

**RHI MAGNESITA N.V.**  
**(the “Company”)**

**Terms of Reference: Corporate Sustainability Committee**

as adopted by the Board of the Company on 30 November 2021

References to the “**Committee**” shall mean the Corporate Sustainability Committee.

References to the “**Board**” shall mean the Board of Directors of the Company.

References to the “**Group**” shall mean the Company, together with its group companies.

References to the “**UK Code**” shall mean the UK Corporate Governance Code, as amended.

References to the “**Dutch Code**” shall mean the Dutch Corporate Governance Code, as amended.

**Role and Aims**

The role of the Committee is to support the Board and act primarily as an advisory body to it. In making recommendations to the Board, the Committee does not, of itself, have the power or authority of the Board in dealing with the matter on which it advises, except where certain powers are specifically set out in these Terms of Reference or are otherwise delegated by the Board.

The goal of the Committee is to ensure long-term sustainability of the business and the communities in which it operates, helping the Group earn, and maintain, a reputation for excellence in these areas. The Committee shall encourage management to develop a culture of sustainability. The Company believes that this will lead to a better performing and therefore more sustainable business.

The Committee oversees, on behalf of the Board, the effectiveness of the management of risks associated with health, safety, environment, environmental impact and socio-economic development and to monitor compliance with these responsibilities and commitments in order to minimise the Group’s impacts on its surroundings, and to benefit customers, employees, shareholders, joint venture partners, neighbouring communities, suppliers, governments and society.

**1 Membership**

- 1.1** The Committee shall comprise at least three members, all of whom shall be Non-Executive Directors.
- 1.2** Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Committee Chairman.
- 1.3** Appointments to the Committee shall continue to have effect provided that the member continues to be a Non-Executive Director of the Company.
- 1.4** The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of their number to chair the meeting.
- 1.5** All Board directors have the right to attend Committee meetings, but only Committee members will be able to vote. The CEO and senior operational executives will be invited to attend meetings of the Committee on a regular basis.

## **2 Secretary**

- 2.1** The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner and of a quality to enable full and proper consideration to be given to issues.

## **3 Quorum**

- 3.1** The quorum necessary for the transaction of business shall be two members of the Committee. In determining whether the members are participating in the meeting, it is irrelevant where the member is and how they are communicating with other attendees.
- 3.2** A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Committee.

## **4 Frequency of meetings**

- 4.1** The Committee shall meet at least three times per annum and otherwise as required.
- 4.2** Outside of the formal meeting programme, the Committee Chairman and, where appropriate, the other Committee members, will maintain a dialogue with key individuals involved in the operational management of the Group.
- 4.3** Where required, the Committee may adopt resolutions outside a meeting, provided that the proposal concerned has been submitted to all members entitled to vote and all members unanimously approve the resolutions.

## **5 Notice of meetings**

- 5.1** Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chairman or, exceptionally, any other member of the Committee.
- 5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Board Directors (unless it would be inappropriate to do so), no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **6 Minutes of meetings**

- 6.1** The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2** Draft minutes of Committee meetings shall be circulated promptly to the Chairman of the Committee and, where relevant, the chairman of the meeting. Once approved by them, minutes should be circulated promptly to all members of the Committee and made available to other members of the Board, unless it would be inappropriate to do so in the opinion of the Committee Chairman.

## **7 Annual General Meeting**

The Committee Chairman should attend the Annual General Meeting of the Company to answer any questions raised by the shareholders of the Company.

## **8 Scope**

The Committee shall have oversight of the following areas of corporate sustainability, with reference to the Group's stakeholders:

- a) Safety;
- b) Health & Wellbeing;
- c) Group Diversity;
- d) Climate & Environment;
- e) Environmental impact; and
- f) Communities and social engagement; and
- g) Sustainable development issues as they relate to suppliers and the Group's value chain.

(together referred to hereafter as the 'Scope')

## **9 Duties**

In respect of the above areas, the Committee shall:

### Management Processes and Monitoring

- 9.1** Oversee management processes designed to deliver i) progress on matters within the Committee's Scope, ii) compliance with the Company's annual targets as outlined in the annual report and accounts and iii) compliance against applicable environmental regulations.
- 9.2** Assess the adequacy of the Group's corporate sustainability strategy, the related KPIs and their implementation.
- 9.3** Be consulted on the safety resourcing in the Group, guiding management and advising the Board accordingly.
- 9.4** Review any major Group policies which are relevant to the Committee's Scope.

### Risk Management

- 9.5** Review on the Company's risk appetite, tolerance and strategy in respect of corporate sustainability risks and advise the Board accordingly.
- 9.6** Review, at least annually, periodic reports from management identifying the Group's material business risks within the Committee's scope and setting out risk management strategies, controls and mitigating actions applied to these risks.

### Incident Reporting

- 9.7** Review incident reporting at Committee meetings.

### Audit and Assurance

- 9.8** Through engagement with the Audit & Compliance Committee, initiate audits, as part of the Group's Audit programme, whether internal or external, review their results and assess their effectiveness as they relate to the Committee's scope; and

**9.9** consider, jointly with the Audit & Compliance Committee, what internal and independent external independent assurance on company sustainability reporting is required and receive a report annually on the sustainability data assurance.

## **10 Reporting responsibilities**

**10.1** The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all material matters considered by the Committee.

**10.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its Scope where action or improvement is needed.

**10.3** The Committee shall compile a report on its activities to be included in the Company's annual report.

**10.4** Through the Committee Chairman, ensure that the Company responds appropriately to any concerns or views raised by its principal stakeholders about areas within the Committee's purview.

## **11 Other matters**

The Committee shall:

**11.1** have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

**11.2** be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

**11.3** give due consideration to laws and regulations, including the general duties of directors set out in the Dutch Civil Code, the provisions of the UK Code and Dutch Code and the requirements of the FCA's Listing Rules, Disclosure Guidance and Transparency Rules and any other applicable rules or guidelines published by institutional shareholders, their representative bodies or proxy advisory agencies, as appropriate;

**11.4** oversee any investigation of activities which are within its Scope;

**11.5** work and liaise as necessary with all other Board committees, in particular where oversight of specific risk management activities has been delegated to other committees; and

**11.6** arrange for periodic reviews of its own performance and effectiveness and, at least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board.

## **12 Authority**

The Committee is authorised to:

**12.1** seek any information it requires from any employee of the Company in order to perform its duties;

**12.2** obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference it believes it necessary to do so;

**12.3** call any employee to be questioned at a meeting of the Committee as and when required; and

**12.4** have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

<b>Approvals History Date</b>	<b>Version</b>	<b>Approved By</b>	<b>Details</b>
26 November 2019	1.0	The Board of Directors	
30 November 2021	2.0	The Board of Directors	Scheduled review