



## **Modern Slavery Act Transparency Statement RHI Group**

This statement was made pursuant to section 54 of the UK Modern Slavery Act 2015 for the financial year ended 31 December 2016 and was approved by the Management Board of RHI.

RHI does not tolerate any form of slavery and human trafficking in any part of its business and expects compliance with these standards also from its suppliers and contractors. The present statement covers the measures taken so far to ensure that slavery and human trafficking do not occur in the Group or in the supply chain. In the coming years we plan to develop further our respective actions.

### **RHI's structure and business**

RHI is a globally operating supplier of high-grade refractory products, systems and services, which are indispensable for industrial high-temperature processes exceeding 1,200 °C. The ultimate parent undertaking of the Group is RHI AG, a stock corporation under Austrian law. The Group consists of around 80 fully consolidated subsidiaries, four of them being located in the United Kingdom. With roughly 7,500 employees, 30 production facilities and more than 70 sales offices, RHI serves more than 10,000 customers from the steel, cement, nonferrous metals, glass, energy and chemical industries in nearly all countries of the world. RHI produces more than 1.5 million tons of refractory products per year and supplies customized product and system solutions. The production of refractories is resource-intensive. The naturally occurring raw materials magnesite and dolomite are used as basic materials. Roughly 70% of the global deposits are located in three countries: China, North Korea and Russia. RHI covers approximately 80% of its requirements from eight group-owned raw material sites and is therefore largely independent of raw material markets. As a leading refractories producer, RHI covers all steps along the entire value chain from raw material production to recycling of finished products. RHI strives to maintain long and established working relations with its suppliers.

In the year 2016, RHI generated revenue amounting to € 1,651.2 million.

RHI generally concludes permanent contracts with employees, in the previous year 82% of the employees had a permanent employment contract. Temporary workers are hired to cover order peaks in production. Only the Turkish raw material and production site in Eskisehir employs seasonal workers for climate reasons.

For more information on RHI's structure, business and supply chain please see the [company website](#) and the [Annual Report 2016](#).

### **Code of Conduct and Supplier Code of Conduct**

In our [Code of Conduct](#) we clearly commit ourselves to compliance with human and civil rights as well as the applicable labor and social laws and have established this matter as part of the compliance program throughout the Group. We attach top priority to dealing respectfully with all people and demand respectful treatment, equal opportunities and fairness from our employees and business partners. The Code of Conduct is valid throughout the whole Group and binding for all employees regardless of their position or type of employment.



Suppliers and service providers are also required to respect the same legal and ethical standards, compliance with the [Supplier Code of Conduct](#) constitutes part of their contractual agreements. The Supplier Code of Conduct expects suppliers and service providers to respect human and civil rights, comply with applicable labor and social laws, refrain from any form of forced, compulsory or child labor and remunerate employees at or above applicable minimum wages. Compliance can be checked by RHI at any time through questionnaires, on-site visits or compliance audits.

### Compliance Helpline

In the year 2015, we expanded our compliance helpline system. Should there be any suspicion that human rights have been violated, the compliance helpline, which is operated by a specialized external service provider, provides an appropriate reporting system. All compliance violations – therefore also suspicions regarding slavery and human trafficking – can be reported around the clock in ten languages. Indications of serious misbehavior will be investigated by RHI's Compliance Committee.

There were no reported complaints related to forced or compulsory labor or human trafficking in the year 2016.

### Training

Human rights aspects form part of compliance training and are explained using practical examples. In total, around 300 employees participated in compliance training sessions in the year 2016, however, not every training covered human rights issues.

Vienna, June 2017

### The Management Board

