



RHI Canada Inc.

Fighting Against Forced Labour and Child Labour in Supply Chains

2024 Annual Report





About this Report

This report constitutes the first report by RHI Canada Inc. ("RHI") pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

It provides an overview of the measures taken, including during the financial year ending December 31, 2023, to prevent and reduce the risk that forced labor or child labor is used at any step of goods imported into Canada by RHI.

The Report will be published annually to chronicle our ongoing journey to protect human rights and reduce the risk that forced labor or child labor is being used in RHI's operations and supply chains.

RHI's Structure and Business



RHI Canada Inc. is apart of a globally operating industrial group, the RHI Magnesita Group¹. The Group consists of around 130 fully consolidated subsidiaries.

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. 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.

With more than 15,900 employees, 47 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. RHI Magnesita intends to leverage its leadership in terms of revenue, scale, product portfolio and diversified geographic presence to target strategically those countries and regions benefitting from more dynamic economic growth prospects.

In 2023, RHI Magnesita appointed a Human Rights Officer to oversee the human rights due diligence processes within the Group. In the coming years, we will continue to further develop our actions in line with the regulatory developments.

For more information on RHI's structure, business and supply chain please see the [company website](#)² and the Annual Report 2023, which contains full details on our revenue and our staff base.

¹ 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.

² <https://www.rhimagnesita.com/>



Policies and Protections

RHI's commitment to prevent forced labor and child labor in its business and supply chains is underpinned by appropriate policies.

We are committed to upholding human and labor rights by international standards and by joining the UN Global Compact - a voluntary global standard on human rights, labor, the environment, and anti-corruption, we pledged to intergrate its principles in the areas of human and labor rights into our business strategy and operations.

All relevant ESG policies are available in the [policy library](#)³.

³ <https://www.rhimagnesita.com/our-sustainability/ethics-compliance-policies/>





Human Rights Policy

RHI recognizes that respect for human rights is a central pillar of environmental, social and governance best practices. We are committed to protecting human rights through our operations and business relationships. This commitment is anchored by our Human Rights Policy.

Our Human Rights Policy specifically prohibits the use of all forms of forced labor, including modern forms of slavery, and any form of human trafficking.

The above commitment is expanded to suppliers when signing our Supplier Code of Conduct and can be checked by RHI at any time through questionnaires, on-site visits or supplier audits.

To learn more, download RHI's [Human Rights Policy](#)⁴ and [Sustainability Report](#)⁵

⁴ <https://www.rhimagnesita.com/wp-content/uploads/2023/12/human-rights-policy-v-001-092023.pdf>

⁵ <https://www.rhimagnesita.com/wp-content/uploads/2024/04/rhim-sustainability-report-2023-final-2.pdf>

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. We establish the values and expectations that underpin the ethical approach to business of RHI. The updated Code of Conduct was rolled out globally in 2023, supported by a refreshed e-learning on business ethics. It is valid throughout the whole Group and binding for all employees regardless of their position or type of employment.

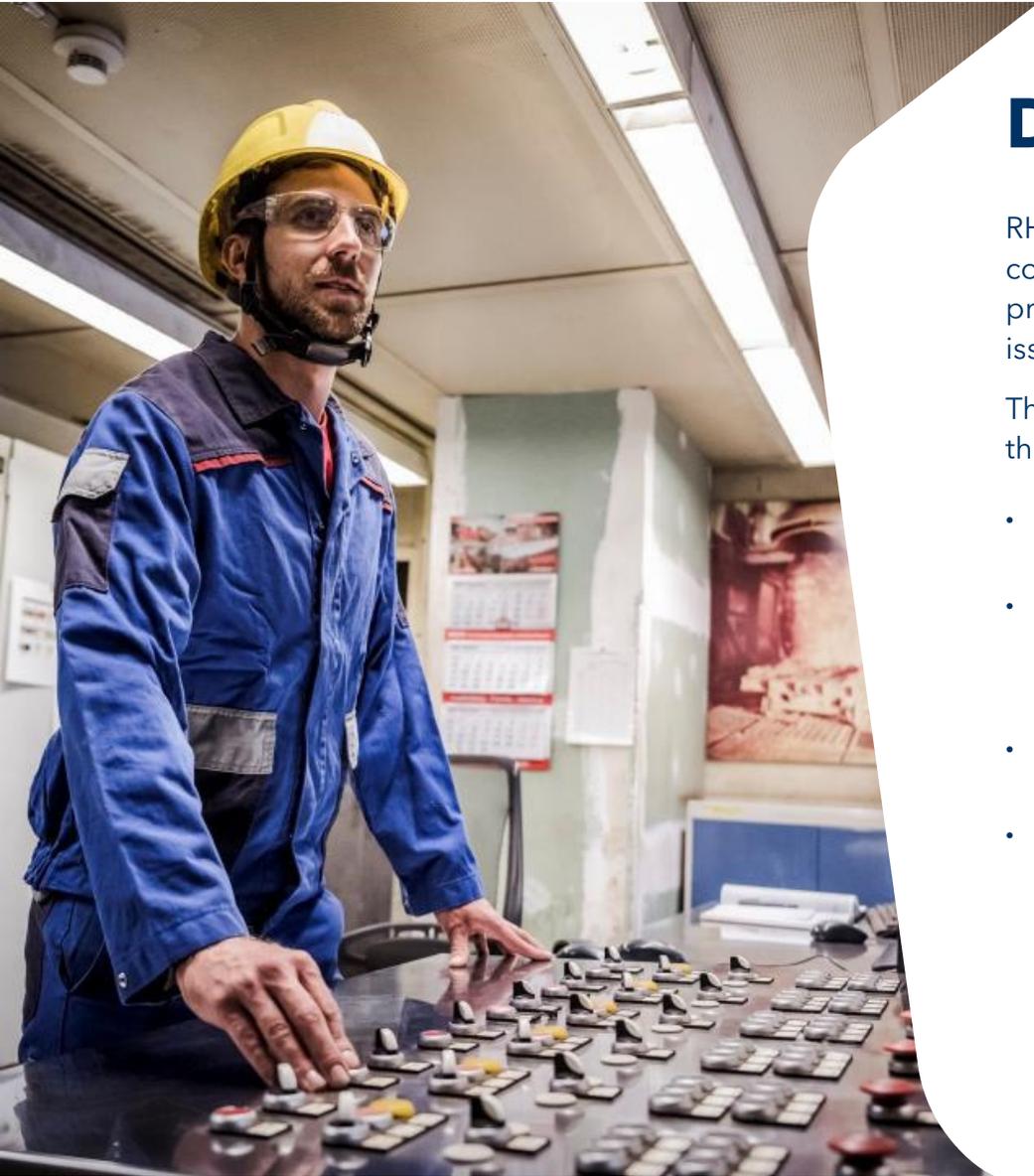
Suppliers and service providers are also required to respect the same legal and ethical standards as detailed in the Supplier Code of Conduct. By self-certification, they commit themselves to comply with applicable labor and social laws, refrain from any form of forced, compulsory or child labor. We require our Suppliers to adhere to the Supplier Code when doing business with or on behalf of RHI.

The Code of Conduct is regularly reviewed to ensure it continues to adhere to our core values of integrity and respect and that it remains consistent with industry standards and trends.

To learn more, download RHI's [Code of Conduct](#)⁶

⁶ <https://ir.rhimagnesita.com/corporate-governance-2/code-of-conduct/>





Due Diligence Processes

RHI is committed to combatting forced labor and child labor. We conduct due diligence assessment across RHI's value chain to proactively identify, address and mitigate potential human rights issues.

The following is a summary of the due diligence processes to assess the risks in our supply chains.

- **Automatic Screening**, which is embedded in ERP/SAP, consists of an ongoing master data screening and transaction-related document screening.
- **Manual Screening**, conducted by the regional teams using external databases, focuses on red flag or areas of concern that could violate RHI's Code of Conduct and/or infringe any other relevant legislation or regulation, the business partner and/or business transaction will be rejected.
- **Supplier audits and periodic ESG discussions** that address human rights as well as forced labor and child labor are conducted with Suppliers.
- **Standard supplier contracts** used for the procurement of goods and services include requirements for compliance with applicable laws and with RHI's policies, including the Supplier Code of Conduct, which prohibits the use of child labor, forced labor, human trafficking or any other form of modern slavery.

All sales agents are certified by Ethixbase360 (formerly TRACE International), a leading international organization specialized in third-party due diligence solutions.

Training

An e-learning module on specific business ethics topics was introduced globally in 2020, also covering same aspects of human rights, and was refreshed in 2023. RHI deploys an e-learning module on its Code of Conduct as part of every new employee's onboarding program.

In addition, a dedicated training on the fundamentals of human rights was added to our training portfolio in the past year. A training module on ESG-related topics for our employees responsible for procurement was also rolled out and we are planning to develop this initiative further in 2024, including putting stronger focus on human rights.

In 2023 particular focus was given to the integration of acquired entities. Extensive work was conducted as part of the overall integration plans to understand the compliance culture of each new entity and work with them to harmonize their approaches. An emphasis was placed on delivering this through face-to-face interaction and discussion and taking time to share and jointly evolve Business Ethics approaches.





Remediation Measures

We conducted 42 on-site supplier audits in 2023 at selected sites. In addition to this, we further drive our business partner due diligence process and enhance our broader approach to sustainability in our supply chain by using a third-party tool. This entails increased levels of information exchange with our supplier base.

In case of non-compliance with the provisions of the Supplier Code of Conduct, a three-step escalation process is used, focusing on addressing the root causes by setting out corrective measures. RHI will consider the suspension or termination of its business relations with the supplier if these measures are not met.

As RHI has not identified any forced labor or child labor in its business or supply chain, it has not had to take any measures to remediate any forced labor or child labor or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities or supply chains.

Policies

Verification

**Compliance
Helpline**

RHI is committed to addressing the risks of forced labor and child labor in our business and supply chains. As described in this Report, RHI has introduced a number of measures to prevent and reduce these risks.

Should there be any suspicion that human rights have been violated, the [Compliance Helpline](https://www.rhimagnesita.com/compliance-helpline/)⁷, 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 (also anonymously) both by employees and external parties in more than 50 languages via various communication channels. Indications of serious misbehavior will typically be investigated by Internal Audit, Risk and Compliance, People and Culture and other appropriate departments in the organization. There were no reported complaints related to forced or compulsory labor or human trafficking in the year 2023.

We welcome comments, questions, and feedback on this report.

**RHI Canada Inc.
490 Elgin, Unit 1,
Brantford ON N3S 7P8**

<https://www.rhimagnesita.com>

⁷ <https://www.rhimagnesita.com/compliance-helpline/>





Approval and Attestation

Board of Directors Statement

This Report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by the boards of directors of RHI Canada Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, we, the undersigned, attest that we have reviewed the information contained in this report for the entity specified above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year specified above.

I make the above attestation in my capacity as a director of the board of directors of RHI Canada Inc. ("RHI") for and on behalf of the RHI Board.

I have authority to bind RHI Canada Inc.

Shirley Etherington

Shirley Etherington
Director
May 30, 2024

I make the above attestation in my capacity as a director of the board of directors of RHI Canada Inc. ("RHI") for and on behalf of the RHI Board.

I have authority to bind RHI Canada Inc.

Charity Steele

Charity Steele
Director
May 30, 2024