

**Joint statement of the RHI Magnesita Group<sup>1</sup> in accordance with the UK Modern Slavery Act and the California Transparency in Supply Chains Act**

This statement was made on a consolidated basis for the RHI Magnesita Group pursuant to section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 and [was approved by the Board of Directors of RHI Magnesita N.V. in its meeting on 31<sup>st</sup> of March 2020.]

RHI Magnesita rejects and 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 provides an overview of the measures taken, including during the financial year ended 31 December 2019, 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 Magnesita's structure and business**

RHI Magnesita is a globally operating industrial group. Its core activities comprise the development and production as well as the sale, installation and maintenance of high-grade refractory products and systems used in industrial high-temperature processes exceeding 1,200°C. We supply customers in the steel, cement, lime, glass and nonferrous metals industries. In addition, our products are employed in the environment, energy and chemicals sectors. The ultimate parent undertaking of the Group is RHI Magnesita N.V., a public company with limited liability incorporated and registered under the laws of the Netherlands. The administrative seat is located in Vienna, Austria. Our shares are listed on the Main Market of the London Stock Exchange and are included in the FTSE 250 Index, as well as on the Standard Market of the Vienna Stock Exchange. The Group consists of around 130 fully consolidated subsidiaries, six of them having their registered office in the United Kingdom. With more than 13,650 employees, 32 main production and raw material sites and more than 70 sales offices, we serve roughly 10,000 customers in more than 125 countries of the world.

The most important – and globally only scarcely available – raw materials used for refractory products are sintered magnesia, fused magnesia and sintered doloma. RHI Magnesita attaches major importance to the own production of raw materials and as a leading refractories producer, covers all steps along the entire value chain and strives to maintain long and established working relations with its business partners.

In the year 2019, the Group generated revenue amounting to € 2,922 million.

We generally conclude permanent contracts with our employees, at the end of the year 2019 87,7% of the employees had a permanent employment contract. Temporary workers are mainly hired to cover order peaks in production, while seasonal workers are only employed at the Turkish raw material and production site in Eskisehir for seasonal reasons.

For more information on RHI Magnesita's structure, business and supply chain please see the [company website](#) and the Annual Report 2019.

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<sup>1</sup> RHI Magnesita Group: RHI Magnesita N.V., its subsidiaries, associates and joint ventures. In the present statement also referred to as RHI Magnesita or the Group.

## **Policies: the RHI Magnesita Code of Conduct and Supplier Code of Conduct<sup>2</sup>**

We are committed to international standards and by joining the UN Global Compact we pledged to integrate its principles in the areas of human and labor rights into our business strategy and operations. 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. Furthermore, 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.

The [Supplier Code of Conduct](#) requires suppliers to respect human rights and RHI Magnesita will not tolerate human trafficking or slavery in the facilities of its suppliers.

### **Verification**

The above commitment confirmed by suppliers when signing our Supplier Code of Conduct can be checked by RHI Magnesita at any time through questionnaires, on-site visits or audits. No third-party verifiers are used.

### **Audit**

No supplier audits were conducted in 2019. However, we are currently evaluating and developing methods and tools for our business partner due diligence process.

### **Certification**

Suppliers and service providers are required to respect the same legal and ethical standards RHI Magnesita stands for. Via the Supplier Code of Conduct and as a means of self-certification, they commit themselves 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.

In the coming years we will work on increasing oversight and transparency in this area.

### **Accountability**

In case of non-compliance with the provisions of the Supplier Code of Conduct, corrective measures shall be defined. RHI Magnesita may consider the suspension or termination of its business relations with the supplier if these measures are not met.

### **Training**

Human rights aspects are part of our compliance trainings for several years and are explained using practical examples in face-to-face training sessions. Furthermore, an e-learning on specific business ethics topics will be introduced globally in the year 2020, also covering aspects of human rights.

### **Compliance Helpline**

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

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<sup>2</sup> Disclosures on internal accountability are covered under the sections on Policies, Verification, Audit, Certification as well as Compliance Helpline.

reported (anonymously) both by employees and external parties in more than 50 languages via various communication channels. Indications of serious misbehavior will be investigated by the Compliance Office, together with Human Resources and Internal Audit. There were no reported complaints related to forced or compulsory labor or human trafficking in the year 2019.

Vienna, 31<sup>st</sup> of March 2020

A handwritten signature in blue ink, appearing to read 'Stefan Borgas', is positioned above the printed name.

Stefan Borgas  
Chief Executive Officer