in general share prices, including AMG's, correlate neatly with commodity price developments.

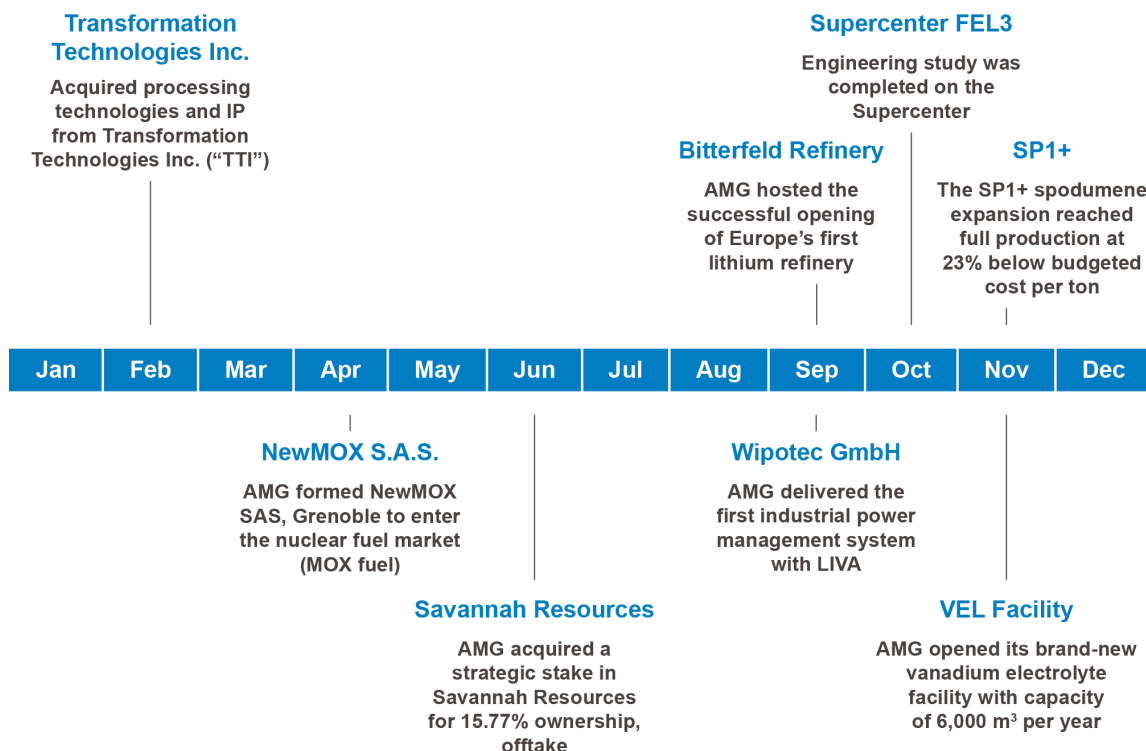
I have often reflected on the challenges of providing one-year adjusted EBITDA guidance, particularly for a company operating in markets where material prices can fluctuate dramatically within the same year. We've seen this volatility firsthand—whether in

lithium in 2022 and 2023 or vanadium in 2018—when prices surged by several magnitudes only to decline significantly. While we recognize that such guidance is often expected, it remains a complex task given these unpredictable market dynamics. For instance, our second upward revision of 2024 adjusted EBITDA guidance—from “\$130 million, or more” to “\$150 million, or more”—was driven by an unexpected surge in antimony prices following China’s export restrictions. The continued price increases caught even us by surprise.

Looking ahead, given the evolving political and economic landscape, market disturbances are likely to become more frequent. As always, we will navigate these challenges with agility while maintaining transparency in our financial outlook.

2024 Strategic Highlights

Milestones & Strategic Progress



2024 was a busy year for AMG as we engaged in a series of strategic initiatives and operational advancements designed to strengthen our position as a leader in the critical materials industry and drive sustainable, long-term growth. I will highlight some here.

AMG Lithium

Strategic objective: “Keep building the Brazil-Portugal-Germany lithium highway”

The opening of AMG’s Bitterfeld lithium refinery in 2024 marks a pivotal moment for our company and the critical materials industry. This state-of-the-art facility represents a significant step forward in our mission to support the global energy transition by providing high-purity lithium products essential for the battery industry. In the lithium value chain, a refinery is a stabilizing element as the volatility of the “conversion premium” is relatively low (around \$3,000 per ton).

The opening ceremony of the Bitterfeld refinery on September 18, 2024, was in the presence of Dr. Rainer Haseloff, Prime Minister of Sachsen-Anhalt, Germany, and Mr. Mateus Simões, Vice Governor of the State of Minas Gerais, Brazil. In my address, I said we are building a lithium highway connecting Brazil and Germany. I then noted that we will have a “refueling” station in Portugal in the form of the Lagoa spodumene plant and the Savannah mining project and will invite the Prime Minister of Portugal to join the exclusive “Highway Committee.”

AMG Vanadium

Strategic objective: “Expanding the global leadership in circular vanadium production”

The TTI technology acquisition complements the processing options of AMG for vanadium materials. Several projects are under development that provide a regional solution for global refiners, thereby reducing risks and complexities of associated logistics and costs, linking refineries to our processing center in Ohio.

New Electrolyte Plant in Nuremberg, Germany

In Nuremberg, Germany, we opened a new vanadium electrolyte plant for the vanadium battery feed, including LIVA batteries, marking the newest addition to the value chain of AMG Vanadium BV, incorporated in 2024. The Nuremberg facility is the largest of its kind in Europe, reinforcing our position as the leading producer of vanadium electrolytes. Given that electrolytes are liquid and costly to transport, their ability to remain in the battery throughout its lifespan and be reused in the next generation of batteries eliminates the need for recycling, making them a highly sustainable energy storage solution. As the demand for energy storage continues to drastically increase, we anticipate significant expansion in this sector.



From Gasification Ash to Energy Storage

The Supercenter project in the Kingdom of Saudi Arabia (a project from Shell & AMG Recycling BV) is progressing. The engineering study (FEL3) was completed in October 2024. Phase 1 of this project is the building of a processing plant for the gasification ash in the Kingdom of Saudi Arabia into vanadium oxides and includes a vanadium electrolyte plant and a battery for power management. Later phases include spent catalyst recycling, fresh catalysts and more vanadium battery assembly. In preparation for the expansion of LIVA into the Middle East in a significant way, we are building a LIVA demonstration battery to assist Aramco on a solar field in Tabuk that Aramco refers to as the first net-zero project in the Kingdom of Saudi Arabia.



1 Gasification Ash

Technology Provider:
AMG

2 Spent Catalyst

Technology Provider:
AMG

3 Fresh Catalyst Manufacturing

Technology Provider:
Shell Catalysts &
Technologies

4 Mass Energy Storage

Technology Provider:
AMG LIVA

AMG Technologies

Strategic objective: “Strengthening global leadership in vacuum furnace technology”

In April 2024, AMG created NewMOX SAS, Grenoble, France. The core objective of NewMOX SAS is to develop and operate a nuclear fuel fabrication facility for MOX fuel, using plutonium from reprocessed spent nuclear fuel, thereby promoting circularity to the nuclear fuel industry. MOX fuel supply will meet the demands of the rapidly expanding Small Modular Reactor (SMR) industry. NewMOX SAS ensures flexibility in production and fast supply of various fuel types with up to 30% plutonium content to meet SMR requirements.

The beginnings of NewMOX SAS followed the commissioning of a large nuclear waste recycling facility by a customer in China, where ALD Vacuum Technologies GmbH (Hanau) provided the crucial technology, a MOX sintering furnace. The plant produces a specific nuclear fuel called MOX (Mixed Oxides) fuel, made from plutonium recovered through spent fuel reprocessing, and depleted uranium, a byproduct from uranium enrichment.

ALD builds on a strong legacy in nuclear furnace technology. The furnace technology originated from the nuclear activities of Degussa AG, Frankfurt, and made its way to ALD before ALD was even a part of AMG. In the MOX technology, ALD is the clear technology leader, evidenced by an exhaustive reference list now complemented by the newest plant in China. We expect market demand for MOX to exceed the supply and therefore go through conceptual engineering for the building of a MOX plant on a built-own-operate basis.

AMG delivered the first industrial power management system with LIVA at Wipotec GmbH. The Wipotec battery is the center of the first LIVA Power Management System for industrial use, integrating different energy sources, including renewables, and different electricity uses. Consolidating electricity flows in an internal grid is a powerful way to save electricity. This battery is the showcase for LIVA Power Management Systems in industrial plants.

Inside a Vanadium Flow Battery

In summary, the “2024 strategic highlights” photo illustrate steps in our strategy to occupy leading positions, specifically in lithium and vanadium, with major investments, partly in the first mover category. Accordingly, as an empirical measure, the average annual CapEx in the five years leading up to 2023 exceeded \$120 million—in 2021, 2022, and 2023 it exceeded \$150 million—compared to annual average CapEx of less than \$50 million in the preceding years. Fortunately, the cash flow generation in 2022 and 2023 in combination with the bond issue for the Zanesville Ohio plant and excess cash flow from AMG Technologies has been available to finance these outlays and to keep our balance sheet in conservative territory.



Commitment to Sustainability & Innovation

Early on, in 2018, we formed ECO₂RP, the Enabling CO₂ Reduction Portfolio¹, a virtual subsidiary, to consolidate innovative product lines across AMG which enable CO₂ reduction. We performed a stringent Life Cycle Assessment for each of these product lines and calculated the CO₂ reduction we enabled through our customers’ use of these products. We regularly report the resulting CO₂ reduction. This is evidence that our assumption that “critical materials are intrinsically related to CO₂ reduction” is correct. In 2024, ECO₂RP recorded an astonishing 114 million tons of CO₂ “savings.” To focus on enabling CO₂ reduction is in line with the EU taxonomy language that ranks “economic activities which make substantial contributions based on their own performance” equally with “directly enabling other activities” (EU Taxonomy Article 16 and Article 9). That seems obvious. We concluded that this would be ranked equally to clean energy production. That, however, is not so. We had to realize that regulations do not even require reporting on Scope 4 efforts or results. The private carbon trading outfits, busy with opaque business models mostly related to trees in Latin America, declined to trade these enabled CO₂ reduction units (“too complicated”). All of that is despite “enabled” CO₂ reduction under Scope 4 resulting in much higher CO₂ reduction than what can be achieved with innovations under Scopes 1, 2, and 3.

In November 2021, we entered into a 5-year \$200 million senior secured sustainability linked revolving credit facility, the interest rate of which is reduced when meeting two key performance indicators. The first is related to Scopes 1 and 2 emissions and the second is to avoid emissions. Since its inception, these KPI’s have been met, and the interest rate reduction was achieved.

¹ This metric is outside of the scope of CSRD.

Given our experiences with Scope 4, we are complementing measuring the enabled CO₂ savings by our customers with the measuring of the estimated saving of energy. This change reflects our commitment to providing a tangible and universally understood metric that aligns more directly with operational efficiency and sustainability and is more relevant to our customers' priorities and goals. Energy savings offer a concrete, measurable benefit that directly impacts costs and resource consumption. Additionally, with inconsistent global attention to CO₂ regulation, emphasizing the saving of energy ensures our efforts resonate with broader sustainability initiatives while maintaining transparency and relevance.

The largest contributor within our ECO₂RP virtual segment is the Thermal Barrier Coating (TBC) of aerospace turbine blades. It accounted for approximately 76 million metric tons of enabled CO₂ out of the total 114 million metric tons of enabled CO₂ in 2024. TBCs enable higher operating temperatures in aerospace engines which reduces CO₂ emissions by decreasing the consumption of jet fuel. The corresponding estimated annual energy savings amount to 104,500 GWh. The estimated crude oil equivalent annual savings are 584 million barrels, or approximately 1.6 million barrels per day.

Thermal Barrier Coating and the Saving of Energy

ALD Vacuum Technologies GmbH (Hanau), the largest company in AMG Technologies, is the world leader in building TBCs around the globe operated by our customers such as Pratt & Whitney, GE, Linde, Rolls Royce, Safran, and others.

Thermal Barrier Coating Leadership



1 USA

- 26 in operation
- 1 in installation
- 2 in planning

2 - 9 Non-USA

- 11 in operation
- 4 in installation
- 2 in planning

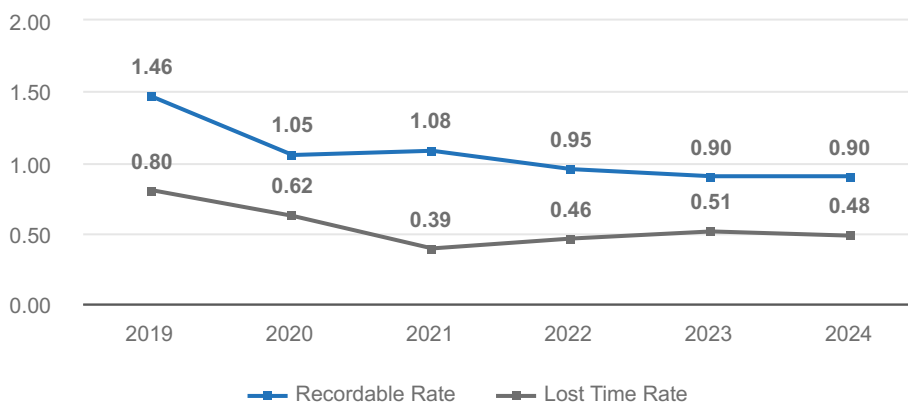
TBC customers include Pratt & Whitney, GE, Rolls Royce, Safran and others

Safety

AMG has tied its all-time best recordable rate of 0.90 again this year after setting the record in 2023. Our recordable rate is 74% better than the industry average. AMG also improved its lost time rate to 0.48 from 0.51 last year, a 6% decrease. Our lost time rate is 52% better than the industry average.

As reported regularly, we relentlessly pursue the health and safety of our employees with a target of zero incidents. As evidence that our efforts bear fruit, 78% of our global facilities had zero lost time injuries in 2024.

Our Commitment to a Safer Workplace



Description	Industry average	AMG 2024
Recordable Rate	3.40	0.90
Lost Time Rate	1.00	0.48

AMG Values

At AMG, our committed values are the foundation of everything we do, guiding our actions and shaping our culture. We are committed to acting safely, not just as a core operational principle, but as a promise to our employees, partners, and communities. Safety underpins our success and allows us to operate with the confidence and reliability expected by all who depend on us. Equally, we prioritize creating value for our stakeholders—whether they are our customers, shareholders, or employees—by delivering innovative solutions that drive growth and prosperity.

Respect for people is at the heart of our values. We believe that fostering a culture of collaboration, inclusivity, and fairness is essential to achieving our mission. We are also deeply committed to protecting our planet, enabling measurable reductions in CO₂ emissions through our critical materials and technologies. CO₂ emissions can also be expressed in energy savings as seen above. By delivering tangible environmental benefits, we play a vital role in supporting the global transition to sustainability. Finally, we act with integrity in all that we do, ensuring our business practices are transparent, ethical, and responsible. Together, these values not only define who we are as a company but also reinforce our commitment to building a better future for all. This statement includes a commitment to what is generally referred to as “Inclusion.”

We respect people, meaning all people. We believe that fostering a culture of diversity enables us to harness the full potential of our global team and drive better outcomes for our stakeholders. That also implies inclusion. We are an innovative company, and innovations originate from teamwork.

In 2024, we made significant strides in our commitment to diversity, with help from our Corporate Diversity & Inclusion Council, established in 2022. One highlight of the year was the introduction of our scholarship program for young women pursuing careers in engineering and materials science at the Colorado School of Mines. This scholarship aims to empower the next generation of female leaders in fields traditionally underrepresented by women. We are proud to announce that this initiative will become a recurring program, reinforcing our long-term dedication to gender diversity.

To better understand and support our employees, we conducted a company-wide employee engagement survey. The results were overwhelmingly positive, with an exceptional turnout that reflected the enthusiasm and commitment of our workforce. The feedback received underscored our employees' appreciation for our inclusive environment and provided valuable insights into areas for continuous improvement. These findings will guide our efforts to enhance the workplace experience for all.

This year, I am proud to share two remarkable honors that reflect AMG's commitment to excellence. AMG Brazil received the prestigious Human Being Award, recognizing our exemplary corporate culture and leadership in ESG principles. Additionally, AMG Engineering/ALD was named an industry leader by the F.A.Z. Institut for its outstanding HR policy in mechanical and plant engineering.

These awards and our other achievements this year reflect the collective commitment of our team to fostering a diverse and inclusive workplace. By continuing to champion initiatives that promote diversity and listening closely to our employees, we aim to strengthen our culture and build a brighter, more inclusive future for AMG and the communities we serve.

Looking Ahead

In terms of a macro view, the lithium market is poised for significant developments in 2025, driven by strong demand growth and shifting market dynamics. The global EV market grew by 25% in 2024 and is expected to increase by over 20% in 2025, with China leading at +14% and Europe rebounding due to stricter CO₂ regulations. Battery-based energy storage systems (BESS) are the fastest-growing lithium demand segment in 2024 (+53%). Estimating the growth of this segment is particularly challenging as the ESS market is still in its early stages of development.

In the medium-term, we believe the global lithium EV battery demand will continue to grow at 20% or more. The lithium demand for stationary batteries has to be added and remains the largest unknown factor. The growth of the solar industry in China and the resulting need for BESS is also unknown. The BESS CAGR in China might exceed 30% and be on an even faster timeline than first anticipated. That could be instrumental in determining when the lithium price will take off from its present low.

BESS also drives the future demand of vanadium (including AMG's LIVA solution). The vanadium flow battery solution will benefit from this growth trend and the relative competitiveness of lithium versus vanadium batteries will partly be a function of the respective price volatilities. Most predictions state that the vanadium demand from the BESS segment in 2030 will be larger than the total vanadium demand today, which is dominated by its use in steel. This growth will require higher vanadium prices for new projects to be financed.



A handwritten signature in black ink, which appears to read "H. Schimmelbusch". The signature is fluid and cursive, written in a professional style.

Dr. Heinz Schimmelbusch

Chief Executive Officer

AMG Lithium



Lithium Hydroxide battery-grade refinery (Bitterfeld, Germany)

Lithium prices weakened year-over-year, leading to the 56% decline in AMG Lithium's 2024 revenue compared to the prior year. However, due to AMG's low-cost position, AMG Lithium delivered positive adjusted EBITDA in 2024 of \$24 million. The decrease in adjusted EBITDA was driven primarily by the 65% decrease in annual average lithium prices in 2024 compared to 2023.

Our Brazilian lithium concentrate plant expansion from 90,000 tons to 130,000 tons per year is complete. AMG is one of the lowest-cost lithium concentrate mines in the world, and we plan to maintain this competitive advantage.

181.6	33.4	24.1
Revenue \$M	Adjusted Gross Profit \$M	Adjusted EBITDA \$M

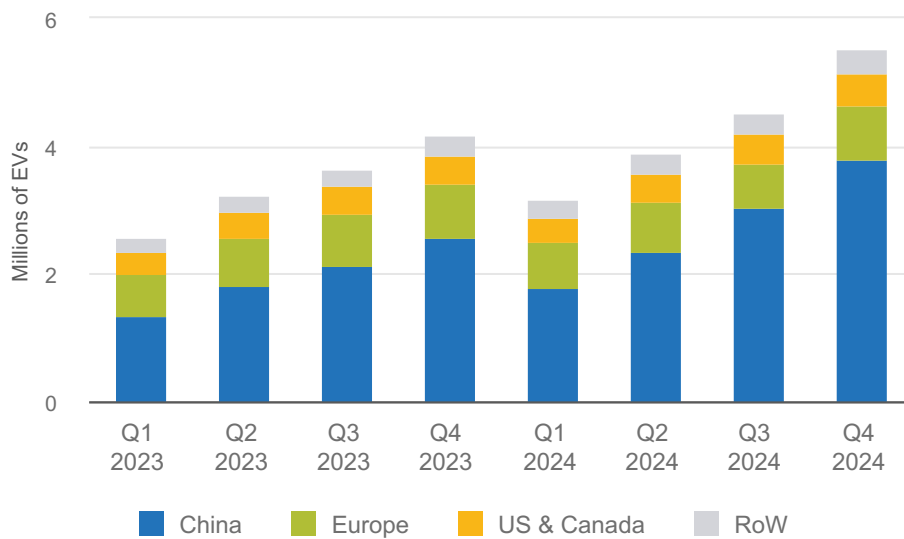
On September 18, 2024, in Bitterfeld, Germany, AMG hosted the grand opening of Europe's first lithium hydroxide refinery. With the refinery, AMG is the first mover, making a decisive contribution to securing the supply of the critical raw material lithium for the industry in Germany and Europe. The commissioning and ramp-up of AMG's first 20,000-ton module of its lithium hydroxide refinery continues to progress as planned.

AMG Lithium B.V. is pleased to announce a capital investment of GBP 16 million in Savannah Resources Plc, the developer of the Barroso Lithium Project in Portugal, Europe’s largest spodumene lithium deposit. AMG’s capital investment yields a 15.77% ownership stake, making AMG the largest shareholder of record. Through this agreement, Savannah and AMG will be contributing towards the domestic extraction and processing targets for lithium raw material set forth in the 2023 European Critical Raw Materials Act. This partnership with Savannah represents yet another step in expanding AMG’s lithium resource portfolio.

The establishment of our own complete lithium value chain contributes to the European Critical Raw Materials Act and offers greater independence for raw materials and critical materials.

The global electric vehicle (EV) market grew more than 25% year-over-year in 2024, with double-digit growth in China (>40%) and more than 10% growth in the United States. In 2025, EV growth is expected to exceed 20%, driven by demand in China and a strong European market led by the EU’s CO₂ emission reduction targets. (ESRS 2 SBM1, 40(a)i, 40 (a)ii)

Global New Electric Vehicle Sales Year-Over-Year Growth +25%



Sources: IEA. License: CC BY 4.0. Quarterly electric car sales by region, 2021-2024 | Rho Motion

AMG Vanadium



AMG Vanadium's spent catalyst processing facilities lead the industry in terms of cost structure and environmental performance.

AMG Vanadium (Zanesville, Ohio, USA)

AMG Vanadium's segmental revenue during 2024 was 11% lower than in 2023 due to the lower average annual sales prices in vanadium versus 2023, partially offset by increased sales volumes in chrome metal. Full year 2024 adjusted gross profit was 5% higher than in 2023, driven by the increased chrome metal volumes during 2024, partially offset by the lower average annual sales prices in vanadium.

AMG Vanadium's profitability was negatively impacted by the 23% decrease in average market prices for ferrovanadium in 2024 compared to the prior year. This decrease was partially offset by increased cost-offsets from Section 45X, a production credit for domestic manufacturing of critical materials for which AMG Vanadium qualified based on the Inflation Reduction Act, however adjusted EBITDA in 2024 decreased to \$76 million from \$81 million in 2023.

629.6	97.0	76.4
Revenue \$M	Adjusted Gross Profit \$M	Adjusted EBITDA \$M

Construction of the vanadium electrolyte plant at AMG Titanium in Nuremberg, Germany is complete, and we are producing qualification batches for our customers.

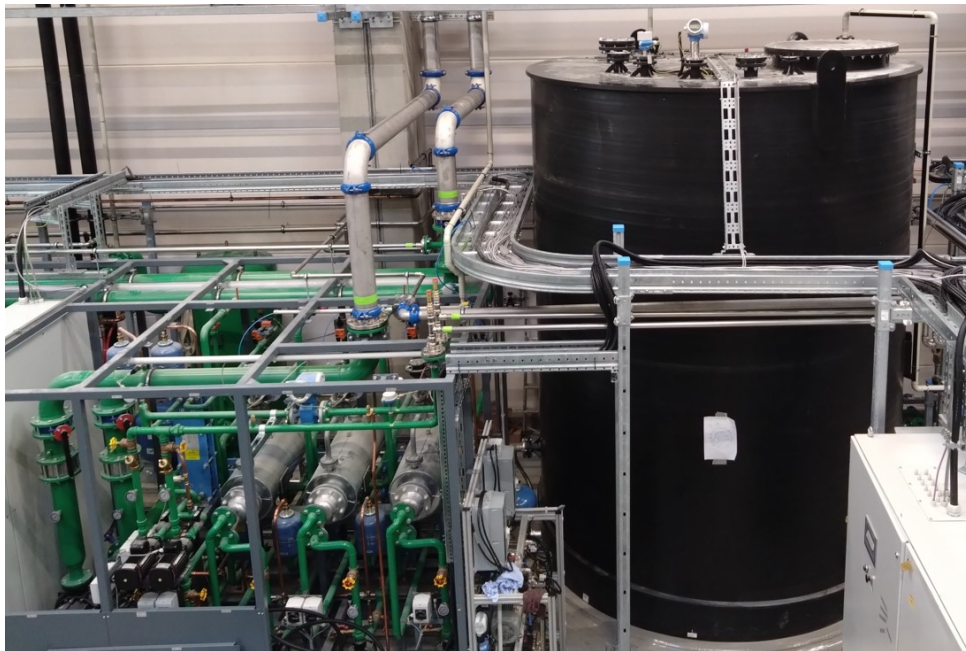
In May 2024, AMG Titanium signed a new multi-year contract extension with SAFRAN to supply titanium aluminides for production of low-pressure turbine blades for the CFM International LEAP engine. The technology and equipment to produce this material was jointly developed with AMG Engineering.

SARBV's "Supercenter" phase 1 project in Saudi Arabia is in detailed engineering with the permit to construct expected by the end of the first quarter 2025. Long lead equipment is being procured, and project financing has been initiated.

AMG Vanadium completed a 5-year contract extension with a key, long-term refinery partner for processing their spent catalyst. AMG Vanadium will continue to provide full metals reclamation on this material, fully eliminating any environmental risks for this refinery.

AMG has completed its major investments in the vanadium segment, including doubling production capacity in Ohio.

In February 2024, AMG Vanadium acquired a suite of processing technologies and IP related activities from TTI. AMG is integrating the TTI technology into its global strategic growth initiatives. AMG and TTI will also cooperate in market development areas where TTI has strong experience in the design and construction of plants using TTI technologies. This acquisition amplifies AMG's leadership position in recycling refinery waste and further improves the value proposition we offer the global oil refining industry. By leveraging the synergies of TTI and AMG's technologies, we can improve both the efficiency and CO₂ footprint in our expanding global recycling operations which are conducted through our Shell & AMG Recycling joint venture.
(ESRS 2 SBM1, 40(a)i, 40 (a)ii)



Vanadium Electrolyte plant at AMG Titanium (Nuremberg, Germany)

AMG Technologies



AMG Technologies' engineering unit signed a record \$380 million in new orders in 2024.

Thermal Barrier Coating for aerospace turbine blades, ALD Vacuum Technologies GmbH (Hanau, Germany)

AMG Technologies' revenue during 2024 increased by 24%, largely due to the strong performance of its engineering unit as well as higher sales prices of antimony and higher sales volumes of silicon. Adjusted EBITDA in 2024 was \$68 million, more than double the \$33 million in 2023, largely as a result of higher profitability in Antimony, Engineering, and Graphite.

628.7	127.2	67.6
Revenue \$M	Adjusted Gross Profit \$M	Adjusted EBITDA \$M

AMG Technologies reported exceptional results driven by our market-leading position in our engineering businesses and strong results in our diversified mineral operations. Innovations in aerospace technology, such as our advanced technologies and materials, are creating new opportunities for aircraft manufacturers and suppliers. Airlines are ramping up operations, leading to higher aircraft orders. Additionally, there is a growth emphasis on sustainability, driving demand for fuel-efficient and environmentally friendly aircraft, directly impacting the demand for our products and services.

AMG Engineering signed a record-breaking \$380 million in new orders during 2024. This full year order intake, representing a 1.27x book to bill ratio, was driven by exceptionally strong orders of remelting and induction furnaces. AMG Engineering achieved an order backlog of \$374 million as of December 31, 2024.

AMG LIVA is engaged in the execution of several battery projects to optimize the energy management of industrial plants and incorporate renewable energy sources. AMG LIVA's first third-party commercial Hybrid Energy Storage System is now operational at Wipotec GmbH, a leading global provider of intelligent weighing and inspection technology located in Southern Germany. LIVA's energy storage system integrates Lithium-Ion and Vanadium Redox Flow batteries with AI-driven efficiency, enhancing the power system at Wipotec's facility.

NewMOX SAS was formed in 2024 to service the nuclear fuel market. NewMOX is a subsidiary of ALD Vacuum Technologies GmbH, AMG's engineering subsidiary focused on vacuum furnace technology, which includes sintering furnace systems enabling the production of commercial nuclear fuel from plutonium and depleted uranium (termed "MOX"). In the past ALD's MOX technology has been applied in Germany, the United States, France, Belgium, the United Kingdom and recently ALD has been delivering such furnace systems to China. The storage of plutonium is extremely costly due to the risks associated with plutonium. The conversion of plutonium into MOX fuel not only eliminates these risks but can be a commercially attractive alternative to storage.

The segment is benefiting from the current strength in the aerospace sector, which is on a steady upward trajectory driven by a combination of recovery efforts, technological advancements, and a focus on sustainability.

Graphit Kropfmühl and BASF entered into an innovative agreement to reduce their product carbon footprint. Under this agreement, BASF will supply renewable energy certificates, known as Guarantees of Origin ("GoOs") to Graphit Kropfmühl's production site in Hauzenberg, Germany. By using these GoOs, the carbon footprint of graphite produced by Graphit Kropfmühl at the Hauzenberg site will be reduced by at least 25 percent. This graphite will then be used by BASF as a raw material for the production of Neopor®, which will therefore also have a lower product carbon footprint.

In December 2024, AMG signed a letter of intent to repurchase a 40% ownership interest in Graphit Kropfmühl GmbH currently owned by Alterna Capital Partners.

AMG Silicon has temporarily halted operations for the two furnaces it had been running since March 2024. Electricity prices between 90 and 100 €/MWh have forced AMG Silicon to cease operations in February 2025, with maintenance work currently underway to implement a temporary shutdown. We plan to begin operating one furnace again in the second quarter of 2025. Due to these interruptions in AMG Silicon's operations, the profitability of the business is immaterial and excluded from adjusted EBITDA during this period of abnormal operations. (ESRS 2 SBM1, 40(a)i, 40 (a)ii)

Risk Management & Internal Controls

AMG employs a risk management approach that identifies and mitigates risk at all levels of the organization.

The Audit & Risk Management Committee is comprised of Dr. Donatella Ceccarelli (Chair), Willem van Hassel and Warmolt Prins, and meets at least on a quarterly basis. In addition to its Audit Committee duties, this committee is responsible for monitoring and advising the Supervisory Board on the risk environment as well as the risk management processes of AMG.

Risk Management Approach

AMG employs a risk management approach that identifies and mitigates risk at all levels of the organization. The Company analyzes risks in formal settings such as scheduled Management Board and Supervisory Board meetings as well as everyday operational situations faced by its global employee base. AMG utilizes a comprehensive Enterprise Risk Management program (ERM) centered on the Company's Risk Assessment Package (RAP). The RAP includes a "top-down" and "bottom-up" analysis and assessment of the Company's risks. The RAP is a detailed document requiring each business unit to:

- (a) identify potential risks and quantify the impact of such risks;
- (b) prioritize the risks using a ranking system to estimate the financial impact, probability, and mitigation delay of these risks;
- (c) describe the risk mitigation or transfer procedures in place;
- (d) document the periodic monitoring of the risks;
- (e) assign the individuals responsible for monitoring the risks;
- (f) review the trends of the risks identified by the business units; and
- (g) periodically audit previous RAP submissions to evaluate the risk management process.

Each business unit undertakes a full review of its RAP on a quarterly basis. The RAPs are then reviewed and discussed in detail by the Management Board of AMG.

AMG's risk management functions in coordination with the senior management of each business unit. Direct follow-up calls take place by AMG's Chief Financial Officer and his team with the Presidents of the business units. The corporate Legal, Finance and HSE (Health, Safety and Environment) functions also contribute to the quarterly submission of risks identified. Key risks from all business units and functions are then summarized and presented to the Management Board, which reviews them. Any new material risk assessment observed by a business unit or function is reported instantly to the Management Board, while individual risks of special note are regularly discussed at the Management Board's bi-weekly meetings. The Chair of the Audit & Risk Management Committee of the Supervisory Board is informed immediately of any new material risk assessments which have been reported to the Management Board. The Audit & Risk Management Committee of the Supervisory Board formally reviews the consolidated risk package provided by AMG's Management Board during its quarterly meetings. In addition, the Audit & Risk Management Committee of the Supervisory Board supervises, monitors, and reports on the Company's internal control and risk management programs. (ESRS 2 GOV5, 35, 36 (a-c))

During 2024, special attention was given to:

- (a) liquidity and cash flow;
- (b) supply chain disruptions;
- (c) global recession and inflation;
- (d) raw material inputs including global energy costs;
- (e) managing price and volume risk associated with the volatility of commodities;
- (f) information technology and cybersecurity;
- (g) improving contractual terms to lessen inventory price risk;
- (h) evaluating the risk of climate change both on AMG's operations as well as potential supply and demand issues associated with an increasing emphasis on CO₂ reduction;
- (i) understanding geopolitical risks; and
- (j) evaluating risks associated with long-term contracts.

Appropriate and diverse lines of property and liability insurance coverage are also an integral part of AMG's risk management program.

Risks

Risks faced by AMG can be broadly categorized as:

Strategic: includes risks related to marketing and sales strategy, product innovation, technology innovation, project execution risk, and acquisitions or divestitures;

Operational: includes risks related to executing the strategic direction, production, raw material sourcing, capacity utilization, maintenance of production equipment, distribution of products, labor relations, human resources, IT infrastructure and cybersecurity, and health, safety and environmental issues;

Market and External: includes risks related to global and regional economic conditions, market supply/demand characteristics, competition, metal prices, product substitution, customer and supplier performance and community relations;

Financial: includes risks related to compliance with credit facility covenants, currency fluctuations, liquidity, refinancing, budgeting, metal price and currency hedging, treasury and tax functions, accuracy and timeliness of financial reporting, compliance with IFRS-EU accounting standards, compliance with the Netherlands Authority for the Financial Markets (AFM) and Euronext Amsterdam requirements;

Climate Change: includes risks related to the physical impact of weather-related events, more volatile weather patterns, water scarcity, flooding, wildfires, as well as transitional impacts and opportunities such as changing supply and demand dynamics associated with customers and suppliers focusing on reducing CO₂; and

Legal and Regulatory: includes risks related to the political, environmental, legislative, and corporate governance landscape

AMG is subject to a broad array of risks which are inherent in the markets in which it operates. While all risks are important to consider, the following are the principal risks that could have a material impact on results.

Metal Price Volatility Risk

AMG is exposed to metal price volatility. AMG is primarily a processor of metals, so risk can arise from short-term changes in price between purchase, process, and sale of the metals or from end-user price risk for metals when raw materials are purchased under fixed-price contracts. The Company hedges exchange-traded metals when possible.

In its aluminum business, AMG also sells conversion services with no metal-price risk. However, most metals, alloys and chemicals that AMG processes and sells, such as vanadium, chrome metal, tantalum, lithium, graphite, niobium, and antimony trioxide, cannot be hedged on an exchange. Most prices in 2024, except for antimony, decreased versus 2023, and in some cases quite significantly.

To mitigate price risk across its portfolio, AMG takes the following actions:

- Seeks to enter into complementary raw material supply agreements and sales agreements whereby the price is determined by the same index;
- Aligns its raw material purchases with sales orders from customers;
- Establishes low-cost long positions in key raw materials through, for example, ownership positions in mining activities or structured long-term supply contracts;
- Maintains limits on acceptable metals positions, as approved by the Management Board; and
- Enters into long-term fixed-price sales contracts at prices which are expected to be sustainably above the cost of production.

Success of the mitigation plan is dependent on the severity of metal price volatility and on the stability of counterparties performing under their contracts. Due to the diverse mix of metals that AMG processes and the fact that metal processing has more pass-through risk than long-position risk, this risk is difficult to quantify.

Mining Risk

At its lithium and tantalum mine in Brazil and two graphite mines in Germany and Sri Lanka, AMG is exposed to certain safety, regulatory, geopolitical, environmental, operational, and economic risks that are inherent to a mining operation. The profitability and sustainability of the Company's operations in various jurisdictions could be negatively impacted by environmental legislation or political developments, including changes to safety standards and permitting processes. The mining businesses have certain operational risks related to the ability to extract materials, including weather conditions, the performance of key machinery and the ability to maintain appropriate tailings dams. These risks are all mitigated by continuous monitoring and maintenance of all mining activities. AMG has always recognized the need to carefully manage the risk associated with tailings dams within its operations and takes its commitment to ensuring the safety of its workforce and the surrounding communities very seriously. AMG leadership commissioned a study that was conducted by a third party to ensure that its three tailings dams in Brazil are legally compliant and technically sound. The outcome of the legal study indicated we are compliant with applicable regulation as related to our three tailings facilities.

Mining is also subject to geological risk relating to the uncertainty of mine resources, and economic risk relating to the uncertainty of future market prices of particular minerals. Geological risk is managed by continuously updating mine maps and plans; however, the profitability of the Company's mining operations is also dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. The prices of mineral commodities have fluctuated widely in recent years. Continued future price volatility could cause commercial production to be impracticable. Mitigation strategies include managing price risk by entering into long-term fixed-price contracts with customers, and via vertical integration strategies.

Other cost-related strategies include continuously reducing cost of production for current products or expanding product lines to enable profitable mine production even in low price environments.

Customer Risk

Customer concentrations in certain business units amplify the importance of monitoring customer risk. In addition, turbulent economic conditions for commodity producers increase customer risk. Since AMG has a low appetite for customer credit risk, the Company attempts to mitigate this exposure by insuring and monitoring receivables, maintaining a diversified product and contract portfolio, and retaining adequate liquidity. AMG has insured its accounts receivable where economically feasible and has set credit limits on its customers, which are closely tracked. In addition to constant monitoring from business unit leaders, AMG's Management Board reviews accounts receivable balances monthly. Given that the Company has thousands of customers, this risk is difficult to quantify. However, no single customer accounts for more than 6% of AMG's revenues, and therefore, while the impact of a customer failure is manageable, it may have an adverse impact on results. In particular, AMG Engineering can mitigate a portion of customer payment and performance risk due to the collection of prepayments from many of its customers. In addition to risks associated with collectability of receivables, AMG has long-term contracts with numerous customers that have enabled the Company to solidify relationships and deepen its knowledge of its customer base. If a customer does not perform according to a long-term contract and a replacement customer cannot be immediately found, it could have an adverse impact on results.

Supply Risk

All three of AMG's segments are dependent on supplies of metals and metal-containing raw materials to produce their products. Despite a normally low appetite for risk in most categories, supply risk is more difficult to manage given the limited number of suppliers for certain materials. Some of these raw materials are available from only a few sources or a few countries, including countries that have some amount of political risk. AMG Engineering is dependent on a limited number of suppliers for many of the components of its vacuum furnace systems because of its stringent quality requirements. If the availability of AMG's raw materials or engineering components is limited, the Company could suffer from reduced capacity utilization. This could result in lower economies of scale and higher per-unit costs. If AMG is not able to pass on its increased costs, financial results could be negatively impacted. To mitigate the risk of raw materials and supplies becoming difficult to source, AMG enters into longer-term contracts with its suppliers when practical and has been diversifying its supplier base when alternative suppliers are available. The Company also mitigates the risk by monitoring supplier performance, maintaining a diversified product portfolio and retaining adequate liquidity.

Project Execution Risk

AMG has been engaged in expanding its operating footprint via capital expenditures. These projects, which include amongst others, the lithium concentrate expansion in Brazil, the battery-grade lithium hydroxide plant in Germany, and the vanadium electrolyte plant in Nuremberg, Germany, carry significant technological, logistical, and project management risks. These risks can result in the delay of a project or, in extreme cases, an inability to complete the project with the projected production volume. AMG manages the risks inherent in building and expanding plants via a comprehensive engineering stage-gate process. In order to support this work, AMG has created a stand-alone engineering group in Brazil that manages the various projects and reports directly to the Management Board regarding each project's progress or potential delays. This group is tasked with utilizing best practices across all of AMG's projects in order to minimize completion or delay risk. This group executes a supplier contracting strategy that is designed to incentivize on-time delivery and performance and reduce AMG's risks with regard to delay or non-performance. AMG believes that its centralized engineering group is differentiated versus its peers and provides a competitive advantage in terms of managing project risk, but nonetheless, project execution risk is a significant, ongoing risk during this period of expansion.

Legal and Regulatory Risk

AMG must comply with evolving regulatory environments in the countries and regions where it conducts business. Adjustments to environmental policy, as well as governmental restrictions on the flexibility to operate in certain locations, could affect the Company. AMG is required to comply with various international trade laws, including import, export, export control and economic sanctions laws. Failure to comply with any of these regulations could have an adverse effect on the Company's financial results, and AMG's appetite for regulatory compliance risk is very low. Additionally, changes to these laws could limit AMG's ability to conduct certain business. A change in regulatory bodies that have jurisdiction over AMG products and facilities could also result in new restrictions, including those relating to the storage or disposal of legacy material at AMG-owned properties. This may result in significantly higher costs to AMG. See note 32 to the consolidated financial statements for more details on the currently known environmental sites. More stringent regulations may be enacted for air emissions, wastewater discharge or solid waste, which may negatively impact AMG's operations. In addition, international and governmental policies and regulations may restrict AMG's access to key materials or scarce natural resources in certain regions or countries or may limit its ability to operate with respect to certain countries.

As regulations change, the Company proactively works to implement any required changes in advance of the deadlines. The REACH Directive is in effect in the European Union, and AMG's business units pre-registered all required materials and made complete registrations for those products. AMG has continuing obligations to comply with international and national regulations and practices concerning corporate organization, business conduct, corporate governance, and reporting. For example, in addressing possible conflicts of interest affecting its Management or Supervisory Board members, AMG follows strict rules which are described in the Company's Articles of Association and the Rules of Procedure of the Management Board and Supervisory Board, respectively. Compliance with both legal and regulatory matters is monitored and augmented by the Company's Chief Compliance Officer and the Company's General Counsel who make use of the services of several prominent local and global law firms. The AMG Code of Business Conduct and AMG's Values, both updated in 2023, have been distributed to all employees and are available in all workplace locations in local languages and are monitored by a global network of compliance officers and representatives who are stationed at all sites of the AMG Group. Fraud risks are continuously monitored by the Management Board and the Internal Audit function together with the key finance managers of the units, reviewing the proper operation of controls framework, with regular reporting to the Audit & Risk Management Committee. Continuous mandatory training programs, and updates thereof, are provided by the Company to its management and employees to ensure appropriate business conduct. An estimate of potential impact related to regulatory risk is not possible.

AMG's global Speak Up & Reporting Policy is widely available and provides guidance to every employee, contractor or third party, including suppliers, customers, local communities and stakeholders, about how to voice concerns relating to AMG's business or people in confidence and without fear of retaliation. In 2024, AMG launched its web-based Speak Up Portal which allows employees and third parties, including stakeholders, to file reports anonymously. Employees and third parties, including stakeholders and local communities, are encouraged to first report concerns to the relevant managers or supervisors at their local AMG office or industrial site since they are usually best equipped to resolve concerns quickly and effectively. If concerns remain unresolved or one feels uncomfortable using these local channels for other reasons, one can contact AMG Compliance about any concerns through the channels that are published on the Corporate Governance section of AMG's website that include AMG's Speak Up portal since 2024.

Climate Change Risk and Opportunity

The effects of climate change are increasingly visible on the environment, society, and the global economy. AMG evaluates climate risk in two ways: as part of our Enterprise Risk Management (ERM) program (centered on the Company's Risk Assessment Package, which includes a "top-down" and "bottom-up" analysis and assessment of the Company's risks), and as part of our operational work focused on reducing our business's direct and indirect impacts on climate change. These risks are reported from the business units to the Management Board and summarized in reports to the Audit & Risk Management Committee and the Supervisory Board.

AMG is fully committed to proactively understanding and addressing climate risks and opportunities. First: physical risk, i.e., climate change – rising sea levels, extreme weather, water shortages – may directly (physically) threaten valuable company assets. Second: transition risk, i.e., global efforts to reduce CO₂ emissions or otherwise mitigate the effects of climate change could affect the value of company assets in a major way. As part of this commitment, we have conducted a comprehensive scenario analysis exercise to assess our global footprint's exposure to physical climate risks. Additionally, we completed a preliminary transition risk analysis of our portfolio and top supplier facilities. This analysis involved evaluating the potential impacts of climate scenarios based on five different emission pathways, ranging from a "No Policy" scenario with a temperature increase of over 4°C to the "Paris Aspiration" scenario aiming for a 1.5°C increase.

Based on the analysis and climate modeling scenarios, no climate-related physical or transition risks have been identified which would have a material effect on amounts and disclosures included in the financial statements as of December 31, 2024. We will continue to assess our analyses in alignment with European Sustainability Reporting Standards (ESRS) and present details on their outcomes in future Sustainability Statements.

See the Sustainable Development chapter in this Annual Report for additional details on our climate related physical and transitional risk analysis.

Currency Risk

AMG's global production and sales footprint exposes the Company to potential adverse changes in currency exchange rates, resulting in transaction, translation, and economic foreign exchange risk. These risks arise from operations, investments and financing transactions related to AMG's international business profile. While AMG transacts business in numerous currencies other than its functional currency, the US dollar, the Company's primary areas of exposure are the euro, Brazilian real, and British pound. Given the location of our operations, it is not possible to mitigate translation risk in a cost-effective manner. AMG has developed a uniform foreign exchange policy that governs the activities of its subsidiaries and corporate headquarters. AMG enters into non-speculative spot and forward hedge transactions to mitigate its transaction risk exposure. The Company will also at times hold cash in foreign currencies to naturally hedge certain translation risks. AMG's overall economic foreign exchange risk is somewhat mitigated by the natural hedge provided by its global operations and diversified portfolio of products: namely, the majority of AMG's products are sold in the country in which they are produced. While AMG will continue to manage foreign exchange risk and hedge exposures where appropriate, fundamental changes in exchange rates could have an adverse impact on the Company's financial results.

Competition

AMG's markets are highly competitive. The Company competes domestically and internationally with multinational, regional and local providers. AMG competes primarily on product technology, quality, availability, distribution, price, and service. Competition may also arise from alternative materials and the development of new products. Increased competition could lead to higher supply or lower overall pricing. AMG is a leader in many of its key niche markets. The Company strives to be at the forefront of technology and product development. Despite this, there can be no assurance that the Company will not be materially impacted by increased competition.

Product Quality, Safety and Liability

AMG's products are used in various applications including mission critical components. Failure to maintain strict quality control could result in material liabilities and reputational damage. The Company maintains a stringent quality control program to ensure its products meet or exceed customer requirements and regulatory standards. AMG further mitigates this risk via liability insurance.

Financing Risk

A prolonged restriction on AMG's ability to access the capital markets and additional financing may negatively affect the Company's ability to fund future innovations and capital projects. AMG's financing risk was mitigated in November 2021 with the Company's refinancing and in April 2024 with the issuance of a new \$100 million incremental loan. In November 2021, the Company entered into a new \$350 million 7-year senior secured term loan B facility ("term loan") and a \$200 million 5-year senior secured revolving credit facility ("revolver"). The total facility amount of \$550 million replaced AMG's existing credit facility and extended our term loan maturity from 2025 to 2028 and revolver maturity from 2023 to 2026. The \$100 million incremental term loan has the same pricing, terms, and 2028 maturity as the existing term loan. AMG used the proceeds of the new incremental term loan for general corporate purposes and lithium resource development. Our financing risk is further mitigated by the year-end 2024 liquidity of \$494 million. AMG's exposure to rising interest rates is substantially mitigated as a majority of the company's outstanding debt facilities are either fixed-rate facilities or fixed due to interest rate swaps for the next several years. AMG has an average interest charge across its two main debt instruments of 5.7%. AMG's future liquidity is dependent on the Company's continued compliance with the terms and conditions of its credit facility and its ability to refinance. As of December 31, 2024, the Company was in compliance with all financial covenants.

Business Interruption

A significant interruption of a key business operation could have a material impact on results. AMG's operations could be impacted by many factors including a natural disaster, serious incident, or labor strike. Key suppliers and customers could also experience business interruption whereby the Company is indirectly impacted. AMG's broadly diversified business model mitigates some of the risk associated with business interruption. The Company's insurance policies also include business interruption coverage subject to certain terms. AMG attempts to further mitigate this risk by actively monitoring the supply chain and maintaining rigorous training programs on operational and safety procedures.

Information Technology (IT)

The Company utilizes both internal and external IT systems to achieve our overall business objectives. Our IT systems are used for, but not limited to, the processing and storing of financial information, business planning, order processing, and intellectual property. We believe AMG is exposed to IT threats given the Company's global footprint and our use of technology. An information security incident, including a cybersecurity breach, could have a negative impact on the Company's business, financial condition, and reputation. AMG experienced one instance of ransomware infection in 2021, but due to the backup and security systems in place, this resulted in no monetary loss and no business interruption. AMG experienced no instances of successful ransomware attacks in 2024. The Company believes its improvement in resilience and preventative measures in place adequately mitigate the risk of a significant company-wide IT incident. Such measures include:

- Diversity and physical separation of systems across our businesses—each unit maintains their own IT platform disconnected from other units
- Complete asset management of IT and IT network inventory. Larger business units have a live asset view of devices with software version tracking
- Proactive patching processes that ensure that all patches are implemented as soon as possible
- Separation of business IT networks, operational technology, and production networks
- Segregation of IT networks in different risk segments
- Proactively monitoring activities on the networks and/or endpoints
- Disaster recovery planning including dry runs and tabletop exercises
- Information security training and compliance programs
- IT security measures at all business units include next generation firewalls, encryption, physical access controls, endpoint detection and response software for virus and malware detection and remote-controlled countermeasures, multi-factor authentication for field staff/working from home, staff and privileged accounts, on-site and off-site offline backup schemes
- Regular testing of backup functionality
- Websites are hosted and maintained by an external partner and are not connected to the company's computer network
- Exposure to the internet is reduced to the minimum

AMG's Management Board has overall responsibility for the Company's information technology. The Company's CFO is responsible for oversight and compliance and provides updates to the Management Board on a regular basis and reports to the Supervisory Board on IT matters at least annually. In 2021, the Company engaged a third-party cyber security provider to assess our IT risks and improve our IT systems across all AMG units. In 2022, AMG hired a Global Information Security Officer, and implemented a comprehensive cybersecurity implementation plan. This plan improved AMG's cybersecurity defenses in 2022, and a penetration test executed in the third quarter of 2022 demonstrated the resilience of AMG's global IT systems. In 2023, a meeting of all IT heads was held with a one-day training session in incident response, basic threat modeling and threat intelligence.

Risk Monitoring and Procedures

AMG has a strategic risk function that actively monitors and establishes internal controls to mitigate business and financial risks. AMG's strategic risk function is complemented by its Internal Audit function. Through the risk reporting system, the AMG Corporate Risk Committee works with business unit managers to develop risk mitigation strategies, where applicable. The strategic risk function likewise monitors and assesses the Company's reputational risk, recognizing that it is a subjective measure of the Company's performance by its various stakeholders, and establishing appropriate internal controls to address it. The purpose of the risk reporting and monitoring system is to manage, rather than eliminate, the risk of failure to achieve business objectives, and provide only reasonable, not absolute, assurance against material misstatement or loss.

In addition to the risk assessment process, the Company has established various financial policies and control procedures to ensure proper initiation, authorization and review of transactions. A Corporate Financial Policy manual establishes clear policies around various aspects of the business including human resources, accounting and financial reporting, information technology and cybersecurity, and treasury. Each of the business units are monitored for adherence to these policies by the Company's independent internal audit function. The findings of internal audits are reported to the Audit & Risk Management Committee along with action plans for remediation of any noted deficiencies. These activities along with the top-down and bottom-up risk assessment processes work in concert with one another as part of the Company's overall risk monitoring and control activities.

Statement on Internal Control Pursuant to the Dutch Corporate Governance Code

Risks related to financial reporting include timeliness, accuracy, and implementation of appropriate internal controls to avoid material misstatements. During 2024, the Management Board conducted an evaluation of the structure and operation of the internal risk management and control systems. The Management Board discussed the outcome of such assessment with the Supervisory Board in accordance with the 2022 Dutch Corporate Governance Code. AMG's Management Board believes the internal risk management and control systems in place provide a reasonable level of assurance that AMG's financial reporting does not include material misstatements. In relation to AMG's financial reporting, these systems operated effectively during 2024.

Statement of Responsibilities

The Management Board regularly assesses the effectiveness of the design and operation of the internal control and risk management systems.

Based on this report and in accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code as adopted on December 20, 2022, and effective as of January 1, 2023 ("the 2022 Code"), and article 5:25c of the Financial Supervision Act, the aforementioned assessment, and the current state of affairs, the Management Board confirms that, to the best of its knowledge:

- the internal risk management and control systems of the Company provide reasonable assurance that financial reporting does not contain any material inaccuracies;
- there have been no material failings in the effectiveness of the internal risk management and control systems of the Company with regard to the risks associated with the strategy and activities of the Company and its affiliated business, including the strategic, operational, compliance and reporting risks;
- there are no material risks associated with the strategy and activities of the Company and its affiliated business, including the strategic, operational, compliance and reporting risks, or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the Company's operations in the coming twelve months; and
- it is appropriate that the financial reporting is prepared on a going concern basis.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliance with legislation, rules and regulations. Nor can they provide certainty that we will achieve our objectives.

In view of all the above, the Management Board confirms that, to the best of its knowledge:

- the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of companies included in the consolidation;
- the management report provides a true and fair view of the state of affairs at the balance sheet date, the course of the business during the financial year of the Company and its affiliated companies, of which the particulars are included in the annual accounts; and
- the management report describes the principal risks associated with the strategy and activities of the Company and its affiliated business, including the strategic, operational, compliance and reporting risks and uncertainties that the Company faces; and
- where applicable, the management report has been prepared in accordance with the sustainability reporting standards referred to in Article 29b of the Accounting Directive and with the specifications established under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council on June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Management Board

AMG Critical Materials N.V.

Dr. Heinz Schimmelbusch

Eric Jackson

Jackson Dunckel

Michael Connor

March 12, 2025

Report of the Supervisory Board

The Supervisory Board advises the Management Board and monitors the implementation of AMG's sustainable long-term value-creation strategy, ensuring that all stakeholder interests are appropriately considered.



Steve Hanke

Chairman

Nationality: American **Date of initial appointment:** May 3, 2013

Born: 1942 **Date of end term:** 2025

Current positions: Professor of Applied Economics and Founder & Co-Director of the Institute for Applied Economics, Global Health and the Study of Business Enterprise at The Johns Hopkins University in Baltimore, Maryland, USA, and Chairman Emeritus, the Friedberg Mercantile Group, Inc. (Toronto, Canada)

Former Positions: Professor, Colorado School of Mines, Professor, the University of California, Berkeley, Senior Fellow at the Cato Institute in Washington, D.C., USA, and senior economist, President's Council of Economic Advisers (Ronald Reagan)



Willem van Hassel

Vice Chairman

Nationality: Dutch **Date of initial appointment:** May 4, 2017

Born: 1946 **Date of end term:** 2025

Current positions: Investigator/director a.i. by appointment of Enterprise Chamber (Court of Appeals Amsterdam)

Former Positions: Attorney-at-law with Trenite van Doorne law firm (Chairman), Dean of the Dutch Bar Association, Supervisory Board Eurocommercial Properties NV, Brack Capital Properties NV, Afvalverwerking Rijnmond NV, and a number of private companies in the Netherlands



Herb Depp

Nationality: American **Date of initial appointment:** November 8, 2013

Born: 1944 **Date of end term:** 2025

Current positions: University of Montana Athletics

Former Positions: VP GE Boeing Commercial Aircraft Programs, VP GE Aviation Operations, VP Marketing and Sales GE Aircraft Engines, President General Electric Capital Aviation Services (GECAS), Teller Wildlife Refuge Board of Trustees



Donatella Ceccarelli

Nationality: Italian

Date of initial appointment: May 8, 2014

Born: 1959

Date of end term: 2026

Current positions: Senior Advisor of GMHI mobility software ventures, Senior Advisor at Label Ventures, Board of Directors member of GAM Holding AG, Zurich, Board Member Organization for International Economic Relations, Vienna (OiER)

Former Positions: Chairwoman of the Executive Board of the Flick Family Trust and CEO of the Flick Family Office, Global Wealth Management Director at Merrill Lynch International Bank Ltd. (Milan, Italy), Executive Director at Lehman Brothers International Europe (Frankfurt, Germany), Director, Deutsche Bank London



Warmolt Prins

Nationality: Dutch

Date of initial appointment: May 6, 2021

Born: 1957

Date of end term: 2025

Current positions: JHC de Rooy Holding BV, SRG International BV (Advisory Council)

Former Positions: Audit Partner at EY (the Netherlands), member of the EY EMEA Assurance leadership team (Europe, Middle East, India and Africa), regional Managing Partner in the Netherlands, member of the Curatorium of Tilburg University



Anne Roby

Nationality: American

Date of initial appointment: May 4, 2023

Born: 1964

Date of end term: 2027

Current positions: Nuvance Health network (Chair), Trustee of Villanova University, non-executive director on the board of Rogers Corporation, non-executive board member

Former Positions: Member of the Linde management committee, head of the Praxair Surface Technologies, Electronic Materials and Helium/Rare Gases businesses



Dagmar Bottenbruch

Nationality: German & American

Date of initial appointment: May 1, 2019

Born: 1960

Date of end term: 2028

Current positions: Berentzen Gruppe, Ad Pepper Media International NV, General Partner (G.P.) at Segenia Capital Management GmbH

Former Positions: Managing Director of Rabobank International (Germany), Director Investment Banking at Credit Suisse (London and Frankfurt)

2024: Increasing Global Instability and Low Prices Across the Board

The year 2024 followed on a very strong 2023 with record adjusted EBITDA of USD \$350 million that was mainly driven by record lithium prices. In the second half of 2023, a decline began of lithium and vanadium prices, as well as those of almost all of AMG's other materials, resulting in a sharply lower share price (like all other major lithium producers). As a result, AMG began 2024 with a much more modest financial plan in terms of adjusted EBITDA in light of the sharply lower lithium and vanadium pricing. The global economy in 2024 saw moderate growth aided by a strong US economy but with slower growth in Europe and China. Inflationary pressure was down while energy prices remained stable. 2024 further saw increasing global political tensions, highlighted by the Israeli-Hamas conflict in the Middle East (Gaza) that started in October 2023 and intensified during 2024; the fallout from the continuing conflict between Russia and Ukraine; and worsening trade conflicts with China, on which both the US and EU imposed tariffs to protect their local industries. Fortunately AMG was not directly affected by these geopolitical conflicts. These were the circumstances under which the AMG Management Board had to operate during most of 2024, which was also an election year in many countries, including in the US and in various countries in the European Union.

2024 was also the first year that AMG operated with three new divisions and reporting segments: AMG Lithium, AMG Vanadium, and AMG Technologies. These three divisions enhance transparency in AMG's operating structure and are being prepared to stand alone with a large degree of strategic and operational responsibility, freeing up Management Board attention and resources. AMG Lithium is, of these three divisions, the most advanced segment in this respect, with separate audited financial statements.

AMG's Management Board and the heads of each unit continued to prioritize the health and safety of AMG's employees throughout the year and concentrated on growth projects with specific focus on completing the construction of the Bitterfeld lithium hydroxide refinery; completing the Spodumene 1+ expansion in Brazil to 130,000 tons annually; securing incremental lithium resources through investments in Savannah Resources plc; the expansion of LIVA battery with its first commercial customers; and the activities of the Shell & AMG Recycling joint venture in Saudi Arabia. AMG's financial results for 2024 were lower than the record years 2022 and 2023. However, despite depressed pricing, AMG achieved its fourth highest historical adjusted EBITDA of USD \$168 million in 2024.

Tasks and Responsibility

The Supervisory Board oversees the actions taken by the Management Board in determining the implementation of the long-term strategy and the general affairs of AMG. In doing so, the Supervisory Board focuses on the effectiveness of AMG's internal risk management and control system and the integrity and quality of the financial system. The Supervisory Board also monitors compliance in a broader sense and, where appropriate, is kept up to date on compliance incidents concerning AMG's Code of Business Conduct, including incidents pertaining to business integrity (fraud, bribery, conflicts of interest), HR issues (discrimination, harassment), EHS matters, and misuse of corporate assets (theft). The Supervisory Board is further responsible for overseeing the sustainability reporting activities as required under the CSRD (see below) and for determining the remuneration of the individual members of the Management Board within the context of the Remuneration Policy as adopted at the General Meeting of Shareholders.

While retaining overall responsibility, it has assigned certain of its preparatory tasks to four committees: the Audit & Risk Management Committee; the Selection & Appointment Committee; the Remuneration Committee; and the Safety, Sustainability, and Science Committee; each of which reports on a regular basis to the Supervisory Board. The separate reports of each of these committees are included in this report. (ESRS 2 GOV1, 22)

Sustainability and the Corporate Sustainability Reporting Directive

Since 2021, following the introduction in Europe in 2020 of the EU Taxonomy Regulation, AMG continues to build on the now widely accepted principle that enabling of CO₂ reduction can be classified as an economic activity that significantly contributes to environmental objectives. The Supervisory Board witnessed and supported over the years the development and growth of AMG's ECO₂RP portfolio (as further explained in the Letter to Shareholders in this Annual Report) as one of the cornerstones of AMG's ESG Strategy. During 2024, the Supervisory Board continued to fully support the Management Board's approach to actively contribute to CO₂ reduction on two levels, first by reducing its CO₂ emissions (Scope 1 and 2) through a variety of measures and target-setting; and second, by enabling its customers (i.e., end-users of its products and technologies) to reduce CO₂ emissions by using AMG's products through its ECO₂RP portfolio. AMG believes that this two-pronged approach benefits all stakeholders, and the Supervisory Board is confident that AMG will be at the forefront of ESG developments as a result.

The centerpiece of AMG's 2024 sustainability activities was signaled by the preparation of the company's first Sustainability Statement during 2024. This project is the result of the Corporate Sustainability Reporting Directive (CSRD) that was implemented in the European Union on January 1, 2024. It should be noted that as of the date of publication of this annual report, Dutch Parliament had not yet passed legislation that would implement the CSRD Directive in Dutch law. As a result, the Supervisory Board and Management Board approved implementation of the CSRD Directive on a voluntary basis for the year 2024. In preparing for the 2024 Sustainability Statement, AMG started the double materiality assessment of its operations in 2023, as required under the provisions of the CSRD, a major milestone in sustainability reporting by large-sized companies in the EU. Double materiality measures the Impacts, Risks and Opportunities of the operations of a business enterprise, and classifies how information disclosed by a company can be material both in terms of its implications for the company's financial value as well as the impact on the world at large. The 2024 Sustainability Statement is published as part of this Annual Report and is published on AMG's website.

Also, during 2024, AMG continued its climate change risk assessment. AMG's business operations and financial performance as pursued via AMG's three divisions (AMG Lithium, AMG Vanadium and AMG Technologies) are reviewed based on the notion that climate change has the potential to affect companies in two ways. First: physical risk, i.e., climate change – rising sea levels, extreme weather, water shortages – may directly (physically) threaten valuable company assets. Second: transition risk, i.e., global efforts to reduce CO₂ emissions or otherwise mitigate the effects of climate change could affect the value of company assets in a major way. The Supervisory Board is discussing and monitoring how the reduction of CO₂ emissions coupled with the increased deployment of clean and energy efficient technologies and their rapidly declining costs could impact AMG's business operations and financial performance. (ESRS 2 GOV1, 22)

Composition of the Supervisory Board

The Supervisory Board was first established on June 6, 2007, and currently consists of seven members, as follows: Professor Steve Hanke (Chairman), Willem van Hassel (Vice Chairman), Herb Depp, Dr. Donatella Ceccarelli, Warmolt Prins, Dr. Anne Roby and Ms. Dagmar Bottenbruch (the personal details of each member are included on the first two pages of this chapter).

Please refer to the chapter on Corporate Governance to understand how the Supervisory Board and its Committees are involved in the implementation of the EU Corporate Sustainability Reporting Directive and the 2024 Sustainability Statement that has been published as part of this Annual Report.

During the 2024 financial year, Dr. Ceccarelli was reappointed by the General Meeting of Shareholders as a member of the Supervisory Board for a (final) term of two (2) years to continue, among other things, her valuable work as Chair of the Audit & Risk Management Committee, given the critical phase of AMG's growth strategy which requires her risk management skills and background.

Further, during the 2024 financial year, Ms. Dagmar Bottenbruch was appointed as a member of the Supervisory Board for a term of four (4) years. Ms. Bottenbruch was a member of the Supervisory Board between 2019-2023, but had to resign in 2023 due to her other priorities. With her reappointment in 2024, she has brought highly relevant experience in the field of financial services, of public and private equity/venture capital investments, and of investments in technology companies. Upon her appointment, she became a member of the Supervisory Board's Remuneration Committee.

Since AMG is active in the supply of critical materials (including specialty metals and alloys), mining and capital goods, and operates in a difficult and unpredictable economic environment, the Supervisory Board believes that diversity in skills and experience is a key prerequisite for the performance of the Supervisory Board going forward. The Supervisory Board believes it has the right set of skills in place to take on the challenges facing AMG now and in the future. The Supervisory Board aims for an appropriate level of experience in technological, manufacturing, economic, operational, strategic, social, and financial aspects of international business, public administration, and corporate governance. The composition of the Supervisory Board must be such that the combined experience, expertise, and independence of its members enable it to carry out its duties. During 2024, all Supervisory Board members qualified as independent, as defined in the Dutch Corporate Governance Code. All current members of the Supervisory Board completed and signed a questionnaire to verify compliance in 2024 with the applicable corporate governance rules, including the Rules of Procedure of the Supervisory Board. (ESRS 2 GOV1, 21, 23)

Resignation Schedule of the Members of the Supervisory Board:

Steve Hanke	2025
Willem van Hassel	2025
Herb Depp	2025
Donatella Ceccarelli	2026
Warmolt Prins	2025
Anne Roby	2027
Dagmar Bottenbruch	2028

At the Annual General Meeting (“AGM”) in May 2025, Professor Steve Hanke will have served for twelve years on the Supervisory Board, the last five of which as Chairman, when his current and final term ends. On that occasion Mr. Herb Depp will have also served for twelve years on the Supervisory Board, and during the last years as Chair of the Remuneration Committee. Both gentlemen are not eligible for reappointment and the Supervisory Board is deeply grateful to them for their dedication, service and contributions during the past twelve years.

At the AGM in May 2025 the term of Mr. Willem van Hassel (Vice Chairman and member of the Audit & Risk Management Committee) will end, along with the term of Mr. Warmolt Prins (member of the Audit & Risk Management Committee and the Sustainability, Safety & Science Committee). Mr. van Hassel will have served eight years and Mr. Prins will have served four years on the Supervisory Board. The Supervisory Board is very pleased that both Mr. van Hassel and Mr. Prins are prepared to continue to serve on the Supervisory Board if reappointed by the General Meeting of Shareholders. Mr. van Hassel will do so for a term of two years, in order to continue his work as Vice Chairman and to avail AMG of his Dutch corporate governance expertise. Mr. Prins will do so for a term of four (4) years, given his very important role on the Audit & Risk Management Committee as a former audit partner, as well as his position on the Sustainability, Safety and Science Committee. Therefore, the Supervisory Board will nominate Mr. van Hassel and Mr. Prins for reappointment by the General Meeting of Shareholders on May 8, 2025 as independent members of the Supervisory Board for terms of two (2) and four (4) years, respectively.

Given the rotation schedule of the Supervisory Board and the retirement of Professor Hanke and Mr. Depp in May 2025, the Supervisory Board has resolved to continue as a six-member Board (down from seven members until May 8, 2025). The Supervisory Board is very pleased that Mr. Rob Jeffries (male, American nationality) is prepared to join AMG’s Supervisory Board as an independent member, in order to strengthen the Supervisory Board with his extensive banking and financial expertise as a former investment banker at Barclays plc. The Supervisory Board will therefore nominate Mr. Jeffries for appointment by the General Meeting Shareholders on May 8, 2025 as an independent member of the Supervisory Board for a term of four (4) years.

Finally, given the retirement of Professor Steve Hanke as Chairman in May 2025, the Supervisory Board has resolved during its meeting on February 26, 2025 unanimously to appoint Ms. Dagmar Bottenbruch as his successor as Chairwoman of the Supervisory Board from May 8, 2025 onwards.

Diversity

Since 2017, AMG has had a Diversity Policy in place that sets out AMG’s views on Diversity. This Diversity Policy has been updated and amended and the amended Policy is effective as of the start of 2023, in order to be fully aligned with the latest developments and changes in the workplace and business environment that affects the AMG Group. The Management Board and the Supervisory Board fully support the initiatives that have been reflected in the Diversity Policy of the Company.

Since May 2019, AMG has met its diversity objectives in terms of gender, having at least one third of the seats on the Supervisory Board be held by each gender. Regarding the Management Board, the Supervisory Board will continue to strive to reach the target. The Supervisory Board will carefully consider a candidate’s personal qualities, including integrity, strong leadership, global experience, expertise in relevant areas, past accomplishments, understanding of the company, and adaptability in a changing world, when choosing members for the Management Board. Additionally, diversity in terms of factors such as age, gender, nationality and professional and educational background are crucial factors in deciding on appointments for Management Board positions.

During 2024, AMG's Management Board continued to oversee the Corporate Diversity & Inclusion Council that was established in 2021. The Diversity Council consists of 11 members from different departments and with varying backgrounds and experiences. The Diversity Council's goal is to focus on creating awareness on diversity throughout AMG, initiate actions to drive diversity within AMG, and render ongoing advice to the Management Board and to the management of the units to monitor diversity at a variety of levels within the AMG Group.

AMG's Sustainability Statement, which is published this year for the first time as part of the 2024 Annual Report, provides extensive detail about the actions taken by the Management Board with support of the Corporate Diversity & Inclusion Council during 2024 as well as the targets set by the Management Board in 2024 as reported to the Netherlands-based Sociaal-Economische Raad (SER) in 2024 in view of recent Dutch legislation concerning diversity that became effective in 2022. (ESRS 2 GOV1, 22)

Supervisory Board Meetings

The Supervisory Board held fifteen meetings over the course of 2024, all taking place by telephone or video conference, except for four physical meetings that took place in Amsterdam (the Netherlands) and in Frankfurt (Germany). While in Frankfurt, the Supervisory Board made a site visit to the facilities of AMG Engineering in Hanau, and received an extensive factory tour and presentation by the management team of AMG Engineering. Ten of these meetings were held in the presence of the Management Board. All meetings were attended by all members, with the exception of Dr. Roby who missed two meetings.

As of January 1, 2024 AMG changed its corporate structure into three new reporting segments (AMG Lithium, AMG Vanadium, and AMG Technologies), each focusing on the main growth trends AMG is pursuing. Each of these segments has very specific trends and business models and requires very different skill sets. The three new segments have a large degree of strategic and operational responsibility, and are led by highly experienced management teams.

The performance of these three segments were important topics for review by the Supervisory Board during its regular quarterly meeting together with updates of AMG's strategic projects, its ESG agenda and progress updates regarding AMG's preparations of its first Sustainability Statement. Additional agenda items reviewed by the Supervisory Board in 2024 included AMG's financial position, objectives and results; the operating cash flow (OCF) development as well as the net debt situation of the Company; potential acquisitions and divestments; capital expenditure programs; succession planning and remuneration; legal and compliance review; operations review as well as regular review of the strategic objectives and initiatives of the Company; and the Company's ongoing actions in the field of ESG.

Financial metrics presented to the Supervisory Board to measure the performance of AMG included net income, earnings per share, adjusted EBITDA, financial leverage (net debt to adjusted EBITDA), working capital, liquidity, operational cash flow (OCF) and return on capital employed (ROCE). The Supervisory Board further discussed the top risks and risk profile of AMG's business and operations and the assessment by the Management Board of the structure of the internal risk management and control systems, and any significant changes thereto, as well as the performance of the internal audit function and of the external auditor, KPMG. As part of their audit, KPMG considered the internal control environment relevant to the preparation of the financial statements and assessed the design and implementation of the Company's internal controls related to the risks of fraud identified in their audit (revenue recognition and management override of controls).

KPMG reported on the outcome of their audit, including on the fraud risks and significant risks identified. Those include the presumed risks of revenue recognition and management override of controls. In this year's audit one additional risk was identified that relates to our mining operations in Brazil, which includes the interaction with governmental agencies to obtain mining licenses, and the sale of lithium concentrate to China. With respect to accounting estimates (which may require significant management judgment or involve complexity in the face of high levels of estimation uncertainty), KPMG reported that they assessed these accounting estimates as part of their audit procedures and concluded that the estimates are balanced. KPMG noted certain areas for improvement in internal control; no significant control deficiencies were reported.

Besides the scheduled meetings, the Chairman had regular contact with the Chief Executive Officer and the other members of the Management Board as well as senior executives of the Company throughout the year.

Throughout 2024, the Supervisory Board regularly reviewed and was regularly updated by the Management Board about the implementation of the long-term strategy of AMG, which was fundamentally renewed and approved by the Supervisory Board first in July 2016 and subsequently fine-tuned and updated during the following years. This strategy review took place on a continuing basis by way of strategy updates during the regular and incidental Board meetings in 2024, headed by the Chairman of the Management Board, in order to keep the Supervisory Board fully informed on the progress and financing of the strategy, as well as the principal risks related to the strategy. As stated above, 2024 was the first year that AMG operated with three new reporting segments which was the result of the process that began in 2023, redefining the corporate and governance structure of the AMG Group at the initiative of the CEO and Management Board, in view of the massive value shift towards clean energy materials (lithium and vanadium) and the need to have adequate access to capital markets to finance the investments needed for implementing the strategy and transparency for investors. All this resulted in the new corporate and governance structure that

became operational as of January 1, 2024, with three reporting segments (AMG Lithium, AMG Vanadium, and AMG Technologies) which prepares AMG to execute on its strategic objectives that are firmly rooted in strong financial fundamentals. This updated structure enables AMG to realize strategic, operational, and risk management synergies that will improve decision-making, as well as strengthen the resiliency of the organization. Additionally, the new structure will create strategic flexibility for various forms of equity diversification.

Following the record-breaking performances during 2022 and 2023, 2024 provided a very different picture. The market circumstances with low pricing, particularly for lithium and vanadium which continued their downward trends from the latter part of 2023 into 2024, were exceptionally difficult. In addition, geopolitical turbulence remained a prominent factor of uncertainty. Despite all that, the Management Board continued its strong focus on driving the key strategic projects of the Company which included the completion of the spodumene 1+ expansion in Brazil (increasing capacity to 130,000 tons annually); completing construction of the Bitterfeld lithium hydroxide refinery that was opened in September 2024; securing incremental lithium resources through an investment in Savannah Resources plc; the development and expansion of LIVA batteries; and the activities of the Shell & AMG Recycling joint venture in Saudi Arabia.

These developments are all examples of the evolution of AMG's strategy towards a focus on markets directly relating to E-mobility, Circular Economy, and Industrial Batteries. The Supervisory Board was fully briefed about these strategic developments and the financial and risk implications thereof for the company.

Please refer to the Chairman of the Management Board's Letter to Shareholders in this Annual Report for an update and overview of AMG's strategy and its implementation thereof going forward.

Despite the very difficult circumstances, 2024 was a solid year with good financial results, which enabled the Management Board to pursue its strategic objectives and projects without delay.

In 2024, the annual self-evaluation process by the Supervisory Board took place once more informally under the guidance of the Chairman. The Board's policy to use the services of external facilitators for this process once every three years means that in 2025 the self-evaluation process will be carried out again under the guidance of an external facilitator. All Board members received and completed a comprehensive questionnaire which concerned, among other things, the Board members' mutual interaction; their interaction with the Management Board; the functioning of the Supervisory Board Committees; and the desired profile and competencies of the Supervisory Board. During an executive session of the Supervisory Board held on November 6, 2024, the Chairman shared and discussed the results with the Board members, and the Supervisory Board concluded, based on the findings and the results of the questionnaire, after ample discussion, that the Board, its Committees and individual members have been functioning very well during 2024. The Chairman highlighted the positive conclusions, including high praise for the quality of discussions about strategy, risk, control, and ESG; the professionalism of the Management Board and Supervisory Board members; and the work of the Supervisory Board Committees. During the evaluation session, the Board debated whether HR (concerning the Group's senior executives) should be a regular topic on the agenda of the Board. After ample discussion the Chairman recorded that HR matters are handled quite well by the Management Board and its HR executives and that such matters need not be discussed in regular Board meetings. The Board further resolved to continue discussing the outcome of the self-evaluation at the next available occasion, if that would be feasible and deemed useful by the Board members.

Also on November 6, 2024, the Supervisory Board (without the presence of the Management Board) met and reviewed the performance of the Management Board and its members over the past twelve months. During this meeting, the Supervisory Board discussed and unanimously adopted the recommendation of the Selection & Appointment Committee, which had based its findings on the results of the Company and feedback from senior management within the AMG Group. The Supervisory Board commended the persistent focus on operational performance, costs and cash flow, and on the implementation and monitoring by the Management Board members of the strategic objectives during unsettling economic circumstances. The Committee concluded that the functioning of the Management Board and its individual members during the review period qualified as very good, despite the ongoing uncertainty caused by the unpredictable economic environment, geopolitical tensions, and extreme price volatility. The Management Board kept focus and concentrated on completing its growth projects including the Spodumene 1+ expansion in Brazil; the construction of the Bitterfeld lithium hydroxide refinery; securing incremental lithium resources through investments in Savannah Resources plc; the development and expansion of the LIVA battery proposition; and the activities of the Shell & AMG Recycling joint venture in Saudi Arabia. The adjusted EBITDA result for 2024 was the fourth highest in AMG's history (since 2006) despite exceptionally difficult market circumstances.

Shares Held by Members of the Supervisory Board

As of December 31, 2024, the members of the Supervisory Board held 255,056 shares in the Company. Of that number, 104,083 shares were awarded as part of their annual remuneration.

Committee Reports

The Supervisory Board has four standing committees: the Audit & Risk Management Committee; the Selection & Appointment Committee; the Remuneration Committee; and the Safety, Sustainability, and Science (3S) Committee.

Report of the Audit & Risk Management Committee

Composition: Dr. Donatella Ceccarelli (chair), Mr. Willem van Hassel, and Mr. Warmolt Prins

The Audit & Risk Management Committee is responsible for, among other things, the review of matters relating to financial controls and reporting, internal and external audits, the scope and results of audits and the independence and objectivity of auditors as well as the Company's process for monitoring compliance with laws and regulations and its Code of Business Conduct.

It monitors and reviews the Company's internal audit function and, with the involvement of the independent external auditor, focuses on compliance with applicable legal and regulatory requirements and accounting standards.

The Audit & Risk Management Committee met in person and by video conference six times during 2024 (compared to seven times in 2023), including its meetings to review and approve annual and interim financial reports and statements of the Company, and reported its findings periodically to the plenary meetings of the Supervisory Board. During one of the in-person meetings in Amsterdam, the three invited financial audit firms presented their audit proposals for the 2026 financial year and onward. This financial audit selection process is part of the mandatory audit firm rotation once every 10 years (see below). All members of the Audit & Risk Management Committee attended all meetings.

The structure, process and effectiveness of the Company's internal risk management and control systems and the accompanying risk reports from the Management Board were regular topics of discussion at the Audit & Risk Management Committee meetings. Others included the Internal Audit plan prepared by the Internal Auditor of AMG and the External Audit plan prepared by KPMG (see also the chapter on Corporate Governance). Additional topics discussed were internal audit reports of the various units within the group and the identified risks per entity, summarized in the top risks of the Company; quarterly financial results; liquidity and cash situation; credit facility and arrangement with the Company's major banks; insurance; environmental risk; status of the IT and cybersecurity controls within AMG; compliance and Code of Business Conduct review program; foreign currency exposure and hedging policies; tax structuring and spending approval matrices; risk management reports; ESG requirements; and litigation reports. AMG's Internal Auditor maintained regular contact with the Audit & Risk Management Committee and the external auditors of the Company. The Audit & Risk Management Committee also met with the external auditors without any member of the Company's Management Board or financial and accounting staff present in May 2024.

At all regular Audit & Risk Management Committee meetings, an important agenda item concerned the review of the Quarterly Risk Report that was prepared by the Management Board as further explained in the Risk Report section of this Annual Report. During that agenda item, all Management Board members joined the Committee meeting to explain the Risk Report, and to update the Committee members about any changes in the risk profile of the Company.

The Audit & Risk Management Committee discussed with KPMG the findings from the audit of the 2024 Financial Statements and reviewed the contents and key audit matters of the 2024 Independent Auditor's Report of KPMG and reported on this matter to the plenary meeting of the Supervisory Board. In 2024 the external audit fees amounted to \$3.664 million for audit and related services performed by the statutory auditor. Present at all regular meetings of the Audit & Risk Management Committee were the Chief Financial Officer, Chief Controller, and the Internal Auditor. KPMG was present at all these meetings, while at most meetings, the Chief Compliance Officer was also present.

As reported in 2023, the Management Board again in 2024 identified the importance of IT and cybersecurity risks for AMG and the operation of its business units. AMG's Global Information Security Officer (GISO), together with the Internal Auditor, regularly reviews the status of the IT and Cybersecurity measures at the Company's subsidiaries. An action plan is yearly defined and the progress is regularly presented to the Management Board and the Audit & Risk Management Committee. The Supervisory Board receives a summary of all actions.

The Internal Auditor at AMG reports to the Audit & Risk Management Committee and to the Management Board and operates on the basis of an Internal Audit plan approved by the Audit & Risk Management Committee, the Management Board, and the Supervisory Board. The Internal Audit plan is risk-based and comprises units and subsidiaries of the AMG Group with a focus on operational, financial, compliance, and cybersecurity risks.

The Internal Auditor closely cooperates with the external auditors of the Company and was present at all meetings of the Audit & Risk Management Committee of the Supervisory Board.

At the end of 2023 and beginning of 2024, a third-party audit company reviewed AMG's Internal Audit function against the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors ("IIA"). In addition to the request of the IIA, the review is also listed in the Dutch Corporate Governance Code and should be executed once every 5 years. Like in 2019, AMG's Internal Audit function once again received the highest rating in early 2024.

Financial External Auditor mandatory rotation

Due to Dutch legislation the Company must rotate the financial external auditor every 10 years. The current external auditor KPMG started during the financial year 2016 and must rotate off after the financial year 2025. The firms had multiple meetings online and in person with the management team in the US about its term ending after the May 2026 AGM. The Supervisory Board delegated in 2024 the start of an audit tender process to the Audit Committee. The Audit Committee, together with the CFO, the Group Controller and the Internal Auditor executed the audit tender process. 3 external audit firms were invited by a Request For Proposal letter to this tender process. The firms received access to a data room after signing an NDA. The audit firms made four in-person visits: Wayne, Pennsylvania (including Vanadium); Hanau, Germany (all German business units); Belo Horizonte, Brazil; and Rotherham, United Kingdom. After all meetings a scorecard was filled out. In October 2024 the audit firms sent in their proposals and presented them to the Audit Committee and the supporting team. Based on all scores and cost analyses, the Audit Committee presented their preferred new auditor to the Supervisory Board and the Management Board. During its meeting on February 26, 2025, the Supervisory Board unanimously selected and nominated EY Accountants for approval by the General Meeting of Shareholders on May 8, 2025. KPMG and EY, once approved by the General Meeting of Shareholders, will start with transitioning information after the May 2025 AGM.

Selection & Appointment Committee

Composition: Prof. Steve Hanke (Chair) and Dr. Donatella Ceccarelli

The Selection & Appointment Committee is responsible for: (a) preparing the selection criteria, appointment procedures, and leading searches for Management Board and Supervisory Board candidates; (b) periodically evaluating the scope and composition of the Management Board and the Supervisory Board; (c) periodically evaluating the functioning of individual members of the Management Board and the Supervisory Board; and (d) supervising the policy of the Supervisory Board in relation to the selection and appointment criteria for senior management of the Company. The Selection & Appointment Committee held two regular meetings during 2024, in addition to various informal meetings between the Committee members who also had contact with the Chairman of the Management Board and other members of the Supervisory Board and reported its findings to the Supervisory Board. In these meetings, all Committee members were present. In its succession planning for the Management Board and Supervisory Board, the Committee takes into account the profile set for new members as well as the diversity policy of the Company as explained earlier in this chapter, bearing in mind the need to have in place at all times the right set of skills and experience on the Boards. During 2024, the Committee continued its succession planning process to identify adequate candidates for the Supervisory Board, based on the approved profile.

Also during 2024, the Committee continued the succession review of the Management Board as the terms of both the CEO, Dr. Heinz Schimmelbusch, as well as the COO, Mr. Eric Jackson, will end in May 2025. As extensively explained at earlier occasions, the Supervisory Board highly values the leadership of Dr. Heinz Schimmelbusch as CEO and Chairman of the Management Board since he is the key driver of the strategic agenda of the Company and the implementation thereof.

On Management Board succession, the Committee had regular consultations and exchanged views with Dr. Heinz Schimmelbusch, given his long-standing executive, leadership and industry experience since he founded AMG in 2006, about future candidates that would qualify for Management Board positions in view of the changing strategic dynamics of the Company. Dr. Schimmelbusch explained that within the three reporting segments, AMG is building a solid base of human capital of in-house senior managers of excellent quality.

As a result, the Supervisory Board was very pleased to nominate Mr. Michael Connor (male, American nationality) as a new member of the Management Board responsible for Corporate Development during the AGM in May 2024. Mr. Connor had served earlier as Executive Vice President, Corporate Development, reporting directly to the Chairman of the Management Board. This promotion of Mr. Connor signals a new function on AMG's Management Board that is being expanded from three to four members in order to reflect the strategic project intensity as AMG continues its growth trajectory. The Supervisory Board believes that this additional appointment will help to ensure effective capital allocation on a global level as the Board has to balance the Company's performance with the continued execution of AMG's portfolio of strategic initiatives. This new structure also accounts for the increasing importance of and focus on the new corporate structure including the three newly created divisions AMG Lithium, AMG Vanadium, and AMG Technologies.

At the AGM in May 2024, Mr. Jackson Dunckel was also nominated and reappointed given his broad financial background and experience, in addition to his excellent performance as CFO and Management Board member since 2016. Both Mr. Connor and Mr. Dunckel were appointed with overwhelming majorities as members of the Management Board for a term of four (4) years by the General Meeting of Shareholders in May 2024.

As regards its own succession, the Supervisory Board was faced with one vacancy in 2024. Dr. Donatella Ceccarelli was reappointed by the General Meeting of Shareholders in May 2024 as a member of the Supervisory Board for a (final) term of two (2) years to continue, among other things, her valuable work as Chair of the Audit & Risk Management Committee, given the critical phase of AMG's growth strategy which requires her risk management skills and background. In view of the rotation schedule of the Supervisory Board and the impending retirements of Professor Hanke and Mr. Depp in May 2025, the Supervisory Board resolved to expand the Board temporarily to seven members. As a result, the Board was very pleased to welcome back Ms. Dagmar Bottenbruch who was appointed by the General Meeting of Shareholders as a member of the Supervisory Board for a term of four (4) years in May 2024. Ms. Bottenbruch was a member of the Supervisory Board from 2019 to 2023, but had to resign in 2023 due to her other priorities. With her reappointment in 2024, she has brought highly relevant experience in the field of financial services, of public and private equity/venture capital investments, and of investments in technology companies. Upon her appointment, she became a member of the Board's Remuneration Committee. The Supervisory Board further, during 2024, expanded its own succession search given the upcoming vacancies due to the retirement of both Professor Hanke and Mr. Depp at the AGM in May 2025, and was very pleased to find Mr. Rob Jefferies who accepted nomination as a member of the Supervisory Board to be voted upon at the May 2025 AGM.

Remuneration Committee

Composition: Mr. Herb Depp (Chair), Dr. Anne Roby, and Ms. Dagmar Bottenbruch

The Remuneration Committee is responsible for establishing and reviewing material aspects of the Company's policy on compensation of members of the Management Board and the Supervisory Board and preparing decisions for the Supervisory Board in relation thereto. This responsibility includes, but is not limited to, the preparation and ongoing review of: (a) the remuneration policy as adopted by the General Meeting of Shareholders; and (b) proposals concerning the individual remuneration of the members of the Management Board to be determined by the Supervisory Board.

The Remuneration Committee met four times in 2024, in addition to various informal discussions among its members, the other members of the Supervisory Board, the Chairman of the Management Board and the Chief Financial Officer, and the executive compensation consultant (Mercer) hired by the Supervisory Board. In these meetings, all Committee members were present.

The revised Remuneration Policy for the Management Board, in effect since 2021, contains a 70-30 percentage split between financial and non-financial targets for the short-term incentive (bonus) component of the compensation. Financial targets are set based on scenario analysis and are comprised of 35% adjusted EBITDA and 35% Operating Cash Flow. Non-financial targets saw a split between ESG related targets (20%) and personal objectives (10%). As in 2023, in 2024 the ESG related targets concerned CO₂ enabling, lost time incident rate and a third new target that concerns a CO₂ intensity target that is similar to the target used by AMG (and the banks) in the Sustainability Linked Loan documentation that is part of the new credit facility for the AMG Group that was concluded in 2021. Both the ESG related targets, as well as the personal objectives and results, are discussed in the Remuneration Report for 2024 that follows hereafter.

During the AGM in May 2024, the Remuneration Report for 2023 was an advisory voting item on the agenda. An important matter concerned the base salary increase for the Management Board members that was implemented as of July 1, 2023. In the run up to the 2024 AGM, the Committee engaged with proxy advisers who gave mixed recommendations (ISS AGAINST, Glass Lewis FOR). At the AGM in May 2024, 53% of the shareholders present voted against the Remuneration Report and 47% voted for. Please refer to the 2023 Remuneration Report for an extensive explanation of the decision to raise the base salaries during 2023 for the Management Board members.

Another important topic during 2024 concerned the completion of the review of the compensation for the Supervisory Board members, as the Remuneration Policy for the Supervisory Board had last been approved in May 2020 and would hence be on the agenda of and for approval by the General Meeting of Shareholders in May 2024. The Supervisory Board recommended to the shareholders to continue the Remuneration Policy of 2020 for the Supervisory Board unchanged. During the AGM in May 2024, the General Meeting of Shareholders approved with overwhelming majority to extend the existing Remuneration Policy for another period of four years.

Another item under review during 2024 was the Remuneration Policy for the Management Board, which was approved in 2021 and will henceforth be on the agenda of the AGM in May 2025 for a vote by the General Meeting of Shareholders. The Committee actively reached out to the Management Board members and its executive compensation consultant Mercer to form its views, and it recommended to the Supervisory Board during its meeting on November 6, 2024 that the basic structure of the current Remuneration Policy would be continued subject to changes to the components and metrics for the STI and LTI portions of the remuneration, which would have to be discussed and reviewed further. With that recommendation the Committee started an engagement process in December 2024 with investors and proxy advisers about the main subjects of the proposed Remuneration Policy for 2025. This process was completed during the first two months of 2025.

Further, the Chair of the Remuneration Committee met with the Chairman of the Management Board during the summer of 2024 to learn about the views of the Management Board members regarding the amount and structure of the Management Board's own compensation – as renewed under the 2021 Remuneration Policy – in view of best practice provision 3.1.2. of the Dutch Corporate Governance Code.

2024 Remuneration Report

See the following chapter containing the Remuneration Report for 2024 for further detail.

Safety, Sustainability, and Science Committee (3S Committee)

Composition: Dr. Anne Roby (Chair) and Mr. Warmolt Prins

The 3S Committee was created in 2023 to assist the Supervisory Board in overseeing the sustainability programs initiated by the company, to monitor the safety results and record of the company's units, and to monitor technology developments that are critical for the company's strategic objectives.

More specifically, the Committee is responsible for oversight and review of (a) safety matters, including safety performance and technology to enhance safety performance; (b) sustainability and environmental matters, including policies and practices and reporting obligations under prevailing EU regulations (CSRD) as well as climate change impact reporting; (c) science matters, including use of technology to further business strategy, monitor R&D efforts, evaluate potential disruptive technologies; and (d) providing input and guidance to the Audit & Risk Management Committee on certain enterprise risks, including risk management processes relating to safety, sustainability and science matters.

The Committee held four meetings in 2024 where AMG's head of Environmental, Health, Safety and Sustainability as well as the CEO and CFO were present to brief the Committee members on the matters listed above. During 2024 an item of high importance was the recurring review and monitoring of the preparations for the 2024 Sustainability Statement that is required under the CSRD regulations. Given the overlap with the Audit & Risk Management Committee, Mr. Warmolt Prins, being a member of both Committees, called for a joint meeting by the two Committees, which took place on November 5, 2024, in the presence of the CEO and CFO and the external auditor of AMG, in order to jointly review the status and progress made on the 2024 Sustainability Statement.

In addition, the Committee members made a site visit to the solid-state battery laboratory of AMG Lithium in Frankfurt, Germany, where they were informed and brought up to date with the R&D efforts made by AMG Lithium in this important field.

Appreciation for the Management Board and the Employees of AMG

The Supervisory Board would like to thank the Management Board for its dedication and outstanding efforts in 2024 in leading the Company, as they continued to weather a highly volatile and complex economic environment. The Management Board continued to focus not only on its operational and financial performance during the year, but also on sustainable long-term value creation amid the challenges presented by the generally volatile global economic and geopolitical environment as highlighted by continuing price volatility, inflationary pressures, and an increase in armed conflicts that fuel uncertainty. The Supervisory Board would also like to thank all the employees of AMG for their continued commitment to the Company's success and well-being.

Annual Report 2024

The Annual Report and the 2024 financial statements, audited by KPMG, have been presented to the Supervisory Board. The 2024 financial statements and the Independent Auditor's Report with respect to the audit of the financial statements were discussed with the Audit & Risk Management Committee in the presence of the Management Board and the external auditor. The Supervisory Board endorses the 2024 Annual Report and recommends that the General Meeting of Shareholders adopt the 2024 financial statements.

Supervisory Board

AMG Critical Materials N.V.

Professor Steve Hanke, Chairman

Willem van Hassel, Vice Chairman

Herb Depp

Dr. Donatella Ceccarelli

Warmolt Prins

Dr. Anne Roby

Dagmar Bottenbruch

March 12, 2025

Remuneration Report for 2024

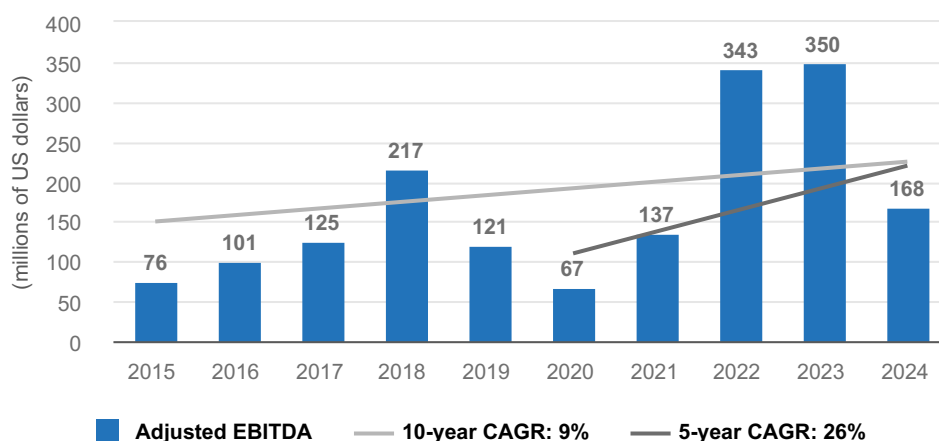
Dear Shareholder, as Chairman of the Remuneration Committee of the Supervisory Board, I am pleased to present the 2024 Remuneration Report of AMG Critical Materials N.V. (“the Company,” “AMG NV,” or “AMG”).

AMG’s shareholders rejected our 2023 Remuneration Report at the Annual General Meeting in 2024 with 53% voting against the Report (main topic for dissent was related to the level of base salary increases for the Management Board members that were implemented in 2023 after long periods of no increase at all, including for the CEO who has never had a base salary increase). This year in 2025, Shareholders are voting on a new Remuneration Policy, and in light of the voting result for the 2023 Remuneration Report, the Remuneration Committee engaged with shareholders and stakeholders to discuss any concerns and if any changes to the policy were warranted. Our Supervisory Board remains committed to shareholder engagement and we will continue to engage with shareholders on our decision-making in the future.

Strategic and Financial Overview

In 2024, AMG achieved its fourth best adjusted EBITDA result despite very low commodity pricing in lithium and vanadium (lithium and ferrovandium prices dropped 65% and 23%, respectively, versus 2023).

AMG Adjusted EBITDA, 5-year & 10-year Compound Annual Growth Rates (CAGR)



2024’s financial results are the direct result of the AMG Management Board’s focus on expanding diversification across multiple critical materials. Despite declining prices in our two key commodities, lithium and vanadium, AMG’s broader critical materials business performed very strongly and delivered our fourth highest result since AMG went public in 2007. This excellent result increased AMG’s cash on hand and puts AMG in a strong position to capitalize on the investments it has made in vanadium and lithium and continue to grow over the next 10 years.

AMG Management Board Fundamental Strategic Decisions

The AMG Management Board has made fundamental strategic decisions that were the result of a long decision-making process and extensive study, and all of them either laid the groundwork for the current adjusted EBITDA growth or created a platform for future growth:

- AMG Lithium is now operating as a standalone division at AMG, and includes significant growth platforms in Brazil, Portugal and Germany, where AMG will become the first European producer of battery grade lithium hydroxide;
- AMG Vanadium essentially doubled its ferrovandium capacity in Ohio; formed a JV with Shell Catalysts & Technologies named Shell & AMG Recycling B.V. to expand vanadium production from refinery waste in the Middle East; and expanded its production capacity of titanium alloys in the US and vanadium electrolyte in Germany to service the emerging vanadium redox flow battery industry;
- AMG Technologies created a new business unit, LIVA, which is building grid scale batteries to balance the production of renewable energy for industrial and utility customers; and continued to expand its considerable IP footprint with a synthetic graphite vacuum furnace system.

None of these three strategic growth platforms existed 10 years ago, and all of them represent significant future growth for AMG.

2024 Performance and Realized Pay

Despite delivering in 2024 the fourth highest adjusted EBITDA in its history, the Management Board did not achieve the stretch targets established by the Supervisory Board. The adjusted EBITDA target was \$136 million. This forecast was based on the then prevailing lithium and vanadium prices, both of which continued to fall throughout 2024. AMG's achievement of \$168 million was due to higher performance in our Technologies division and outperformance in our Lithium division which offset lower prices. This adjusted EBITDA performance resulted in a payout of 131%. The operating cash flow target was set at \$52 million and was based on forecasted adjusted EBITDA and working capital requirements. The 2024 operating cash flow result of \$38 million resulted in a payout of zero.

In terms of ESG measures, AMG Management delivered another strong safety record which was 52% better than industry averages. In addition, the CO₂ intensity of its operations increased versus 2023 associated with the higher run-rate of our Silicon operations, but ended the year below target, exceeding the plan. The tons of CO₂ our products enabled our customers to reduce was below target as some of our customers did not start up their operations as expected.

In terms of 2024 realized pay, the Management Board will receive a cash bonus at 94% of target. This bonus award reflects AMG's very strong performance during highly challenging economic circumstances, offset by the stretch targets that the Supervisory Board set.

The PSU payment for 2024 will be zero due to the decline in AMG's share price precipitated by the fall in lithium prices, resulting in a low relative total shareholder return performance of AMG shares versus its peers.

2025 Remuneration Policy Changes

An important topic for the Remuneration Committee during 2024 concerned the review of the 2021 Remuneration Policy for the Management Board that will be on the agenda of the Annual General Meeting in 2025. In November and December of 2024, AMG reached out to a selection of its top 10 shareholders as well as other stakeholders such as the proxy advisors ISS, Glass Lewis and Eumedion. These discussions yielded the following comments:

- 1) Comment:** Quantum of pay is perceived as too high versus peers. This comment is in part based on the different peer groups different stakeholders use to evaluate AMG's pay structure. Because of this, the comment was not shared by everyone we talked to.

Position: Utilizing AMG's set of peers, AMG's Supervisory Board believes that Management Board pay is fair. In making this assessment, the Supervisory Board takes into account the location (United States), the complexity of AMG's business and integrated growth plans, and the experience of the Management Board. On the last point, the breadth and depth of the AMG Management Board's experience is more comparable to a Fortune 500 company and enables AMG to operate in volatile industries and compete and collaborate with much larger companies.

Change: AMG is proposing to freeze any base salary increase for 2 years (2025 and 2026) for the Management Board, and to keep future salary increases to be generally in line with those for employees in the relevant region after that 2-year period.

- 2) Comment:** Long-Term Incentive program (the Performance Share Unit program) should have other metrics in addition to Total Shareholder Return.

Position: The AMG Supervisory Board believes that in general Total Shareholder Return aligns well the Management Board with AMG's shareholders (the current share price performance has resulted in 2 years of zero pay for the Management Board).

Change: AMG's Supervisory Board proposes adding 3-year average Return on Capital Employed as a new metric to the PSU program, weighted at 50% with Total Shareholder Return weighted at 50%. In addition, the AMG Supervisory Board will consider adding ESG metrics to the PSU program from the following list as outlined in our draft 2025 Remuneration Policy:

Environmental	Social	Governance
Scope 1 & 2 Emissions	Lost Time Injury Rate	Anti-Corruption Measurement
Scope 3 Emissions	Employee Training Hours	Code of Conduct Violation
CO ₂ Intensity	Employee Engagement	Cyber Security Practices
Renewable Energy Use	Women in Management	Sustainability Reporting Framework
Waste Reduction	Community Investment	ESG Data Verification
Energy & CO ₂ Savings	Value Chain Diligence	Value Chain Diligence
Air Quality Improvement	Workforce Development	Workforce Training

The Supervisory Board will also have the discretion to update the ESG targets for the Annual Bonus using the list above, but will keep the combined strategic and ESG weighting at 30% of the Annual Bonus, and will use different performance indicators for the Annual Bonus and the PSU Program. (ESRS 2 GOV3, 29, AR 7), (ESRS E1 GOV3, 13)

Beyond these two key points, the stakeholders we met with agreed that the structure of AMG's Remuneration Policy was appropriate. It is important to note that this structure was the result of significant changes we made in 2021 as we strove to meet the evolving best practices of corporate governance:

- Reducing the maximum Annual Bonus opportunity from 300% of target to 200% in line with best practice.
- Introducing quantifiable, verifiable, and strategically aligned ESG targets to our Annual Bonus award at a weighting of 20%.
- Share options are no longer awarded. All awards are in the form of performance share units ("PSUs").
- PSUs feature a 3-year performance period and an additional 2-year holding period in line with the Dutch Corporate Governance Code.
- There is no vesting of the PSUs for performance below the 50th percentile. This is in line with best market practice and a more stringent requirement than is typical in the US market and means that there is a significant probability of a zero payment (as is the case for the cycle that has just completed).

All of these changes were made with direct input from shareholders, proxy advisors, and corporate governance experts, and the 2021 Remuneration Policy received 88.4% of the shareholder vote in 2021.

Please reach out to Michele Fischer, our Executive Vice President of Human Resources, with any feedback on the changes noted above. She can be reached at mfischer@amg-nv.com.

On behalf of AMG, the Supervisory Board, and its Remuneration Committee, I would like to thank you for your continued support and feedback.

Sincerely,

Herb Depp

Chairman of the Remuneration Committee

Introduction

This Remuneration Report for 2024 should be read in conjunction with the Remuneration Policy for the Management Board that was accepted by the shareholders at the 2021 Annual General Meeting. It reflects those disclosure changes that were mandated by the European Shareholder Rights Directive ("SRD") in 2019. Regarding the Supervisory Board, its Remuneration Policy was approved by the shareholders at the 2024 Annual General Meeting and this Report also contains the Remuneration Report for the Supervisory Board for the year 2024.

This Remuneration Report details 2024 realized pay in line with the 2021 Remuneration Policy for the Management Board and our intentions for 2025 remuneration.

Management Board Compensation Philosophy and Principles

AMG Compensation Philosophy

The AMG Values (safety, value creation, respect for people, protection of our planet, and integrity) are the foundation of AMG's ambition to be a leader in the field of critical materials and engineering services. These values underpin the assessment of overall performance for Annual Incentive Payments across the Company.

AMG's strategy is to be at the forefront of critical material technologies which target clean energy and energy efficiency and ultimately reduce CO₂ production.

The Remuneration Policy and the performance measures included within it endeavor to align AMG's performance targets with AMG's long-term strategic objectives and AMG's Values, and in so doing, support the generation of sustainable long-term stakeholder value, in line with the revised Dutch Corporate Governance Code that became effective in 2023.

To this end, AMG focuses on pay for performance: AMG's variable compensation is tied directly to the achievement of strategic targets. The performance measures focus management on the delivery of a combination of robust key performance indicators relating to the annual performance of the Company, and on long-term share price appreciation. AMG has concluded that this combination of annual key performance indicators and long-term share price appreciation align well with shareholder value creation.

AMG believes that shareholder value creation is an important pillar to creating long-term, sustainable stakeholder value. AMG's Remuneration Policy incentivizes the Management Board to focus on the other key pillars of sustainable stakeholder value creation: employees must be motivated to work in an environment that puts safety first, and the Company must consider the best interests of the surrounding community, customers, suppliers, service providers, financial institutions, and government agencies. AMG's nonfinancial performance measures focus management on delivering leadership in strategic projects and in long-term sustainability by targeting a specific set of goals including CO₂ abatement, safety, environmental stewardship, diversity, human resource development, and risk management. (ESRS 2 GOV3, 29, AR 7), (ESRS E1 GOV3, 13)

AMG targets a Remuneration Policy that is balanced between financial metrics, strategic objectives, and protecting stakeholder values. In addition, AMG targets a total compensation package that is sufficient to attract and retain key management team members.

Competitive Environment and Peer Group

From the inception of AMG in 2007, the Supervisory Board has adopted a US-centric approach towards executive remuneration, but with due regard to the prevailing Dutch corporate governance environment. This US focus is due to the location of AMG's operational headquarters in the US and the fact that all of its Management Board members have been and continue to be US residents. AMG is mindful of the views of society about the level and structure of remuneration for its senior leadership and AMG continues to inform itself about those views in the major countries in which it is operating like the United States, Germany, Brazil, and the United Kingdom. Although AMG has no operational activities in the Netherlands, it continues to take into account the Dutch perspective since its head office is located and its shares are listed in Amsterdam.

The AMG group of companies competes throughout the world for business and for talent. Given its size and the diversity of its business, it must compete for superior talent with corporations of considerable scale. Therefore, AMG must provide top talent with roles that are challenging and motivating in a fast-paced environment and offer very competitive reward opportunities for superior performance.

In establishing the 2024 remuneration, the Supervisory Board considered multiple scenarios of how the remuneration components would be affected given different sets of circumstances, including one in which incentive plan thresholds were not achieved.

Every year, the Remuneration Committee of the Supervisory Board reviews, confirms and uses an executive compensation peer group for benchmarking purposes. During 2024, the Supervisory Board utilized a new peer group that was established with the assistance of our independent adviser Mercer Limited ("Mercer"). This new peer group features 14 of 19 peers which are listed and domiciled in Europe and has been used for the basis of reviewing our Remuneration Policy and how we will implement it in 2024. As part of the 2021 Remuneration Policy, AMG established that two-thirds of its compensation peers would be European, and the new peer group maintains this ratio.

The peer group used in 2024 consists of the following companies:

1. Albemarle*
2. Allegheny Technologies Inc*
3. AMAG
4. Aperam
5. Befesa
6. Bodycote
7. Carpenter Technologies*
8. Constellium*
9. Elementis
10. Eramet
11. Ferrexpo
12. Materion*
13. OCI N.V.
14. Outokumpu
15. Pilbara Minerals
16. Salzgitter
17. SGL Carbon
18. Umicore
19. Vallourec

*Denotes a US Listed Peer

This peer group is an important yardstick for the Supervisory Board in determining performance by the Company and setting compensation for the Company's Management Board.

Summary: Remuneration Policy

Fixed Pay Summary

2024 Fixed Pay and Benefits		
	Annual Base Salary	Pension and Other Benefits
Purpose	Reflects responsibilities, experience, and skill sets	Provides retirement and risk insurances tailored to local market practices and regulations
Form of Payment	Cash	Country and Individual specific and aligned with other senior managers
Performance Measures	—	—
Total By Management Board Member	Heinz Schimmelbusch: \$1,500,000 Eric Jackson: \$1,100,000 Jackson Dunckel: \$900,000 Michael Connor: \$600,000 ²	Set at 50% of the average salary for the final 3 years of employment. Please see below for further details.

Annual Bonus

The CEO's target bonus will be 85% of base salary and the COO's, CFO's and CCDO's will be 65% of salary. As per the approved policy, the maximum opportunity is 200% of target in line with best practice.

Financial Measure	Weighting
Operating Cash Flow	35%
Adjusted EBITDA	35%
Non-financial Measures	
ESG Measures	6.7% each, totaling: 20%
• Lost Time Incident Rate	
• Enabling CO ₂ Reduction	
• CO ₂ Intensity	
Management Board Personal Targets	10%

² Michael Connor was elected to the Management Board on May 8, 2024.

The 2021 remuneration policy replaced ROCE with adjusted EBITDA as a financial measure because of the very heavy CapEx schedule the Company is engaged in. The rationale for the change was that setting low ROCE targets due to the increase in capital employed would not provide a challenging enough target for Management and did not represent the strategy the Management Board presented to shareholders to deliver the growth targets as expeditiously as possible.

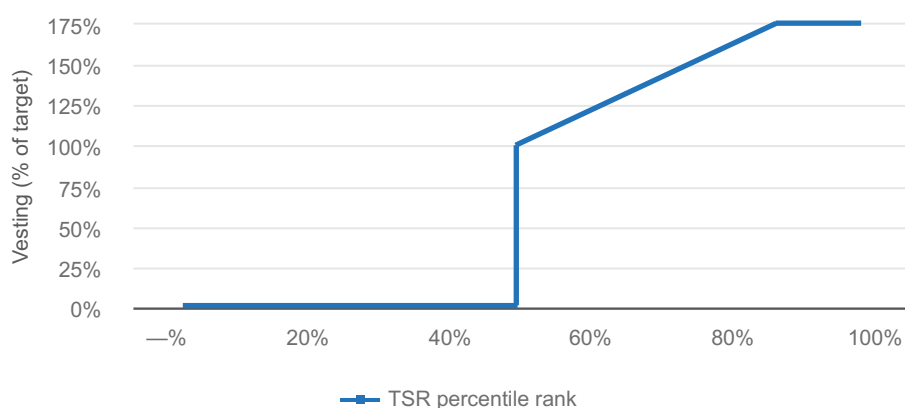
Performance Share Units

In line with the 2021 Remuneration Policy, the Long-Term Incentive Plan is now called the Performance Share Unit Plan. PSUs will be granted based on a Euro face value amount which is 185% of 2024 salary for the CEO and 90% of 2024 salary for the CFO, COO and CCDO, but the actual figure will fluctuate based on exchange rates. The maximum opportunity will continue at 175% of target.

Performance will continue to be measured over a three-year period. In addition, a two-year holding period of the number of post-tax shares awarded under the PSU plan applies to all PSUs.

Performance will be measured solely based on relative TSR versus the peer group utilized to benchmark Management Board compensation. The vesting schedule for awards after 2021 is shown below—the maximum opportunity is only available with outperformance at the 90th percentile, and unlike the old policy, there will no longer be any vesting for below-median performance.

Relative TSR— Vesting Schedule



The vesting value for the 2024 grant will be based on the TSR performance over three years and will utilize the average share price over the 30 trading days prior to year-end 2023 versus the average share price over the 30 trading days prior to year-end 2026.

The 2021 policy removed the ROCE hurdle for the PSUs in line with the change in financial measures for the annual bonus discussed above. However, the Supervisory Board may apply judgement where necessary to ensure approved vesting levels are representative of actual, overall Company performance including (but not limited to) the level of profit achieved and aim to manage risk in line with integrating business ethics and compliance.

Variable Award Opportunities

Executive	Salary	Annual Bonus Target (% of salary)	Performance Share Unit Plan (% of salary)
Heinz Schimmelbusch, CEO	\$1,500,000	85%	185%
Eric Jackson, COO	\$1,100,000	65%	90%
Jackson Dunckel, CFO	\$900,000	65%	90%
Michael Connor, CCDO	\$600,000 ³	65%	90%

³ Michael Connor was elected to the Management Board on May 8, 2024.

Compensation Governance Summary

The Supervisory Board at the recommendation of its Remuneration Committee is responsible for determining the Remuneration Policy for the members of the Management Board and the Supervisory Board. These Remuneration Policies are approved by the General Meeting of Shareholders of the company every four (4) years.

The Remuneration Policy for the Management Board is linked to the Company's sustainability agenda – that is explained in and part of the 2024 Sustainability Statement as published in this Annual Report. Under the 2021 Remuneration Policy 20% of the variable annual bonus (STI) is directly linked to specific sustainability related targets that are based on sustainability related performance metrics. These metrics and targets are set by the Supervisory Board at the recommendation of the Remuneration Committee.

The Remuneration Policy for the Supervisory Board includes a fixed remuneration part only and does not carry any variable, (including related to sustainability related matters) components or incentive schemes, all as mandated by the Dutch Corporate Governance Code.

Decision on	Decision-making authority
Compensation of Supervisory Board	Supervisory Board
Compensation of Management Board	Supervisory Board
Compensation of Senior Executives	Management Board / Remuneration Committee

Management Board Compensation Risk Management Principles

- Rigorous performance management process
- Balanced mix of short-term and long-term variable compensation elements
- Performance evaluation on an individual basis
- Long-term incentive plan focused on share price performance with three and four-year vesting
- Annual incentive compensation capped at 200% of salary and PSU performance capped at 175% of face value
- Post contractual non-compete of 24 months
- Severance payment is base salary plus in some cases target annual incentive payment
- Good and bad leaver provisions apply to annual bonus and unvested share plans
- Clawback and malus principles apply to all elements of variable compensation
- Share ownership requirements
- No loans to executives permitted

2024 Management Board Compensation

2024 and 2023 Realized Pay for the Management Board

USD 000's	Year	Base Salary	Annual Bonus	PSUs ⁴	Options ⁵	Pension	Other ⁶	Total	Fixed (% of Total)	Variable (% of Total)
Heinz Schimmelbusch, CEO	2024	\$1,500	\$1,199	—	—	\$308	\$259	\$3,266	63%	37%
	2023	\$1,260	\$1,836	—	\$163	\$1,231	\$809	\$5,299	62%	38%
Eric Jackson, COO	2024	\$1,100	\$672	—	—	\$256	\$64	\$2,092	68%	32%
	2023	\$966	\$1,030	—	\$63	\$2,437	\$800	\$5,296	79%	21%
Jackson Dunckel, CFO	2024	\$900	\$550	—	—	\$455	\$55	\$1,960	72%	28%
	2023	\$766	\$842	—	\$48	\$2,310	\$92	\$4,058	78%	22%
Michael Connor, CCDO	2024	\$519 ⁷	\$367 ⁸	— ⁹	—	\$33	\$14	\$933	61%	39%

Pensions and Retirement Benefits

The members of the Management Board are members of a defined contribution plan maintained in the United States. They receive additional retirement benefits from Metallurg's Supplemental Executive Retirement Plan (SERP). As detailed in the Remuneration Committee Chairman's letter, the pension structure for all Management Board executives was harmonized at 50% of the last 3 year's salary, and in all cases only starts after the end of their employment with AMG.

⁴ The 2021-2023 and 2022-2024 PSUs did not meet the performance criteria and therefore vested with a performance multiplier of 0.0x.

⁵ Option value detail is described on the following pages.

⁶ In 2023, other income includes a one-time cost of life insurance for the CEO and COO. In 2024, other income includes a one-time cost of life insurance for the CCDO.

⁷ Michael Connor was elected to the Management Board on May 8, 2024.

⁸ Michael Connor's annual bonus was paid on a full year new salary basis.

⁹ Michael Connor received \$56k in stock compensation in 2024 related to the vesting of restricted share units that pertained to the service period prior to his election to the Management Board.

The Supervisory Board decided on February 26, 2025, to harmonize all pension benefits to be payable for life. Jackson Dunckel's and Mike Connor's benefits will be reduced if either of their employment with AMG ends prior to reaching age 65. The structural elements to the SERP's are summarized in the table below:

Executive	Prior Structure	Current Structure
Heinz Schimmelbusch, CEO	Pension paid post retirement for life, set at 50% of the average of the last three years' salary	No change
Eric Jackson, COO	Pension paid post retirement until age 88, set at 50% of the average of the last three years' salary	Pension paid post retirement for life, set at 50% of the average of the last three years' salary
Jackson Dunckel, CFO	Pension paid post retirement until age 88, set at 50% of the average of the last three years' salary	Pension paid post retirement for life, set at 50% of the average of the last three years' salary
Michael Connor, CCDO	Pension paid post retirement until age 88, set at 50% of the average of the last three years' salary	Pension paid post retirement for life, set at 50% of the average of the last three years' salary

2024 Annual Bonus

Target opportunity was 85% of salary for the CEO and 65% for the COO, CFO and CCDO. Maximum performance was 200% of target subject to the attainment of exceptional performance.

Measure	Target	Actual	Actual % vs Target	Achievement vs Target	2023	Target % vs 2023
Financial Measures—70% of total, comprising:						
Operating Cash Flow (35%)	\$52.0M	\$37.5M	(28%)	0%	\$223.0M	(77%)
Adjusted EBITDA (35%)	\$136.2M	\$168.1M	(100%)	131%	\$350.5M	(61%)
Non-financial Measures—30% of total, comprising:						
ESG Measures (20%)						
• Lost Time Incident Rate (6.7%)	0.90	0.48	(47%)	200%		
• Enabling CO ₂ Reduction (6.7%)	120	114	(5%)	70%		
• CO ₂ Intensity (6.7%)	2.47	2.16	(13%)	200%		
Management Board Strategic Targets (10%)	Qualitative	Above	Above	167%		
Total Annual Incentive Award				94%		

As explained in the Chairman of the Remuneration Committee's letter, AMG's 2024 performance exceeded the target set for adjusted EBITDA. The adjusted EBITDA target was \$136 million, \$214 million and 61% lower than 2023's all-time high result as it was set based on the then-prevailing lithium and vanadium prices. Actual adjusted EBITDA was \$168 million, due to lower lithium prices than projected, offset by strong results in the Technologies division. The Operating Cash Flow target was set at \$52 million, or 77% below the 2023 realized figure due to the lower forecasted profitability. The 2024 Operating Cash Flow of \$38 million resulted in a payout of 0% for this metric, driven by significantly lower than planned lithium prices offset by strong working capital management across the AMG portfolio.

ESG Measures Performance – 20% Weighting (ESRS 2 GOV3, 29, AR 7), (ESRS E1 GOV3, 13)

Metric	Weight	Result
Lost Time Incident Rate	6.7%	AMG's aspirational target is clearly zero Lost Time Incidents ("LTI"), but for the purposes of setting a compensation target, we aspire to be significantly better than our peers. Our peers are defined by the North American Industry Classification System (NAICS) code of 331 - Primary Metal Producers. This peer group had a 2023 LTI of 1.00. Our target of 0.90 was set at 10% less than 2023 LTI for our peer group, and Significantly Above was set 0.50, 50% less than the 2023 LTI for our peer group. AMG's 2024 LTI of 0.48 was significantly better than its peers and 52% below the peer group figure of 1.00. Outcome: 200% Achievement
Enabling CO ₂ Reduction	6.7%	In 2024, AMG achieved enabled CO ₂ savings of 114 million tons, compared to 110 million tons in 2023. The 2024 target was set at 120 million tons, or a 10% increase over 2023, with a Significantly Above target set at 140 million tons. The 2024 result was influenced by delays of certain projects as well as by revised calculations in certain categories. Outcome: 70% Achievement
CO ₂ Intensity	6.7%	AMG entered into a Sustainability Linked Loan which included a commitment to reduce the CO ₂ intensity of its operations. Based on a CO ₂ intensity of 4.25 in 2021, AMG agreed to reduce its CO ₂ intensity to 3.0 by 2026. Based on volume projections including the start-up of the Zanesville vanadium plant, the compensation target for 2024 was set at 2.47 – significantly ahead of the Sustainability Loan commitment of 3.75 in 2024. The Significantly Above target was set at 2.17. In 2024, AMG delivered a CO ₂ intensity of 2.16, which met the aggressive target. Outcome: 200% Achievement

Management Board Personal Target Score Card and Discussion – 10% Weighting

The scale used in evaluating the Management Board's performance is as follows:

Outcome	Value
Significantly Below	0%
Below	50%
Met	100%
Above	150%
Significantly Above	200%

Management Board Strategic Targets	Key Achievements	Result
Successful Ramp up of Brazil SP1+ Project	<ul style="list-style-type: none"> Plant achieved full run-rate production in Q4 2024 at \$198 per ton lower cost than budgeted 	Significantly Above
Successful Ramp up of Bitterfeld Battery Grade Hydroxide Plant	<ul style="list-style-type: none"> Bitterfeld Project was mechanically completed in November and will start up in Q2 2025 	Met
Double contracted capacity of LIVA Batteries	<ul style="list-style-type: none"> Wipotec, the first third party battery, started up (3.75MW) In 2024 LIVA increased its contracted capacity to 11.7MW 	Significantly Above
Further Develop the Shell AMG Joint Venture (SARBV)	<ul style="list-style-type: none"> Engaged Sumitomo Mitsui Bank Corp to arrange project financing Finalized Engineering with local providers Solved governance issues with local partner 	Significantly Above
Successful Ramp up of Nuremberg Vanadium Electrolyte Plant	<ul style="list-style-type: none"> Plant began producing electrolyte in Q4 2024 	Met
Strengthen Divisional and Subsidiary Management Teams	<ul style="list-style-type: none"> Established 3 separate divisions with new Management Board Structures Established a global Engineering Group and integrated it into project management and divisional management structure 	Significantly Above
Overall Assessment		Above
Total Annual Incentive Award		167%

Dr. Schimmelbusch was instrumental in progressing multiple long term growth projects in 2024. He led the implementation of the Shell-AMG Joint Venture and led the negotiations for multiple lithium expansion projects including the purchase of a 16% stake in Savannah Resources. He closely managed LIVA's marketing and bidding strategy and successfully grew that business. He strengthened and expanded senior management at AMG, creating an Engineering Group that reports directly to the Management Board.

Mr. Jackson was engaged throughout 2024 executing the various projects AMG is pursuing. The spodumene expansion achieved run-rate capacity in the fourth quarter and operated below the planned cost per ton. The Bitterfeld battery grade hydroxide plant began its ramp up in September 2024.

Mr. Dunckel managed the project financing for the Jazan Supercenter recycling facility in Saudi Arabia and the Savannah Resources Lithium mine. He implemented a new cash management system and expanded working capital financing facilities across AMG. In addition, Mr. Dunckel managed the Corporate Sustainability Reporting Directive as well as the process of choosing a new auditor for AMG.

Mr. Connor was responsible for successfully acquiring a 16% stake in Savannah Resources plc and currently sits as non-executive on the Board of that company. In addition, he serves on the Board of APMC which is the operating company for the Supercenter project pursued by Shell & AMG JV in Saudi Arabia, and has been instrumental in expanding the role of corporate development across the AMG business units, including restructuring AMG's financial planning process.

Given the success each of the Management Board members have had with their personal targets, the Supervisory Board has found their performance at the "Above" level and recommended that they be awarded their personal targets at a bonus percentage of 167%.

2022 Long-term Incentives (Vested December 2024)

For the 2022 PSU award, the three-year vesting period was completed in December 2024. Based on the average share price over the final 30 trading days of 2024, the relative TSR for the Company as compared to its peer group did not meet the performance criteria and therefore resulted in a 0.0x multiplier. This value is included in 2024's realized pay.

50% of the 2020 Stock Options vested in 2024, and based on the closing share price at December 31, 2024, resulted in the following net vesting value to the Management Board:

(in thousands except shares)	Number of Shares ¹⁰	Value ¹¹
Heinz Schimmelbusch, CEO	42,929	\$—
Eric Jackson, COO	16,666	\$—
Jackson Dunckel, CFO	12,626	\$—

The Management Board members did not exercise any stock options in 2024.

Legacy 2021 Long-term Incentives

For the legacy 2021 PSU award, the three-year vesting period was completed in December 2023. Based on the average share price over the final 30 trading days of 2023, the relative TSR for the Company as compared to its peer group did not meet the performance criteria and therefore resulted in a 0.0x multiplier. This value is included in 2023's realized pay.

50% of the 2019 Stock Options and 50% of the 2020 Stock Options vested in 2023, and based on the closing share price at December 31, 2023, resulted in the following net vesting value to the Management Board:

(in thousands except shares)	Number of Shares ¹²	Value ¹³
Heinz Schimmelbusch, CEO	60,731	\$163
Eric Jackson, COO	22,688	\$63
Jackson Dunckel, CFO	17,863	\$48

2024 Long-term Incentives

In March 2024, the Supervisory Board awarded Performance Share Units to the Management Board pursuant to the 2021 Remuneration Policy.

¹⁰ Michael Connor has not historically received stock options.

¹¹ Calculated based on the share price of €13.65 at December 31, 2024 and an average USD/EUR exchange rate of 1.082 for the year ended December 31, 2024.

¹² Michael Connor has not historically received stock options.

¹³ Calculated based on the share prices of €22.82 at December 31, 2023 and an average USD/EUR exchange rate of 1.0815 for the year ended December 31, 2023.

The face value of the Long-Term Incentive Plan for 2024 is as follows, and is included in the following 2024 compensation expense table:

(in thousands except shares)	PSU Face Value ¹⁴	# of PSU's Granted	% of Salary
Heinz Schimmelbusch, CEO	€2,569	125,256	185%
Eric Jackson, COO	€917	44,710	90%
Jackson Dunckel, CFO	€750	36,568	90%
Michael Connor, CCDO	€500	24,378	90%

Per the 2021 Remuneration Policy, the number of PSUs awarded in 2024 is calculated as the face value divided by the average share price of the 5 trading days after the publication of the annual results of 2024. These PSU awards will vest after three years (a performance period of December 2023 to December 2025), subject to:

- a 3-year performance period and an additional 2-year holding period in line with the Dutch Corporate Governance Code.
- payouts will be based 100% on relative Total Shareholder Return versus the global sector peers we utilize to benchmark Management Board pay. Due to the cyclical nature of some of AMG's products, the Supervisory Board believes that a relative measure versus AMG's industry peers is the best way to incentivize the Management Board to outperform its industry over time.
- there will no longer be any vesting of the PSUs for performance below the 50th percentile, in line with best market practice.

As per the 2021 Remuneration Policy, no share options were granted to Management Board members as this incentive scheme was terminated in 2021. All share options granted to the Management Board members prior to 2021 remain in full force and effect in accordance with the governing share option plan.

Outstanding Options Held by the Management Board

The summary of all options outstanding, both vested and non-vested, is presented in the table below:

AMG Option Plan		Non-Vested Options Under the Plan				Vested Options under the Plan			
For the Year Ended December 31, 2024	Year	Date of Grant	Number of Options	Present Value at Date of Grant (€)		Vesting Scheme	Exercise Price (€)	Number of Options	Market Value at 12/31/2024 (\$000) ¹⁵
Dr. Heinz Schimmelbusch	2017	5/4/2017	—	340,000	50% vested after 3 years 50% vested after 4 years	25.50	47,667	—	
	2018	5/2/2018	—	340,000	50% vested after 3 years 50% vested after 4 years	44.24	17,086	—	
	2019	5/13/2019	—	340,000	50% vested after 3 years 50% vested after 4 years	31.43	35,602	—	
	2020	3/11/2020	—	340,000	50% vested after 3 years 50% vested after 4 years	19.31	85,859	—	
Eric Jackson	2017	5/4/2017	—	100,000	50% vested after 3 years 50% vested after 4 years	25.50	14,020	—	
	2018	5/2/2018	—	100,000	50% vested after 3 years 50% vested after 4 years	44.24	5,026	—	
	2019	5/13/2019	—	115,000	50% vested after 3 years 50% vested after 4 years	31.43	12,042	—	
	2020	3/11/2020	—	132,000	50% vested after 3 years 50% vested after 4 years	19.31	33,333	—	
Jackson Dunckel	2017	5/4/2017	—	100,000	50% vested after 3 years 50% vested after 4 years	25.50	14,020	—	
	2018	5/2/2018	—	100,000	50% vested after 3 years 50% vested after 4 years	44.24	5,026	—	
	2019	5/13/2019	—	100,000	50% vested after 3 years 50% vested after 4 years	31.43	10,471	—	
	2020	3/11/2020	—	100,000	50% vested after 3 years 50% vested after 4 years	19.31	25,253	—	

¹⁴ Awarded at the average 5 day share price prior to February 29, 2024 of €20.51, and a Euro / USD exchange rate of 1.08.

¹⁵ Calculated based on the share price of €13.65 at December 31, 2024 and an average USD/EUR exchange rate of 1.082 for the year ended December 31, 2024.

Share Ownership Guidelines

Management Board Members are required to hold a minimum level of shares in relation to their base salary. The CEO's guideline is 4x base salary whilst the COO, CFO and CCDO's guidelines are 2x base salary. Per the table below, the CEO currently holds 12x his base salary, the COO holds 5x his base salary, the CFO holds 2x his base salary, all of whom have met the guideline. The CCDO holds 1x of his base salary, but he has four years to build up his shareholding as a Management Board member.

The table below outlines the number of shares held by Management Board Members on an unvested and vested basis.

	Shares Owned	Multiple of Salary ¹⁶	Unvested PSUs	PSU Award Price	Total Shares
Dr. Heinz Schimmelbusch	1,262,333	12x			
2023–2025			—	€37.97	
2024–2026			—	€20.51	
Total Shares	1,262,333		—		1,262,333
Eric Jackson	395,554	5x			
2023–2025			—	€37.97	
2024–2026			—	€20.51	
Total Shares	395,554		—		395,554
Jackson Dunckel	98,206	2x			
2023–2025			—	€37.97	
2024–2026			—	€20.51	
Total Shares	98,206		—		98,206
Michael Connor	34,460	1x			
2023–2025			—	€37.97	
2024–2026			—	€20.51	
Total Shares	34,460		—		34,460
Total Shares Owned by Management Board	1,790,553		—		1,790,553

Pay Ratio and AMG Group Workforce Compensation

Since the introduction of the pay ratio in 2017, the Supervisory Board, upon recommendation of the Remuneration Committee, has established that the most informative ratio would be one which compares the average Management Board actual compensation with that of the average total employee benefit cost per employee (global workforce). The average Management Board compensation (rather than only CEO compensation) is deemed to be the appropriate parameter, given the collective management responsibility of the Management Board members under the Dutch corporate governance system.

It should be noted that pay-ratios are specific to a company's industry, geographic footprint, and organizational structure. For example, a large part of AMG's workforce is located in emerging and developing countries, whereas AMG's Management Board members are based in the United States. Compensation packages are designed to be locally competitive. Pay ratios are also susceptible to volatility over time, as they can vary with incentive outcomes, stock market movements (impacting the LTI part of the Management Board compensation), changes in incumbents, exchange rate movements and actual financial performance by the Company.

	2020	2021	2022	2023	2024
Management Board Pay Ratio	25	61	50	76	42
CEO Pay Ratio	35	92	72	92	69

The average remuneration on a full-time equivalent basis of workforce of the AMG Group was \$74k and \$76k per year in 2024 and 2023, respectively.

The development of this pay ratio will be monitored and disclosed going forward. The Remuneration Committee has taken into account these pay ratios in establishing the Management Board compensation for 2024 and believes that these ratios are fair and adequate for this purpose.

¹⁶ Based on December 31, 2024 share price of €13.65. The 2023 and 2024 awards had a 0.0x multiplier as of December 31, 2024.

Five-year Change in Realized Compensation Versus Key Performance Indicators

The table below¹⁷ shows the change in total realized remuneration for each Management Board member over the past five-year period, compared to (a) financial performance by the Company and (b) average remuneration of the AMG Group workforce, during the same period.

Year on Year % Change (except ROCE)	2020	2021	2022	2023	2024
Heinz Schimmelbusch	(34%)	46%	64%	(39%)	(38%)
Eric Jackson	(33%)	70%	50%	26%	(60%)
Jackson Dunckel	(45%)	57%	37%	16%	(52%)
Cash Flow from Operations	(58%)	363%	85%	33%	(83%)
Share Price Change	15%	16%	22%	(34%)	(39%)
Actual ROCE	3.5%	11.9%	30.8%	26.3%	9.1%
Adjusted EBITDA (USD in millions)	\$66.8	\$136.7	\$342.6	\$350.5	\$168.1
Average Remuneration AMG Group Workforce	(8%)	13%	—%	5%	(2%)

Compensation Expense of the Management Board in 2024

Total compensation expense recorded by AMG in its financial reports with respect to the pension and retirement benefits of the Management Board are provided in the table below, which sets forth total expenses incurred in 2023 for Management Board remuneration.

All Management Board members receive benefits that are in line with industry and individual country practice. No loans, advances, or guarantees are granted to any Management Board members. Total costs to the Company with respect to other remuneration of the Management Board are provided in the table below¹⁸, which sets forth total costs incurred in 2024 for Management Board remuneration.

(in thousands) for the Year Ended December 31, 2024	Base Salary ¹⁹	Annual Bonus ²⁰	Option Compensation	Performance Share Units	Retirement Benefits & Pensions	Other Remuneration ²¹	Total
Heinz Schimmelbusch	\$1,500	\$1,199	\$12	\$1,923	\$308	\$259	\$5,201
Eric Jackson	\$1,100	\$672	\$5	\$719	\$256	\$788	\$3,540
Jackson Dunckel	\$900	\$550	\$4	\$565	\$455	\$55	\$2,529
Michael Connor	\$519	\$367	—	\$181	\$33	\$14	\$1,114

2025 Changes to Management Board Remuneration

As explained above, it is proposed that there will be no material changes to Management Board Remuneration in 2025, and base salary increases are frozen for 2 years (2025 and 2026). For reference, the target compensation (i.e., assuming 100% of the target is reached) will be as follows:

2025 Management Board Compensation at Target

(in thousands) for the Year Ended December 31, 2025	Base Salary	Annual Bonus	Option Compensation	Performance Share Units	Retirement Benefits & Pensions	Other Remuneration	Total	% of Fixed
Heinz Schimmelbusch	\$1,500	\$1,275	—	\$2,775	\$352	\$259	\$6,161	34%
Eric Jackson	\$1,100	\$715	—	\$990	\$357	\$64	\$3,226	47%
Jackson Dunckel	\$900	\$585	—	\$810	\$535	\$55	\$2,885	52%
Michael Connor	\$600	\$390	—	\$540	\$138	\$35	\$1,703	45%

¹⁷ Michael Connor joined the Management Board on May 8, 2024, and has been excluded from the table for this reason.

¹⁸ The amounts in this table represent the expense recorded by AMG for each component.

¹⁹ Michael Connor was elected to the Management Board on May 8, 2024. As such, his prorated salary for the purpose of presenting 2024 actual salary.

²⁰ Michael Connor's bonus was calculated on the full value of his new salary.

²¹ "Other Remuneration" includes car expenses and additional insurance paid for by the Company. In 2024, this amount includes a one-time cost of life insurance for Eric Jackson and Michael Connor. The one-time cost of life insurance for Eric Jackson was included in 2023 realized pay but was not paid until 2024.

Supervisory Board Remuneration Report 2024

Background and Strategic Framework

Reference is made to the 2024 Remuneration Policy for the Supervisory Board of the Company with respect to a description of the relevance of the Company's values, identity, and mission and of the background, strategic framework and ambitions and guiding principles that apply to the Company's remuneration philosophy for the Company's Supervisory Board members.

As explained in the 2024 Remuneration Policy for the Supervisory Board, which was adopted during the Annual General Meeting in May 2024, Supervisory Board members have a different role than Management Board members and are compensated differently. Accordingly, Supervisory Board members are not entitled to variable compensation or long-term incentives. No financial or non-financial (including relating to sustainability matters) performance indicators apply to the annual compensation of Supervisory Board members.

The Supervisory Board believes that the benchmarks it uses to attract and retain members for the Management Board should equally apply to the composition and membership of the Supervisory Board. Hence, and given the fast-paced and competitive international environment surrounding AMG's operations, competitive reward opportunities are necessary to attract highly qualified Supervisory Board members.

The Supervisory Board therefore has selected and uses an appropriate compensation peer group for benchmarking purposes that is the same as the peer group used for benchmarking the remuneration of the Management Board.

Remuneration Components – Supervisory Board

Fees paid to Supervisory Board members are not linked to the financial results of the Company. Supervisory Board members receive fixed compensation on an annual basis that is partly payable in AMG shares as explained below. Supervisory Board members do not accrue pension rights and are compensated for travel and lodging expenses incurred as a result of discharging their Supervisory Board duties. They are not entitled to any benefits upon the termination of their appointment.

The individual Supervisory Board members are paid annually:

- (a) a fixed retainer fee in cash (USD)
- (b) a fixed Share Award (EUR)

taking into account the level of responsibility of each Supervisory Board member within the Board.

In 2024, the following amounts were paid to the Supervisory Board members:

(in thousands except shares)	Cash	Shares ²²	Share Value ²³	Total
Steve Hanke	\$110	2,925	\$65	\$175
Willem van Hassel	\$75	1,950	\$43	\$118
Herb Depp	\$80	1,707	\$38	\$118
Donatella Ceccarelli	\$80	1,707	\$38	\$118
Anne Roby	\$80	1,707	\$38	\$118
Dagmar Bottenbruch	\$42	1,110	\$25	\$67
Warmolt Prins	\$65	1,707	\$38	\$103

The amounts above comprise the total remuneration received on an annual basis by Supervisory Board members for their services rendered.

The share award that is given as compensation to Supervisory Board members comprises a number of AMG shares that is equal to the award amount divided by the average share price of the 10 trading days immediately following the publication of the annual results of AMG of the previous year. Shares awarded to and received by Supervisory Board members as compensation are held for long-term investment purposes and shall be held for a period of at least three years from the date of receipt, and for at least one year after the date a Supervisory Board member has retired.

²² Share quantity calculated based on the share price on the award date.

²³ Share value is fixed in Euros, but changes each year due to exchange rate movements.

The Supervisory Board acknowledges that by awarding shares to its members as compensation, AMG deviates from best practice provision 3.3.2. of the Dutch Corporate Governance Code (2016). As explained by the Supervisory Board during and as early as the 2009 and 2013 Annual General Meetings, and again during the 2020 Annual General Meeting, it considers it important to be able to recruit future members from the global marketplace given the size and complexity of the markets AMG is operating in. This merits that part of the remuneration be paid in company shares, in line with US practice (and the general US centric approach for executive compensation as chosen by the Supervisory Board and explained in the Remuneration Policy of the Management Board), where the Company has its operational headquarters. Shares granted as compensation to Supervisory Board members are held as long-term investments and restricted from trading for a period of at least three years from the date of granting. As a result, the Company departs from best practice provision 3.3.2. for reasons explained above. The Supervisory Board expects that this departure will continue to apply indefinitely as it has been in place since 2007 and has contributed to the quality of the Supervisory Board and success of AMG. Further, the Supervisory Board holds the view that this departure does not in any way negatively affect good corporate governance at the Company.

The decision by the Supervisory Board to continue its practice to partly compensate its members in AMG shares fully aligns with the long-term share-based incentives granted to the Management Board members under the Management Board Remuneration Policy as a tool to drive and reward sound business decisions and judgment to support AMG's long-term health that is necessary for achieving its strategic objectives and to align the interests of its Board members with those of AMG's shareholders.

Five-year change in Supervisory Board Compensation Expense Versus Key Performance Indicators

Year on Year % Change (except ROCE)	2020	2021	2022	2023	2024
Steve Hanke	11%	1%	(4%)	1%	1%
Willem van Hassel	(2%)	1%	(4%)	7%	(6%)
Herb Depp	1%	1%	(3%)	—%	1%
Donatella Ceccarelli	3%	1%	(3%)	—%	1%
Frank Löhner	1%	N/A	N/A	N/A	N/A
Dagmar Bottenbruch	N/A	1%	(4%)	(65%)	86%
Warmolt Prins	N/A	N/A	46%	—%	1%
Anne Roby	N/A	N/A	N/A	N/A	53%
Cash Flow from Operations	(58%)	363%	85%	33%	(83%)
Total Shareholder Return	15%	16%	22%	(34%)	(39%)
Actual ROCE	3.5%	11.9%	30.8%	26.3%	9.1%
Adjusted EBITDA (USD in millions)	\$66.8	\$136.7	\$342.6	\$350.5	\$168.1
Average Remuneration AMG Group Workforce	(8%)	13%	—%	5%	(2%)

2024 Sustainability Statement

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²⁴ Where appropriate disclosure names have been shortened to improve readability.

General information

Basis for preparation

BP-1 — General basis for preparation of the sustainability statement

The sustainability statement of AMG Critical Materials N.V. (“AMG”) is prepared on a consolidated basis. (ESRS 2 BP1, 5(a))

The scope of the consolidation is equal to the scope of consolidation for the financial statements. (ESRS 2 BP1, 5(b)i, 5(b)ii) Where forward-looking statements are made in this report it is understood that such statements should be considered uncertain. (ESRS 2 BP1, 12)

This is the seventeenth year that we publicly disclose our sustainability information and the first year of disclosure voluntarily aligned with the Corporate Sustainability Reporting Directive (“CSRD”) and the underlying European Sustainability Reporting Standards (ESRS) as adopted by the European Commission. At the time of publication of our Annual Report 2024, the implementation of the CSRD has not officially been enforced in the Dutch law. We are also publishing a Supplemental Sustainability Report which will be made available on our website. This report presents supplemental sustainability information to accompany AMG Critical Materials N.V.’s 2024 Annual Report but it is not part of the Annual Report nor the Sustainability Statements included therein. Our 2024 Annual Report is the governing document and includes our formal sustainability work for the benefit of all interested stakeholders. This report covers the 2024 calendar year. AMG does not include entities in the boundaries of this report of which we do not have operational control. The facilities that are included in our sustainability statement and that are under our operational control is in Table BP-1.

Our aim is to report acquisitions and (de)mergers or other similar transactions from the date of transaction. However, as onboarding and training takes time, there could be a delay between closing of a transaction and integration into sustainability reporting. For the 2024 reporting period there have been no acquisitions or (de)mergers that impact the scope of consolidation.

The material impacts, risks and opportunities (IROs) connected to our value chain have been assessed as part of our double materiality assessment (see SBM-3, Table 4: Summary of Material Impacts, Risk and Opportunities) and discussed in the topical disclosures of this report, where applicable. Based on the topic, several AMG policies extend to actors in our upstream value chain (see IRO-2, Table 8: AMG Sustainability-related policy overview), while actions, targets and metrics only apply to AMG own operations. (ESRS 2 BP1, 5(c)).

AMG is not omitting information corresponding to intellectual property, know-how or the results of innovation. (ESRS 2 BP1, 5(d)) Further, AMG is not using an exemption for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters during negotiation. (ESRS 2 BP1, 5(e))

These sustainability statements have been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations. For certain interpretations, we have had to consider sources of estimation and value chain, which inherently are subject to measurement or evaluation uncertainties.

Certain quantitative metrics and monetary amounts are subject to measurement uncertainty. Where relevant and significant, we have disclosed information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical information in accordance with the ESRS. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

In section [IRO-1](#) we have described the ongoing due diligence and double materiality assessment process, including our engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Company’s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The sustainability statements may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important.

Table BP-1 — AMG sites covered in 2024 sustainability statement

Segment	Site name ¹	Location	Country
AMG Corporate	AMG Headquarters ⁴	Amsterdam	Netherlands
	AMG USA Headquarters ⁴	Pennsylvania	USA
AMG Lithium	AMG Brazil S.A. ^{2,3}	Nazareno	Brazil
	AMG Brazil S.A. ^{2,3}	São João del Rei	Brazil
	AMG Brazil S.A. ⁴	Belo Horizonte	Brazil
	AMG Lithium	Bitterfeld	Germany
	AMG Lithium ²	Frankfurt	Germany
AMG Vanadium	AMG Aluminum ^{2,3}	Sanming	China
	AMG Aluminum ^{2,3}	Kentucky	USA
	AMG Aluminum ^{2,3}	Washington	USA
	AMG Aluminum ⁴	Mexico City	Mexico
	AMG Vanadium ^{2,3}	Cambridge, Ohio	USA
	AMG Vanadium ^{2,3}	Zanesville, Ohio	USA
	AMG Alpoco ^{2,3}	Anglesey	UK
	AMG Chrome ^{2,3}	Pennsylvania	USA
	AMG Chrome and AMG Aluminum ^{2,3}	Rotherham	UK
	AMG Titanium ^{2,3}	Brand Erbisdorf	Germany
	AMG Titanium ^{2,3}	Nürnberg	Germany
	AMG Titanium ^{2,3}	Pennsylvania	USA
	AMG Technologies	AMG Antimony ^{2,3}	Chauny
AMG Antimony ^{2,3}		Lucette	France
AMG Graphite ^{2,3}		Hauzenberg	Germany
AMG Graphite		Cabo Delgado Province	Mozambique
AMG Graphite ^{2,3}		Qingdao	China
Bogala Graphite Lanka ^{2,3}		Colombo	Sri Lanka
AMG Silicon ^{2,3}		Pocking	Germany
ALD C&K ^{2,3}		Suzhou	China
ALD Dynatech ^{2,3}		Mumbai	India
ALD France ^{2,3}		Grenoble	France
ALD Japan ⁴		Tokyo	Japan
ALD TT USA ^{2,3}		Michigan	USA
ALD TT C&K ^{2,3}		Suzhou	China
ALD TT Mexico ^{2,3}		Ramos Arizpe	Mexico
ALD Russia ⁴		Moscow	Russia
ALD Thailand ⁴	Bangkok	Thailand	
ALD USA ⁴	Connecticut	USA	
ALD Vacuum Technologies ^{2,3}	Hanau	Germany	
ALD Vacuheat ^{2,3}	Limbach	Germany	

1) The chart indicates which facilities were included in the scope of the sustainability statement.

2) Location included in Scope 1 and 2 analysis.

3) Location included in Scope 3 analysis.

4) Sales, administrative, and smaller engineering sites not included in the environmental data as the impact is deemed not material.

BP-2 — Disclosures in relation to specific circumstances

The following table summarizes the specific circumstances considered in preparation of the sustainability statement.

Table BP-2 — Specific circumstances

BP-2	Disclosures in relation to specific circumstances
Time horizons ¹ (ESRS 2 BP2, 9(a))	Near-term (1-3 years): aligning with business and financial planning timeframe. Medium-term (3-10 years): aligning with the Group business outlook timeframe and enabling us to think beyond our near-term targets and adjust strategy as appropriate.
Value chain estimations (ESRS 2 BP2, 10)	Where value chain data is estimated the metrics and the basis for preparation, resulting level of accuracy and (where applicable) planned actions to improve the accuracy of the data in the future are detailed in the topical disclosures.
Sources of estimation and outcome uncertainty (ESRS 2 BP2, 11)	Where there may be sources of estimation and outcome uncertainty they are detailed in the topical disclosures.
Changes in preparation or presentation of sustainability information (ESRS 2 BP2, 13)	For 2024, AMG is for the first time presenting Environmental, Social, and Governance disclosures that are aligned to the requirements of the CSRD.
Reporting errors in prior period (ESRS 2 BP2, 14)	AMG is availing itself of the transitional provision relief and not presenting comparative information in the first year of preparation of the sustainability statement. As there are no prior periods reported, there are no associated reporting errors
Disclosures stemming from local legislation or generally accepted sustainability pronouncements (ESRS 2 BP2, 15)	AMG is not including information based on local legislation or generally accepted sustainability reporting pronouncements and frameworks in its sustainability statements.
Incorporation by reference (ESRS 2 BP2, 16)	Business Review (ESRS 2 SBM1, 40(a)i, 40 (a)ii) Page 20 Risk Management & Internal Controls (ESRS 2 GOV5, 35, 36(a-c)) Page 26 Report of the Supervisory Board (ESRS 2 GOV1 21-23) Page 34 Remuneration Report (ESRS 2 GOV3, 29, AR 7), (ESRS E1 GOV3, 13) Page 46 Corporate Governance (ESRS 2 GOV1 21-23), (ESRS G1 GOV1, 5) Page 120 Notes to the Consolidated Financial Statements (ESRS 2 SBM1, 40(b, c)) Page 143

1) Timelines are in accordance with AMG business planning cycle (ESRS 2 BP2, 9(b))

Strategy**SBM-1 — Strategy, business model and value chain****About AMG**

Our corporate headquarters is in Amsterdam, Netherlands, and we are listed on the Amsterdam stock exchange. We operate at 38 sites, of which 28 are production facilities. In total 3,651 employees are working at AMG. Most of them, 1,864 are based in Europe, with 1,323 employees in the Americas, 456 in Asia and 8 in Africa. (ESRS 2 SBM1, 40 (a)iii) The success of a company is based on the collective performance of its team. Our successes underline the commitment and outstanding performance of our team. At AMG, people from many nations and professional fields work together to enhance sustainability. We achieve outstanding performance with motivated employees and, above all, by fostering an innovative working environment. We aim to ensure that innovative ideas and fresh perspectives continue to drive us forward.

Table SBM-1 Headcount of employees by geographical area

Regions	Headcount Region Total
Europe	1,864
Northern America	485
Central America	86
South America	752
Eastern Asia	262
Southern Asia	188
South-Eastern Asia	6
Eastern Africa	8
Total	3,651

At AMG, we produce highly engineered specialty metals as well as market-leading vacuum furnaces for specialized alloying applications and heat treatment services to the transportation, infrastructure, energy, and specialty metals and chemicals markets. We are generally classified under three primary NACE codes which also reflects significance because individually they account for more than 10% of revenue: C24.1 - Manufacture of basic metals, B07.29 - Mining of non-ferrous metal ores, and DK.29.21 Manufacture of Furnaces and Furnace Burners. (ESRS 2 SBM1, 40(a)i) AMG operates three segments: AMG Lithium, AMG Vanadium, and AMG Technologies. AMG's most significant markets in 2024 are the United States, China and Europe with substantial revenues and non-current assets in these regions. These markets, along with Brazil, represent key geographical areas served by the company. (ESRS 2 SBM1, 40(a)ii). For a more detailed description of our business model, strategy, and key markets served, see the [Business Review](#) sections of the Annual Report. (ESRS 2 SBM1, 40(a)i,ii) No products of AMG were banned in the past year in any jurisdiction where AMG is active. (ESRS 2 SBM1, 40(a)iv)

AMG business segments

Total revenues by business segment, as required by IFRS 8 Operating Segments, can be found in [Footnote 4, Segment Reporting, of the Notes to the Consolidated Financial Statements](#) of the Annual Report. No other additional significant ESRS sectors are part of this disclosure. (ESRS 2 SBM1, 40(b,c))

AMG's three segments have an impact on, and are impacted by environmental, social, and governance (ESG) matters:

AMG Vanadium — AMG Vanadium faces potential risks regarding ESG issues, particularly in relation to worker safety and climate change. As the world leader of recycling waste refinery resid catalyst, AMG Vanadium capitalizes and promotes a business model in alignment with the objectives and goals of the circular economy. AMG Vanadium has the potential to negatively impact the environment through its impact on climate change due to GHG emissions resulting from combustion of carbon-containing materials and energy-intensive arc furnace operations. Consequently, AMG Vanadium places great emphasis on safeguarding both the environment and workers, prioritizing their protection in its own operations.

AMG Technologies — ESG issues impact AMG Technologies primarily through the opportunities it presents for reducing greenhouse gas emissions and energy use for downstream users of products manufactured with our technologies. In line with our strategy, we place a strong emphasis on the positive aspects of ESG, offering technological solutions that help downstream customers minimize their climate impacts. AMG Technologies also places great emphasis on safeguarding both the environment and workers, prioritizing their protection in its own operations and the broader value chain.

AMG Lithium — AMG Lithium faces potential risks and opportunities, as well as actual and potential impacts, in relation to sustainability matters. Risks primarily stem from worker-related concerns within the value chain, and we maintain a steadfast focus on the health and safety of our own workers. On the other hand, climate change presents a notable opportunity for the Lithium segment. While acknowledging that the Lithium segment relies on mining of spodumene and emits greenhouse gases; the Lithium segment plays a role in the transition towards a greener economy offering significant benefits due to the widespread use of lithium batteries that enable electrification of vehicles and stabilization of intermittent renewable-heavy grids. As part of our strategy, we remain committed to maximizing the advantages of lithium production while remaining vigilant about the treatment of workers in its own operations and the broader value chain.

» For a [list of complete IROs](#) refer to [Table SBM-3](#) on [page 70](#).

Strategy overview

AMG is a global leader in critical materials which are essential building blocks for containing and eventually reversing the growth of atmospheric CO₂ levels. (ESRS 2 SBM1, 40(g)) AMG understands our obligation to minimizing our impact on climate change and are committed to achieving the following goal:

By 2030, AMG commits to reduce its direct scope 1 and scope 2 CO₂ emissions by 20% from a baseline of 2019 (i.e., pre-COVID-19) adjusted for the startup of our Zanesville facility. This is a total reduction of 125,000 tons of CO₂. These objectives have been set on a company level, apply to all lines of the business, and are not related to specific customers, geographical regions, or stakeholders. (ESRS 2 SBM1, 40(e), 40(f))

AMG's Supervisory Board and Management Boards are guided by these objectives when defining and implementing the Company's strategic objectives. AMG's strategy is centered around capitalizing on the growing demand for critical materials essential for sustainable technologies, enhancing production capacities, and maintaining its strong presence in the global market. This strategy links to AMG's sustainability matters through the following elements:

- Ensuring health and safety of employees is a priority for AMG. Our 3S (Safety, Sustainability, and Science) Committee oversees policies related to environmental, health and safety risks, emphasizing the importance of a safe working environment.
- We actively contribute to reducing CO₂ emissions by enabling downstream users of products manufactured with our technologies to avoid CO₂ emissions. This is achieved through the development and supply of critical materials that enable the production of cleaner technologies, such as lithium for electric vehicle batteries and thermal barrier coatings for aircraft.

- AMG promotes circular economy principles by focusing on material efficiency, recycling, and the sustainable use of resources. For instance, enhancing the lifecycle of materials through recycling and reclamation processes, reducing the demand for virgin materials, and minimizing waste.
- By producing and refining materials crucial for clean energy technologies, AMG plays a significant role in the transition to renewable energy sources. Our efforts in developing vanadium electrolyte materials and grid stabilization redox-flow batteries help alleviate the environmental pressures associated with the clean energy supply.
- We prioritize the development and well-being of our employees by fostering a supportive and inclusive work environment. This involves promoting diversity and inclusion (D&I) initiatives, and investing in talent development programs to ensure that employees have opportunities for growth and advancement within the company.
- AMG maintains strong corporate governance practices and a commitment to ethical business conduct. This includes robust risk management systems and adherence to a Code of Business Conduct and AMG's Values which guide the behavior of employees, officers, and directors. This focus on the governance is intended to create long-term value for shareholders and ensure responsible business operations.

Value chain overview

AMG operates in and is closely tied to the use and production of critical materials which has its own discrete set of sustainability impacts, risks and opportunities. AMG's position in the value chain is that of a metal mining and manufacturing company. By being involved in multiple value chains, covering both upstream and downstream activities, AMG captures value at different stages of the metal production process and provides comprehensive solutions to its customers.

Our business model is centered around the development and supply of advanced metallurgical products and services that cater to global markets. We engage with local communities to create job opportunities and contribute to economic development. Our strategy is centered on a strong emphasis of responsible labor practices and safe working conditions. Our workforce is our most important asset, and we invest in their development through continuous training and providing a safe working environment.

Our commitment to environmental stewardship is embedded in our financial objectives and strategy. We strive to minimize our carbon footprint through the adoption of clean technologies and sustainable processes. Investments in renewable energy projects and energy-efficient technologies reduce our carbon footprint and secure a sustainable energy supply. This strategic focus is operationalized through our business model that prioritizes the use of renewable energy sources and recycled materials. We acknowledge that our operations inherently involve environmental impacts, such as GHG emissions, but our strategy is designed to continuously seek improvements in energy efficiency, waste reduction and environmental initiatives aimed at preserving ecosystems for future generations.

Our business model incorporates supplier selection criteria and labor standards to ensure compliance with ethical labor practices throughout our supply chain. We understand that our strategic choices directly influence the livelihoods of our employees and those within our supply chain, and we are committed to upholding high standards of human rights, fair wages, and equal opportunities. Our strategic approach to community and societal engagement is centered around creating shared value. We believe in supporting the communities where we operate, which is reflected in our business model that prioritizes local hiring and community development initiatives.

In the upstream value chain, we source raw materials from suppliers who adhere to the strict sustainability and ethical standards outlined in our Supplier Code of Conduct. AMG is actively involved in the extraction of lithium and graphite, and refining and smelting of various metals. This entails mining operations, as well as sourcing raw materials from key suppliers such as mining companies, metal scrap dealers, and other metal producers. AMG then processes these materials to produce intermediate or finished goods.

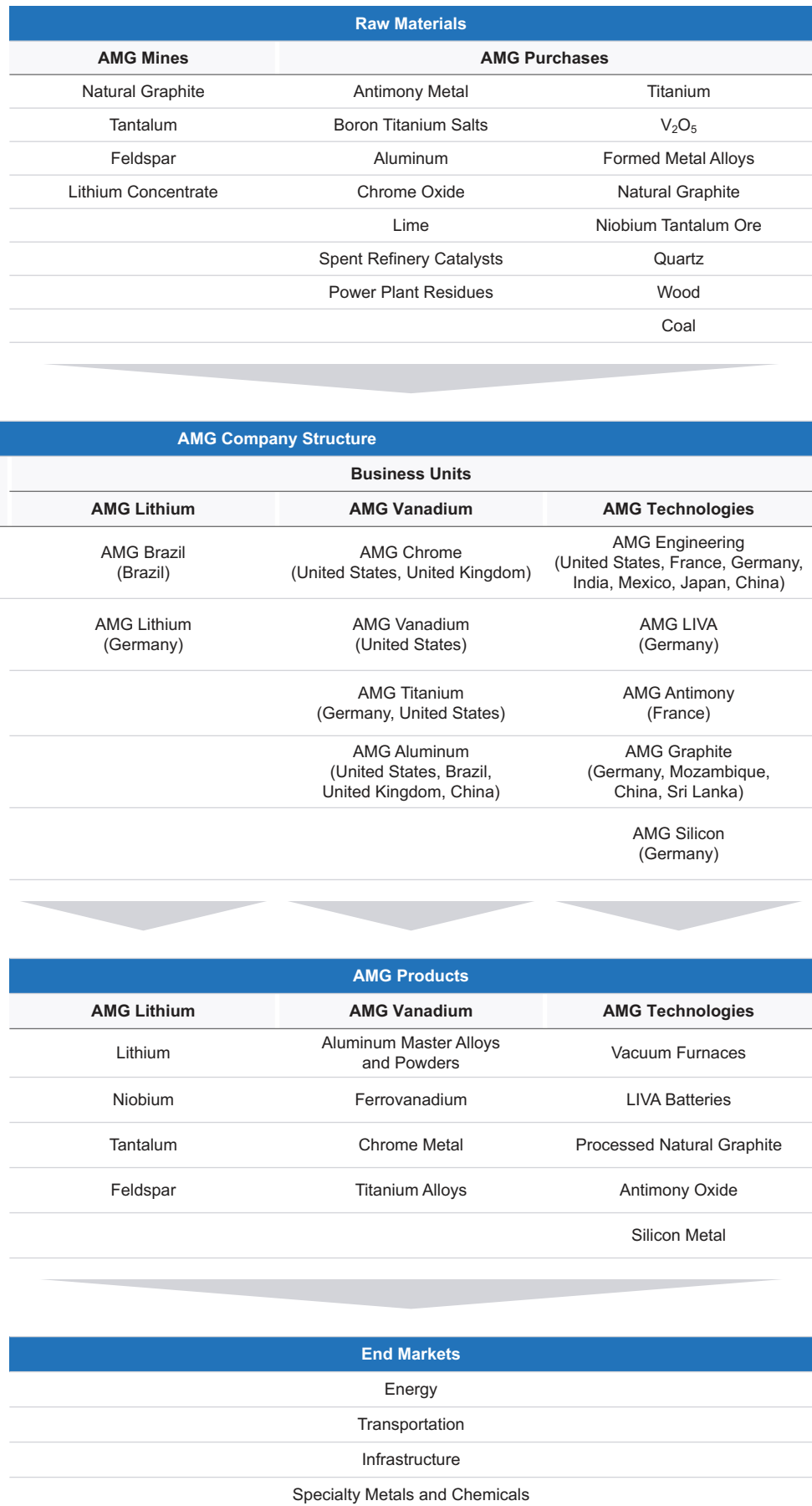
In the downstream value chain, AMG focuses on the production and distribution of specialized metals. This involves alloying, casting, and shaping metals to meet the specific requirements of its diverse customer segments. AMG serves a wide range of customers, including manufacturers in industries such as aerospace, automotive, energy, and infrastructure. These customers rely on AMG's metal products for their own production processes. (ESRS 2 SBM1, 42(c))

AMG has established strong and strategic relationships with key suppliers and customers within its value chain. The company works closely with suppliers to ensure a consistent supply of raw materials and maintain high-quality standards. On the customer side, AMG collaborates closely with its downstream partners to understand their unique needs and provide customized solutions. To effectively reach its customers, AMG utilizes various distribution channels. (ESRS 2 SBM1, AR 14(a,b))

Through its Technologies segment, AMG offers vacuum equipment for vacuum metallurgy and heat treatment to its downstream partners. Its upstream value chain consists of products such as pumps, valves, pipes, and other finished goods that are assembled to produce highly engineered vacuum furnace solutions and coating equipment.

In general terms, AMG operates in the business-to-business marketplace. On the upstream side, AMG produces material at the mine level of the value chain, purchases refined mine material, or purchases metal ingots from suppliers. On the downstream side, AMG provides metal materials to intermediary manufacturers. Through our Technologies segment, which mostly comprises engineering activities, AMG provides furnace technologies to other manufactures. Our value chain is detailed in Figure 2 below. (ESRS 2 SBM1, 42(a-c))

Figure SBM-1 AMG value chain



Our value chain encompasses the entire lifecycle of certain critical materials, from sourcing raw materials to delivering high-quality products to our customers. Below we detail our approach to inputs and outputs within our value chain.

Value creation

Our value chain encompasses the entire lifecycle of certain critical materials, from sourcing raw materials to delivering high-quality products to our customers.

We source raw materials from suppliers who adhere to the Principles outlined in our Supplier Code of Conduct. Investments in renewable energy projects and energy-efficient technologies reduce our carbon footprint and secure a sustainable energy supply. Water is sourced and utilized with conservation practices in place, including recycling and treatment systems. Our workforce is our most important asset, and we invest in their development through continuous training and a safe working environment. We engage with local communities to create job opportunities and contribute to economic development. Our environmental initiatives aim to preserve ecosystems for future generations. (ESRS 2 SBM1, 42(a), 42(b))

SBM-2 — Interests and views of stakeholders

We aligned our [Stakeholder Engagement Policy](#), which is available on our website, with the Dutch Corporate Governance Code 2022. Our policy details the process we employ to consider the views of our stakeholders, and these views help to shape our strategic decision-making. This Policy provides a framework for identifying key stakeholders and engaging with them to enhance communication, collaboration, and mutual understanding. We seek and are open to feedback on the topics that matter to our stakeholders, particularly sustainability aspects of AMG's strategy. This helps us to understand, address, and manage the expectations of relevant stakeholder groups regarding our business interests. (ESRS 2 SBM2, 45 (a)iv)

AMG's key stakeholders are listed below. (ESRS 2 SBM2, 45 (a)i)

- Shareholders / Investors
- Customers
- Employees
- Business partners
- Local communities
- Nature
- Authorities and governments

AMG engages through day-to-day interaction and regular feedback sessions with customers on its products and services; employee works council meetings and other dialogue with colleagues; meetings with shareholders, bondholders and industry analysts; communications with regulatory bodies, government agencies and other organizations (including non-governmental organizations (NGOs), trade unions and industry associations); surveys; roundtables with policymakers, academics and peers. (ESRS 2 SBM2, 45 (a)ii)

Our stakeholder engagement process (ESRS 2 SBM2, 45 (a)iii) consists of first identifying stakeholders and then classifying them into categories (with some stakeholders possibly belonging to both groups):

- Affected stakeholders: individuals or groups whose interests are affected or could be affected by AMG's activities and business relationships across the value chain.
- Users of sustainability statements: individuals or groups who can affect AMG and/or are a primary user of its sustainability statements.

To prioritize stakeholders, AMG applied a semi-quantitative ranking to determine:

- The extent to which the stakeholder (group) is or could be affected by AMG; and
- The extent to which the stakeholder (group) affects or could affect AMG.

Internally, we continue to prioritize inclusive decision-making where the views of all internal stakeholders are considered. Our employees, management, and board members are integral to our success and their contributions are valued at every level of our organization. By fostering a culture of open communication and collaboration we aim to ensure that all voices within AMG are heard and that our decisions reflect the collective wisdom of our entire team. (ESRS 2 SBM2, 45 (a)v)

For the materiality assessment process, AMG conducts limited direct engagement. AMG uses internal representatives as proxies to represent external stakeholders to simulate the viewpoints of those stakeholders to understand their needs, interests and expectations and using this information to inform engagement strategies. This analysis feeds our double materiality assessment which in turn drives further evaluation and action by AMG. (ESRS 2 SBM2, 45(b)) AMG conducts regular assessments to understand the needs, interests and expectations of our stakeholders, using this information to inform engagement strategies and review results in relation to AMG's strategy. (ESRS 2 SBM2, 45(c))

AMG ensures that significant insights and feedback received from key stakeholders by various functions and business units are shared with our administrative, management, and supervisory bodies. This information is considered among other reasoning in our decision-making processes and helps shape our sustainability strategies and initiatives. (ESRS 2 SBM2, 45(d))

In the double materiality assessment, in particular focusing on (potential) positive or negative impacts that may relate to AMG's business or business model, the interests, views, and rights of people in its own workforce and rights of AMG's value chain workers, including respect for their human rights, as well as rights of affected communities, including respect for their human rights (and their rights as indigenous peoples, where applicable), were an important element considered based on internal stakeholder engagement for both impact and financial materiality. (ESRS S1.ESRS 2 SBM-2, 12, AR 4, AR 5), (ESRS S2.ESRS 2 SBM-2, 9, AR 4), (ESRS S2.ESRS 2 SBM-2, 7, AR 3)

SMB-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

AMG assessed the impacts, risks, and opportunities (IROs) upon environmental, social, and governance matters and how these interact with our strategy and business model. The assessment is based on internal stakeholder engagement for both impact and financial materiality. The result of the assessment provides an overview of material IRO's throughout the value chain. Our process to identify and assess material IROs for ESG related topics is aligned to the requirements of CSRD.

By disclosing these material IROs across ESG topics we aim to provide a comprehensive understanding of our sustainability efforts and their alignment with our strategy and business model. We remain dedicated to addressing these challenges and seizing opportunities to create a positive impact on the environment and society. (ESRS 2 SBM3, 46)

The resulting material topics and the associated IROs are listed in [Table SBM-3](#). We identified material IROs relating to one entity-specific sustainability matter, namely "local employment opportunities". (ESRS 2 SBM3, 48(h))

AMG has assessed its material risks and opportunities and their current financial effects on its financial position, financial performance, and cash flows. It has been determined that as of year-end the current financial effects of our material risks and opportunities on the financial position, financial performance, and cash flows are not material. Furthermore, we have not identified material risk and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. (ESRS 2 SBM3, 48(d))

We are conscious of our role as a corporate citizen and actively work towards contributing positively to the local economy and society. We are dedicated to upholding the highest standards of corporate governance, including the protection of whistleblowers and adherence to legal and regulatory requirements. Our strategic commitment to ethical business practices is fundamental to maintaining the trust and confidence of our stakeholders. (ESRS 2 SBM3, 48(c)ii) In response to these impacts, risks, and opportunities, we are making strategic adjustments to our business model and operations. This includes setting targets for reducing GHG emissions, investing in sustainable technologies, and strengthening our supply chain oversight.

Our policies outline our governance frameworks ensuring that we not only comply with regulatory requirements. Our sustainability strategy is continuously evolving to reflect the changing landscape and stakeholder expectations. We are committed to regular reporting and engagement with our stakeholders to ensure that our actions align with our shared values and contribute to a sustainable future for all. (ESRS 2 SBM3, 48(b))

For the conducted resilience analysis in relation to climate change, reference is made to [E1 IRO-1](#). With respect to other material topics, we believe that the resilience of our strategy and business model to address our currently identified material impacts and risks and opportunities, will be strengthened through our currently implemented actions and those envisaged for the future. We are committed to continuing and enhancing this resilience assessment in the following years. This process is based on a comprehensive evaluation of how our business strategy can withstand and adapt to various challenges and changes in the external environment, including economic, environmental, and social factors. Our aim is to integrate this analysis into our strategic decision-making process, ensuring that we can anticipate and respond to potential risks and leverage opportunities effectively. (ESRS 2 SBM3, 48 (f))

Changes to the material impacts, risks, and opportunities compared to the previous reporting period

As defined in ESRS 1, disclosure requirement 136, AMG is invoking its relief from making comparative statements as this is the company's first CSRD report. (ESRS 2 SBM3, 48(g))

Table SBM-3 Material impacts, risk and opportunities

Material topic	Impact type	Material impact, risk or opportunity (ESRS 2 SBM3, 48(c)i-(d))	Location (ESRS 2 SBM3,48(a), (c)iv,(d))	Time horizon of impact (ESRS 2 SBM3, 48(c)iii)
Environment				
Climate change – mitigation	Actual	Negative impact on environment and global warming through scope 1 – 2 GHG-emissions.	Own operations	Long term
		Negative impact on environment and global warming through scope 3 GHG-emissions.	Across the value chain	Long term
Climate change – energy	Actual	Positive impact on the environment by reducing GHG emissions due to a shift to renewable energy and developing energy storage solutions and materials that enable further CO ₂ reduction by end users.	Across the value chain	Mid term
		Opportunity, as global energy demand increases, of a higher demand for AMG's materials and technologies that improve energy efficiency and increase energy supply.	Across the value chain	Mid term
Social				
Own workforce				
Health and safety	Actual	Negative impact on own workers and their physical health and safety from unsafe situations that can result in injury or work-related illness.	Own operations	Short term
Collective bargaining & freedom of association	Potential	Negative impact on own workers through working conditions, which do not have possibilities for collective bargaining opportunities, do not provide adequate opportunities for freedom of association and consultation and access to work councils.	Own operations	Short and mid term
Adequate wage	Actual	Positive impact on employees through working conditions which have employment terms that provide adequate wages.	Own operations	Short, mid and long term
Diversity	Actual	Positive impact on employees by providing a diverse and inclusive workplace fostering a working environment which enables all employees from all backgrounds.	Own operations	Short and mid term
Training and skills development	Actual	Positive impact on employees by providing facilitating continuous professional growth, upgrading employees' skills by offering training, mentorship, and other skills development-related activities.	Own operations	Short and mid term
Workers in the value chain				
Health and safety	Potential	Negative impact on workers in the supply chain and their physical health and safety from unsafe situations that can result in injury or work-related illness.	Upstream	Short term
Forced labor	Potential	Negative impact on workers in the supply chain through exposure of workers in location where there are circumstances of forced labor.	Upstream	Short and mid term
		The risk that forced labor takes place in the supply chain	Upstream	Short term
Diversity	Potential	Negative impact on workers in the supply chain related to the lack of equal treatment and opportunities for all.	Upstream	Short and mid term
Adequate wages	Potential	Negative impact on workers in the supply chain through working conditions which have a lack of employment terms that provide adequate wages.	Upstream	Short, mid and long term
Collective bargaining & freedom of association	Potential	Negative impact on workers in the supply chain through employment terms that have a lack of opportunities for workers to engage in collective bargaining and social dialogue as well as freedom of association.	Upstream	Short and mid term
Affected communities				
Local employment opportunities ¹	Actual	Positive impact on local economy by way of providing local employment opportunities and thereby supporting the living conditions.	Own operations	Short, mid and long term
		Opportunities in talent attraction and retention which may lead to business growth by having a locally engaged workforce.	Own operations	Mid term
Governance				
Corporate culture	Actual	Positive impact society, employees, customers, shareholders, and suppliers through behaviors that support transparent and sustainable business practices to the benefit of all stakeholders.	Own operations	Long term
Protection of whistleblowers	Actual	Negative impact on employees, customers, suppliers, investors through non-compliance with whistleblower protection guidelines	Own operations	Long term
Corruption & bribery	Potential	The risk of financial loss or damage to AMG reputation caused by failure to comply with regulations regarding anti-corruption, anti-trust and anti-bribery due to the increasing complexity of regulations, significant business growth and presence into more countries.	Own operations	Mid term

1) We identified material IROs relating to one entity-specific sustainability matter. (ESRS 2 SBM3, 48(i))

Governance

GOV-1 — Role of administrative, management and supervisory bodies

The composition of the management and supervisory boards, including roles and responsibilities and their access to expertise and skills regarding sustainability matters, is described in the [Corporate Governance](#) and the [Report of the Supervisory Board](#) sections of the Annual Report. The oversight of impacts, risks and opportunities by the Management and Supervisory Boards is also included in these sections. For the purpose of this sustainability statement, AMG's Administrative Bodies are the Supervisory Board and Management Board of AMG Critical Materials N.V. as well as the administrative bodies mentioned in the next section. (ESRS 2 GOV1, 20-23)

GOV-2 — Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

The Management Board is responsible for incorporating sustainability matters into the company strategy and monitoring the performance of the business. Given our focus on sustainability, our CEO has overall ownership. Sustainability is monitored at the Supervisory Board through the safety, sustainability, and science ("3S") committee. The 3S committee is informed on sustainability on a quarterly basis by the Senior Vice President of Environmental, Health, Safety, and Sustainability. Separately, the Supervisory Board is informed of sustainability-related matters on a quarterly basis by the 3S Committee Chairperson as a function of its Supervisory Board meetings. (ESRS 2 GOV2, 26(a)). See [Figure GOV-2](#) for more information about AMG's ESG Corporate Governance structure.

AMG's Supervisory Board and Management Board consider material sustainability matters when defining and implementing the Company's strategic objectives. When overseeing decisions on major transactions and AMG's risk management process, the Supervisory and Management Boards consider sustainability matters through the biweekly Management Board meetings and the quarterly 3S Committee function as it relates to the overall Supervisory Board process. This process is designed to enable the Management and Supervisory Boards to consider sustainability-related impacts, risks, and opportunities when overseeing AMG's strategy, its decisions on major transactions, and its risk management process including the consideration of trade-offs associated with those impacts, risks, and opportunities in a structured corporate governance framework. (ESRS 2 GOV2, 26(b))

The Corporate Environmental, Health, Safety and Sustainability (EHSS) team is responsible for the general and overall sustainability reporting process. Per sustainability field, AMG has a clear division of work for reporting, data collection, analysis, and disclosure development for internal reporting and review processes. (ESRS 2 GOV2, 26(b))

The administrative bodies, i.e. the Corporate ESG Functions that prepare and maintain the Sustainability Statement in line with the CSRD report are the:

- Corporate EHSS team for all environmental, health, and safety issues;
- Workforce Reporting team for all social issues, except health and safety, and;
- Chief Compliance Officer and the Corporate Secretary for all corporate governance issues.

During the 2024 reporting period, the Management and Supervisory Boards were apprised of the DMA IROs as shown in [Table SBM-3](#). The Boards regularly discuss AMG's strategic opportunities related to climate change transition and will continue to align more closely with the CSRD and our material topics. (ESRS 2 GOV2, 26(c))

Figure GOV-2 — AMG’s ESG Corporate Governance Structure



Note: This overview reflects the main components of AMG’s ESG Corporate Governance Structure.

GOV-3 — Integration of sustainability-related performance in incentive schemes

Goals related to ESG aspects are included in the annual bonus targets for the Management Board. A detailed breakdown of the targets, including 2024 performance data, is found in the [Remuneration Report](#) section of the Annual Report. There is no CSRD aligned sustainability-related performance incentive scheme in place for the Supervisory Board as these board members do not receive variable pay. (ESRS 2 GOV3, 29, AR 7), (ESRS E1 GOV3, 13)

GOV-4 — Statement on Due Diligence

Table GOV-4 outlines the current due diligence processes, which are undergoing continuous development.

Table GOV-4 — Mapping of due diligence information

Core elements of due diligence	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	General information: GOV-2 ; GOV-3 ; SBM-3 .
Engaging with affected stakeholders	General information: GOV-2 ; SBM-2 ; IRO-1 ; Table MDR-P . Topical chapters: Reflecting different stages and purposes of stakeholder engagement throughout the due diligence process
Identifying and assessing negative impacts on people and the environment	General information: IRO-1 ; SBM-3
Taking action to address negative impacts on people and the environment	Topical paragraphs reflecting the actions through which impacts are addressed
Tracking the effectiveness of these efforts	Topical paragraphs regarding metrics and targets

GOV-5 — Risk management and internal controls over sustainability reporting

AMG’s risk management and internal control system related to sustainability reporting largely mirrors that of the overall AMG risk management process which is detailed in the [Risk Management & Internal Controls](#) section of the Annual Report. The risk management program applies the Precautionary Principle to determine when threats of serious or irreversible damage exist due to our current or future operations, and without delay, requires the implementation of cost-effective measures to prevent environmental degradation. (ESRS 2 GOV5, 35, 36 (a-c))

Internal controls specific to sustainability reporting depend on the topic and the function providing the key performance indicators (“KPI”). The CSRD KPIs are consolidated by the Corporate EHSS and Workforce Reporting functions. Internal controls governing sustainability reporting are specific to the topic and the function providing the metrics. For the data collection in particular, decentralized processes are controlled locally across the various business units. Overall responsibility for the sustainability reporting processes lies with Corporate EHSS. AMG’s process of data collection, local review, submission to Corporate, and reviews and plausibility checks at Corporate are part of the internal control system. The scope of the risk management and internal control system covers both the CSRD General Disclosure and the topical disclosures. (ESRS 2 GOV5, 35, 36 (a), 36 (b))

The main risks identified regarding CSRD reporting include data completeness, accuracy, and timing of information availability. Currently, AMG is working diligently to close the risk gap. To ensure data completeness, AMG has engaged third-party experts to evaluate data readiness and ensure accuracy before the data is included in a CSRD disclosure. Further to that point, the data is continuously evaluated by AMG’s internal control system. Where the risk of data inaccuracy exists, AMG is not making disclosures until those risks are mitigated. We report the findings of our risk assessments and internal controls to the Supervisory Board’s the Audit & Risk Management Committee, as well as the 3S Committee on selected topics on a regular basis and when relevant as part of the reporting on the CSRD preparation process. Once a year, the full Supervisory Board reviews AMG’s risk management approach and system and internal control framework. (ESRS 2 GOV5, 36 (c), 36 (d), 36 (e))

A proactive approach to identifying and mitigating risks allows us to focus on developing innovative and sustainable solutions for our customers. At AMG we will continue to maintain an effective risk management process, including quarterly risk reporting and day-to-day communication regarding risk. Our executive leadership will maintain our reporting process and open, active dialogue with business unit leadership. We all work to anticipate known and unknown risks. AMG enters longer-term contracts with its suppliers when practical and diversifies its supplier base when alternative suppliers are available. The Company also mitigates risk by monitoring supplier performance and holding our suppliers accountable to comply with AMG’s Supplier Conduct Charter. AMG engages with all new suppliers and audits our current suppliers throughout our relationship to ensure compliance. (ESRS 2 GOV5, 36 (c))

We are confident in our risk assessment process because of how we have integrated risk management process into our daily management practices and communication, and how we proactively address risk through mitigation actions. Throughout the organization AMG has implemented critical planning processes such as emergency preparedness (i.e., flood and earthquake response plans where applicable), crisis management, business continuity to help ensure resilience and the ability to recover quickly from unexpected events. These plans involve the identification of the risks, tools, and resources to mitigate the 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.

Impact, risk and opportunity management

IRO-1 — Description of the process to identify and assess material impacts, risks and opportunities

AMG’s materiality assessment process identified and prioritized the material impacts, risks and opportunities as well as the relevant information to be disclosed. The materiality assessment followed a structured process and included the steps and objective described in Table IRO-1. (ESRS 2 IRO1, 53)

Table IRO-1 IRO assessment process

Step	Objective
Defining the context (ESRS 2 IRO1, 53(b)i) — This included gathering comprehensive data on sectors of activity, geographical areas of operation, and the number of employees. Documenting the value chain details, which cover both upstream (suppliers) and downstream (customers) elements, was crucial. Furthermore, outlining AMG’s market position and strategic elements related to sustainability, such as products and services offered and any materials under potential bans/ sanctions, formed a key part of this step.	Establish a foundation for understanding AMG’s scope of influence.
Identify and classify stakeholders (ESRS 2 IRO1, 53(b)iii) — Engaging with stakeholders is a critical aspect of AMG’s materiality process. Stakeholders, including employees, customers, suppliers, investors, and community members, were identified, and classified based on their impact and influence on AMG. As a next step, internal representatives for each stakeholder group were selected. This engagement helped in understanding their perspectives and integrating their concerns into the materiality assessment.	Ensure that the double materiality assessment is comprehensive and representative of AMG’s internal and external stakeholder views and interests
Developing a long list of sustainability matters (ESRS 2 IRO1, 53(b)ii, 53(g)) — AMG identified potential material issues from various sources, including industry standards, regulatory requirements, and internal stakeholder feedback. These topics were compiled into a comprehensive long list that encompasses sector-agnostic sustainability matters covered in topical ESRS, sector-specific ESRS matters, and entity-specific sustainability matters from internal documentation and external sources.	Understand which sustainability matters could potentially be material, and structure and cluster sustainability matters.
Determine focus areas across the value chain for each sustainability cluster, sub-topic and/or sub-sub-topic. — The long list of sustainability matters was structured into clusters to facilitate a more organized assessment process. This involved clustering related sub-topics and sub-sub-topics to create sustainability clusters.	Assess the relevance of sustainability clusters, sub-topics and/or sub-sub-topics
Draft a short list of topics and map the value chain — The structured list was further refined to draft a short list of the most relevant sustainability matters. Each matter was mapped across the value chain, considering where impacts, risks, and opportunities were likely to arise based on the nature of activities, business relationships, geographies, and other risk factors. This mapping supports disclosure requirements beyond those for materiality assessment.	Distill the broader set of sustainability matters into a concise list and determine focus areas across the value chain for each sustainability cluster
Define impacts, risks and opportunities , timeline for the occurrence (short, medium, long term). — For each identified sustainability matter, AMG conducted a thorough assessment to define the impacts (both positive and negative), risks, and opportunities. This assessment included analyzing the potential impacts on the company and its stakeholders.	Define and list the impacts, risks, and opportunities for each sustainability matter

Table IRO-1 IRO assessment process

Step	Objective
Assess the parameters of impact materiality for each identified impact. — AMG assessed the parameters of impact materiality for each identified impact. This involved evaluating the scale, scope, irremediability (for negative impacts), and likelihood (for potential impacts) to calculate materiality scores. (ESRS 2 IRO1, 53(b)iv)	Determine the materiality score of all impacts on the list
Assess the parameters of financial materiality for each risk and opportunity. — AMG evaluated the financial materiality of identified risks and opportunities by assessing their magnitude and likelihood. This involves calculating financial materiality scores based on the effect on resources /relationships and likelihood. (ESRS 2 IRO1, 53(c)i, 53(c)ii)	Determine a materiality score for all risk and opportunities on the list
Rank and categorize impacts, risks and opportunities. — AMG created a ranked lists of impacts, risks, and opportunities based on their materiality scores. Thresholds were set to categorize each issue as material or non-material.	Determine which impacts, risks, and opportunities meet the materiality threshold.

During our most recent yearly risk evaluation, we took into account the results for our double materiality assessment (DMA). However, this initial assessment was carried out separately from our primary risk management framework. Currently, our risk management procedures do not include an analysis of sustainability IROs as prescribed by the European Sustainability Reporting Standards (ESRS).

Integrating the double materiality perspective into our risk management practices is essential for a comprehensive understanding of sustainability challenges. As we progress, our goal is to adapt our risk management system to incorporate sustainability issues, aligning with the detailed requirements set forth by ESRS. This evolution will ensure that our approach to risk management is both robust and reflective of our commitment to sustainability. (ESRS 2 IRO1, 53(c)iii, 53(d), 53(e), 53(f))

AMG engaged various stakeholder groups, across multiple business units and with differing levels of involvement to provide key input and oversight into the overall double materiality assessment approach and execution. A Steering Committee was formed to approve the assessment approach, including value chain considerations, stakeholder engagement plan, initial listing of the impacts, risks and opportunities, including scoring, rationale and proposed approach for threshold setting. (ESRS 2 IRO1, 53(d))

For business conduct, the relevant criteria to assess impacts, risks and opportunity included the review of the location and level of (market) concentration of AMG's business partners and customers, and the actual business activity and type of transactions of the various business units of AMG, such as product manufacturing, service delivery, and sales and the use of sales agents and partners. For example, some regions where AMG's operations are located are known to have higher risk of exposure to corruption than others, or certain industries in which AMG is active only feature very few customers or suppliers and may be subject to higher risk of collusion. The nature and structure of business transactions are thus analyzed for their potential exposure to business conduct issues with focus on anti-bribery and anti-corruption, anti-trust (risk of undue market dominance or collusion). In this context we also consider factors like corporate governance on group and unit level, transaction complexity, involved stakeholders, and the potential compliance risks associated with the company's operations. (ESRS 2 G1 IRO1 6)

ESRS 2, Appendix C sets forth certain compulsory disclosure requirements from IRO-1 to related ESRS paragraphs. AMG discloses those compulsory statements where we have identified topical materiality at the topical disclosure (i.e. ESRS E1). Where AMG has compulsory disclosure requirements related to non-material topics (i.e. ESRS E2, E3, E4, and E5) such statements are made here.

ESRS E2 Pollution

AMG conducted a preliminary screening of our direct operations, material upstream suppliers, and top ten customers to identify potential pollution-related impacts, risks, and opportunities.

For our direct operations, it was determined that nine sites have regulated air emissions such as carbon monoxide, nitrogen oxide, sulfur oxide, and particulate matter. All these sites comply with the regulatory permitted emissions levels across the five countries where they are located and implement industry best practices to minimize the impact of these emissions. For example, AMG Vanadium utilizes government regulated air emission control systems to remove contaminants and reduce environmental impacts from our FEROVAN® manufacturing processes. In 2024, there were no exceedances beyond our regulatory permitted emissions levels.

As for water pollution, there are twelve sites that have permitted wastewater discharges. Where required, AMG sites conduct regular monitoring of wastewater discharges which include: chemical and physical analyses of the effluents to determine the primary characteristics of the water discharges; and a record of the volumes of aqueous effluents to local water sources. Results are reported as required in compliance with local regulations. In 2024, there were no wastewater discharge impacts on local communities or material spills at any AMG site.

Similarly to water and air pollution, AMG complies with all local regulations and implements the necessary management systems to reduce the risk of soil pollution and exposure to substances of concern. AMG implements measures for the management and disposal of hazardous substances to reduce health-related risks and potential impacts on the surrounding environment. For example, sites with underground storage tanks are installed with leak detection systems, above ground storage tanks are installed in containment to capture spills, and chemical storage is maintained in systems designed for the materials and volumes being stored. AMG has determined that pollution from microplastics poses a limited risk given the nature of our operations. (ESRS E2 IRO1, 11(a))

AMG conducted a desktop assessment, using publicly available information, for our material suppliers and downstream customers. The assessment included reviewing public disclosures such as sustainability reports, policies, and environmental certification; and, utilizing the Environmental Performance Index 2024 (EPI) to determine the country rank/score and the regional rank/score for each of the supplier and customer's locations. The EPI rank considers 58 indicators including air quality, air pollution, heavy metals, and wastewater generated. The objective of the desk research was to gain insight and evaluate the environmental performance of suppliers and customers and flag those with the 'potential for on-going monitoring'. The prioritization process was qualitative in nature and consisted of reviewing if a supplier or customer operates in a country with a combined EPI ranking outside of the top 100; determining the level of public environmental disclosure available; and finally, evaluating the significance of the relationship between AMG and the supplier or customer.

Furthermore, suppliers identified with the potential for ongoing monitoring were mapped against several potential and actual impacts to determine if each was observed or identified. This impact mapping included pollution and was based on the desk research described above. For all the prioritized supplier, each impact was given a score of none, low, or medium, or high.

Following our desk research, we determined that seventeen suppliers and two customers have been identified for potential ongoing monitoring of environmental performance. The need for further monitoring is based on, primarily, the countries in which the suppliers or customers operate and their overall EPI score. The impact mapping indicated generally low pollution-related risks and impacts based on the defined criteria. (ESRS E2 IRO1, 11(a))

In terms of potential pollution-related transitional risks, more stringent regulations for air emissions, wastewater discharge or solid waste, may negatively impact AMG's operations. Also, there is a risk that international and governmental policies and regulations may restrict AMG's access to key materials or may limit its ability to operate with respect to certain countries. (ESRS E2 IRO1, 11(a))

The results of further assessments of pollution related impacts, across the AMG value chain, including consultation with communities will be included in future sustainability statements. (ESRS E2 IRO1, 11(b))

ESRS E3 Water and Marine Resources

AMG conducted an assessment to identify actual and potential water and marine resources-related impacts, risks, and opportunities for direct operations and material upstream suppliers. (ESRS E3 IRO1, 8(a))

For direct operations, our assessment approach consisted of two phases. The first consisted of desk research to understand how our direct operations interact with water and marine resources. The second consisted of completing an operational-related risk assessment using the World Wildlife Foundation Water Risk Filter (WWF WRF).

Our desk research entailed assessing our direct operations' sector-based, basin-related risk exposure using the WWF WRF tool. This tool considers forty-two indicators of which several align with the criteria defined in the Water Framework Directive including water quality, water scarcity, pollution, and fragmentation status of rivers. The desk research also included understanding our direct operations' interface with water and marine resources, and specifically protected areas and Key Biodiversity Areas (KBAs) that are inclusive of water and marine resources, using the IUCN Global Ecosystem Typology and the Integrated Biodiversity Assessment Tool (IBAT).

Following our desk research, we determined that twelve of our direct operations are located in areas with medium basin-related risk and one site is located in an area with high basin-related risk. In addition, we determined that thirteen of our sites are located either inside or in proximity to protected areas and/or KBAs inclusive of water and/or marine resources. We considered these insights alongside our direct operations' water withdrawal and discharge metrics. Examining all these factors together, we prioritized eleven sites to undergo an operational-related risk assessment using the WWF WRF tool. The site with high basin-related risk was not prioritized given that it is a warehouse with limited water use.

The operational-related risk assessment revealed that none of our prioritized sites are located in areas with both high basin-related and high operational-related risk scores. Although five of our prioritized sites are in an area with medium basin-related risk, this risk is generally mitigated by a low operational risk score. Finally, two of our prioritized sites have medium operational risk scores, but only one of these is also located in an area with medium overall basin-related risk. (ESRS E3 IRO1, 8(a))

For our material upstream suppliers, our assessment approach only consisted of desk research to understand how our material upstream suppliers interact with water and marine resources. Our desk research entailed assessing our material upstream suppliers' sector-based, basin-related risk exposure using the WWF WRF tool, and understanding their interface with protected areas and KBAs that are inclusive of water resources using IBAT.

Following our desk research, we determined that thirteen of our suppliers are located in areas with high or very high overall basin-related risk. Of these thirteen suppliers, seven are located either inside or in proximity to protected areas or KBAs inclusive of water and marine resources. However, this desk research did not include an operational risk assessment which considers the actual water use and water management practices. Therefore, although preliminary results enable us to understand the water-related characteristics of our supplier's locations, it was determined that the water and marine resources does not qualify as a material topic. (ESRS E3 IRO1, 8(a))

Further assessment of water and marine related impacts including assessment of AMG's downstream value chain and consultation with communities will be included in future sustainability statements. (ESRS E3 IRO1, 8(a-b))

ESRS E4 Biodiversity

AMG is committed to understanding its nature-related risks and opportunities. We have started by assessing if our sites are in biodiversity-sensitive locations and mapping our nature-related impacts and dependencies. We plan to conduct a scenario analysis in the future to assess our exposure to physical and transition nature-related risks. (ESRS E4 IRO1, 18)

To continue with AMG's understanding of biodiversity-related impacts, risks, dependencies, and opportunities, we conducted an assessment to identify the potential impacts and dependencies on biodiversity related to our material upstream suppliers. Our approach consisted of two different analyses: identification of the main sector specific impacts and dependencies using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool; and desk research to assess the current state of nature surrounding each supplier.

Our sector analysis showed that the main dependencies are related to the following ecosystem services: ground and surface water, water flow maintenance, climate regulation, and mass stabilization and erosion control. The main impact drivers are water use, terrestrial ecosystems use, GHG and non-GHG emissions, water and soil pollutants, and solid waste. The desk research revealed that seven suppliers are located within biodiversity-sensitive areas and that another three suppliers are in areas with high biodiversity intactness levels and high-water stress levels. Given these external factors, it is important to be aware that the current state of nature could potentially increase a supplier's dependency on natural resources and potential impact on nature.

As a next step, further analysis of the supplier's specific production process could be considered to assess the actual impacts and dependencies on biodiversity and ecosystems. (ESRS E4 IRO1, 17(a-b))

As part of AMG's environmental strategy, we conducted an assessment to determine if our thirty-nine sites are inside or in proximity to biodiversity-sensitive areas. Our approach consisted of two different analyses: identification of biodiversity-sensitive areas at a 5 km radius using IBAT; and desk research to assess each sites potential biodiversity impact on the identified biodiversity-sensitive areas. (ESRS E4 IRO1, 17(a-b))

Our analysis revealed that four sites are located inside, and eleven sites are located within 5 km of a biodiversity-sensitive area, specifically a protected area and/or KBAs. Of these 15 sites, it was determined that none of the sites have a high-risk potential of impacting the surrounding biodiversity-sensitive area, and they are not in need of mitigating measures. (ESRS E4 IRO1, 19)

Further assessment of biodiversity related impacts in the downstream value chain and biodiversity related physical, transition, and systemic risk including consultation with affected communities will be included in future sustainability statements. (ESRS E4 17(a-e))

ESRS E5 Resource Use and Circular Economy

In 2024, AMG began evaluating the circular performance of its business units by leveraging the guidance of the Circular Transition Indicators ("CTI") framework. This analysis included identifying the resource inflows and outflows related to materials for each business unit; and then, calculating the circularity of resource inflows and outflows and overall circular performance. This evaluation is ongoing. Preliminary results indicate that impacts, risks, and opportunities associated with AMG's operational resource inflows, outflows, and waste are limited, and therefore Resource Use and Circular Economy does not qualify as a material topic as outlined by ESRS E5 disclosure requirements. (ESRS E5 IRO1, 11(a))

Nonetheless, AMG considers how Resource Use and Circular Economy interacts with other material topics for AMG such as Climate Change and Affected Communities. Given this, AMG strives to manufacture products and technologies that align with the principles of the circular economy. We invest in advanced metallurgical processes that optimize resource efficiency, enable waste recovery, and transition away from raw materials when possible.

AMG encourages our global operations to adhere to sustainably sourcing and using secondary (recycled) and/or renewable resources where possible and practicable. AMG's Environmental Policy outlines our commitment with circularity by establishing a consistent approach for planning, implementing, measuring, and monitoring our strategies. The following describes how circularity is present in one of our business units.

AMG Vanadium specializes in the environmentally beneficial recycling of oil refinery spent catalyst and vanadium bearing power plant residues and ashes and is widely acclaimed as the environmental leader in this global industry. Through our proprietary roasting and melting process, AMG Vanadium converts over 99% of these waste materials into specialty metals. AMG Vanadium's primary products are FEROVAN®, a ferrovandium alloy used to strengthen steel, and FeNiMoly®, an additive used in carbon and stainless-steel production. Given this, AMG can reduce the potential impact of its inflows and contribute to resource efficiency, through its products, in the downstream value chain. We have assessed that this is not a material topic in our DMA, since also non-waste materials need to be put into this production process.

When engaging upstream suppliers, AMG adheres to strict responsible sourcing standards to ensure that raw materials are procured in a sustainable and ethical manner. This includes compliance with international regulations such as the Dodd-Frank Act and the EU Conflict Minerals Regulation, which require transparency and due diligence in the supply chain. (ESRS E5 IRO1, 11(a))

When managing our waste outflows, AMG complies with all local regulations and implements the necessary management systems to reduce the potential resource use related impacts and risks from its own operations. AMG's business units deploy comprehensive waste management programs built on the foundations of efficient use of raw materials, increasing reuse, recycling, and minimizing landfill disposal. (ESRS E5 IRO1, 11(a))

While AMG has numerous examples of circularity, we do not present our entire business as fully circular. To provide a balanced perspective on our resource use and circular economy narrative, we acknowledge that certain areas, particularly our mining activities, most notably spodumene mining at our Mibra mine in Brazil, are inherently non-circular. Spodumene is a virgin, non-renewable raw material that is converted down the value chain into lithium for use in batteries. Currently the market for recycled materials is too small to support global lithium demand. In addition, while AMG leverages circularity principles when creating business processes, such as recycling refinery spent catalysts in AMG Vanadium, these processes will not undergo material changes in the near and medium future, limiting opportunities to increase overall circularity and set related actions, metrics, and targets. (ESRS E5 IRO1, 11(a))

AMG will continue to assess resource use and circular economy-related impacts, risks, and opportunities, including further analysis of AMG's upstream and downstream value chain and consultation with communities. As we further refine our double materiality assessment, we will take into account the developments in the global lithium market and consider whether this may lead to the identification of an IRO for resource inflows, in which case we also will consider which circularity metrics to develop and disclose in this respect. (ESRS E5 IRO1, 11(a)(b))

IRO-2 — Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

AMG is committed to maintaining high reporting standards, ensuring our sustainability statements are comprehensive, transparent, and fully compliant with ESRS disclosure requirements. The [Content Index](#) outlines AMG's reporting requirements in line with the ESRS framework and materiality. [Table IRO-2 EU legislation datapoint reference table](#) in the annex provides guidance on specific KPIs within our sustainability statements and their links to other EU sustainability legislation.

(ESRS 2 IRO-2, 56)

Minimum Disclosure Requirements

Policies

Table [MDR-P](#) provides an overview of AMG's sustainability-related policy framework. For all AMG policies, the Management Board is fully accountable, with no exclusions based on business activity or geography. However, where local laws impose stricter regulations, those will take precedence. All policies are accessible on the AMG website, and awareness is raised during onboarding and through Code of Conduct training (see [G1-1](#)). Each policy includes a section on AMG's "Speak Up" procedure (see [G1-1](#)) for reporting concerns.

Actions

For our actions disclosed, they relate to the current financial year and do not require any significant CapEx or OpEx expenditure, unless mentioned otherwise. In case we do not have any targets set in relation to a material topic for which we disclose policies or actions, we do not have any explicitly defined level of ambition to be achieved. We also do not specifically track the effectiveness of our policies and actions in relation thereto, other than through periodic analysis of our related metrics (if any), and through obtaining input from internal stakeholders via our regular channels.

Targets

The targets that have been disclosed are not based on any conclusive scientific evidence unless specifically mentioned. In situations where we involved internal or external stakeholders in setting the target, this has been disclosed. When the actual progress against targets deviates significantly from what was planned initially, this has been explicitly stated.

For material topics for which we do not have targets yet, this is because we have not yet completed our assessment of determining which specific targets to establish going forward. In future years, when reassessing the composition of our material topics, we also will consider whether or not additional targets should be established.

Metrics

None of our metrics have been validated by an external body, other than the external assurance provider.

Table MDR-P AMG sustainability-related policy overview

Policy name	Key contents	Scope and stakeholder groups ²	Third-party standards	Availability and policy implementer
Environmental				
Environmental Policy	<p>Objective: Promoting responsible environmental stewardship</p> <p>IROs: Climate change mitigation, energy</p> <p>Monitoring: Regular tracking and reviewing, annual reporting, management systems</p>	<p>Scope: AMG Group and Suppliers</p> <p>Affected: Nature, local communities</p>	ISO14001 or similar (environmental), ISO50001 at large operations (energy) GHG Protocol (GHG), IFC standards (biodiversity), REACH (S(V)HC)	<p>Regular updates to on-site EHSS managers.</p> <p>Implementation: Corporate and Local EHSS departments</p>
Social				
Human Rights Policy	<p>Objective: Respecting human rights, preventing violations, fostering fair treatment</p> <p>IROs: Child labor, forced labor, collective bargaining & freedom of association, adequate wages, diversity, health and safety, training and education, local employment opportunities.</p> <p>Monitoring: Ongoing due diligence, reviewed annually for effectiveness, ad-hoc risk assessments as needed</p>	<p>Scope: AMG Group and its group companies; employees, business partners and stakeholders; guideline to all value chain partners</p> <p>Affected: Employees, workers in the value chain, local communities</p>	UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises; the ILO Declaration on Fundamental Principles and Rights at Work	<p>Training, awareness event, HR and Procurement network</p> <p>Implementation: Local HR departments and local management</p>
Diversity & Inclusion Policy	<p>Objective: Promote diversity and inclusion, ensure equal treatment without discrimination</p> <p>IROs: Diversity, Training and education, adequate wages, local employment opportunities</p> <p>Monitoring: Tracking and reporting relevant metrics, annual measurement and reporting</p>	<p>Scope: AMG Group and its group companies; employees, business partners and stakeholders; guideline to all value chain partners</p> <p>Affected: Employees, senior management, workers in the value chain, local communities</p>	CSRD, Dutch reporting law (SER)	<p>Training, awareness events</p> <p>Implementation: Corporate Diversity Council and Local HR departments</p>
Health & Safety Policy	<p>Objective: Ensure a healthy and safe working environment</p> <p>IRO: Health and safety</p> <p>Monitoring: Systematic risk management, integrated into appraisals, Regular tracking and reporting, management systems</p>	<p>Scope: AMG Group and Suppliers, covering on-site and off-site activities</p>	ISO 45001 or similar (health and safety)	<p>Available on AMG's website; communicated through training</p> <p>Implementation: Corporate and Local EHSS departments</p>
Governance				
Code of Business Conduct	<p>Objective: Ensure ethical practices, aligned with AMG Values</p> <p>IROs: All¹</p> <p>Monitoring: Review Speak-Up reports, tracking and reporting CoC training</p>	<p>Scope: AMG Group</p> <p>Affected: Employees and senior management</p>	UN Guiding Principles on Business and Human Rights, UN Global Compact, EITI Extractive Industry Transparency Initiative	<p>Training (G1-1)</p> <p>Implementation: Senior management and Local Compliance officers</p>
Anti-Bribery, Anti-Corruption, Conflicts of Interest Policy	<p>Objective: Ensure business integrity, prevent bribery, corruption, conflicts of interest</p> <p>IRO: Corruption & bribery</p> <p>Monitoring: Regular reviews, mandatory training, Speak-Up Policy</p>	<p>Scope: AMG Group and business associates</p> <p>Affected: Employees, business associates</p>	UK Bribery Act 2010, US Foreign Corrupt Practices Act, OECD practices, UN standards ³	<p>Training for selected functions at risk (G1-3)</p> <p>Implementation: Senior management and Local Compliance officers</p>
Supplier Code of Conduct	<p>Objective: Promote ethical, sustainable, responsible practices at suppliers.</p> <p>IRO: All¹</p> <p>Monitoring: through employees and third parties</p>	<p>Scope: Suppliers globally</p> <p>Affected: Suppliers</p>	UN Guiding Principles, ILO Declaration, OECD Guidelines on Multinational Enterprises and Supply chain Due Diligence ³	<p>Suppliers must acknowledge and commit to the Supplier Code</p> <p>Implementation: CCO and contract managers</p>
Speak-Up & Reporting Policy	<p>Objective: Encourage reporting of misconduct without retaliation.</p> <p>IRO: Protection of whistleblowers¹</p> <p>Monitoring: AMG Speak-Up Portal</p>	<p>Scope: AMG Group and stakeholders globally</p> <p>Affected: All stakeholders</p>	EU Directive (EU) 2019/1937 (whistleblowing)	<p>Training, on-site sessions, posters</p> <p>Implementation: CCO and Local Compliance Officers</p>

1) Sustainability matters in scope include, but are not limited to, material matters presented in [Table SBM-3](#).

2) 'AMG Group' includes all global AMG operations with all its group companies and to all employees, officers and directors. 'Suppliers' are all suppliers, vendors, contractors, including temporary workers, consultants, agents and other providers of goods and services who do business with or on behalf of one of group entities that are part of the AMG Group. 'Business associates': Includes but is not limited by joint venture partners, agents, brokers, consultants, converters, distributors, and representatives, or other persons or firms who are likely to have contact with a customer or supplier.

3) Full names of third party frameworks: UN Guiding Principles on Business and Human Rights; ILO Declaration on Fundamental Principles and Rights at Work; OECD Guidelines for Multinational Enterprises; OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Environmental Information

AMG's environmental disclosures provide stakeholders and users of sustainability data with insights into AMG's impacts, risks, and opportunities (IRO). AMG has identified climate change (ESRS E1) as material.

Material Environmental Matters in AMG's Value Chain

Material topic	Impact type	Material impact, risk or opportunity	Location	Time horizon of impact
Climate change – mitigation	Actual	Negative impact on environment and global warming through scope 1 – 2 GHG-emissions.	Own operations	Long term
		Negative impact on environment and global warming through scope 3 GHG-emissions.	Across the value chain	Long term
Climate change – energy	Actual	Positive impact on the environment by reducing GHG emissions due to a shift to renewable energy and developing energy storage solutions and materials that enable further CO ₂ reduction by end users.	Across the value chain	Mid term
		Opportunity, as global energy demand increases, of a higher demand for AMG's materials and technologies that improve energy efficiency and increase energy supply.	Across the value chain	Mid term

Within climate change the material IRO is related to two different sub-topics: climate change mitigation and climate change energy. In climate change mitigation we identified actual negative impacts across our own operations and within our upstream and downstream value chain. These negative impacts include global warming through scope 1 and 2 GHG-emissions within own operations and scope 3 GHG-emissions in the value chain. As for climate change energy, we determined actual positive impacts in our upstream and downstream value chain. The impacts include reduction in GHG-emissions due to a shift towards renewable energy, developing energy storage solutions, and the use of materials that enable further CO₂ reduction by end users.

In 2024, AMG has taken steps to align with ESRS disclosure requirements. The following section includes material and relevant environmental information for the material topical disclosure. AMG uses the phased-in provisions of the ESRS and for several disclosure requirements. AMG is dedicated to continuously improving data availability and quality, particularly concerning environmental material matters.

EU Taxonomy

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The European Commission introduced the European Taxonomy Regulation (EU 2020/852), commonly referred to as the EU Taxonomy, as a significant measure toward achieving a climate-neutral Union by 2050. The EU Taxonomy seeks to channel capital toward activities that align with the regulation's sustainability criteria. To facilitate this, the European Commission has created a catalog of economic activities that defines substantial contributions to a sustainable economy, based on Technical Screening Criteria (TSC). Companies, like AMG, are required to use this classification system to evaluate the sustainability of their business activities. The EU Taxonomy, along with its supporting delegated acts, is intended to aid companies, investors, and policymakers in identifying environmentally sustainable activities.

Application of the EU Taxonomy by AMG

In 2023, reporting on Taxonomy eligibility and alignment activities was required for Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA). However, for the remaining four environmental objectives—Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control, and Biodiversity and Ecosystems—only Taxonomy eligibility reporting was mandated. Starting in 2024, Taxonomy reporting on both eligibility and alignment is required for all six environmental objectives. As 2023 marked AMG's first full year of reporting under the EU Taxonomy, we will provide comparative figures for fiscal years 2023 and 2024.

In the section that follows, AMG, as a non-financial entity, outline the share of our group Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx) for the financial year 2023 and 2024. These figures, also known as key performance indicators (KPIs), relate to Taxonomy-aligned economic activities associated for all six of the environmental objectives in accordance with Article 8 of the EU Taxonomy.

Definitions

A Taxonomy-eligible economic activity refers to any activity identified in the delegated acts (Climate Delegated Act and Environmental Delegated Act) supplementing the Taxonomy Regulation, regardless of whether it meets any or all of the Technical Screening Criteria (TSC) specified in these acts. Conversely, a Taxonomy-non-eligible economic activity is one that is not identified in these delegated acts.

An economic activity is considered Taxonomy-aligned if it meets the TSC as defined in the Climate Delegated Act, Environmental Delegation Act and adheres to minimum safeguards related to human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To fulfill the TSC, an economic activity must contribute significantly to one or more environmental objectives without causing significant harm (DNSH) to any other environmental objectives.

Core business activities and external turnover

Our assessment of Taxonomy-eligible activities is focused on economic activities defined as the offering of goods or services in a market, thus (potentially) generating revenues (at the present time or in the future). AMG is a producer of highly engineered specialty metals and mineral products, design and manufacturing of LIVA Hybrid Energy Storage System (Hybrid ESS) for industrial use to improve their energy and power management, and provides related vacuum furnace systems and services to the transportation, infrastructure, energy, and specialty metals and chemicals end markets. In general, many of our products are intermediate products that enable other products to substantially contribute to mitigating climate change. In this context, we assess our business by our contribution to provide climate neutral, low carbon, and other low carbon technologies.

Taxonomy-eligible economic activities:

The Taxonomy Regulation considers economic sectors and economic activities that have been included in the Taxonomy to have the greatest potential to make a substantial contribution to the six environmental directives. The breadth of the selected economic sectors and activities is narrow; therefore, the Taxonomy does not allow for the inclusion of a majority of AMG's economic activities under the current delegated acts.

We have examined all economic activities carried out by AMG to determine which of these are eligible and aligned with reference to Annexes I and II to the Climate Delegated Act (for CCM and CCA) and eligible with reference to the Environmental Delegated Act for the four other environmental objectives. The assessment led to the identification of three eligible economic activities. The analysis on the eligibility shows that AMG only has eligible activities in relation to the CCM objective.

Table EUT-1 Taxonomy Assessment of Eligible Activities

Eligible economic activity	TSC assessment per eligible AMG activity	Compliance with TSC
3.4 - Manufacture of batteries	LiVa Power Management System — AMG manufactures the LIVA Hybrid Energy Storage System (Hybrid ESS) which is designed for industrial use, offering companies a means to enhance their energy and power management. This results in lowered energy expenses and decreased CO ₂ emissions. The storage capacity of the Hybrid ESS can be easily adjusted to meet specific needs. With regard to the DNSH criterion, insufficient information is available to confirm that we comply with the criteria for climate change mitigation with respect to end-of-life recycle ability.	Not compliant
3.4 - Manufacture of batteries	AMG Lithium is constructing the first battery-grade lithium hydroxide refinery within the European Union in Bitterfeld-Wolfen which will supply the battery industry.	Not compliant
3.5 - Manufacture of energy efficiency equipment for buildings	Manufacturing of Graphite for Gray Insulation — AMG produces graphite products that are integrated into the foam structure of white expandable polystyrene to create Grey EPS building insulation. However, after analysis, we found that the TSC were not met, as we were unable to adequately demonstrate that our product currently meets or exceeds the required U-value for external wall systems.	Not compliant
3.5 - Manufacture of energy efficiency equipment for buildings	Coating products for Low-E Glass for buildings — AMG manufactures planar and rotatable targets made from titanium oxide, silicon-aluminum, niobium oxide, and more to produce coatings on Low-E Glass and Solar Panel Glass. However, after analysis, we found that the technical specifications criteria (TSC) were not met, as we were unable to adequately demonstrate that our product currently meets or exceeds the required U-value for window systems.	Not compliant

Assessment of Alignment with EU Taxonomy Regulation

Substantial Contribution — To assess whether an economic activity is Taxonomy-aligned, it must first meet the initial requirement specified in the Taxonomy Regulation: it must contribute significantly to one or more environmental objectives. All turnover-generating activities (3.4 and 3.5) target a substantial contribution to climate change mitigation. Alignment with the TSC of the EU Taxonomy was evaluated for each eligible activity as summarized in Table EUT-1.

DNSH assessment — For all economic activities where we can demonstrate a substantial contribution to climate CCM and CCA, we further assess the Do No Significant Harm (DNSH) criteria at the economic activity level. This evaluation includes conducting the following assessments: climate risk and vulnerability, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Our assessment determined that there is insufficient information available to confirm that we comply with the criteria for climate change mitigation for our economic activities.

Minimum safeguards assessment — The final step in the alignment assessment involves verifying AMG's compliance with the minimum safeguards (anti-bribery and corruption, fair competition, taxation, and human rights) as outlined by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights.

The minimum safeguards criteria have not undergone a detailed evaluation of activities based on the Platform on Sustainable Finance's final report on minimum safeguards as a result of which we are not able to demonstrate meeting these criteria.

Allocation of Turnover, CapEx and OpEx to Environmental Objectives

AMG has allocated its Turnover, CapEx and OpEx to eligible activities and the non-eligible category according to the nature of the economic activity. All of AMG's eligible activities only contribute to a single environmental objective (CCM).

Our KPIs and Accounting Policies

AMG, as a non-financial entity, presents the proportion of our group Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx) for the financial years 2023 and 2024. These figures, identified as key performance indicators (KPIs), pertain to Taxonomy economic activities across all six environmental objectives, in compliance with Article 8 of the EU Taxonomy. For the reporting period 2024, the KPIs must be disclosed in relation to our Taxonomy-aligned, eligible, and non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act). The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows.

Turnover KPI — The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from January 1, 2024 to December 31, 2024.

The denominator of the Turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies, refer to note 3 in the consolidated financial statements for additional detail.

The numerator of the Turnover KPI is defined as the net turnover derived from the products and services associated with Taxonomy-eligible economic activities.

CapEx KPI — Our CapEx KPI represents the proportion of our capital expenditure which relate to assets or processes associated with Taxonomy-eligible activities, or are part of a plan to expand Taxonomy-eligible activities or are related to the purchase of output of Taxonomy-eligible activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. The 2023 eligibility of Turnover, CapEx, and OpEx values have been restated to incorporate CapEx associated with the construction of AMG Lithium's battery-grade lithium hydroxide refinery in Bitterfeld-Wolfen.

The denominator of the CapEx KPI is based on the additions to lease assets, additions to property plant and equipment, and additions to intangible assets (excluding goodwill).

The numerator of the CapEx KPI is defined as additions to lease assets plus additions to property plant and equipment and additions to intangible assets which relate to assets or processes associated with Taxonomy-eligible activities, or are part of a plan to expand Taxonomy-eligible activities or are related to the purchase of output of Taxonomy-eligible activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. See note 9 and 11 in the consolidated financial statements for additional details.

OpEx KPI — Our OpEx KPI represents the proportion of our operating expenditures as defined by the Taxonomy Regulation which relate to assets or processes associated with Taxonomy-eligible activities, or are part of a plan to expand Taxonomy-eligible activities or are related to the purchase of output of Taxonomy-eligible activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

The denominator of the OpEx KPI is based on non-capitalized research and development costs, building maintenance and repair costs, short-term lease expenses, and other direct costs incurred relating to the day-to-day servicing of assets that are necessary to ensure the continued and effective use of such assets.

The numerator of the OpEx KPI is defined as non-capitalized research and development costs, building maintenance and repair costs, short-term lease expenses, and other direct costs incurred relating to the day-to-day servicing of assets which relate to assets or processes associated with Taxonomy-eligible activities, or are part of a plan to expand Taxonomy-eligible activities or are related to the purchase of output of Taxonomy-eligible activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Table EUT-2 Eligibility and alignment of Turnover, CapEx and OpEx²⁵

in \$ thousands	Total		Taxonomy non-eligible activities		Taxonomy eligible activities	
	2023	2024	2023	2024	2023	2024
KPIs						
Turnover	1,625,861	1,439,856	1,601,491	1,415,991	24,370	23,865
CapEx	158,537	135,748	82,175	87,972	76,362	47,776
OpEx	35,350	47,899	32,075	46,041	3,275	1,858
Of which:						
Taxonomy-eligible and aligned					0	0
Taxonomy-eligible but not aligned					104,007	73,499

²⁵ The 2023 eligibility and alignment of turnover, CapEx, and OpEx values have been restated to incorporate CapEx associated with the construction of AMG Lithium's battery-grade lithium hydroxide refinery in Bitterfeld-Wolfen.

Our Disclosures

The following tables provide AMG’s disclosure on the proportion of Taxonomy-eligible and non-eligible KPI’s for Turnover, Capital Expenditure (CapEx) and Operational Expenditure (OpEx).

Table EUT-3 Turnover — Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities (disclosure covering year 2024)

Economic Activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover, Year 2024 (4)	Substantial Contribution Criteria					DNSH Criteria (“Does Not Significantly Harm”)					Category (Transitional Activity) (21)					
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy Aligned Proportion of total Turnover, year 2023 (18)	E	T
			%	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		
A. Taxonomy-Eligible Activities																			
A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)																			
Turnover of Environmentally Sustainable Activities (Taxonomy-Aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	
Of which Enabling		0.00	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E
Of which Transitional		0.00	0%								Y	Y	Y	Y	Y	Y	Y	0%	T
A.2. Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
Manufacture of Batteries	CCM 3.4	3,051	0.2%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL									1%	
Manufacture of Energy Efficiency Equipment for Buildings	CCM 3.5	20,805	1.4%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL									0%	
Turnover of Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities) (A.2)		23,856	1.6%	2%	0%	0%	0%	0%	0%									<1%	
Total (A.1+A.2)		23,856	1.6%	2%	0%	0%	0%	0%	0%									1%	
B. Taxonomy-non-Eligible Activities																			
Turnover of Taxonomy-non-Eligible Activities		1,416,000	98.4%																
Total (A+B)		1,439,856	100%																

Table EUT-4 CapEx — Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (disclosure covering year 2024)

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, Year 2024 (4)	Substantial Contribution Criteria						DNSH Criteria (“Does Not Significantly Harm”)					Category (Transitional Activity) (21)					
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy Aligned Proportion of total CapEx, year 2023 (18)	Enabling Activity (19)	Transitional Activity (20)	
			%	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. Taxonomy-Eligible Activities																				
A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)																				
CapEx of Environmentally Sustainable Activities (Taxonomy-Aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%
Of which Enabling		0.00	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional		0.00	0%								Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of Batteries	CCM 3.4	46,520	34.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											47%
Manufacture of Energy Efficiency Equipment for Buildings	CCM 3.5	1,256	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											1%
CapEx of Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities) (A.2)		47,776	35.2%	35%	0%	0%	0%	0%	0%											48%
Total (A.1+A.2)		47,776	35.2%	35%	0%	0%	0%	0%	0%											48%
B. Taxonomy-non-Eligible Activities																				
CapEx of Taxonomy-non-Eligible Activities		87,972	64.8%																	
Total (A+B)		135,748	100%																	

Table EUT-5 OpEx — Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (disclosure covering year 2024)

Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, Year 2024 (4)	Substantial Contribution Criteria						DNSH Criteria (“Does Not Significantly Harm”)						Category (Transitional Activity) (21)					
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy Aligned Proportion of total OpEx, year 2023 (18)	E	T		
				Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. Taxonomy-Eligible Activities																					
A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)																					
OpEx of Environmentally Sustainable Activities (Taxonomy-Aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Of which enabling		0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	E			
Of which Transitional		0.00	0%							Y	Y	Y	Y	Y	Y	Y	0%		T		
A.2. Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacture of Batteries		CCM 3.4	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL			2%		
Manufacture of Energy Efficiency Equipment for Buildings		CCM 3.5	1,858	3.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL			7%		
OpEx of Taxonomy-Eligible but not Environmentally Sustainable Activities (not Taxonomy-Aligned Activities) (A.2)			1,858	3.9%	3.9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			9%		
Total (A.1+A.2)			1,858	3.9%	3.9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			9%		
B. Taxonomy-non-Eligible Activities																					
OpEx of Taxonomy-non-Eligible Activities			46,041	96.1%																	
Total (A+B)			47,899	100%																	

Because we are not performing any of the activities related to natural gas and nuclear energy (activities 4.26-4.31), we only use the table EUT-6, Nuclear and fossil gas related activities, as introduced by the Complementary Delegated Act. We will not be using the other dedicated templates regarding activities in certain energy sectors.

Table EUT-6 Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The company carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The company carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The company carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

E1 — Climate Change

Our approach to determining material impacts, risks and opportunities is described in chapter General Information [IRO-1](#). Our double materiality assessment (DMA) showed both climate change mitigation, as well as energy, to be assessed as material topics for AMG – the former for our full value chain and the latter for our own operations. (ESRS E1, 12)

Disclosures regarding whether and how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies can be found under General Disclosures [GOV-3](#). (ESRS E1, 13)

E1 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model & E1 IRO-1 — Description of processes to identify and assess material climate-related impacts, risks, and opportunities

AMG is fully committed to proactively understanding and addressing material climate-related impacts, risks and opportunities (IROs) as described in chapter General Information SBM-3, Table SBM-3 Material impacts, risk and opportunities. (ESRS SBM3, 18) The following sections describe the processes used to identify and assess our material climate-related IRO's.

GHG Emissions (ESRS 2 IRO1, 20(a))

Annually, AMG calculates our facilities' emissions of Scope 1, Scope 2, and Scope 3 greenhouse gases (GHGs) based on an operational control approach in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards. For additional information please refer to (ESRS E1.1,16(d)) paragraph on locked-in GHG emissions; [E1-4](#) Targets related to climate change mitigation and adaptation and [E1-6](#) Gross Scopes 1, 2, 3 and Total GHG emissions.

AMG has integrated a double materiality principle into our capital allocation program to screen activities and plans for potential future emission sources. Projects meeting the Corporate financial requirements for capital expenditure authorization are evaluated on two key elements: the incremental financial value and the impact on CO₂e reduction. Project champions are required to calculate the net CO₂e contribution or removal for the project. The results are compared to the company and/or business unit carbon footprint and considered in the process for project authorization.

AMG has conducted preliminary climate related physical and transition risk analyses of our own operations and part of our upstream supply chain. Downstream value chain was excluded from the analysis because we prioritized the analysis where we identified the greatest potential risk which is the supply of raw materials. These analyses provided us with an initial understanding of potential climate related physical impacts to our own operations and the types of transition risks and opportunities that may be most relevant to AMG operations and upstream supply chain under various warming scenarios and timeframes. Below is a brief overview of the analyses and observations.

Climate-related physical risks (ESRS 2 IRO1, 20(b), 21)

To better understand and mitigate climate change risk, AMG completed a project to analyze and quantify our physical climate change risks. The objective of the assessment was to analyze the severity, likelihood, and velocity of identified physical climate risks on all AMG owned facilities by:

- (a) assessing specific risk profiles to all AMG physical asset locations including building characteristics, usage type and level of resilience and
- (b) analyzing physical exposure with climate modeling scenarios (RCP 8.5 and RCP 2.61) to identify perils (flooding, extreme wind, forest fire, soil movement, extreme heat, freeze-thaw) driving physical exposure, changes in risk profile from 2020 to 2100 and quantification of the value at risk using assumptions based on the current replacement value of assets and associated income generated from those assets.

The results of the analysis and climate modeling scenarios were then overlaid with our near, medium and long-term strategic planning horizons (as described below) and capital allocation plans to determine potential impacts.

- near-term (1-3 years) aligning with business and financial planning timeframe.
- medium-term (3-10 years) aligning with the Group business outlook timeframe and enabling us to think beyond our near-term targets and adjust strategy as appropriate.
- long-term (>10 years) using scenarios to help explore the wide range of uncertainties surrounding climate-related transition and potential impacts and opportunities they may present.

The top observations indicated that riverine flooding and forest fire, respectively have the potential to cause the greatest damage to our own operations. Extreme wind and soil subsidence may impact most of our sites by 2100.

Based on the preliminary physical risk analysis and climate modeling scenarios, AMG does not have material exposure, from a value at risk perspective, to physical climate risk in the relative near, medium or long-terms. (ESRS SBM3, 19(a-c))

Transition Risk

We have conducted a preliminary transition risk analysis of our portfolio and AMG business unit's "top 10" (determined by total dollar spend) raw material production suppliers. The analysis involved evaluating the potential impacts of climate scenarios based on five different emission pathways, ranging from a "No Policy" scenario with a temperature increase of over 4°C to the Paris Agreement scenario aiming for a 1.5°C increase. The observations indicated that Policy Risk, driven by factors such as carbon pricing, poses the most significant risk, while the global electric vehicle (EV) uptake presents the most significant opportunity upside, particularly in the Lithium sector.

Our preliminary transition risk analysis demonstrated that it is very difficult to estimate, with a high level of confidence, the economic impacts of future climate events over the extensive geography in which AMG's value chain operates. This is because the estimated impacts differ considerably, depending on the emissions pathway chosen, which currently is subject to political debate in various jurisdictions in which we operate. Our current assessment is that the currently identifiable financial impact of climate change transition is not material, and therefore this has not been identified as a material IRO in our DMA. Further analysis is required to better understand potential climate related transition risks and opportunities under various warming scenarios. In 2025, we plan to further advance these analyses in alignment with ESRS and present detail on their outcomes in future Sustainability Statements including reconsidering whether this gives rise to a material topic. (ESRS SBM3, 19(a-c))

E1-1 — Transition plan for climate change mitigation

AMG has not established a transition plan for climate change mitigation that is in full alignment with disclosure requirement E1-1. (ESRS E1.1, 14-15) Over the next 3 years, we intend to further advance the analysis of climate related transition risks and opportunities on our own operations and our upstream supply chain. The results of these analyses will inform the development and implementation of our transition plan for climate change mitigation. AMG will continue to implement incremental climate related mitigation aspects into our business strategy through policies and operational actions, as described in the following paragraphs.

In 2024, with approval and support by the AMG Management Board, AMG published our revised Environmental Policy which documents our decarbonization levers that form the foundation of our plans to achieve current and future GHG reduction targets, building resilience against the impacts of climate change on our own operations and supply chain, and capitalizing on potential transitional opportunities. (ESRS E1.1, 16(i)) Table E1-1 presents additional details of AMG's Decarbonization Levers.

Table E1-1 Decarbonization levers

Category	Levers
Scope 1 and Scope 2 emissions	Optimizing metallurgical processes, to reduce the combustion of carbon-containing materials, such as coal used in the production of silicon metal.
	Reducing electricity and natural gas use in our innovative production facilities through our energy management programs.
	Expanding renewable energy sourcing through on-site electricity generation, power purchasing agreements and covering energy use with renewable energy certificates
Scope 3 emissions	Engaging with relevant stakeholders to combat climate change.
	Working with suppliers to reduce their carbon footprint and to minimize their climate impacts.
	Identifying opportunities to purchase less carbon-intensive goods and services.
Physical impacts	Continue to evaluate effectiveness of resilience measures and incorporate mitigations into our CapEx planning.
Transition opportunities	Develop and deliver solutions that reduce carbon emissions and minimize the negative environmental effects of energy production.
	Support a lower-carbon economy and provide customers alternatives to achieve resource efficiency, cost savings, and the enabling of CO ₂ reduction through the use of our products and technologies.

Climate change mitigation influences our business model and planning. AMG's strategic investments that drive earnings growth over the next decade are primarily focused on enabling CO₂ reduction through both its products as well as its technologies. Emerging International and global policy risk, driven by factors such as carbon pricing, has the potential to pose the most significant risk, while the global electric vehicle (EV) uptake presents the most significant opportunity upside, particularly in the Lithium sector. Improving energy efficiency and gaining access to reliable renewable energy is a priority that we have identified. We continue to explore all available sources of electricity, monitor our consumption, and assess supply risks and opportunities for renewable use and battery deployment. (ESRS E1.1, 16(b))

Although we have not quantified future investment and funding required to achieve the implementation of our climate change plans, AMG has continued its strong focus on driving the key strategic projects that align with transition opportunities. Examples of these key strategic projects include progressing the expansion of the spodumene producing Mibra mine in Brazil and the lithium hydroxide upgrader plant in Bitterfeld, Germany; progressing the marketing, expansion and operation by AMG LIVA of its industrial battery solution (referred to as Hybrid Energy Storage System), that was first introduced in 2022. These developments are all examples of the evolution of AMG's strategy towards a focus on markets directly relating to climate change mitigation. (ESRS E1.1, 16(c h, j))

As a result of executing our transition aligned projects, we expect an increase in locked-in GHG emissions based on current and future investment in new assets, such as our Lithium Refinery in Bitterfeld, Germany which has the capability to expand to five operating modules. Our current business model demonstrates our desire to become a vertically integrated lithium supplier, a significant contributor to energy storage solutions and a continued manufacturer of products and technologies that enable CO₂e reduction through their use. The critical part of establishing future achievable GHG reduction targets will be dependent on further quantification of incremental locked-in emissions. (ESRS E1.1, 16(d))

Our assessment of Taxonomy-eligible activities is focused on economic activities defined as the offering of goods or services in a market, thus (potentially) generating revenues (at the present time or in the future). The group has no current objective or plans for aligning its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139. See [EU Taxonomy chapter](#) for further information on CapEx and OpEx employed for Taxonomy eligible activities. (ESRS E1.1, 16(e))

AMG is not excluded from the EU Paris-aligned Benchmarks and intends to align our future climate change transition plan with the requirements of Disclosure E1-1 for future Sustainability Statements. (ESRS E1.1, 16(g), 17)

E1-2 — Policies related to climate change mitigation and adaptation

AMG's Environmental Policy is designed to actively address the identified environmental material impacts, risks, and opportunities (IRO) linked to AMG operations, as set forth in our double materiality assessment. We are committed to minimizing our overall environmental impact while encouraging our business units to advance innovative CO₂ reduction technologies. We are dedicated to reducing our operations' impact on the environment and promoting sustainability across all organizational levels. Sustainability drives us to minimize negative impacts and maximize value globally. (ESRS E1.2, 22, 23)

Limiting global warming will reduce climate change-related impacts on ecosystems and human health. AMG has a role to play in supporting climate change mitigation by implementing voluntary reductions of greenhouse gasses within its control, and by developing materials science solutions that assist our customers in reducing CO₂ emissions through the end use of products.

Management programs in the areas of Energy Management (ISO 50001) and Environmental Management (ISO 14001) assist us in building and implementing programs based on the highest standards in our activities and at our sites. (ESRS E1.2, 24)

Found in our Environmental Policy, we have identified levers in our own operation and in the value chain for reducing GHG emissions and the use of electricity and natural gas, expanding renewable energy sourcing, and developing solutions that reduce carbon emissions and minimize the negative environmental effects of energy production as prescribed in Disclosure Requirement [E1-1](#), paragraph 16(i), [Table E1-1](#) Transition Plan Decarbonization Levers. (ESRS E1.2, 25)

E1-3 — Actions and resources in relation to climate change

Starting in 2024, AMG began the process of developing a decarbonization plan. AMG's decarbonization plan is inclusive of all operationally controlled sites and considers potential projects focusing on energy efficiency and consumption reduction; material efficiency and consumption reduction; fuel switching; electrification; use of renewable energy; phase out, substitution, or modification of products; and phase out, substitution, or modification of processes. (ESRS E1.3, 27)

While we decarbonize our operations, we continue to maintain and grow the business. As such we expect the pathway to net zero will not be a steady downward trajectory but will include temporary increases associated with new and expanded operations. Implementation of decarbonization activities and quantification of estimated and actual GHG reductions are underway. Examples of decarbonization projects that are undergoing feasibility study, planning or implementation are included in table E1-3 The current financial resources for these examples are not significant and therefore, cannot be directly related to amounts presented in the financial statements. (ESRS E1.3, 29(a))

Table E1-3 Climate-related actions

Category	Description	Location	Phase		
			Study	Planning	Implement
Electrification	Replacing diesel forklift trucks	U.K.			<input checked="" type="checkbox"/>
Energy efficiency	Replacing diesel generator	US	<input checked="" type="checkbox"/>		
Renewable Energy	Installation of solar power	DE, US, FR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Energy efficiency	Installation of hybrid energy storage system	DE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

AMG has not yet established other climate change mitigation and adaptation actions or allocated resources for their implementation. Once further actions have been implemented, we will be able to disclose additional information about our decarbonization actions, their associated GHG emission reductions and significant monetary amounts of CapEx and OpEx required to implement them. (ESRS E1.3, 26, 29 (b),(c))

E1-4 — Targets related to climate change mitigation and adaptation (ESRS E1.4 30, 34(a)(c)(d))

In previous years, we reported that we would commit to achieving a reduction of direct (i.e., Scope 1 and 2) CO₂ emissions by 2030 from a baseline of 2019, adjusted for the startup of the Zanesville facility, by 20% which was not aligned with the Paris Agreement 1.5 °C warming scenario.(ESRS E1, 16(a)) Our current performance indicates that this target has been achieved at the end of 2024. As a result, and as we further progress on sustainability reporting based on the European Sustainability Reporting Standards (ESRS), we will consider communicating revised emission reduction targets in future annual reports. (ESRS E1.4, 33, 34(c),(d))

Our climate change mitigation target is an absolute value and considers Scope 1 and 2 greenhouse gas (GHG) emissions attributed to our operations. To monitor our progress towards our target, AMG annually calculates our facilities' emissions of Scope 1 and Scope 2 greenhouse gases (GHGs) based on an operational control approach in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards. The market-based method for calculating Scope 2 emissions was used when establishing the target. We have not currently allocated a percentage of the target to either Scope 1 or Scope 2 emissions reduction and we have not included Scope 3 emissions in our current target, nor have we established a separate Scope 3 emissions reduction target. We have not established long-term (i.e., beyond 2030) science based GHG reduction targets compatible with limiting global warming to 1.5°C. (ESRS E1.4, 34(a), (b)-(e))

We continue to evaluate our operational capabilities, locked-in GHG emissions, changes in technologies and the availability of alternative energy sources to further reduce our CO₂e emissions. AMG has not established other climate, adaptation, and mitigation targets. (ESRS E1.4, 32) We anticipate disclosing additional information about our decarbonization actions and their associated GHG emission reductions in future Sustainability Statements. (ESRS E1.4, 34(f))

E1-5 — Energy consumption and mix

AMG operates in high climate impact sectors NACE (B) Mining and (C) Manufacturing. The following table summarizes AMG's energy consumption and mix. Our primary data source relies on metering and bills from third parties for energy consumption. (ESRS E1.5, 37, 38) In 2024, AMG generated 10,650 MWh of renewable energy. (ESRS E1.5, 39-42). AMG total net revenue, used to calculate the energy intensity, derived from operations in high climate impact sectors NACE (B) Mining and (C) Manufacturing. (ESRS E1.5, 40-43)

Table E1-5 Overview energy consumption, mix and intensity

Energy Consumption (MWh)	2024
Total Energy Consumption (calculated as the sum of lines 6, 7, and 11)	732,805
Fossil Energy Consumption per Source	
(1) Coal and Coke Products	0
(2) Crude Oil and Petroleum Products	95,736
(3) Natural Gas	115,721
(4) Other Fossil Sources	36,423
(5) Purchased or Acquired Electricity, Heat, Steam, and Cooling	332,861
(6) Total Fossil Energy Consumption (calculated as the sum of lines 1 to 5)	580,741
Total as share of Total Energy Consumption (%)	79%
Nuclear Energy Consumption	
(7) Nuclear Sources	21,464
Total as share of Total Energy Consumption (%)	3%
Renewable Energy Consumption per type	
(8) Renewable Fuels, including Biomass	46,281
(9) Purchased or Acquired Electricity, Heat, Steam, and Cooling	73,670
(10) Self-Generated Non-Fuel Renewable Energy	10,650
(11) Total Renewable Energy Consumption (calculated as the sum of lines 8 to 10)	130,601
Total as share of Total Energy Consumption (%)	18%
Energy Intensity	
Total Energy Consumption Per Net Revenue (MWh/USD)	0.0005
Net Revenue (in thousands, USD)	1,439,856

E1-6 — Gross Scopes 1, 2, 3 and Total GHG emissions

There are 3 types of business occupancy within AMG's portfolio of Operating Locations:

- Administrative: non-production operations where administrative, clerical, sales, research and other non-production support activities for AMG businesses.
- Production: also known as manufacturing, these locations are where components are assembled or materials are mined, processed (physically, mechanically, chemically) or heat treated to produce finished goods for end or intermediate use.
- Warehouse: a location used to store raw, intermediate or finished goods prior to distribution to the end user.

Scope 1, 2, 3 emission calculations primarily exclude AMG sales and administrative offices and some small engineering sites. Overall, it has been determined that non-production facilities make an insignificant contributions to our GHG inventory.

Table BP-1, found in the General basis for preparation of the sustainability statement section identifies the AMG Group Businesses included in the calculation of 2024 Scope 1, 2 and 3 GHG emissions.

Scope 1 emissions

Scope 1 GHG emissions are principally the result of the following types of activities undertaken by AMG:

- Process emissions (physical or chemical): these emissions result from manufacture or processing of chemicals and materials, e.g., roasting of resid catalyst and gasification ash, use of coal in silicon metal production.
- Transportation of materials, products, people, etc.: these emissions result from the combustion of fuels in company owned/ controlled mobile combustion sources (e.g., forklifts, trucks, loaders, cars, etc.).
- Generation of electricity, heat, or steam: these emissions result from combustion of fuels in stationary sources, e.g., boilers, furnaces, turbines.
- AMG did not have biogenic emissions of CO₂.
- Hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning equipment: these emissions result from intentional or unintentional releases, e.g., equipment leaks from joints, seals, packing, and gaskets; HFC emissions during the use of refrigeration and air conditioning equipment.

The Greenhouse Gas Protocol (GHG Protocol) provides a widely used framework for accounting and reporting GHG emissions. For Scope 1 emissions, which are direct emissions from sources that are owned or controlled by AMG, the formula used for calculation is:

$$\text{Scope 1 emissions} = \sum (\text{Activity Data}) \times (\text{Emission Factor})$$

- Scope 1 emissions refers to the total direct greenhouse gas emissions.
- (Activity Data) represents the quantity of fuel, process emissions, refrigerants or other inputs that emit greenhouse gases when combusted or used.
- (Emission Factor) refers to the emissions per unit of activity data, which varies depending on the type of greenhouse gas emitted and the source of the activity data.

Combustion emission and global warming potential (GWP) factor sources:

- DEFRA Conversion factors 2024
 - The Climate Registry June 2024 Default Emission Factors
 - EPA Emission Factors for GHG Inventories
- Refrigerants GWP source:
- IPCC Fifth Assessment Report (AR5) (Obtained from EPA Emission Factors for GHG Inventories (2024) CO₂, CH₄, and N₂O GWP

(ESRS E1.6, 44)

Scope 2 emissions

For both the location-based method and the market-based method, emissions are calculated by multiplying the purchased electricity by appropriate emission factors. Although this section describes the steps for calculating emissions from the consumption of purchased electricity, the information is also applicable to steam, heat, and cooling.

The GHG Protocol provides a formula for calculating Scope 2 emissions, which are indirect emissions resulting from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by AMG. Scope 2 can be calculated as location based or market based.

Location Based — The location-based method for calculating greenhouse gas emissions considers average emission factors for the electricity grids that provide electricity to a specific location or facility. This method considers the emissions associated with the generation of electricity in a particular geographic region.

Market Based — The market-based method for calculating greenhouse gas emissions considers contractual arrangements through which a business unit procures power from specific sources, such as fossil, renewable, or other generation facilities. Unlike the location-based method, which relies on average emission factors for electricity grids, the market-based method allows business units to reflect the environmental attributes of the electricity they purchase based on the characteristics of their procurement contracts.

In 2024, renewable energy power purchase agreements and RECs in the amount of 10,974 MWh were utilized in calculating our Scope 2 market-based emissions.

The formula for calculating Scope 2 emissions (market and location based) is:

$$\text{Scope 2 emissions} = \sum (\text{Consumption Data}) \times (\text{Emission Factor})$$

- Scope 2 emissions refers to the total indirect greenhouse gas emissions.
- (Consumption Data) represents the quantity of purchased or acquired electricity, steam, heating, or cooling consumed by AMG, typically measured in units like kWh (kilowatt-hours), MWh (megawatt-hours), or therms.
- (Emission Factor) refers to the emissions intensity associated with the consumption of the purchased energy, which is often expressed in terms of emissions per unit of consumption (e.g., kgCO₂e per kWh).

Electricity emission factor (CO₂, CH₄, and N₂O) sources:

- IEA OECD/IEA 2022 (2020)
- AIB European Residual mix (2023)
- US EPA eGRID 2021 (Updated January 2023)

Heat and steam emission factor (CO₂, CH₄, and N₂O) source:

- DEFRA Conversion factors 2024 (Heat and Steam)

(ESRS E1.6, 44)

Scope 3 Emissions

GHG emissions for our business are calculated using methodologies consistent with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, as appropriate.

Source data and calculations are for activities that occurred in the period from 01 January – 31 December 2024. For purchased goods and services, data represents goods and services received during the period.

The categories included in AMG's scope 3 inventory, include:

- Category 1: purchased goods and services
- Category 2: capital goods
- Category 3: fuel and energy related activities
- Category 4: upstream transportation and distribution
- Category 5: waste generated in operations.
- Category 9: downstream transportation and distribution

The rationale for excluding the remaining categories is as follows:

- Category 6: business travel. A small percentage of AMG employees are required to travel as part of their job description. Calculation of business travel emissions has been determined to be not material, <1% of total emissions.
- Category 7: employee commuting. AMG employees are typically hired from the local communities in which we operate and do not have long commutes to their work locations. Group transportation is provided by several AMG businesses and for remote locations, such as AMG Aluminum China, onsite living accommodations are provided to employees required to travel long distances. Calculation of business travel emissions has been determined to be not material, <1% of total emissions.
- Category 8: upstream leased assets. AMG does not have upstream leased assets that contribute significant GHG emissions which are not reported in our Scope 1 and 2 emissions.
- Category 10: processing of sold products. AMG products are primarily considered intermediate products that are used as a raw material in the production of other sold products. AMG products do not liberate GHGs when processed.
- Category 11: use of sold products. The use of AMG's products was excluded since these activities are not expected to have a significant GHG emission, offer a significant reduction opportunities, and are not relevant to the company's business goals.
- Category 13: downstream leased assets. AMG does not have downstream leased assets.
- Category 14: franchises. AMG does not participate in franchise activities.
- Category 15: investments. AMG is not an investment company and does not provide financial services.

Calculations for Scope 3 emissions utilize internationally recognized and generally accepted emission factors. Emission factors are maintained in our Sustainability Management Platform in the Emissions Factory Library where they are updated to reflect the most current data for the respective calculation period. Our 2024 scope 3 analysis utilized emission factors from the following sources:

- ecoinvent
- US EPA: The Environmental Protection Agency's Environmentally (EPA) Extended Input-Output (EIO) model dataset
- DEFRA: Well-to-Tank (WTT) emission factors,
- IEA (International Energy Agency Life Cycle Upstream Emission Factors
- US EPA: The Emission Factors for Greenhouse Gas Inventories (12 September 2023)

(ESRS E1.6, 44)

The following table provides a summary of AMG's Gross Scopes 1, 2, 3 and Total GHG Emissions. (ESRS E1.6, 48-52)

Table E1-6b Overview of GHG emissions and intensity

Scope 1 GHG Emissions	2024
Gross Scope 1 GHG Emissions (tCO ₂ eq)	153,063
Percentage of Scope 1 emissions from regulated trading schemes (%)	32%
Scope 2 GHG Emissions	
Gross Market Based Scope 2 GHG Emissions (tCO ₂ eq)	158,483
Gross Location Based Scope 2 GHG Emissions (tCO ₂ eq)	168,806
Significant Scope 3 GHG Emissions	
Total Gross Indirect (Scope 3) GHG Emissions (tCO₂eq)	1,152,196
(1) Purchased Goods and Services	1,003,371
(2) Capital Goods	9,327
(3) Fuel and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	13,845
(4, 9) Upstream and Downstream Transportation and Distribution	115,158
(5) Waste Generated in Operations	10,494
(6) Business Traveling	not applicable
(7) Employee Commuting	not applicable
(8) Upstream Leased Assets	not applicable
(9) Downstream Transportation	(included in Category 4)
(10) Processing of Sold Products	not applicable
(11) Use of sold products	not applicable
(12) End-of-life Treatment of Sold Products	not applicable
(13) Downstream leased assets	not applicable
(14) Franchises	not applicable
(15) Investments	not applicable
Total GHG Emissions (location based) (tCO₂eq)	1,474,065
Total GHG Emissions (market based) (tCO₂eq)	1,463,742
GHG Intensity Per Net Revenue	2024
Total GHG Emissions (Location-Based) Per Net Revenue (tCO ₂ eq/USD)	0.0010
Total GHG Emissions (Market-Based) Per Net Revenue (tCO ₂ eq/USD)	0.0010

Table E1-6c (in thousands)

Net Revenue Used to Calculate GHG Intensity	1,439,856
Net Revenue (Other)	0
Total Net Revenue (in Financial Statements)	1,439,856

(ESRS E1.6, 53-55)

E1-7 — GHG removals and GHG mitigation projects financed

AMG does not have GHG removal and GHG mitigation projects financed through carbon credits as prescribed in Disclosure Requirement E1-7.

E1-8 — Internal carbon pricing

AMG does not apply internal carbon pricing schemes as prescribed in Disclosure Requirement E1-8.

E1-9 — Anticipated financial effects from material physical and transition risks and opportunities

As described in ESRS 1 Appendix C: List of phased-in Disclosure requirements, AMG has elected to omit the information prescribed in disclosure requirement E1-9.

Social Information

Our social disclosures emphasize the importance of people. In line with our commitment to transparency and accountability, AMG's Social Information provides stakeholders and users of sustainability data with insights into our material impacts, risks, and opportunities (IROs). This includes our strategy, policies, processes, actions, and targets related to our own workforce ([ESRS S1](#)), AMG's workers within our value chain ([ESRS S2](#)), and the communities affected by our operations ([ESRS S3](#)). Through this information, we seek to increase transparency and strengthen our dedication to responsible and sustainable business practices. This section on social information highlights our commitment to conducting business ethically and sustainably, benefiting our employees, partners, and the broader community. By addressing these related issues while focusing on different stakeholder groups, we aspire to illustrate how we create a meaningful social impact while reducing any potential negative consequences.

AMG recognizes **stakeholder engagement** as part of our efforts to positively impact our operational license, market position, and the creation of sustainable long-term value. We engage with our stakeholders to enhance communication, collaboration, and mutual understanding. We seek and are open to feedback on the issues that matter to our stakeholders, particularly regarding the sustainability aspects of AMG's strategy. [AMG's core Values](#) guide us in all interactions with our stakeholders. AMG stakeholders and the communities where we operate remain central to our business. Within our company, our human rights principles are sustained through the provision of safe and healthy working conditions in a non-discriminatory environment. AMG respects the cultures, lifestyles, and heritage of the local communities in which we operate. We are committed to making a lasting, positive contribution to the countries and communities where we work. AMG is committed to hiring employees from the community, investing in building diverse talent pools, and providing training to improve skill levels. Wherever possible, we endeavor to extend our Values and principles to our suppliers and contractors.

» See also [AMG's Stakeholder Engagement Policy](#) publicly available.

Table Social Information: Material Social Matters in AMG's value chain

Social				
Own workforce				
Health and safety	Actual	Negative impact on own workers and their physical health and safety from unsafe situations that can result in injury or work-related illness.	Own operations	Short term
Collective bargaining & freedom of association	Potential	Negative impact on own workers through working conditions, which do not have possibilities for collective bargaining opportunities, do not provide adequate opportunities for freedom of association and consultation and access to work councils.	Own operations	Short and mid term
Adequate wages	Actual	Positive impact on employees through working conditions which have employment terms that provide adequate wages.	Own operations	Short, mid and long term
Diversity	Actual	Positive impact on employees by providing a diverse and inclusive workplace fostering a working environment which enables all employees from all backgrounds.	Own operations	Short and mid term
Training and skills development	Actual	Positive impact on employees by providing facilitating continuous professional growth, upgrading employees' skills by offering training, mentorship, and other skills development-related activities.	Own operations	Short and mid term
Workers in the value chain				
Health and safety	Potential	Negative impact on workers in the supply chain and their physical health and safety from unsafe situations that can result in injury or work-related illness.	Upstream	Short term
Forced labor	Potential	Negative impact on workers in the supply chain through exposure of workers in location where there are circumstances of forced labor.	Upstream	Short and mid term
		The risk that forced labor takes place in the supply chain	Upstream	Short term
Diversity	Potential	Negative impact on workers in the supply chain related to the lack of equal treatment and opportunities for all.	Upstream	Short and mid term
Adequate wages	Potential	Negative impact on workers in the supply chain through working conditions which have a lack of employment terms that provide adequate wages.	Upstream	Short, mid and long term
Collective bargaining & freedom of association	Potential	Negative impact on workers in the supply chain through employment terms that have a lack of opportunities for workers to engage in collective bargaining and social dialogue as well as freedom of association.	Upstream	Short and mid term
Affected communities				
Local employment opportunities	Actual	Positive impact on local economy by way of providing local employment opportunities and thereby supporting the living conditions.	Own operations	Short, mid and long term
		Opportunities in talent attraction and retention which may lead to business growth by having a locally engaged workforce.	Own operations	Mid term

Focusing on own workforce the material social IROs include actual negative impact in the case of health & safety, potential negative impact on collective bargaining freedom of association, actual positive impacts on adequate wages, diversity, training and education. The IROs related to upstream value chain workers include potentially negative impacts regarding health and safety, forced labor, child labor, diversity, adequate wages and collective bargaining and freedom of association as well as a risk for AMG with regard to forced labor. AMG identified one actual positive material IRO related to affected communities, and related to it an opportunity for AMG on the entity specific matter "local employment opportunities". No material social issues in AMG's downstream value chain were identified.

» More on [General Disclosures SBM-3](#) on [page 70](#).

AMG is at the beginning of its journey to comply with the Corporate Sustainability Reporting Directive (CSRD), which emphasizes the importance of transparency in social policies, actions, and targets. AMG is committed to complying with centralized information requirements, despite being a highly decentralized organization that respects local needs and business decisions. Each business unit within AMG operates with a degree of autonomy, allowing them to tailor their strategies, operations, and decision-making processes to better meet the specific needs of their local environments. This balance between centralized compliance and decentralized operations enables AMG to leverage the strengths of both approaches. It is the responsibility of each company's group to maintain adequate records to provide the appropriate metrics, actions and documentation.

To ensure focus on material and relevant social information, AMG uses the phased-in provisions of the European Sustainability Reporting Standards (ESRS) (ESRS 2, Appendix C). AMG is dedicated to continuously improving social data availability and quality.

Regarding **policies on social IROs**, we recognize the interdependencies between impacts on people and the environment, risks and opportunities so that a single policy applies to multiple material sustainability matters, including issues addressed by more than one topical ESRS, and more than one section of the CSRD. It becomes evident that the policies are not stand-alone policies but broader policies that address different stakeholder groups. In the respective disclosures, AMG provides a cross-referencing while attempting to maintain readability of the text; in addition, [all AMG policies are publicly available](#). (ESRS S1.1, AR 11), (ESRS S2.1, AR 13), (ESRS S3.1 18)

The administrative bodies (Corporate ESG Functions), Corporate EHSS for all environmental, health, and safety reporting, Workforce Reporting team which covers all social issues (except health and safety) and Corporate Governance is covered by the Chief Compliance Officer and the Corporate Secretary prepared updates of several of AMG’s corporate policies in 2024 that were discussed and adopted by the AMG Management Board. This update cycle aimed to cover identified material IROs broadly within AMG-wide policy frameworks. In addition, when it comes to policies related to AMG’s own workforce, latest requirements on due diligence and references to international frameworks were included to further develop implementation in alignment with internationally recognized frameworks. (ESRS S1.1, AR 10), (ESRS S2.1, AR 12), (ESRS S3.1, AR 19) The policies cover all of AMG’s own workforce, and do not target specific groups within AMG’s workforce only. (ESRS S1.1, 19)

The table below lists AMG’s issues with related IROs and maps them to AMG’s policies. There are seven applicable policies to manage AMG’s material impacts on its workforce, workers in the value chain or affected communities: [AMG Code of Conduct](#), [Diversity and Inclusion Policy](#), [Human Rights Policy](#), [Stakeholder Engagement Policy](#), [AMG’s Supplier Code of Conduct](#), [Speak Up & Reporting Policy](#), and [Health and Safety Policy](#).

Table S: Overview of AMG policies related to material social matters of AMG

(ESRS S1.1, 19), (ESRS S2.1, 16), (ESRS S3.1, 14)

Issues with related IROs	Stakeholder Group	Code of Conduct	Diversity and Inclusion Policy	Human Rights Policy	Stakeholder Engagement Policy	Supplier Code of Conduct	Speak Up & Reporting Policy	Health & Safety Policy
Health & Safety	S1, S2	☑	-	☑	-	☑	-	☑
Adequate wages	S1, S2	☑	☑	☑	☑	☑	☑	-
Collective bargaining & freedom of association	S1, S2	☑	-	☑	☑	☑	☑	-
Diversity	S1, S2	☑	☑	☑	☑	☑	☑	-
Training and Education	S1	☑	☑	☑	☑	☑	☑	☑
Child labor	S2	☑	-	☑	☑	☑	☑	-
Forced Labor	S2	☑	-	☑	☑	☑	☑	-
Local employment opportunities	S3	☑	☑	☑	☑	☑	☑	-

» More on [Policies MDR-P](#) see in [ESRS 2](#) on [page 78](#) and on the [material IROs](#) on [page 70](#).

» More on policies regarding own workforce see section [S1-1](#) on [page 98](#), regarding workers in the value chain see section [S2-2](#) on [page 106](#), and regarding affected communities see section [S3-2](#) on [page 109](#).

AMG’s Human Rights Policy reaffirms and clarifies AMG’s commitment to respecting human rights and lays out the general approach to human rights due diligence including processes and mechanisms to monitor its compliance. AMG as global company operating in a global market is built on the AMG Values and is committed to respecting internationally recognized human rights in our own operations and to fostering respect for human rights in relationships with our business partners along the value chain. AMG embraces its responsibility to respect the internationally recognized human rights. AMG’s Human Rights Policy defines the framework for AMG’s respect for human rights, both with regard to its own employees, workers in the value chain and affected communities. It covers all value chain workers, with particular focus on supply chain workers (ESRS S2.1 16). AMG supports and respects the internationally recognized human rights in accordance with international standards and initiatives such as the [UN Guiding Principles on Business and Human Rights](#), the [OECD Guidelines for Multinational Enterprises](#); and the [ILO Declaration on Fundamental Principles and Rights at Work](#). In addition, AMG is a signatory of the [United Nations Global Compact](#). (ESRS S1.1, 21), (ESRS S2.1, 19), (ESRS S3.1, 17)

The human rights policy expresses the respect for human rights, including labor rights, of its own workforce and of value chain workers as well as communities, and indigenous peoples specifically. (ESRS S2.1, 17 (a)) Engagement with own workforce, value chain workers, and affected communities is addressed in both the human rights policy and the [stakeholder engagement policy](#) (ESRS S2.1, 17 (b)) The Speak Up portal is the cornerstone of AMG's measures to provide and/ or enable remedy for potential human rights impacts. (ESRS S1.1, 20), (ESRS S2.1, 17 (c)), (ESRS S3.1, 16)

AMG's human rights policy addresses explicitly trafficking in human beings, forced labor or compulsory labor and child labor in relation to all potentially impacted rights holders, including own workforce, workers in the value chain or indigenous peoples. (ESRS S1.1, 22), (ESRS S2.1,18), (ESRS S3.1, 15) AMG considers the UN Guiding Principles' reference to the International Bill of Human Rights and the ILO Declaration on Fundamental Rights and Principles at Work demonstrated in the provided definitions in the Human Rights Policy. (ESRS S1.1, AR 12), (ESRS S2.1, 19, AR 14) In addition, AMG considers that the UN Guiding Principles on Business and Human Rights, reference the International Bill of Rights, the UN Declaration on the Rights of Indigenous Peoples, ILO Convention No. 169, and the core conventions that support these instruments. (ESRS S1.1, 13), (ESRS S2.1 AR 10) AMG's supplier code of conduct includes provisions that address worker safety, precarious work conditions, human trafficking, forced labor, and child labor, ensuring full compliance with applicable ILO standards. (ESRS S1.1, AR 13)

Concerning non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve own workforce, value chain workers or affected communities, one complaint relating to pay discrimination in one of AMG's US subsidiaries has been reported and was investigated in 2024. The complaint has been investigated and has been closed without finding any merit. EU Legislation, (ESRS S2.1,19), (ESRS S2.1, 19), (ESRS S3.1, 17)

S1 — Own Workforce

Strategy

S1 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

The actual and potential impacts on AMG's own workforce i) originate from or are connected to the AMG's strategy and business models described in [SBM-1](#) and ii), among other factors, also inform and contribute to adapting the AMG's strategy and business model. (ESRS S1.ESRS 2 SBM-3, 13 (a, b)) All people in AMG's own workforce who could be materially impacted by AMG are included in the scope of its disclosure. (ESRS 2.S1-ESRS 2 SBM-3, 14)

(a) AMG's own workforce (ESRS S1.2 SBM-3, 14 (a))

AMG considers employees as individuals who are in an employment relationship with AMG according to national law or practice incl. all management levels.(ESRS S1.2 SBM-3, 14 (a)) So far, AMG has not yet developed an understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm. (ESRS S1.2 SBM-3, 15)

(b) Regarding material negative impacts

In the case of the potential impact associated with the sub-subtopic "Collective bargaining & freedom of association" in the short and mid term and the potentially negative impact on own workers through working conditions, which do not have possibilities for collective bargaining opportunities, do not provide adequate opportunities for freedom of association and consultation and access to work councils, i) we see this systemic in the context of different legislation around the world in countries AMG is active, i.e. regarding the (non) ratification of ILO core labor standards and not related to individual incidents. (ESRS S1.2 SBM-3, 14 (b))

In the case of the impact associated with the sub-subtopic "Health and Safety", the impacts include physical health and safety from unsafe situations that can result in injury or work-related illness. These impacts are actual negative impacts to our own operations and potential impacts on workers in the supply chain. (S1-ESRS 2 SBM-3,14 (b))

(c) Regarding material positive impacts

For Adequate Wages the identified actual positive impact over short, mid and long term on all employees is through working conditions which have employment terms that provide adequate wages was identified. Due to AMG's business model, there is an actual positive impact on adequate wages of own workers so that an adequate living standard at a minimum can be reached. In specialized sectors like AMG, where highly skilled professionals such as engineers are essential, fair employment terms and adequate wages can have a profound positive impact. AMG's fair employment terms regarding the adequate wages imply a positive impact on employees. (ESRS S1.2 SBM-3, 14 (c))

For Diversity, an actual positive impact on all employees for short and mid term was identified by creating a diverse and inclusive workplace. By fostering an environment where individuals from all backgrounds feel valued and included, AMG contributes to an inclusive atmosphere that encourages collaboration and a sense of belonging. Due to AMG's strategy, there is an actual positive impact on the own workforce. Since Diversity is a focus topic in AMG every individual has the chance to grow for example in an Employee Resource Groups (ERGs): Women In Networking (WIN) meetings. (ESRS S1.2 SBM-3, 14 (c))

Training and Education for short and mid term, as continuous professional development, including skills upgrading through training, mentorship and other skills enhancement activities, has been identified in the DMA as having a positive impact on all employees. Continuous professional development, including skill upgrades through training, mentorship, and other skill enhancement activities, has been identified as having a positive impact on all employees. Our employees have the possibility to participate in trainings, with opportunities to participate in WIN/ERG meetings, training academy courses, or individual training sessions. We anticipate that this will not only enhance employees' skills, but will also contribute to greater job satisfaction as our employees are able to apply their new or refined skills. (ESRS S1.2 SBM-3, 14 (c))

(e) No material impacts on AMG's own workforce that may arise from transition plans

Currently we have not identified any impacts to our own workforce from climate-related transition risk.

(f -g) Operations at significant risk of incidents of forced labor or compulsory labor or child labor

(ESRS S1.2 SBM-3, 14 (f, g))

For AMG's own operations we do not see any operations at significant risk of incidents of forced labor or compulsory labor or of child labor in terms of types of operations. (ESRS S1.2 SBM-3, 14(f, g)) Although AMG is active in mining and critical materials, the AMG Code of Conduct and AMG's Corporate Values as well as the corporate governance principles applied by the company do not leave room for any incidents.

» See also [Governance Information](#) mentioning of no reports on [page 110](#).

» More on [General Disclosures SBM-3](#) on [page 70](#).

Impacts, risks and opportunities management

In accordance with the social ESRS provisions on the interaction with other ESRS standards, and recognizing that social standards should be considered in conjunction with both the general ESRS and other material social standards that address different stakeholder groups, namely AMG's own workforce, workers in the value chain and affected communities policy information is provided in the ESRS 2 disclosure's overview, at the beginning of the social information section when it is not specific to one of the concerned material stakeholder groups and only specific additional information is provided in the respective sections of S1, S2 or S3.

» See table on [MDR-P in ESRS 2 on page 78](#). See elaborations on AMG's human rights policy in section S on [page 93](#).

S1-1 — Policies related to own workforce

The management of material impacts on AMG's workforce is supported by seven AMG policies. The policies cover all of AMG's own workforce and not only specific groups. (ESRS 1.1, 19) Own employees within the meaning of the respective national legislation, are covered by all the before mentioned seven policies except for AMG's Supplier Code of Conduct, while the group of non-employees is covered by all the before mentioned seven policies. Regarding the social IROs these are namely AMG Code of Conduct, Diversity and Inclusion Policy, Human Rights Policy, Stakeholder Engagement Policy, AMG's Supplier Code of Conduct, Speak Up & Reporting Policy, and Health and Safety Policy. Complementing the overall overview of AMG's policies, further information focussing on own workforce is provided regarding the Human Rights policy, and the Diversity and Inclusion policy in particular.

» See table on [MDR-P in ESRS 2 on page 78](#) and introductory section under Social Information on [page 93](#).
(ESRS S1.1, 17, 19, MDR-P)

AMG's Human Rights Policy lays out AMG's commitment to respect human rights, including the general approaches a) to respect for human rights, b) engagement with employees as well as c) measures to provide remedy. Feedback from e.g. own workforce regarding the [Human Rights Policy](#) is welcomed and can be addressed through AMG's websites and contact information. (ESRS S1.1,17, 20)

AMG's human rights risk analysis follows a risk-based approach, aligning with the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#). AMG Group-wide assessments are conducted to identify, assess, and manage human rights and environmental risks. AMG sees due diligence as a continuous improvement and learning process, reviewed at least annually for effectiveness to be improved as necessary. Ad hoc assessments may be conducted for significant changes or expanded risk situations.

AMG's human rights policy relates to the following material impacts, risks or opportunities: Diversity and inclusion, health, safety and wellbeing, non-discrimination and promoting diversity and inclusion, remuneration, working time, freedom of association, collective bargaining and social dialogue, no forced or compulsory labor or human trafficking, no child labor, relationships with communities and handling of conflict minerals. AMG is committed to providing e.g. our workforce and others with access to effective grievance mechanisms. Grievances can be reported by both internal and external stakeholders, including but not limited to e.g. our employees through AMG's Speak Up procedure. Confidentiality, non-retaliation, and remedy are maintained. AMG expects all its employees to comply with the Human Rights Policy.

» See [AMG's Human Rights Policy](#) and [Speak Up & Reporting Policy](#) publicly available.

AMG's Diversity and Inclusion Policy emphasizes the importance of diversity and inclusion both within the company and in collaboration with partners along the value chain. AMG is committed to a diverse and inclusive corporate culture where every employee has equal opportunities and feels a sense of belonging. AMG is committed to diversity and inclusion in all AMG practices, including practices along the value chain. (ESRS S1.1, 17) AMG has zero-tolerance for any kind of discrimination or harassment based on racial or ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulation and national law. We do not tolerate any form of workplace bullying, intimidation and violence. AMG expects that all employment decisions made by local management, including hiring, promotions, compensation and other terms and conditions of employment is bias-free and based on merit, qualifications, and abilities only. (ESRS S1.1,24 (a-b), (ESRS S1.1, AR15) AMG has not defined policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce. (ESRS S1.1,24 c)

» See [AMG's Diversity & Inclusion Policy](#) publicly available and on policy implementation as [actions](#) on [page 99](#). (ESRS S1.1,24 d)

AMG's Health and Safety Policy applies to AMG and all its group companies and extends to service providers, suppliers and temporary workers. All employees are expected to exhibit conduct that reflects this Policy during work, when representing AMG, on or off the work site. AMG is firmly committed to full compliance with all local and national rules and regulations applicable to AMG's group companies. Where the requirement of domestic legislation are stricter than this Policy, the relevant stricter or additional rules of such domestic legislation shall prevail. (ESRS S1.1, 23)

At AMG people are our greatest asset: nothing is more important to AMG than the safety, health and well-being of our workers and their families. Therefore, "We act Safely" is one of AMG's core Values. AMG commits itself to provide a healthy and safe working environment for all employees, contractors working on its premises and for those hired by AMG further along the supply chain. This commitment enhances our standing as a responsible and attractive business partner and employer of choice, and improves our productivity. The Health and Safety Policy is designed to address material impacts, risks, and opportunities (IRO) linked to health and safety at AMG.

» See [AMG's Health and Safety Policy](#) publicly available.

S1-2 — Processes for engaging with own workers and workers' representatives about impacts

Due to its decentralized governance and company set-up, AMG has not established a general company-wide process to engage with its own workforce. (ESRS S2.1,29)

On the basis of our [Values and Code of Conduct](#), with one of the values "We respect people": We care for our stakeholders, including our employees and the communities we operate in. We place importance on relationships internally and externally, treating others with respect and care, however, the AMG business units engage with people in its own workforce and workers' representatives continuously. In particular, local management and local HR teams are constantly in interaction with its own workforce. Where workers' representatives are active, AMG engages with them on various issues of relevance locally.

» See [AMG's Code of Conduct](#) publicly available and referred to in [G1-1](#) on [page 110](#). [only for illustrative purposes (ESRS S1.2, 27), as (ESRS S1.2, 29) applies]

S1-3 — Processes for remediate negative impacts and channels for own workforce to raise concerns

A key component of AMG's grievance mechanisms is AMG's Speak Up & Reporting Policy. (ESRS S1.3, 30) Employees and third parties are encouraged to use the Speak Up Portal, a phone and web-based tool, to raise concerns, also on an anonymous basis. This may include, but is not limited to, all (social) issues of various levels of concern. The number of reported cases is regularly benchmarked against reputable and publicly accessible benchmark reports to assess effectiveness and AMG's Speak Up culture.

For detailed information on the Speak Up & Reporting Policy, including the [Speak Up Portal](#), the process, and non-retaliation provisions please refer to section G1-1. (ESRS S1.3, 32 a-e, 33)

Besides the Speak Up Portal, additional grievance mechanisms are available. AMG encourages to address any potential suspected irregularities directly with the person involved or the relevant managers or supervisors at the relevant office or industrial site since they are usually best equipped to resolve concerns quickly and effectively. It is also possible to reach out to AMG's local Compliance Officer or representatives nominated at our sites and industrial bases to receive concerns. (ESRS S1-3 AR 30)

S1-4 — Taking action on material impacts on AMG's workforce and effectiveness of those actions

AMG is committed to upholding its [core Values](#) and following the principles of the AMG Code of Business Conduct, which guide employee actions. We aim to have a positive impact on our workforce. Our company operates through local business units, which we trust to know best what is needed. Operational priorities are set locally. By establishing the framework with group-wide AMG policies, we aim to ensure that our business practices do not cause or contribute to material negative impacts on own workforce. (ESRS S1.4, 41) AMG has updated [group-wide policies on the material IROs](#) in 2024. The policies describe the target state that AMG wants to achieve in a continuous process focusing on the necessary steps to be taken. The focus in 2024 is therefore on the creation of up-to-date policies, their approval by the Management Board and the distribution of the AMG policies to all business units. Due to its decentralized nature, the distribution follows both a top-down approach, and focused environmental, social and governance activities, complemented by local activities. (ESRS S1.4, 35, 37)

We are using this momentum of CSRD preparation to further coordinate our actions and to learn from best-practices within AMG and beyond. This will take some time and is a continuous process with local business units taking the lead according to local requirements and methodologies, while the group-wide AMG policies provide the framework for action. Our aim is to continuously streamline actions, while leaving the necessary room for local priorities and ways, to be as consistent as possible and to respect local needs. Therefore the basis for actions currently implemented are driven by a range of motivations either on corporate level, as it is the case for example regarding actions on diversity and inclusion, or on factors on the local level. Currently as a result of this ongoing journey we have not yet planned or established actions. Therefore, we cannot report on comprehensive action plans including a list of key actions with expected outcomes and its contributions to AMG's policies nor necessary expenditures. (ESRS S1.4, 35, 37), (ESRS MDR-A, 68 (a)-(e), AR22, 69 (a)-(c), AR23)

To effectively monitor and evaluate workforce initiatives, we are beginning to assess potential instruments, including metrics for the CSRD, the first group-wide employee survey was rolled out in December 2024, benchmarking opportunities with peers, and the chance for continuous improvement by using assessment results to refine and enhance initiatives. (ESRS S1.4, 38 (d))

Consequently, the allocated resources are largely decentralized and part of the internal decision-making processes of individual business units. AMG has a [lean central organization](#) with dedicated functions supporting environmental, social, or governance sustainability matters. In 2024, group-wide global social networks were established to facilitate communication and future collaboration and exchange on social activities. Also AMG human right's policy and the D&I policy were presented and discussed (ESRS S1.4, 43)

Action on two material issues with a long history of AMG's actions and activities shall be illustrated here, while not yet covering all ESRS requirements. (ESRS S1.4, 40, MDR-A)

Diversity and Inclusion: One social focus area of key actions of AMG from a corporate level regarding social material IROs are the Corporate Diversity and Inclusion Council (CDIC) and the Employee Resource Groups (ERGs). AMG has underlined its commitment to diversity and inclusion through the establishment of the CDIC in 2023, which consists of 11 members from various departments. The CDIC is charged with raising awareness, driving diversity initiatives and advising management on diversity issues. The two Employee Resource Groups (ERGs): Women In Networking (WIN) and Leadership, Development and Mentorship held quarterly meetings in 2024, facilitated by an external consultant. These ERGs were established with the overall goal of increasing employee engagement, promoting diversity in leadership roles, and fostering a culture of mentorship and support. By providing dedicated spaces for networking and mentorship, we aim to create a more inclusive and collaborative work environment where every employee feels valued and can thrive. The CDIC also attended the [Society of Women Engineer's annual conference](#), which is the world's largest conference for women in engineering and technology. In addition, in June, AMG's CEO Dr. Heinz Schimmelbusch has signed the Society for Human Resource Management's (SHRM) [CEO Action for Inclusion & Diversity pledge](#). We signed the pledge to affirm our commitment to a fostering and inclusive workplace that values diverse perspectives and drives innovation across all levels of the organization. (ESRS S1.4, 38 (c))

Health and Safety: AMG is dedicated to fostering a safe work environment through a range of commitments. Our management systems conform to the highest standards which includes internationally recognized standards such as ISO 45001 occupational health and safety management systems. We train the relevant employees in their safety-related responsibilities, using clear and multilingual instructions and information. We empower and demand that employees work safely, integrating H&S performance evaluations into relevant staff appraisals and reward systems accordingly. (ESRS S1.4, 38)

Metrics and Targets

S1-5 — Targets related to managing material negative impacts, advancing positive impacts

AMG has not set any targets on the identified positive or negative impacts regarding own workforce with regard to collective bargaining freedom of association, adequate wages, and training and skills development. We trust in the proficiency of our local HR staff and departments to track the effectiveness of local activities and actions to correspond to the local market needs as well as the local employee base. A group-wide tracking of effectiveness of the actions regarding the particular sub-sub-topics has not been implemented. AMG is reviewing whether a feasible system can be developed, including metrics, to allow the units to annually report on the effectiveness of AMG's policies. (MDR-T, 72, 79 d), 81 b))

Diversity and inclusion target

AMG is dedicated to creating a workplace that promotes diversity and inclusion. In 2024, our diversity and inclusion reporting adheres to the guidelines of two separate frameworks: the Corporate Sustainability Reporting Directive (CSRD) and the Social and Economic Council of the Netherlands (SER) (ESRS MDR-T, 80(a)). Consequently, the variations in definitions, scopes, and reporting timelines result in differences in the reported data.

For the CSRD we apply a narrower definition of top management while at the same time including all business units in the data scope (ESRS S1.9, AR71). Conversely, for the SER's 2023 report, as in the years before, the "sub-top management level" encompasses "anyone who is managing salaried staff and/or hourly wage staff; or employees who are managing substantial projects that include outside consultants or contractors". Although the broader definition results in a larger basis being included in the SER's reporting compared to the CSRD, results are very close with 25% female and 75% male top management at AMG for CSRD reporting and 21% female and 79% male top management for SER reporting FY2023. In line with the SER framework, AMG has set a target to increase women in management-level leadership roles globally to 30% by 2030. No milestones were defined (ESRS MDR-T, 80(b-e)). The 2023 data is presented in the publicly available SER Report published in 2024, while the 2024 data, included in the Social Information section of this CSRD, aligns with the CSRD definition. (ESRS S1.5, 44b), ESRS MDR-T, 79(a-b)).

Due to the ongoing review of the definitions, and its underlying metrics, we are not in the position yet to report an AMG target covering broader aspects of diversity and inclusion (ESRS MDR-T, 80) However, AMG's reporting in the SER portal in the Netherlands continues.

Health and safety target

Safety performance data regarding the number of workplace injuries, illnesses and fatalities are a key performance indicator used to identify initiatives that strengthen safety culture and ensure a safe workplace.

We aim to achieve an annual zero-incident status. As identified in the Summary: Remuneration Policy of this report, AMG has set a compensation target, related to the lost time injury rate (LTIR) aspiring to be 10% better than our peers. AMG's 2024 LTI of 0.48 was significantly better than its peers and 52% below the peer group figure of 1.00. On a monthly frequency, performance metrics shown in Table S1-14 are reported and analyzed in accordance with our data collection procedure. A consolidated monthly report, tracking the organization's progress towards the annual target, is prepared and disseminated to AMG management personnel.

S1-6 — Characteristics of the undertaking's employees

For details on the characteristics of AMG's employees see tables below. Overall, AMG has 3,651 employees in 2024. 530 employees have left AMG in 2024 with an employee turnover rate of 14.5%. (ESRS S1.6, 50c), AR59, AR60) We compile the data presented here by headcount at the end of the reporting period (ESRS S1-6 50 d i) dii), ESRS S1.6, 50e), AR58) [Footnote 1 Reporting Entity](#) on [page 143](#) states the number of employees (ESRS S1.6, 50f)

Table 1 of S1-6: Information on employee headcount by gender (ESRS S1.6, 50a), AR55)

Gender	Number of employees (headcount)	Percentage
Male	3,021	83%
Female	622	17%
Other	0	—%
Not reported	8	—%
Total Employees	3,651	100%

Table 2 of S1-6: Employee headcount in countries where AMG has at least 50 employees representing at least 10% of its total number of employees (ESRS S1.6, 50a), AR55)

Country	Number of employees (headcount)	Percentage
Germany	1,434	39%
Brazil	752	21%
USA	485	13%

Table 3 of S1-6: Employees by contract type, broken down by gender (headcount) (ESRS S1.6, 50b), AR55

Headcount	Male	Female	Other	Not reported	Total
Number of employees	3,021	622	0	8	3,651
Number of permanent employees	2,942	606	0	0	3,548
Number of temporary employees	79	16	0	8	103
Number of non-guaranteed hours employees	0	0	0	0	0

AMG's Social CSRD Manual for internal purposes, contains a detailed description for the data collection methodologies, including any limitations. Due to the very decentralized AMG set-up and the diverse IT infrastructure, for the purpose of social data collection we are using three ways. For the S1-6 metrics, we amended a monthly financial data collection process and included additional information requests as needed for ESRS. Limitations are due to the different legislation in different countries, AMG is active in, yet we are applying common definitions, while adhering to all local legislation. For the metrics on headcount per country, we only include those countries with 50 or more employees and at the same time representing at least 10% of employees. (MDR-M ESRS 2.77 a)

S1-8 — Collective bargaining coverage and social dialogue

46% of AMG's total employees are covered by collective bargaining agreements. (ESRS S1-8, 60 (a)) In the EEA there are three collective bargaining agreements in Germany (AMG Titanium, AMG Silicon and AMG Graphite Germany) and two in France (AMG Antimony and ALD France). (ESRS S1-8, 60 (b)) The table below shows the details.

In relation to social dialogue in EEA countries, 92% of employees are covered by workers' representatives in EEA countries with significant employment, respectively Germany. (ESRS S1-8, 63 (a)) There is no existence of any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council. (ESRS S1-8, 63 (b))

Table S1-8: Coverage rate collective bargaining coverage and social dialogue (ESRS S1-8, 58, 60 (b), (c), 63 (a))

Coverage Rate	Collective Bargaining Coverage		Social dialogue
	Employees - EEA	Employees - Non-EEA	Workplace representation (EEA only)
	(for countries with >50 employees representing >10% total employees)	(estimate for regions with >50 employees representing >10% total employees)	(for countries with >50 employees representing >10% total employees)
0-19%			
20-39%	Germany	North America	
40-59%			
60-79%			
80-100%		South America	Germany

The Social CSRD Manual contains a detailed description for the data collection methodologies, including any limitations. Due to the very decentralized AMG set-up and the diverse IT infrastructure, for the purpose of social data collection we are using three ways. For the S1-8 metrics, we are using a cloud-based platform for primary data collection provided by the Business Units in addition to calculations done centrally. Limitations are due to the different legislation in different countries, AMG is active in, yet we are applying common definitions, while adhering to all local legislation. (MDR-M ESRS 2.77 a)

S1-9 — Diversity metrics

Regarding the CSRD definition of top management, AMG discloses gender at top management, using the narrow definition as one and two levels below AMG's Management Board. (ESRS S1.9, AR71) Thereby, the entity CEOs of AMG Lithium, AMG Vanadium and AMG Technologies are seen as level one top management with the direct reports to the entity CEOs and/or [Management Board](#) defined as level two.

» See more information on governance under [Governance](#) on [page 71](#)

Table S1-9: Number and percentage of employees at top management level (ESRS S1.9, 66 (a))

Gender	Number	Percentage
Female	38	25%
Male	116	75%
Other	0	—%
Not reported	0	—%
Total	154	100%

Table S1-9: Age distribution in workforce based on headcount (ESRS S1.9, 66 (b))

Age	Male	Female	Other	Not reported	Total	Percentage Total
Employees under 30 years old	485	124	0	4	613	17%
Employees between 30 and 50 years old	1,676	349	0	4	2029	56%
Employees over 50 years old	860	149	0	0	1,009	28%
Employees under 30 up to over 50 years old	3,021	622	0	8	3,651	100%

AMG's Social CSRD Manual for internal purposes contains a detailed description of the data collection methods, including any limitations. Due to AMG's highly decentralized structure and diverse IT infrastructure, we use three methods to collect social data. For the S1-9 metrics, we have modified a monthly financial data collection process and included additional information requests as needed for the ESRS. The limitations are due to the different legislation in the various countries where AMG operates, but we apply common definitions while complying with all local legislation. In this case, however, we collect information applying two different definitions in parallel for FY 2024. The definition of "sub-top" management for SER reporting purposes differs from the CSRD definition of top management used in that the former is more limited and follows the ESRS definitions. We plan to take a closer look at the definitions and concepts in 2025 with the aim of aligning definitions and targets. (MDR-M ESRS 2.77 a)

S1-10 — Adequate wages

All of AMG employees are paid an adequate wage in line with an adequate benchmark. (ESRS S1.10, 67, 70)

The Social CSRD Manual contains a detailed description for the data collection methodologies, including any limitations. Given AMG's decentralized structure and diverse IT infrastructure, social data is gathered through three primary methods. For S1-10 metrics, AMG collaborates with an external HR service provider and utilizes a cloud-based platform for primary data collection from Business Units, in addition to centrally conducted calculations and ESRS-required benchmarking. Limitations are due to the different legislation in different countries, AMG is active in, yet we are applying common definitions, while adhering to all local legislation as well as potentially to be calculated benchmarks when no direct sources are available.

AMG's adequate wage analysis encompasses several key steps. Wage data is collected directly from Business Units and supplemented by benchmarks from the Global Wage Indicator, such as legal minimum wages, collective bargaining agreement wages, and public/private statistical data. For Non-EEA (Non-European Economic Area) countries, sub-national benchmarks may be applied. The scope of this analysis covers all AMG locations—excluding Russia—and includes both EEA and non-EEA countries. Eligible employees are those counted in the normal headcount as of September 30, 2024, excluding individuals on long-term leave, non-employees, apprentices, secondees, and interns. The lowest wage in each country is determined by the basic wage plus any fixed additional payments that are guaranteed to all employees. This lowest wage is then compared against relevant benchmarks to assess whether it meets or exceeds the adequate wage standard. Data quality is ensured through thorough reviews to verify completeness, currency consistency, and gross salary amounts. Local representatives validated the data before submitting the data to the Corporate Workforce Reporting team. (MDR-M ESRS 2.77 a)

S1-14 — Health and safety metrics

Health, safety, and well-being of our employees is one of the most material topics. We firmly believe that there is no job worth doing in an unsafe manner, our goal is to design policies and procedures which eliminate all work-related preventable injuries. Safety is understood across our business units as our number one priority.

AMG safety programs are unique to each of our sites and their management systems are tailored to their local regulatory environment. Formal safety management systems continue to play an important role in achieving zero harm to employees. We inform our safety management system through standards such as ISO 45001, which specifies requirements for occupational health and safety (OH&S) management systems. Our sites review and maintain their safety management systems through internal audits and participate in external audits when seeking certification. No significant assumptions behind entity specific key performance indicators exist.

Safety performance data regarding the number of workplace injuries, illnesses and fatalities are a key performance indicator used to identify initiatives that strengthen safety culture and ensure a safe workplace. Each year, AMG aims to achieve a zero-incident status. This is, of course, a very challenging objective.

Table S1-14 Health and safety performance metrics (ESRS S1.14, 86)

Health and safety metric (totals)	Unit	2024
ISO 45001 certification coverage		
Own employees covered (ESRS S1.14, 88(a))	Percentage ¹	47
Work-related incidents and/or ill-health relating to own workforce		
Recordable incidents (ESRS S1.14, 88 (c))	Incidents	30
Recordable incident rate	Incidents per 200,000 hours worked ^{2, 3}	0.9
	Incidents per 1,000,000 hours worked (ESRS S1.14, 88 (c))	4.5
Lost time incidents ²	Incidents	16
Lost time incident rate ²	Incidents per 200,000 hours worked ⁴	0.48
	Incidents per 1,000,000 hours worked ⁵	2.4
Fatalities as a result of injuries (ESRS S1.14, 88 (b))	Cases	0
Fatalities as a result of ill health (ESRS S1.14, 88 (b))	Cases	0
Work-related incidents and/or ill-health relating to value chain workers working at AMG location		
Fatalities as a result of injuries and ill health (ESRS S1.14, 88 (b))	Cases	0

1) Based on headcount

2) Entity specific key performance indicators

3) Recordable incident Rate: Incidents per 200,000 hours worked: (number of recordable injuries, illnesses, and fatalities) x (200,000) / (Total Hours Worked)

4) Lost Time Incident Rate: Incidents per 200,000 hours worked (excluding fatalities) calculated as follows: (number of lost time injuries and illnesses) x (200,000) / (Total Hours Worked)

5) Lost Time Incident Rate: Incidents per 1,000,000 hours worked (excluding fatalities) calculated as follows: (number of lost time injuries and illnesses) x (1,000,000) / (Total Hours Worked)

S2 — Workers in the Value Chain

Strategy

S2 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

The potential impacts on AMG's value chain workers originate from or are connected to AMG's strategy and business model as we produce highly engineered specialty metals as well as market-leading vacuum furnaces for specialized alloying applications and heat treatment services (see e.g. [SBM-1](#)). And among other factors, also inform and contribute to adapting the undertaking's strategy and business model. Also the relationship between on the one hand AMG's material risk arising from impacts and dependencies on value chain workers, and on the other hand AMG's strategy and business model, are due to the sectors AMG is active in. (S2-ESRS 2 SBM-3, 10 (a), (b)) All AMG's value chain workers who could be potentially materially impacted by AMG are included in the scope of its disclosure. (ESRS 2.S2-ESRS 2 SBM-3, 11)

» See also [value chain description](#) on [page 66](#).

(a) AMG's value chain workers who could be materially impacted by AMG

So far, AMG has not yet developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm. (ESRS 2.S2-ESRS 2 SBM-3, 12) In the course of AMG's materiality assessment, it was determined that workers employed by companies in AMG's upstream value chain could potentially experience material impacts. We currently do not see any concrete situation, where AMG may either cause a negative impact, or contribute to it, however, it cannot be excluded that any link to a potentially negative impact may occur. (ESRS 2.S2-ESRS 2 SBM-3, 13) In the DMA, we assumed that workers at AMG sites who are not part of the AMG workforce will remain in close contact with AMG, minimizing the likelihood of significant adverse impacts. Those who work for companies in the upstream value chain, which is resource-intensive and sometimes linked to governance issues in the countries where the resources are mined or processed, could be potentially affected. Workers employed by companies in AMG's downstream value chain were not considered to be at risk of material negative impacts. AMG's influence and leverage are likely to be limited due to the nature of its products and its position within the overall value chain. Joint ventures or special purpose vehicles in which AMG participates are typically in the early stages and do not involve many of the company's own workers or workers in the value chain, resulting in a low likelihood of significant negative impacts. Workers who are particularly vulnerable to negative impacts (within the prior categories or additionally), have not yet been identified. (ESRS 2.S2-ESRS 2 SBM-3, 11 (a) i-v)

(b) No significant risk of child labor, or of forced labor or compulsory labor, among workers in AMG's value chain

While recognizing the potentially vulnerable situation of workers in AMG's supply chain and the potential for significant negative impacts on them and risks to AMG, the risk of child, forced or compulsory labor is considered minimal. Through the [AMG Supplier Code of Conduct](#) and Corporate Values, AMG demonstrates a strong commitment to its business partners. However, when considering leverage, it is apparent that entire metal and critical material supply chains are complex and are potentially critical. They cannot be effectively managed by one or a few companies alone and involve a variety of different stakeholders, such as states, investors, miners, smelters, transporters, or metal exchanges and others besides the workers on the ground. With a global reach supply chains often span multiple countries, each with different regulations, labor standards, and enforcement capabilities. In contrast, AMG's own operations and business activities are more directly under its control, allowing for more effective management and positive influence. (ESRS 2.S2-ESRS 2 SBM-3, 11 (b))

» For additional information, please refer to the [value chain description](#) on [page 66](#) and the governance section, which does not mention any reports.

(c) Regarding potential material negative impacts

With respect to workers in the supply chain, potential negative impacts regarding five sub-sub-topics were identified in the double materiality assessment, see also elaboration in [IRO-2](#) on [page 77](#). In the case of the potential impact associated with the sub-subtopic "forced labor" in the short and mid term, negative impact on workers in the supply chain could potentially take place through exposure of workers in locations where there are circumstances of forced labor. For "diversity" also in the short and mid term, we see a potential negative impact on workers in the supply chain related to the lack of equal treatment and opportunities for all. For "adequate wages" in the short, mid and long term, negative impact on workers in the supply chain could potentially appear through working conditions which have a lack of employment terms that provide adequate wages. For "collective bargaining and freedom of association" in the short and mid term, potentially workers in the supply chain could negatively be impacted through employment terms that have a lack of opportunities for workers to engage in collective bargaining and social dialogue as well as freedom of association. In terms of "health and safety", a potential negative impact in the short term has been identified with respect to supply chain workers and their physical health and safety from unsafe situations that can result in injury or work-related illness. This potential negative impact is covered in the Supplier Code of Conduct, which requires suppliers to establish internal programs to protect the health and safety of their staff. The potentially material negative impacts identified, we see as (i) systemic in the context of metals and mining context AMG operates and therefore has sourcing or business relationships. The mining of metals and minerals is considered as a supply chain element

that also due to its global activities can potentially imply negative impacts on workers. AMG is as critical materials company proud of its contribution to the market, while well aware that at the same time critical materials are subject of specific legislation that aims to improve working conditions and environmental protection. (ESRS 2.S2-ESRS 2 SBM-3, 11 (c)) We have not engaged with our otherwise evaluated impacts to our value chain workers from climate-related transition risks. (ESRS 2.S2-ESRS 2 SBM-3, 11 (c))

(e) Potential material risks

AMG has identified forced labor as a potential material risk on short term in its value chains, particularly in the metals and mining sectors, based on an abstract analysis by referring to the European political debate to regulate the minerals and metals sector. This risk could lead to increased compliance costs due to the need for additional human rights measures to meet regulatory requirements. Furthermore, AMG may face litigation costs, fines, or penalties for potential labor law violations, and could suffer lost revenue due to reputational damage from human rights violations in the deeper value chain. These issues could harm AMG's ability to maintain existing business relationships, develop new ones, and attract talent. Business process disruptions resulting from the unavailability of workers in the value chain could also lead to revenue loss. Potential forced labor in AMG's value chains could cause serious harm to stakeholders and damage the company's reputation. Currently, these risks are associated with workers further down the value chain, where AMG has minimal influence. To date, we have not differentiated between types of value chain workers concerning material risks. (ESRS 2.S2-ESRS 2 SBM-3, 11 (e), 13)

» More on [General Disclosures SBM-3](#) on [page 69](#).

Impact, risk and opportunities management

In accordance with the social ESRS provisions on the interaction with other ESRS standards, and recognizing that social standards should be considered in conjunction with both the general ESRS and other material social standards that address different stakeholder groups, namely AMG's own workforce, workers in the value chain and affected communities policy information is provided in the ESRS 2 disclosure's overview, at the beginning of the social information section when it is not specific to one of the concerned material stakeholder groups and only specific additional information is provided in the respective sections of S1, S2 or S3.

» See table on [MDR-P in ESRS 2](#) on [page 78](#). See elaborations on [AMG's human rights policy](#) in [section S1.1](#) on [page 98](#). (ESRS S2.1, AR13)

S2-1 — Policies related to value chain workers

Several AMG policies support the management of material impacts on workers in AMG's value chain, in particular upstream workforce. (ESRS S2.1, 11, 14, 16, MDR-P) Regarding the social IROs these are namely [AMG's Code of Conduct](#), [Diversity & Inclusion Policy](#), [Human Rights Policy](#), [Health & Safety](#), [Speak Up & Reporting Policy](#), [Stakeholder Engagement Policy](#) and [Supplier Code of Conduct](#).

» See sections on the AMG Code of Business Conduct, Supplier Code of Conduct, Speak Up & Reporting Policy in Governance under [G-1.1](#) on [page 110](#), [table on MDR-P in ESRS 2](#) on [page 78](#), [introductory section under Social Information](#) on [page 93](#) as well as information on Human Rights Policy, Diversity & Inclusion Policy and Health and Safety Policy in [S-1](#) on [page 98](#) and the AMG Stakeholder Engagement Policy in [Social](#) on [page 93](#). (ESRS S2.1 14, 16, MDR-P)

S2-2 — Processes for engaging with value chain workers about impacts

Due to the very decentralized nature of its business, AMG has not adopted a general company-wide process to engage with workers in the value chain. It is up to the different business units to define the most adequate process for their respective situation regarding workers in their specific value chain. With the updated Supplier Code of Conduct and Human Rights policy we are preparing a common framework for further processes. (ESRS S2.2, 24)

S2-3 — Processes to remediate negative impacts and channels for value chain workers to raise concerns

A key component of AMG's grievance mechanisms is AMG's Speak Up & Reporting Policy. (ESRS S2.3, 25) Employees and third parties, including value chain workers, are encouraged to use the Speak Up Portal, a phone and web-based tool, to raise concerns, also on an anonymous basis. This may include, but is not limited to, all (social) issues of various levels of concern. The number of reported cases is regularly benchmarked against reputable and publicly accessible benchmark reports to assess effectiveness and promote a Speak Up culture. Awareness among value chain workers has not yet been assessed. (ESRS S2.3, 28)

» For detailed information on the Speak Up & Reporting Policy, including the Speak Up portal, process, and non-retaliation provisions please refer to [section G1-1](#) on [page 110](#) (ESRS S2.3, 25, 27 (a-d))

S2-4 — Taking action on material impacts on value chain workers, and approaches to material risks and effectiveness

AMG is committed to upholding its core Values and following the principles in the [AMG Code of Business Conduct](#) and has established the [AMG Supplier Code of Conduct](#) as our supplier relationships are essential in building economic value and promoting social and environmental best practices. AMG is committed to conducting its business ethically, sustainably, and responsibly. (ESRS S2.4, 30) No severe human rights issues and incidents connected to AMG's upstream and downstream value chain have been reported in 2024. (ESRS S2.4, 36)

As laid out [earlier](#), our company operates through local business units, which we trust to know best what is needed and should be prioritized locally. We are in a phase of assessment and redefining our actions regarding our material IROs. Our aim is to continuously improve, while leaving the necessary room for local priorities and ways, to be as consistent as possible and to respect local needs. Our group-wide global social networks will support further development and offer a chance to learn from each other's best-practice. Currently, we have not yet established or planned actions for this matter, we cannot report on comprehensive action plans regarding identified material potential negative impacts or risks regarding the workers in our value chain nor do we have a list of key actions with expected outcomes and its contributions to AMG's policies and necessary expenditures. While we have updated the AMG Supplier Code of Conduct, we cannot yet detail approaches for our own practices. (ESRS S2.4, 31, 32 (a), (d), 34, 35, 37, AR28, AR38), (ESRS MDR-A, 66, 68 (a)-(e), AR22, 69 (a)-(c), AR23). We are considering ways to improve our methods for identifying suitable actions to address potential negative impacts on value chain workers. This involves assessing internal practices, evaluating the availability and effectiveness of remedy processes, and exploring a tighter integration with current risk management systems. (ESRS S2.4, 30, 33 (a) - (c), AR43). The allocated resources are largely decentralized and part of the internal decision-making processes of individual business units. (ESRS S2.4, 38)

» See for focus on [policy activities](#) elaboration in [S1-4 actions](#) on [page 99](#)

Metrics & Targets**S2-5 — Targets related to managing material negative impacts and managing material risks**

Until now and due to the decentralized business structure of AMG in addition to its diverse global value chain(s) in the different businesses, AMG has not set any outcome-oriented targets regarding workers in the value chain. This does not imply that AMG does not take any potential negative impacts on workers in the value chain seriously. (ESRS S2.5)

The effectiveness of AMG's policies in relation to workers in the value chain is currently tracked in the same manner as other AMG policies. AMG is reviewing whether a feasible system can be developed to allow the units to annually report on the effectiveness of AMG's policies. (MDR-T, 72, 79 d), 81 b)

S3 — Affected Communities

Strategy

S3 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

"Local employment opportunities" is identified as both material impact on short, mid and long term basis for the communities and creating a material opportunity in the mid term for AMG. AMG focuses on hiring locally, where suitable. This creates a positive impact on the workers and provides an opportunity to AMG as to have local workers available.

The potential impacts on affected communities originate from or are connected to the AMG's strategy and business model as a mining and metals company based on strong AMG Values. This, among other factors, also informs and contributes to adapting the AMG's strategy and business model. In addition, the relationship between AMG's material opportunities from positive impacts and dependencies on affected communities, and its strategy and business model, is due to the sector in which AMG operates having strong hand print, i.e. positive impacts, on the local communities. (ESRS S3-ESRS 2 SBM-3, 8 (a- b), AR 3)

All communities likely to be materially impacted by its operations are included within the scope of its disclosure under ESRS 2. This encompasses impacts directly associated with the undertaking's own operations, as well as those arising from its value chain, products, services, and business relationships. (ESRS S3-ESRS 2 SBM-3, 9)

a) Types of communities subject to material impacts

The identified potential positive material impact of "local employment opportunities" is on local communities and local economy by way of providing local employment opportunities and thereby supporting the living conditions and the opportunity for AMG by a potential increase in revenue due to a positive impact on the reputation of AMG as a result of providing more employment opportunities. It is identified for communities living or working around the undertaking's operating sites, factories, facilities or other physical operations, or more remote communities affected by activities at those sites. It was not identified as material for communities along the undertaking's value chain or communities at one or both endpoints of the value chain.

(ESRS S3-ESRS 2 SBM-3, 9 (a))

(c) Regarding material positive impacts

AMG contributes positively to communities as a whole and individuals in the community by maintaining enduring and healthy relationships with the communities. Some of AMG's businesses have operated for more than a century, have employed generations of families, and are a significant component of their communities and local economies. (ESRS S3-ESRS 2 SBM-3, 9 (c))

(d) Potential material opportunities for AMG

The identified potential opportunity for AMG of "Local employment opportunities" may lead to increased revenue from business growth due to having a local workforce that has all skills to meet business and strategic objectives, the ability to attract, develop and retain diverse talent pool with skills and background that can foster innovation and creativity and may lead to decrease in operational costs to attract and retain new talents outside the workforce. (ESRS S3-ESRS 2 SBM-3, 9 (d))

The potential opportunity arises from communities living or working around the undertaking's operating sites, factories, facilities or other physical operations, or more remote communities affected by activities at those sites rather than to communities along the undertaking's value chain or communities at one or both endpoints of the value chain. (ESRS S3-ESRS 2 SBM-3, 11)

» More on [General Disclosures SBM-3](#) on [page 70](#).

Impact, risk and opportunities management

In accordance with the social ESRS provisions on the interaction with other ESRS standards, and recognizing that social standards should be considered in conjunction with both the general ESRS and other material social standards that address different stakeholder groups, namely AMG's own workforce, workers in the value chain and affected communities policy information is provided in the ESRS 2 disclosure's overview, at the beginning of the social information section when it is not specific to one of the concerned material stakeholder groups and only specific additional information is provided in the respective sections of S1, S2 or S3.

» See table on [MDR-P in ESRS 2](#) on [page 78](#). See elaborations on AMG's human rights policy in [section S](#) on [page 93](#). (ESRS S3.1, 18)

S3-1 — Policies related to affected communities

To support the management of significant impacts on workers in AMG's value chain, particularly the upstream workers, several AMG policies are implemented. (ESRS S3.1, 12, 14, MDR-P) AMG's policies help manage addressing material impacts on affected communities include [Diversity & Inclusion Policy](#), [Human Rights Policy](#), [Supplier Code of Conduct](#), [Stakeholder Engagement Policy](#), and [Speak Up & Reporting Policy](#). AMG considers not only local communities but also indigenous peoples in the regions where it operates. (ESRS S3.1, 15)

» See sections on the AMG Code of Business Conduct, Supplier Code of Conduct, Speak Up & Reporting Policy in Governance under [G-1.1](#) on [page 110](#), [table on MDR-P in ESRS 2](#) on [page 78](#), [introductory section under Social Information](#) on [page 93](#) as well as information on Human Rights Policy, Diversity & Inclusion Policy in [S-1](#) on [page 98](#) and the AMG Stakeholder Engagement Policy in [Social](#) on [page 93](#) (ESRS S3.1 12, 14, MDR-P).

S3-2 — Processes for engaging with affected communities about impacts

AMG has not yet adopted a general company-wide process to engage with affected communities due to its very decentralized corporate set-up as well as the by definition very specifically locally communities that need and are handled on the local level in a way seen as adequate and necessary by the local business in line with the AMG's expectations as expressed in AMG's Values and policies. (ESRS S3.2, 24)

S3-3 — Processes to remediate negative impacts and channels for affected communities to raise concerns

No negative material impacts were identified. (ESRS S3.3)

» More on Speak Up in the [Governance section](#) on [page 110](#).

S3-4 — Taking action on material impacts on affected communities and material opportunities and effectiveness

Affected communities live around our local business operations. This is related to AMG's governance structure, as discussed out [earlier](#). AMG operates through local business units, which we believe to know best what local needs and priorities are. We also fully trust our local business units to make a positive impact on the communities around our manufacturing sites by providing local employment opportunities and thereby supporting livelihoods in a decentralized manner. As a result, we have not established AMG-wide action plans or allocated centralized resources to manage our material impacts or opportunities, nor do we track their effectiveness at the AMG Group level. (ESRS S3.4, 30, 31, 32 (c), (d), AR36, 34 (b), 38, MDR-A) No human rights issues or incidents connected to affected communities have been reported. (ESRS S3.4, 36)

At this time, we do not see the value in implementing an AMG-wide action plan on affected communities that aligns with the ESRS disclosure standards. However, we would like to highlight one of our best practices. This also relates to the opportunity for AMG to ensure a stable and long-term relationship for employees in the company and to support good neighborhoods with the communities. We believe this example is relevant to both our users of sustainability reporting and to individuals potentially affected.

As an example, we provide a brief overview of the positive impact we have assessed on the local communities surrounding our mining and production operations in Minas Gerais, Brazil, which presents opportunities for us as a company. At AMG Brazil, approximately 70% of our workforce is recruited from the local communities surrounding our São João del-Rei plant and Nazareno mine, establishing us as a reliable local employer. Our recruitment strategy leverages advanced HR software to attract top talent, manage candidate data and streamline operations, improving the candidate experience and reinforcing our local commitment. We also benefit from having access to a dedicated local workforce. In 2024, AMG hosted two technical training sessions for about 40 community members and organized open house days that allowed around 150 students from local schools and universities to visit our facilities. In addition, AMG's apprenticeship program, which exceeds Brazilian legal requirements, offers local youth the opportunity to learn a trade and gain their first work experience.

Metrics & Targets

S3-5 — Targets related to advancing positive impacts and managing material risks and opportunities

AMG has not set targets regarding affected communities. Currently the effectiveness of policies and actions in relation to the material opportunity "local employment opportunities" regarding affected communities is not tracked. The reason is the very decentralized structure of AMG and regarding the affected communities the very localized specific nature of any interaction. AMG's defined level of ambition to evaluate the process, including the base period which progress is measured needs to be clarified yet. The effectiveness of AMG's policies in relation to affected communities is currently tracked in the same manner as other AMG policies. AMG is reviewing whether a feasible system can be developed, including metrics, to allow the units to annually report on the effectiveness of AMG's policies. (ESRS S3.5, MDR-T, 72, 79 (d), 81 (b))

Governance Information

Governance related, AMG has identified three key material (sub-)topics, i.e., corporate culture, protection of whistleblowers and anti-corruption and bribery. The following section presents essential information relevant to these material topics aligned with ESRS disclosure requirements. [IRO-1](#) highlights all relevant criteria used in the process to identify material impacts, risks and opportunities in relation to business conduct matters. (ESRS 2 G1 IRO1 6)

Table G1 Material governance matters

Material topic	Impact type	Material impact, risk or opportunity	Location	Time horizon of impact
Corporate culture	Actual	Positive impact society, employees, customers, shareholders, and suppliers through behaviors that support transparent and sustainable business practices to the benefit of all stakeholders.	Own operations	Long term
Protection of whistleblowers	Actual	Negative impact on employees, customers, suppliers, investors through non-compliance with whistleblower protection guidelines.	Own operations	Long term
Corruption & bribery	Potential	The risk of financial loss or damage to AMG reputation caused by failure to comply with regulations regarding anti-corruption, anti-trust and anti-bribery due to the increasing complexity of regulations, significant business growth and presence into more countries.	Own operations	Mid term

G1 — Business Conduct

Governance

G1 GOV-1 — The role of the administrative, supervisory and management bodies

Senior management plays an essential role in ensuring ethical business conduct at AMG. The Management Board drives implementation and adherence to AMG's (business conduct) policies and AMG Values, while the Supervisory Board oversees and advises on compliance and risk management. Details on these roles in relation to business conduct can be found in the relevant [Corporate Governance](#) and [Supervisory Board](#) sections in the Annual Report. (ESRS 2 GOV-1, G1 5)

Impact, risk and opportunity management

G1-1 — Business conduct policies and corporate culture

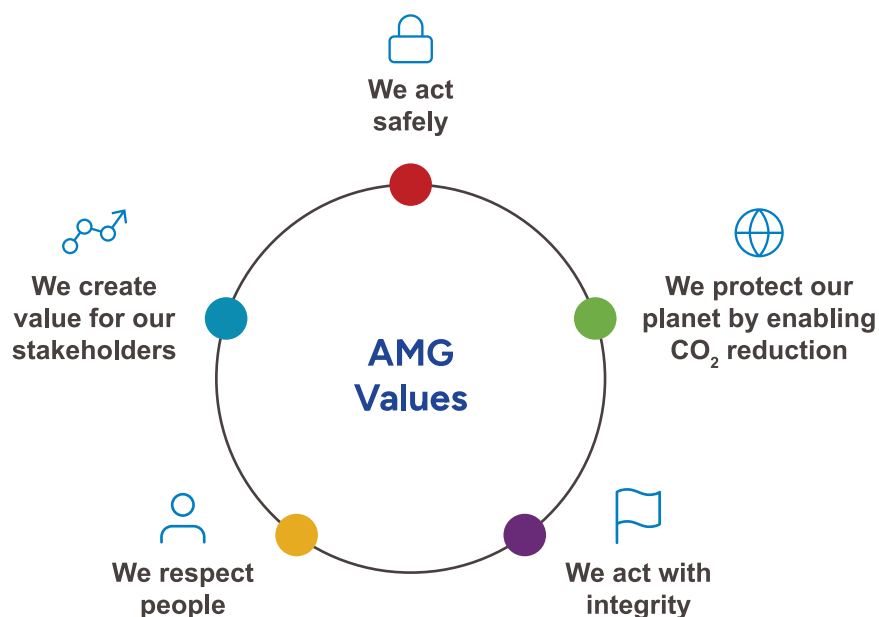
AMG endeavors to maintain a robust culture of compliance, mirroring AMG's emphasis on business ethics to manage and mitigate our risks and secure a sustainable future. We foster this culture through comprehensive policies, a consistent tone from the top, systematic compliance processes and group-wide training, as further detailed below. In addition, AMG actively participates in the United Nations Global Compact, a strategic policy initiative aligning businesses with ten Principles on human rights, labor, the environment, and anti-bribery and corruption. Since 2009, AMG's Management Board has committed to these principles, reaffirming support annually.

Policy framework

AMG's comprehensive business conduct policy framework includes, amongst others, the AMG's [Code of Business Conduct](#) ("the COBC") and AMG's Values, [Speak Up & Reporting Policy](#) ("Speak Up Policy"), [Anti-bribery, anti-corruption and conflicts of interest Policy](#) ("ABC Policy"), and [Supplier Code of Conduct](#). This framework is designed to create awareness within AMG regarding various business conduct topics, to give insight into the behavior that is expected when doing business, but also to identify, report, and investigate concerns about unlawful or non-compliant behavior, as detailed later in this section.

The AMG COBC including AMG's Values set out the principles that serve to guide the actions of all employees to make the right decisions and resolve ethical issues that may be encountered. These principles promote AMG and its third parties in doing the right thing. The AMG Speak Up Policy provides guidance for every employee or third party on how to voice concerns relating to compliance or suspected misconduct and to do so in confidence and without fear of retaliation. AMG's ABC Policy, further detailed in section [G1-3](#) and consistent with the United Nations Convention Against Corruption (UNCAC), ensures business integrity, compliance with relevant laws, and the prevention of conflicts of interest, bribery, and corruption. AMG's Supplier Code of Conduct promotes ethical, sustainable and responsible practices among suppliers. Policy details are outlined in [Table MDR-P](#).

Figure G1-1 AMG Values



Tone from the top

Top leadership consistently reinforces the message that adherence to ethics and compliance standards is expected. To illustrate this, in the introduction of AMG's COBC, our Chairman of the Management Board asserts that honesty, integrity, and accountability are the foundations on which AMG is built and essential components of AMG's success. Further, the Management Board displays its tone from the top on business conduct through AMG Loop, a magazine that is distributed throughout the AMG organization every month. (ESRS G1.1, 7, 9, AR 1)

Compliance processes and speaking up

The Chief Compliance Officer reports to the CEO of AMG Critical Materials NV and regularly reports to the Supervisory Board about the performance against AMG's COBC, the number of reports filed and nature of the reports filed, employee awareness of the COBC, as well as any prospective changes. (ESRS G1.1, 9, AR 1)

Identify — AMG's Chief Compliance Officer looks for trends related to incidents, new regulations, or compliance challenges to identify opportunities for improvement. While our legal and compliance functions regularly visit, as needed, our local group companies to provide compliance support, AMG also relies on a network of external legal and other subject matter experts who advise us on material changes to local and global regulations concerning business conduct risks. Fraud risks are continuously monitored by the Management Board and the Internal Audit function together with the key finance managers of the units, to review the proper operation of the controls framework, with regular reporting to the Audit & Risk Management Committee. This is monitored through the quarterly risk report that is shared by the Management Board with the Audit & Risk Management Committee, which shares its findings with the Supervisory Board. (ESRS G1.1, 10(a))

Report — The Speak Up procedure, outlined in the Speak Up Policy, enables AMG to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively. (ESRS G1.1, 10(e)) AMG encourages speaking up among all employees and third parties by promoting awareness of the Speak Up Policy and providing clear guidance on the various methods and processes to raise concerns. The Speak Up & Reporting Policy is available on AMG's corporate website in six languages and on local websites in the respective languages. Further, a poster explaining the Speak Up procedure and means is displayed at AMG sites worldwide and all employees have received an email on the Speak Up Policy. In addition, in 2024, AMG introduced its 'Speak Up Portal', alongside existing reporting channels through local Compliance Officers or the Chief Compliance Officer, via email or phone. The online portal allows employees and external parties to report easily and anonymously by scanning a QR code or filing a report online. Reports may also be submitted through local HR, (who refer them to) Compliance Officers, the Chief Compliance Officer or the Speak Up Portal. (ESRS G1.1, 10(a))

Investigate and respond — The Chief Compliance Officer, along with the local Compliance Officers, handles speak up cases in accordance with the procedure outlined in the Speak Up Policy, which adheres to strict principles of confidentiality, objectivity, timely response, anonymity and non-retaliation. Local Compliance Officers inform the Chief Compliance Officer of a new case and discuss the appropriate handler. A report submitted via the Speak Up Portal is directed to the Chief Compliance Officer, who reviews the case and assigns it to the relevant Compliance Officer or handles it directly. The Chief Compliance Officer, in close collaboration with local Compliance Officers (if applicable), will determine on a case-by-case basis whether and how an investigation should proceed. This may involve interviews, financial assessments, or the engagement of external counsel, if deemed necessary. The outcome of any investigation is communicated back to the reporter. (ESRS G1.1, 10(a, c, e)) Currently, the company assesses awareness and trust in the AMG Values and COBC through its annual employee survey. (ESRS G1.1, 9)

The Management Board, with support from the Chief Compliance Officer, monitors the overall effectiveness of the AMG COBC. There are no other procedures, other than as set out herein and AMG's Management Board employing an Internal Audit function that monitors business conduct incidents, including incidents of corruption and bribery, on a regular basis. (ESRS G1.1, 10(c))

Protection of whistleblowers

As set out in the Speak Up Policy, any form of threat or retaliation against the reporter is not tolerated. Retaliation against reporters is treated as a violation of AMG's COBC and may result in disciplinary measures. AMG protects reporters by offering anonymous reporting, access to the independent external Speak Up Portal, a strict non-retaliation policy, and fostering a safe work environment for addressing internal issues. Our policy on the protection of whistleblowers is in line with the legal requirements with regard to the protection of whistleblowers following the EU Directive 2019/1937. (ESRS G1.1, 10(c))

Business conduct training

Continuous mandatory training programs, and updates thereof, are provided by AMG to its management and employees to ensure appropriate business conduct, in the following manner:

Full organization — AMG trains all employees on its COBC, which includes AMG's Values and the Speak Up Policy and procedure. New employees complete the online COBC course, receive a copy during their HR onboarding and are inducted by the local Compliance Officer on the COBC and Speak Up Policy. All employees receive refresher training at least every three (3) years, either online or by way of onsite meetings.

Functions at risk — Every three (3) years, functions at risk receive anti-trust & competition law and anti-bribery & corruption training (see also [GOV 1-3](#)). Functions at risk are identified by AMG as all functions, including management staff, relating to sales, after-sales and purchasing who are likely to maintain regular contact with representatives of customers and suppliers, as well as all staff functions interacting with government or regulatory agencies as part of their work. (ESRS G1.1, 10(h))

Local Compliance Officers — Local Compliance Officers are trained on the Speak Up Policy, procedures, and the Speak Up Portal for handling reports they receive - in close cooperation with the Chief Compliance Officer. They receive refresher training annually. (ESRS G1.1, 10(g))

G1-3 — Prevention and detection of corruption and bribery

At AMG, we do not tolerate any form of bribery, facilitation payments, fraud, or any other form of misconduct arising from a conflict of interest, such as insider dealing, the offering of excessive or otherwise inappropriate gifts and hospitality. AMG's key procedures to prevent, detect, investigate and respond to allegations or incidents of corruption and bribery are outlined below and further detailed in this section. In summary, AMG (1) prevents misconduct by acting lawfully and enforcing the AMG Values, the AMG COBC, ABC Policy, and Supplier Code of Conduct; (2) detects misconduct through internal controls, the Speak Up Policy and Portal; and (3) investigates and responds to misconduct through the Compliance network and Speak Up procedure. (ESRS G1.3, 18(a) AR 5,6.)

1) Prevent

Compliance with laws and regulations — Regardless of potentially differing local manners and traditions, it is the policy of AMG to conduct all of its business transactions in accordance with the AMG COBC and the ABC Policy, as well as to comply with all applicable anti-bribery laws, including but not limited to the UK's Bribery Act 2010, the US Foreign Corrupt Practices Act, and all applicable laws where AMG transacts business. Local laws and regulations may set stricter requirements in which case AMG will comply with these stricter local requirements. AMG regularly reviews the policies to ensure compliance with all applicable laws and regulations.

Policy awareness — A cornerstone of AMG's COBC is AMG's ABC Policy. A separate chapter of the AMG COBC is dedicated to acting with integrity and specifically targets anti-bribery, anti-corruption and conflict of interest and includes a reference to the ABC Policy. Training is provided to all employees and targeted audiences, as detailed at the end of this section. Both the ABC Policy and COBC are published on the AMG Corporate website and translated into local languages of AMG group companies. New employees are also introduced to the AMG COBC and ABC Policy by the local Compliance Officer, as stated in [G1-1](#). AMG employees are obligated to follow the ABC Policy, must ensure that they have read and understood the ABC Policy, any related documents and all training or other anti-bribery information distributed by AMG, and avoid any activities that could possibly breach this Policy or might be perceived as such. (ESRS G1.3, 20)

AMG Supplier Code of Conduct — AMG wants to conduct business with companies and organizations that share the AMG Values. AMG therefore makes good efforts to extend its AMG's Supplier Code of Conduct to its business partners and associates (e.g., suppliers, joint venture partners, agents, brokers, consultants, converters, distributors, and representatives, including persons or firms who are likely to have contact with such partners). The AMG Supplier Code of Conduct has been translated in several languages and local units have posted a link to the Supplier Code of Conduct on their local websites. In addition, the units have shared AMG's Supplier Code of Conduct with their main suppliers and service providers.

2) Detect

Accurate books and records — Consistent with AMG's Corporate Financial Policies, including but not limited to the Controllership and Financial Reporting, and Travel and Entertainment Sections, it is AMG's policy to accurately reflect all transactions in AMG's books and records, which are checked by internal and external auditors.

Internal controls framework — Bribery, corruption and fraud risks are continuously monitored by the Management Board and the Internal Audit function together with the key finance managers of the units, reviewing the proper operation of the internal controls framework, with regular reporting to the Audit & Risk Management Committee of the Supervisory Board.

Speak Up — All AMG employees are expected to speak up when observing any suspected irregularities as soon as possible to their operational and finance manager and/or the relevant AMG Compliance Officer by following the Speak Up Policy.

3) Investigate and respond

Compliance network and Speak Up procedure — In the event of any issue concerning a potential incident of bribery or corruption, the Chief Compliance Officer assisted by a team of local Compliance Officers, will be the main person handling, investigating and responding to any allegation or issue, all in accordance with the AMG Speak Up Policy, see [G1-1](#). The Chief Compliance Officer reports regularly to the Chairman of the Management Board on any speak up case, including cases involving bribery or corruption. (ESRS G1.3, 18(c))

The Chief Compliance Officer acts independently and separately from the chain of management, including the Management Board and Supervisory Board, in exercising his duties. (ESRS G1.3, 18(b)) Should any issue concern any member of the Management Board or Supervisory Board, then it shall be reported either directly to the Chief Compliance Officer or through the Speak Up Portal. Should a report be filed with the local Compliance Officer, he/she shall direct such report straight to the Chief Compliance Officer. The Chief Compliance Officer informs the Chairman of the respective board about the report and the reporting date, maintaining confidentiality, unless the report concerns the Chairman. All suspected irregularities involving any local Compliance Officer shall be reported directly to the Chief Compliance Officer, or in the case that the irregularity concerns the Chief Compliance Officer, to the Chairman of the Management Board, who shall ensure that appropriate action is taken in line with the procedures set out in the Speak Up Policy. (ESRS G1.3, 18(c))

Training on corruption and bribery

AMG's anti-bribery & corruption (ABC) training covers an introduction by the CEO on the AMG Values and ABC Policy, a definition of bribes, corporate bribes, examples, ABC Policy outline, Speak Up Policy, laws and regulations, scenarios on job offers, facilitation payments, third party agents, maintaining accurate books and a quiz to test knowledge. (ESRS G1-3.21(a)) Periodic training is provided to relevant AMG employees, in the following manner:

- All employees undergo training on ABC topics through the AMG COBC online training course, provided during induction and subsequently at least every three (3) years (see [G1-1](#)).
- Functions at risk, as defined under [G1-1](#), receive regular training on the matters referred to in the ABC Policy. All functions at risk have been subject to ABC training in 2024. (ESRS G1-3, 21(b))
- Members of the Management Board and the management of the units within AMG have been subject to training programs in 2024. (ESRS G1.3, 21(c))

Metrics

G1-4 — Incidents of corruption or bribery

There have been no incidents of convictions or fines for violation of anti-corruption and anti-bribery laws, and no breaches of procedures and standards. There have not been any incidents of corruption or bribery, also no reported incidents relating to contracts with business partners or public cases brought against the company or its workers. (ESRS G1.4, 24-26)

Annex Sustainability Statement

Table IRO-2b EU legislation datapoint reference table

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).	Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).	
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		Yes, page 71
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Yes, page 71
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Yes, page 72
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Yes, page 86
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Yes, page 86

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Yes, page 88
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Yes, page 88
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Yes, page 88
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Yes, page 88
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Yes, page 92
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Yes, page 92
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Yes, page 92
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Yes, page 97
ESRS 2- SBM3 - S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Yes, page 97
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Yes, page 98
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Yes, page 98
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex 1				Yes, page 98
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				Yes, page 103
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				Yes, page 110
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Yes, page 103
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				Yes, page 103
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				Not material

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Yes, page 105
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Yes, page 98
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Yes, page 95
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes, page 95
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Yes, page 95
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Yes, page 107
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Yes, page 98
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes, page 95
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Yes, page 109
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material

Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	AMG materiality ¹
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Yes, page 110
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Yes, page 110
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Yes, page 113
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Yes, page 113

1) Page number refers to the section where the datapoint can be found.

Corporate Governance

AMG Critical Materials N.V. is a Dutch company located in the Netherlands which was established in 2006 as the holding company for the AMG group companies. Its shares were first listed on Euronext Amsterdam in July 2007.

In this report, the Company, as a Dutch listed company, sets forth its overall corporate governance structure and the extent to which it applies the provisions of the Dutch Corporate Governance Code. The previous code was issued on December 8, 2016 (the "2016 Code"). As of January 1, 2023, the 2022 Code (amended and issued on December 20, 2022) is effective in the Netherlands, replacing the 2016 Code. The company will report on 2024 taking into account the applicable 2022 Code. The Dutch Corporate Governance Code can be downloaded at www.mccg.nl.

As provided under the 2022 Code, the Company reviewed and updated its procedures and documentation in order to be compliant with the principles and best practice provisions set forth in the 2022 Code. The Supervisory Board and the Management Board, which are responsible for the corporate governance structure of the Company, hold the view that the vast majority of principles and best practice provisions set forth in the 2022 Code, as applicable during 2024, are being applied, while certain deviations are discussed and explained hereafter. A full and detailed description of AMG's Corporate Governance structure and AMG's compliance with the Dutch Corporate Governance Code follows hereafter and can be found on AMG's website (amg-nv.com).

AMG Critical Materials N.V., located in the Netherlands, is a company organized under Dutch law that has various subsidiaries in multiple jurisdictions to enable efficient business operations. The Management Board is responsible for maintaining a culture that is conducive to achieving its strategic objectives with a focus on sustainable long-term value creation when determining strategy and making decisions. All is further explained in this chapter as well as other sections of the report of the Management Board.

2024 Annual Accounts and Dividends

The Management Board and the Supervisory Board have approved AMG's audited financial statements for 2024. KPMG audited these financial statements, which will be submitted for adoption to the General Meeting of Shareholders on May 8, 2025.

The Management Board is authorized, subject to approval by the Supervisory Board, to reserve profits wholly or partly. The General Meeting is authorized to distribute and/or reserve any remaining part of the profits. The General Meeting may decide on the disposition of reserves only after a proposal by the Management Board, which must have been approved by the Supervisory Board.

The dividend policy was lastly discussed during the 2024 Annual General Meeting. In 2021 the Management Board, with the approval of the Supervisory Board, amended the dividend policy given the intrinsic volatility AMG has experienced in some of its markets. Given that AMG has cyclical elements in its product mix and that it desires to have a relatively consistent dividend payout, the revised policy will allow for stable dividend pay-outs and target gradual increases to historic dividend levels, provided that such pay-outs and possible increases are supported by AMG's liquidity and cash flow generation, and subject to prevailing statutory requirements. In line with Dutch corporate governance best practices, the revised dividend policy was discussed during the AGM in 2022 and endorsed by the shareholders.

The Company intends to propose a full year dividend for 2024 of €0.40 to the General Meeting of Shareholders for approval as part of the adoption of the 2024 Annual Accounts. The interim dividend of €0.20 per ordinary AMG share, paid on August 14, 2024, will be deducted from this amount. The proposed final dividend per ordinary share therefore amounts to €0.20. This dividend payment is in line with the revised dividend policy as explained above. Future dividend payments to shareholders will be at the discretion of the Management Board subject to the approval of the Supervisory Board and after taking into account various factors, including business prospects, cash requirements, financial performance, expansion plans, the terms of the Company's financing facilities, and the compliance with applicable statutory and regulatory requirements.

Additionally, any payment of dividends (whether interim or after adoption of the annual accounts) or other distributions to shareholders may be made only if the Company's shareholders' equity exceeds the sum of the issued share capital plus the reserves required to be maintained by law.

Shares and Shareholders' Rights

As of December 31, 2024, the total issued share capital of AMG amounted to €650,083.28 consisting of 32,504,164 ordinary shares of €0.02 each. Each ordinary share carries one vote. The ordinary shares are listed on Euronext Amsterdam and are freely transferable.

Pursuant to the Financial Markets Supervision Act (Wet op het financieel toezicht) and the Decree on Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions (Besluit melding zeggenschap en kapitaalbelang in uitgevende instellingen), the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) ("AFM") substantial holdings (>3%) in ordinary shares of AMG have to be registered by investors. The Company refers to the applicable substantial holdings register at the AFM website for the most recent registrations by AMG investors. As the Company is not involved in any AFM registrations of substantial holdings by its investors, the positions registered and visible in the AFM register may not necessarily reflect the actual holdings of an investor in AMG.

Shareholding	2024	2023
Number of ordinary shares issued	32,504,164	32,504,164
Average daily turnover	219,121	264,209
Highest Closing Price	€24.50	€49.73
Lowest Closing Price	€13.17	€19.72

Preference Shares

The General Meeting of Shareholders approved in its meetings of May 12, 2010 and July 6, 2010 that the Articles of Association of the Company would be changed in order to introduce a new class of preference shares, which may be issued and used as a response device in order to safeguard the interests of the Company and its stakeholders in all those situations where the Company's interests and those of its stakeholders are at stake, including but not limited to situations in which non-solicited public offers are made.

The preference shares carry equal voting rights as ordinary shares and are entitled, if distribution to shareholders is permitted, to a fixed dividend equal to the Euro Interbank Offered Rate for deposit loans of one year, increased with a maximum of 400 basis points as determined by the Management Board of the Company and subject to approval by the Supervisory Board. The Articles of Association of the Company were amended on July 6, 2010 to provide for an authorized share capital of 65.0 million ordinary shares and 65.0 million preference shares. Contrary to ordinary shares, preference shares may be issued against partial payment thereon, provided that at least one quarter of the nominal amount is paid-up in full upon subscription. The preference shares are not freely transferable; any transfer thereof is subject to the approval of the Supervisory Board.

Stichting Continuïteit AMG

In line with Dutch law and corporate practice, on July 6, 2010, Stichting Continuïteit AMG (the "Foundation") was established in Amsterdam, having as its main objective to safeguard the interests of the Company and its stakeholders.

The Board of the Foundation is independent from the Company and currently consists of Mr. H. de Munnik, Chairman, Mr. H. Reumkens, and Mr. R. Grohe, who succeeded Professor K. Lutz in 2024.

The main objective of the Foundation is to represent the interests of the Company and of the enterprises maintained by the Company and the companies affiliated with the Company in a group, in such a way that the interests of the Company and of those enterprises and of all parties involved in this are safeguarded in the best possible way, and that influences which could affect the independence and/or continuity and/or identity of the Company and those enterprises in breach of those interests are deterred to the best of the Foundation's ability.

Under the terms of an option agreement dated December 22, 2010 between the Company and the Foundation, the Foundation has been granted an option pursuant to which it may purchase a number of preference shares up to a maximum of the total number of ordinary shares outstanding at any given time in the event of a threat to the continuity or strategy of AMG.

Voting Rights

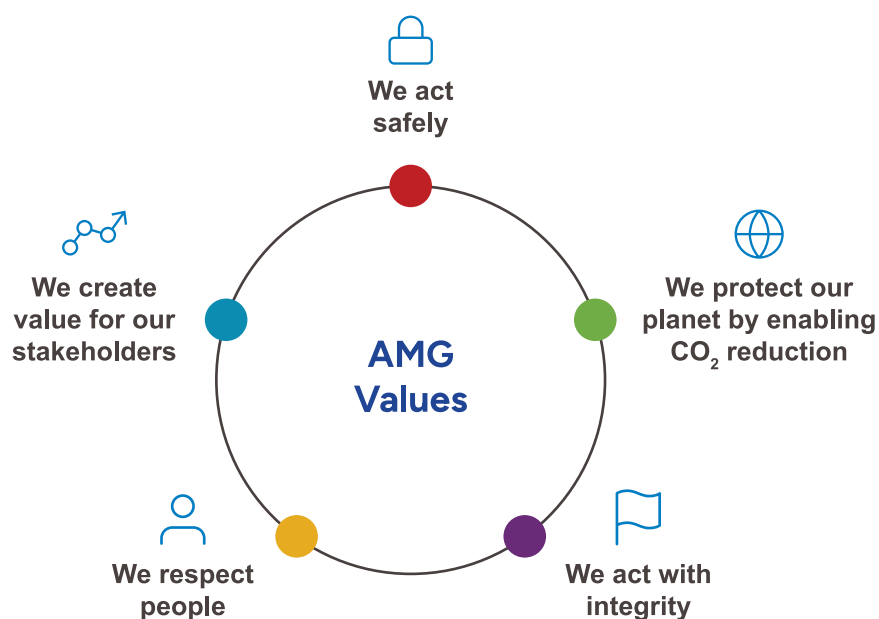
There are no restrictions on voting rights of ordinary and preference shares. Shareholders who hold shares on April 10, 2025 (mandated as the 28th day prior to the day of the General Meeting of Shareholders on May 8, 2025) are entitled to attend and vote at the General Meeting of Shareholders regardless of a sale of shares after such date.

Management Board

The executive management of AMG, and its representation towards third parties, is entrusted to its Management Board, which is chaired by the Chief Executive Officer. The Articles of Association provide that the number of members of the Management Board shall be determined by the Supervisory Board. The members of the Management Board are appointed by the General Meeting of Shareholders for a maximum term of four years and may be reappointed for additional terms not to exceed four years. The Management Board comprises four members as of May 2024 when, in addition to the CEO, COO, and CFO, a Chief Development Officer was appointed by the General Meeting of Shareholders.

The Management Board members are collectively responsible for creating a culture within the AMG Group that is focused on sustainable long-term value creation when determining strategy and making decisions. Stakeholder interests are taken into careful consideration. Each Management Board member shall serve the best interests of the Company with a view to creating sustainable long-term value, while carrying out his responsibilities and will take into account the interests of all the Company's stakeholders. All Management Board members are qualified in business conduct matters and are regularly briefed by the Chief Compliance Officer about new trends and developments in this field.

The Management Board has drawn up the AMG Code of Business Conduct, monitors its effectiveness with the assistance of the Chief Compliance Officer, and has established a procedure for reporting actual or suspected irregularities within the Company or its group companies (Speak-Up process). The Management Board has further adopted values for the Company and the AMG Group ("AMG Values") and is responsible for maintenance of the AMG Values within the Company and its group companies by encouraging behavior that upholds the AMG Values and by leading by example. In this regard, specific attention shall be given to the strategy and the business model, the environment in which the Company and the AMG Group operate, and the existing culture within the Company and the AMG Group. The updated AMG Values are as follows. (ESRS 2 GOV1 22-23), (ESRS G1 GOV1 5)



The energy transformation demands materials science-based solutions. AMG was founded to be a leader in providing the critical materials that meet these demands. Our most important stakeholder is our planet. At AMG we are committed to increasing both the CO₂ efficiency of our operations as well as the amount of CO₂ we enable our end-use customers to reduce by utilizing our products. We are ambitious, innovative and committed to being a leader in the fields of critical materials and related technologies. AMG's core values represent our priorities with all employees, business partners and stakeholders.

Please refer to the 2024 Sustainability Statement published as part of this Annual Report for a detailed review of the application of the AMG Values within the AMG Group and compliance with the AMG Code of Business Conduct during 2024.

The Management Board is responsible for the internal audit function of the AMG Group and the Management Board appoints and dismisses the senior internal auditor upon approval of the Supervisory Board, along with the recommendation of the Audit & Risk Management Committee. The internal audit function reports to (a member of) the Management Board. The Supervisory Board oversees the internal audit function (through the Audit and Risk Committee) and maintains regular contact with the person fulfilling this function. The Management Board assesses annually the way in which the internal audit function fulfills its responsibility, after consultation with the Audit and Risk Management Committee. (ESRS 2 GOV1, 22(c))

The Supervisory Board is authorized to make a non-binding or binding nomination regarding the appointment of members of the Management Board. A binding nomination means that the General Meeting of Shareholders may appoint the nominated persons, unless the General Meeting of Shareholders rejects the nomination by an absolute majority (more than 50% of the votes cast) representing at least one-third of the issued share capital. In case the absolute majority is reached, however, not representing one-third of issued share capital, a second meeting will be convened in which the resolution may be adopted without a quorum applying. If the Supervisory Board has not made a nomination, the appointment of the members of the Management Board is at the full discretion of the General Meeting of Shareholders. The General Meeting of Shareholders and the Supervisory Board may suspend a member of the Management Board at any time.

A resolution of the General Meeting of Shareholders to suspend or dismiss a member of the Management Board requires an absolute majority (more than 50% of the votes cast), representing at least one-third of the issued share capital, unless the Supervisory Board has proposed the suspension or dismissal to the General Meeting of Shareholders, in which case an absolute majority is required but without any quorum requirement.

The Management Board follows its own rules of procedure concerning meetings, resolutions, and similar matters. These rules of procedure are published on the Company's website.

The Company has rules to avoid and deal with conflicts of interest between the Company and members of the Management Board. The Articles of Association state that in the event of a direct or indirect personal conflict of interest between the Company and any of the members of the Management Board, the relevant member of the Management Board shall not participate in the deliberations and decision-making process concerned. If all members of the Management Board are conflicted, and, as a result, no Management Board resolution can be adopted, the Supervisory Board shall adopt the resolution. In addition, it is provided in the rules of procedure of the Management Board that the respective member of the Management Board shall not take part in any decision-making that involves a subject or transaction to which he or she has a conflict of interest with the Company. Such transaction must be concluded on market practice terms and approved by the Supervisory Board. The rules of procedure of the Management Board establish further rules on the reporting of (potential) conflicts of interest.

Supervisory Board

The Supervisory Board supervises the general course of business of the Company and the way the Management Board implements the sustainable long-term value-creation strategy of the Company. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and the principal risks associated with it. The Supervisory Board assists the Management Board by providing advice. In fulfilling their duties, the Supervisory Directors shall act in the interest of the Company and its affiliated enterprises, and the Supervisory Board shall take into account the stakeholder interests that are relevant in this context. The Supervisory Board is responsible for the quality of its own performance and evaluates its own performance and that of the Management Board once per year.

Under the two-tier corporate structure pursuant to Dutch law, the Supervisory Board is a separate body that is independent of the Management Board. Members of the Supervisory Board can be neither members of the Management Board nor employees of the Company.

The Supervisory Board discusses and approves major management decisions as well as the strategy that is developed and implemented by the Management Board. The Supervisory Board has adopted its own rules of procedure concerning its own governance, committees, conflicts of interest, etc. The rules of procedure are published on the Company's website and include the charters of the committees to which the Supervisory Board has assigned certain preparatory tasks, while retaining overall responsibility.

These committees are the Remuneration Committee; the Selection & Appointment Committee; the Audit & Risk Management Committee; and the Safety, Sustainability, and Science Committee ("3S Committee"). The Supervisory Board shall be assisted by the Corporate Secretary of the Company, who shall be appointed by the Management Board after approval of the Supervisory Board has been obtained. The number of members of the Supervisory Board will be determined by the General Meeting of Shareholders with a minimum of three members. Please refer to the Report of the Supervisory Board published as part of the 2024 Annual Report for a report by each committee of the Supervisory Board for the year 2024 as well as for the Remuneration Report for the year 2024.

A Supervisory Director is appointed for a maximum period of four years and may then be reappointed once for another maximum four-year period. The Supervisory Director may then subsequently be reappointed again for a period of two years, after which point the appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons shall be given in the (annual) report of the Supervisory Board. For any appointment or reappointment, the profile for Supervisory Board candidates, which was drawn up by the Supervisory Board, will be observed. The Supervisory Board prepares a rotation schedule, which is made generally available and is posted on the Company's website.

The Supervisory Board is authorized to make a binding or non-binding nomination regarding the appointment of the members of the Supervisory Board. In the event of a binding nomination, the General Meeting of Shareholders appoints the members of the Supervisory Board from a nomination made by the Supervisory Board.

A binding nomination means that the General Meeting of Shareholders may appoint the nominated person, unless the General Meeting of Shareholders rejects the nomination by an absolute majority (more than 50% of the votes cast) representing at least one-third of the issued share capital.

In case the absolute majority is reached, however, not representing one-third of issued share capital, a second meeting of record will be convened in which the resolution may be adopted with normal majority, without a quorum applying.

If the Supervisory Board has not made a nomination, the appointment of the members of the Supervisory Board is at the full discretion of the General Meeting of Shareholders. The General Meeting of Shareholders may, at any time, suspend or remove members of the Supervisory Board. A resolution of the General Meeting of Shareholders to suspend or remove members of the Supervisory Board requires an absolute majority (more than 50% of the votes cast) representing at least one-third of the issued share capital, unless the Supervisory Board has proposed the suspension or dismissal, in which case an absolute majority is required, without any quorum requirement.

As required under the Code and Dutch law, the Company has formalized strict rules to avoid and deal with conflicts of interest between the Company and the members of the Supervisory Board, as further described in the Rules of Procedure of the Supervisory Board. Further information on the Supervisory Board and its activities can be found in the Report of the Supervisory Board published as part of the 2024 Annual Report.

Each of the current members of the Supervisory Board is obliged not to transfer or otherwise dispose of any shares awarded as part of their annual remuneration until the earlier of the third anniversary of the date of the award or the first anniversary of the date on which he or she ceases to be a member of the Supervisory Board. Shares in the Company held by the Supervisory Directors shall be held only as long-term investments.

The Role and Responsibilities of the Management Board and Supervisory Board in Relation to the 2024 Sustainability Statement

As of January 1, 2024 the EU Corporate Sustainability Reporting Directive (CSRD) became effective in the EU. As of the date of this Annual Report, Dutch Parliament has not yet passed legislation that implements the CSRD Directive in Dutch Law. As a result, AMG's Management Board and Supervisory Board have decided to voluntarily prepare and publish a Sustainability Statement for 2024 that provides a detailed report of the impacts, risks and opportunities facing AMG and its stakeholders. That statement has been published as part of this Annual Report (immediately preceding the current chapter).

In that statement, the company explains the governance structure, roles and responsibilities within the AMG Group pertaining to the preparation, monitoring and completion of the 2024 Sustainability Statement.

Management Board

The Management Board as the main executive body of AMG is responsible for preparing the 2024 Sustainability Statement and oversight of the impacts, risks and opportunities following completion of the double materiality assessment that are relevant in this context. The Management Board comprises four members, all male, who have been extensively involved since 2023 in managing this project assisted by consultants and by its in-house team of executives consisting of the Head of EHS (based in Wayne, PA), the Head of Human Resources in Germany (based in Hanau, Germany) and the General Counsel (based in Amsterdam, the Netherlands). These three executives were responsible, together with their teams, for the Environmental (E) Social (S) and Governance (G) topics, respectively, and aspects of the Sustainability Statement. They acted as the Steering Committee, reporting regularly to the CFO who, together with the CEO, took a leading role in steering AMG's sustainability programs early on including the preparation of the Sustainability Statement in 2023 and 2024. This preparatory work included the design of appropriate metrics and targets, with input from the units of the AMG Group, in accordance with CSRD requirements, the results of which were shared and monitored on a regular basis by the Steering Committee with the Management Board. The Company has set a diversity target of 33% of each gender on the Management Board by 2030. The employees and workers of the AMG Group are not represented in the company's Management and Supervisory Board which are governed by Dutch law and corporate governance rules. (ESRS 2 GOV1, 21-23)

Supervisory Board

As explained above, the Supervisory Board of AMG, as the main non-executive body of the company, comprised seven members during 2024, three female and four male members which is in line with the company's targets concerning diversity. All these members qualified as independent in 2024 as per the definition set forth in the Dutch Corporate Governance Code. As explained in the Report of the Supervisory Board chapter of this report, the combined experience and background of the Board members fully meets the requirements needed in view of the business sectors, product scope and geographic locations of the AMG Group. The Supervisory Board reviews once every year whether appropriate skills and capabilities are represented in the Board relating to sustainability matters (including the company's material impacts, risks and opportunities) and reporting and whether additional skills are required.

With respect to sustainability matters the Supervisory Board was supported by its Safety, Sustainability & Science Committee (3S Committee) and its Audit & Risk Management Committee. The 3S Committee was established in 2023 with the objective, among others, to oversee the CSRD related activities of the company. The Committee members in 2024 were highly qualified to execute this task and keep the Supervisory Board advised about progress, challenges and timeline of the 2024 Sustainability Statement. The Audit & Risk Management Committee did its part in monitoring the reporting requirements for the Sustainability Statement and by meeting regularly with the external auditors measuring progress of the preparatory work. The members of this Committee were well qualified given their financial, governance and accounting backgrounds. The 3S Committee and Audit & Risk Management Committee held one joint meeting during the fall of 2024 in the presence of the Management Board and the external auditor to assess the quality and progress of the Sustainability Statement.

The Committee Charters of the 3S Committee and the Audit & Risk Management Committee of the Supervisory Board make reference to the reporting requirements for AMG in the field of sustainability and specifically CSRD. The two Committees report on a quarterly basis to the full Supervisory Board about their actions and findings. These reports are in conjunction with quarterly meetings held by the Committees in which each is briefed by the Management Board and Steering Committee representatives about progress and challenges in preparing the Sustainability Statement. (ESRS 2 GOV1, 21- 23)

General Meeting of Shareholders

A General Meeting of Shareholders is held at least once per year. During the Annual General Meeting, the Annual Report, including the Report of the Management Board, the annual (consolidated) financial statements, the implementation of the remuneration policy for the Management Board, and the Report of the Supervisory Board are discussed, as well as other matters pursuant to Dutch law or the Company's Articles of Association.

As a separate item on the agenda, the General Meeting of Shareholders is entrusted with the discharge of the members of the Management Board and the Supervisory Board from responsibility for the performance of their duties during the preceding financial year. The General Meeting of Shareholders is held in Amsterdam or Haarlemmermeer (Schiphol Airport), and takes place within six months following the end of the preceding financial year. During the years 2020, 2021 and 2022 the Annual General Meeting was held virtually by TEAMS conference due to the travel restrictions that were in place as a result of the COVID-19 pandemic and on the basis of special legislation adopted by Dutch Parliament. In May 2023 and 2024, the Annual General Meetings were held in person in Amsterdam.

Meetings are convened by public notice on the website of the Company and by letter, or by use of electronic means of communication, to registered shareholders (if any). Notice is given at least 42 days prior to the date of the General Meeting of Shareholders. The main powers of the General Meeting of Shareholders are set forth in the Company's Articles of Association, which are published on the Company's website, and the applicable provisions of Dutch law.

On May 8, 2024, the General Meeting of Shareholders resolved to authorize the Management Board for a period of 18 months from that date (until November 7, 2025) as the corporate body, which, subject to approval by the Supervisory Board, is authorized to issue shares, including any grant of rights to subscribe to shares up to a maximum of 10% of the Company's issued share capital as per December 31, 2023, for general corporate purposes and/or for the purpose of mergers and acquisitions, and/or for strategic alliances and/or financial support arrangements. This authorization also includes the power to restrict or exclude preemptive rights.

On May 8, 2024, the General Meeting of Shareholders resolved to authorize the Management Board for a period of 18 months from that date (until November 7, 2025) as the corporate body which, subject to approval by the Supervisory Board, is authorized to effect acquisitions of its own shares by AMG. The number of shares to be acquired is limited to 10% of the Company's issued share capital as of December 31, 2023, taking into account the shares previously acquired and disposed of at the time of any new acquisition. Shares may be acquired through the stock exchange or otherwise, at a price between par value and 110% of the average stock exchange price for a five-day period prior to the date of acquisition. The stock exchange price referred to in the previous sentence is the average closing price of the shares at Euronext Amsterdam on the five consecutive trading days immediately preceding the day of purchase by, or for, the account of the Company.

Articles of Association

The Company's Articles of Association can be amended by a resolution of the General Meeting of Shareholders on a proposal from the Management Board that has been approved by the Supervisory Board. A resolution of the General Meeting of Shareholders to amend the Articles of Association that has not been taken on the proposal from the Management Board and the approval of the Supervisory Board, should be adopted by a majority of at least two-thirds of the votes cast in a meeting in which at least 50% of the issued share capital is represented. The Articles of Association have last been amended on May 12, 2023, following approval by the General Meeting of Shareholders in its Annual General Meeting held on May 4, 2023, and are published on the Company's website (amg-nv.com). At this occasion the name of the Company was changed from AMG Advanced Metallurgical Group N.V. to AMG Critical Materials N.V.

Corporate Social Responsibility and ESG

AMG's Values (safety, value creation, respect for people, protect the planet by enabling CO₂ reduction, and integrity) form the core foundation of AMG's ambition to be a leader in the fields of critical materials and engineering services and to achieve excellence in all that it does. They apply to how AMG and its group companies conduct their operations and how they deal with their employees, business partners, and stakeholders.

In being a responsible corporate citizen, AMG endorses and supports the definition of corporate social responsibility as set by the World Business Council for Sustainable Development: "...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 statement, which forms the basis of AMG's ESG strategy, translates into four main sustainable development objectives that the Company has formulated in connection with its financial objectives, technological capabilities and its leading position at the heart of the global metallurgical industry: 1) to provide safe working conditions for our employees and to be responsible stewards of the environment; 2) to meet or exceed regulatory standards by engaging in ethical business practices; 3) to be a valued member of the local economy, community and society at large by contributing to solutions for addressing some of the fundamental environmental and social challenges facing society today; and 4) target industrial activities which either contribute to the production of greenhouse gas levels through the circular economy or by arriving at technologies which enable our business partners to reduce greenhouse levels and quantify the success of these endeavors. The Supervisory Board and the Management Board of the Company take continued guidance from these objectives when defining and implementing the Company's strategic objectives. (ESRS 2 GOV1, 22)

As explained earlier in this chapter, AMG has published its 2024 Sustainability Statement as part of this Annual Report. This Statement further elaborates, among other things, on the application of AMG's Code of Business Conduct, its Speak Up and Reporting Policy, and the activities of the Company concerning diversity during 2024.

The Company has adopted a Diversity & Inclusion Policy that includes the diversity targets for the Management Board, Supervisory Board, and the management sub-top, and mentions the Diversity and Inclusion Council at AMG and its goals and purposes.

In line with Dutch legislation, AMG also reports as of 2023 to the SER online portal, on its diversity plan (measures taken) and targets going forward, the results of the diversity plan in the preceding financial year and - if results are not met - an explanation. The reporting also includes the inflow, progression and retention of employees (male and female) and the gender composition of the Management Board, Supervisory Board, and AMG management's sub-top.

Decree on Article 10 of the Takeover Directive

The information required by the Decree on Article 10 of the Takeover Directive (published on April 5, 2006) is included in this Corporate Governance Report and is published and updated in the 2023 Annual Report.

Below is an overview of the significant agreements to which the Company is a party, which are affected, changed, or terminated subject to the condition of a change of control, or which contain new restrictions on voting rights attached to shares.

The Company is a party to the following arrangements that may be terminated or amended under the condition of a change of control over the Company as a result of a public takeover offer:

- (a) The Company has entered into a credit facility for its general financing needs and purposes, dated November 30, 2021, consisting of a \$350 million Term Loan B (expanded to \$450 million in April 2024) and a \$200 million Revolving Credit facility ("Credit Agreement"), which includes a provision that triggers the Company to repay the entire outstanding amount under the Credit Agreement upon a change of control, as defined therein;
- (b) Under terms of the \$307 million municipal bond issued to refinance the construction of a new spent resid catalyst recycling facility in Zanesville, Ohio, in the senior unsecured 30-year US tax-exempt bond market in July 2019 by AMG Vanadium LLC that is a wholly owned affiliate of the Company, the holders of the bonds have the right to tender their bonds for purchase by the Company (that acts as Guarantor) upon a change in control of the Company at a purchase price of 101% of the principal amount of the bonds plus accrued interest;
- (c) The members of the Management Board of the Company all have an employment agreement with a wholly owned US subsidiary of the Company, that will trigger termination rights for the Management Board members upon a change of control of the Company pursuant to a public offer. These employment agreements are entered into for an indefinite period of time and are explained in detail on the Company's website;
- (d) The members of the Management Board participate together with a group of senior staff and executives of the AMG Group, in the AMG Performance Share Unit Plan. This Plan is administered by the Company and creates rights and obligations for each participant of the respective Plans towards the Company. The plan has provisions that permit the Supervisory Board (and Management Board respectively) to cancel or modify performance share units awarded to its participants, upon a change of control of the Company;
- (e) The Company is party to an option agreement concluded on December 10, 2010 with Stichting Continuïteit AMG, that triggers certain option rights for the Stichting Continuïteit AMG upon a change of control of the Company, as further detailed in the "Stichting Continuïteit AMG" section of this chapter;
- (f) The Company is party to a joint venture agreement concluded on October 7, 2019 with Shell Overseas Investments B.V. ("Shell") in order to jointly identify and pursue opportunities to offer customers outside North America an environmentally sustainable solution for their spent catalyst and gasification ash ("the JV Agreement"). The terms of the JV Agreement trigger termination rights for the Company and Shell in case the other party suffers a change of control by a Major Competitor or Sanctioned Person (as these terms are defined in the JV Agreement).

Risk Management and Internal Controls

AMG employs a risk management approach that identifies and mitigates risk at all levels of the organization. The Company analyzes risks in formal settings such as scheduled Management Board and Supervisory Board meetings as well as everyday operational situations faced by its global employee base. AMG has implemented a comprehensive risk management program centered on the Company's Risk Assessment Package (RAP), as further explained in detail in the chapter on Risk Management and Internal Controls published as part of the 2024 Annual Report.

As stated above, the Management Board is responsible for the internal audit function of the Company. The Internal Auditor at AMG reports to the Audit & Risk Management Committee and to the Management Board and operates on the basis of an Internal Audit plan approved annually by the Supervisory Board and the Management Board. The Internal Audit plan is risk-based and comprises all units and subsidiaries of the AMG Group with a focus on financial control, IT risks and compliance.

The Internal Audit function closely cooperates with the external auditors of the Company and attends all meetings of the Audit & Risk Management Committee of the Supervisory Board.

Investor Relations

The Company highly values good relations with its shareholders and is compliant with applicable rules and regulations on non-selective and timely disclosure and equal treatment of shareholders. Apart from communication at the Annual General Meeting of Shareholders, the Company explains its financial results during public quarterly conference calls and capital markets days. Further, the Company publishes annual, semi-annual, and quarterly reports and press releases and makes information available through its public website (amg-nv.com).

The Company also engages in bilateral communications with investors and, in doing so, adheres to its policy on bilateral contacts, which is published on the Company's website. During these communications, the Company is, in general, represented by its Investor Relations Officer, occasionally accompanied by a member of the Management Board.

Compliance with the Dutch Corporate Governance Code 2022

As stated above, AMG was subject to the 2022 Code for the 2024 financial year. As a general statement the Company fully endorses the Code's principles and believes that it complies with virtually all best practice provisions as included in the 2022 Code. On certain matters involving the remuneration policy of the Company, specifically best practice provision 3.2.3 concerning severance payments and best practice provision 3.3.2 concerning remuneration of the Supervisory Board members in the form of AMG shares, the Company does not comply with these best practice provisions and believes that it has sound reasons for doing so, which are explained in the Corporate Governance at AMG report published on the AMG website (amg-nv.com/about-amg/corporate-governance/).

Conflicts of Interest

No conflicts of interest that were of material significance to the Company and/or members of the Management Board and Supervisory Board were reported in the period starting January 1, 2024, up to and including March 12, 2025.

During the period starting January 1, 2024 up to and including March 12, 2025, the Company did not enter into any material transaction with a shareholder holding an interest of 10% or more in the Company's share capital.

Accordingly, the Company has complied with best practice provisions 2.7.3, 2.7.4, and 2.7.5 of the 2022 Code.

Corporate Governance Statement

The Decree of December 23, 2004, adopting further rules regarding the contents of the annual report, most recently amended and extended as of January 1, 2018 (the "Decree"), requires a statement to be published annually by the Company on its compliance with Corporate Governance regulations in the Netherlands.

The Company hereby submits that it has fully complied with this requirement by way of publication of this Annual Report and the specific references therein, notably the Report of the Management Board, the Report of the Supervisory Board, the Remuneration Report for 2024, and the chapters on Risk Management and Internal Controls, Sustainable Development and Corporate Governance, all of which are deemed to be incorporated by reference into the Company's statement on corporate governance.