



RHI MAGNESITA

RHI MAGNESITA ANNUAL REPORT
AND ACCOUNTS 2025

Driving positive change

Enhancing our
global footprint

Driving efficiencies
via digitisation

4PRO — delivering
added value for
our customers

Transforming
the industry in a
challenging market



ABOUT US

Our purpose is to master heat, enabling global industries to build sustainable modern life. We offer refractory products and services that shape tomorrow's world. Our advanced products are essential for our customers in the steel, cement, metals, glass and chemicals industries.

HIGHLIGHTS

Revenue

€3.4bn

2024: €3.5bn

Adjusted EBITA

€373m

2024: €407m

Adjusted profit after tax

€206m

2024: €263m

Adjusted earnings per share

€4.18

2024: €5.32

Net debt: Pro Forma Adjusted EBITDA

2.9x

2024: 2.3x

Dividend per share

€1.80

2024: €1.80
per share

Adjusted operating cash flow

€391m

2024: €419m

ROIC

9.5%

2024: 10.4%

CO₂ emissions

1.54_{t CO₂/t}

2024: 1.57t CO₂/t

Recycling rate

15.9%

2024: 14.2%

Lost time injury frequency

0.37

2024: 0.11

This PDF of RHI Magnesita's annual report is derived from the official version of the Company's 2025 Annual Report. The European Single Electronic Filing format (the ESEF reporting package) is the official version. The ESEF reporting package is available on our [website](#). In case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails. The auditor's report and limited assurance report of the independent auditor included in this PDF version relate only to the ESEF reporting package.

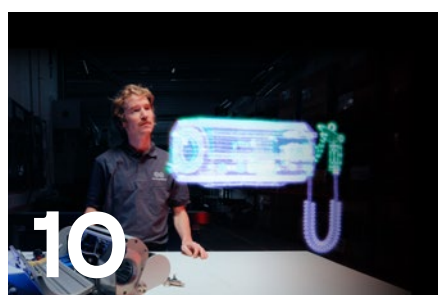
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Herbert Cordt
Chair

Resilience and adaptability in times of uncertainty

This year has been characterised by significant external challenges for our industry. RHIM's team once again demonstrated resilience, professionalism and commitment, enabling the Company to deliver strategic progress to put us in a strong position for the long term.

Safety remains our foremost priority. 2025 has been a pivotal year in our Safety Culture Transformation. Whenever the status quo is challenged and structurally reformed, we dive deeper, then numbers start to reflect reality more clearly and it becomes evident more and different effort is needed to improve safety.

Therefore, the Board and management team reinforced safety governance, raised expectations for leadership accountability and embedded safety considerations into all material decision making. This safety-first culture will remain central to how we lead and operate as a business.



The Board has approved an updated strategy to beyond 2035 aimed at sharpening execution.



Sustainability progress

Sustainability is integral to how RHI Magnesita operates, invests and manages risk. I am pleased to confirm that we met or even exceeded our ambitious 2025 sustainability targets. Goals related to CO₂ emissions, energy intensity and recycling rates have already been reached or surpassed, and diversity targets have been achieved at both senior leadership and Board levels. Notably, we reduced our CO₂ emissions intensity while also increasing the range of low-carbon solutions and products for our customers. Our business keeps getting better because of it.

When it comes to our 2025 ESG ratings, the EcoVadis rating is directly connected to our ESG-linked loan facilities — a tangible example of how sustainability performance creates business value. Our EcoVadis gold rating unlocks an attractive margin reduction on our sustainability-linked debt.

A challenging external environment

The external environment in 2025 remained unpredictable. Geopolitical tensions, regional conflicts and shifting alliances continued to disrupt economies and contributed to volatility across our end markets. These uncertainties drove a reduction in industrial investment of our customers in many regions.

Global trade has also undergone an intense transformation. Protectionism and supply chain regionalisation continued to reshape global manufacturing. This realignment has resulted in extended lead times, higher logistics costs and greater operational complexity, while increasing local-for-local supply. These have all demanded proactive management.

Consequently, macroeconomic growth has been subdued. Forecasts have been revised downwards, reflecting the drag from ongoing trade frictions, policy uncertainty and low industrial investment. Such volatility has put pressure on pricing and increased cost per unit due to low utilisation.

A robust strategy to deliver long-term shareholder value

In 2025, RHI Magnesita's long-term strategy, built on global diversification, industry consolidation, great people, robust operations and disciplined governance, navigated us through this demanding external environments.

Importantly, the management actions taken across the Group, alongside a turnaround in earnings in the second half of the year, helped RHIM to deliver a full year adjusted EBITDA performance in line with expectations, despite a challenging backdrop.

Last year marked the conclusion of the Group's 2017-2025 strategy. The Board decided on additional long-term targets and projects very much in line with existing strategy delivered in three pillars (PPP). Until and beyond 2030 execution will be sharpened. RHIM will continue to enhance its Portfolio, also through acquisitions to increase value for customers and improve our margins. Performance Excellence will boost productivity and competitiveness. Our engagement for the Planet will continue to pioneer our industry's green transformation.

Each one of these three strategic pillars delivers significant long-term value for shareholders by delivering profitable growth, as the most competitive global leader in refractories.

Capital allocation

Our balanced capital allocation philosophy remains driven by ROIC. We will continue to evaluate opportunities through the lens of value creation, resilience and strategic fit.

The Board has remained comfortable with the Company's current gearing level, due to the lasting and strong cash generation. De-leveraging over the coming quarters is built-in and our balance sheet is sound. Reduction of net debt via high operational cash flow gives future optionality for strategic options.

M&A remains an important part of RHI Magnesita's long-term growth strategy, which has generated value despite weak demand conditions, and the Board will continue to consider opportunities.

Board update

This year also brought important changes to the composition of our Board. We are pleased to welcome Franz-Ferdinand Buerstedde, who joins as a representative of Rhône Capital. His perspective as a private equity investor, rooted in value creation, disciplined capital deployment and long-term strategic thinking, will strengthen the Board's deliberations and oversight.

At the same time, we recognise the contribution of two departing Employee Representative directors. Michael Schwarz, who served on the Board for eight years, and Karin Garcia, who served for four years, both stepped down in December. We thank them sincerely for their commitment, insights and support throughout a period of significant corporate development.

We are pleased to announce that Yasmin Sarah Solmazer has joined the Board as Michael's successor as Employee Representative Director. Her appointment continues our commitment to broaden diversity and generational insight into our governance structure. We are pleased also to announce the re-appointment of Dr Martin Kowatsch as an Employee Representative of the Board by the Austrian Works Council.

The Board believes that RHI Magnesita has a strong leadership team and robust board composition in place to execute the Group's strategy and deliver significant long-term value for shareholders.

Dividend

The Board remains committed to delivering consistent and attractive shareholder returns. For 2025, the Board has recommended a final dividend of €1.20 per share, subject to approval at the Annual General Meeting. This comes in addition to the interim dividend of €0.60 per share, which was paid earlier in the year and brings the total dividend to €1.80 per share.

The Company's dividend commitment is supported by a strong coverage ratio, both for 2025 and in the years ahead. We will continue to ensure stable and growing dividends and reinvestment of remaining cash flows to de-leverage and grow the business.

Summary

Whilst the market remains very challenging, RHI Magnesita continues to weather the backdrop of reduced global refractory demand and is well positioned to capitalise when markets recover.

The year has shown that our people and our strategy give us the resilience to navigate short-term pressures while continuing to build a stronger company for the future. On behalf of the Board, I thank all colleagues, customers, partners and shareholders for their trust and support. We remain confident in our path forward, and we look ahead with determination and optimism.

Herbert Cordt

Chair of the Board of Directors



The Board supports a path of de-leveraging to strengthen our balance sheet and to take advantage of future opportunities.



Long-term value

Global leader in a highly fragmented market

- Refractories are essential for our modern world
- Mega trends are all refractory intensive
- Most refractory users are large companies
- Globally diversified operations and markets

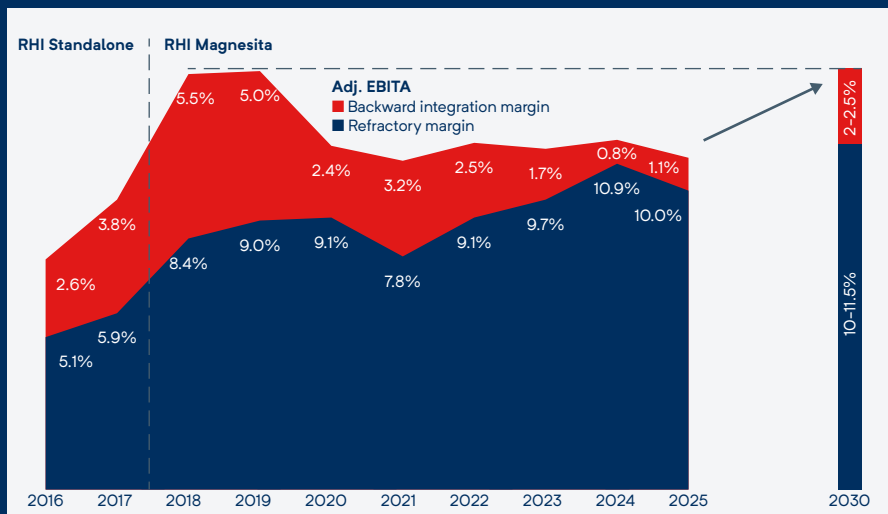
Strong track record of capital allocation, value accretive M&A

- RHIM consolidates a fragmented market to unlock synergies and industry discipline
- Strict capital discipline, well-covered dividend and quick de-leveraging

Significant margin progression opportunity with greater stability than end markets

- Lowest-cost backward integration with strong upside when China starts reforms
- Costs leadership and self-help via new digitised corporate platform
- Price progression via differentiated advanced business model and market power in several regions
- RHIM has capabilities and options competitors do not have

Stable margins in volatile end-use industry



Pathway towards margin progression

01

- Refractory margin increase via M&A integration**
- Integration synergies 30-50% of acquired EBITA
 - Biggest single value contributor since 2017

02

- Backward integration and recycling**
- Largest low-cost raw material producer ex-China
 - Profitable decarbonisation with localised recycling

03

- Costs leadership and self-help (pricing, operational excellence, SG&A)**
- Modern digital corporate platform
 - Plant network optimisation
 - Proven results in H2 2025

04

- Differentiation via production, services and sustainability**
- Only full-service heat management supplier for almost all refractory application globally
 - Technology leader with high innovation power

05

Deliver 12-14% Adj. EBITA sustainably

+2x

RHI Magnesita has doubled refractory margins in 9 years

Stefan Borgas
Chief Executive Officer

Strategic discipline for long-term success

2025 was a year of continued transformation for RHI Magnesita. Discipline and decisive action ensured we navigated the continued downturn while strengthening our business for long-term performance.

Introduction

2025 was a year of continued transformation for RHI Magnesita. Disciplined and decisive action ensured we navigated the continued downturn while strengthening our business for long-term outperformance.

In 2025, RHI Magnesita continued a Group-wide shift towards a deeply embedded safety mindset by further driving our Safety Culture Transformation Programme. Having kicked off this extensive program in 2024, we soon understood it was necessary to increase both the depth and accuracy of our reporting, to enable us to take much more meaningful steps to improve safety standards for our colleagues. Tragically, the first half of 2025 was overshadowed by a devastating incident, with a Brazilian colleague passing away from the effects of sepsis that occurred during long hospitalisation after a work-related injury. With no Serious Injuries or Fatalities in H2/2025 we are working tirelessly across our organisation towards a future where such incidents do not occur again. We are committed to our long-term goal of “Zero-Harm — No Injury”.

Financial performance

In 2025, RHI Magnesita operated against a very challenging macroeconomic backdrop, with subdued global industrial demand and continued pricing pressure across end markets. Revenue for the year was impacted by weaker volumes, particularly in Europe. Annual Adjusted EBITA of €373 million was delivered with a very significant H2 weighting. H1 Adjusted EBITA was €141 million (margin of 8.4%), reflecting margin pressure from an adverse product mix and lower project activity. Management actions drove a clear improvement in performance in the second half of the year, with Adjusted EBITA of €232 million, corresponding to a margin of 13.7% despite ongoing market headwinds. These improvements were driven by cost efficiency programmes, network optimisation and pricing discipline.

The acquisition of Resco, completed in January 2025, strengthened the Group's North American position and contributed positively to earnings, while integration progressed in line with expectations. Cash generation remained resilient, with adjusted operating cash flow of €391 million, supporting a resilient balance sheet development. Net debt stood at €1,495 million at year-end, resulting in leverage of 2.9x Net Debt to Pro Forma Adjusted EBITDA by year end. While 2025 was a demanding year, decisive operational and financial actions enabled RHI Magnesita to exit the year with improved profitability momentum, a more efficient cost base, and a stronger platform for value creation in 2026 and 2027.

Industrial downturn and trading environment

In 2025, the slowdown in global industrial activity reduced global refractory demand. The continued high levels of global uncertainty caused subdued furnace utilisation, delayed maintenance cycles, and deferred metal and industrial project investments.

Within this backdrop, the Group experienced both a sharp reduction in order intake and volumes as customers postponed or cancelled major rebuilds, as well as pricing pressure arising from lower demand and elevated Chinese refractory exports. Despite available refractory capacity exceeding demand in all regions worldwide, short termism by undisciplined competitors results in further capacity additions in regions like India and META.

Coupled with this downturn was an uncertainty regarding global tariffs. RHI Magnesita navigated this by constantly reviewing supply chains, pricing and operational footprint. Our flexible global network allowed us to act quickly through multiple tariff iterations and maintain a strong and uninterrupted supply to our customers. Our North American business delivered a strong performance in 2025 despite headwinds, including unprecedented market volatility, a ~13% USD/EUR devaluation and an ongoing industrial-sector weakness. The region also successfully started to manage a major business transformation with the integration of Resco and BPI and the rollout of our digital transformation.

Despite the downturn and uncertainty in 2025, our diversified footprint, integrated production capabilities, innovation and integration with our customers provided reasonable stability in this context.



4PRO is a strategic differentiator in a volatile and uncertain market environment.



Management measures deliver results

In response to a challenging demand and pricing environment in 2025, the management took decisive actions to protect profitability, strengthen cash generation and improve the structural efficiency of the Group. These measures delivered tangible benefits in the second half of the year and positioned RHI Magnesita for improved performance going forward. A comprehensive cost and efficiency programme was implemented across operations, including plant network optimisation and tighter cost control. These actions contributed to a significant and sustainable improvement in profitability.

Strategic transformation programmes delivered additional structural benefits. The Global shared services programme generated €2 million of EBITA benefits in 2025 and remains on track to deliver up to €20 million annually by 2029.

When it comes to the Operational Excellence Programme deliverables, we exceeded the initial pipeline target for 2025, achieving 123.9% of the €80 million goal by December 2025. A total of €99.1 million in value was delivered, supported by an average implementation rate of €2.0 million per month and more than 1,000 initiatives tracked through this programme. All regions contributed to this over achievement.

4PRO proved to stabilise the business performance and protect long-term value. It combines process optimisation, vertical-integration, circular economy, technology, and customer-centric services into a unique framework, delivering customers performance-based solutions including design, installation, maintenance, monitoring and lifecycle services. It positions RHIM as specialist supplier of complex solutions, fully integrated with our customers, and thereby significantly stabilises RHIM's margins in times of commodity market volatility. We saw a strengthening of our 4PRO programme in 2025 laying a solid framework for a healthy pipeline of new and improved 4PRO contracts for 2026.

We saw great successes from our integration of Resco, following completion of the acquisition in January 2025. Organisational design and key health & safety measures were implemented swiftly, ensuring the focus of the combined team on delivering customer value while implementing higher safety standards for all. We delivered SG&A synergies from the Resco integration well over our target for 2025.

Sustainability

Our strong sustainability performance in 2025 was underpinned by further innovation and the expansion of our sustainable product offering. This continues to be an important commercial differentiator as our customers in hard-to-abate industries seek solutions to help reduce their CO₂ emissions.

We exceeded our global recycling target of 15%, driven primarily by the outstanding performance in Europe. Across Europe, we reached an average recycling rate of more than 22%, with several months even surpassing 24% thanks to the collaboration with MIRECO and our European recycling team. Our recycling capabilities in the United States were also enhanced by the joint venture we agreed in June with BPI, Inc. The transaction will support our ability to supply lower carbon recycled refractories to our expanded customer base in North America under a tighter tariff regime.

Our constant focus on innovation delivers new sustainability gains, and we deepen our partnership with MCI Carbon to develop the world's first CCU plant in the refractory industry. This will be our Green Minerals Initiative, which will open a new business area for RHIM while absorbing 50kt/year of CO₂ of our existing processes. To support this one-of-a-kind project, we secured a €30 million grant from the Austrian government to build the first industrial-scale plant in our Hochfilzen operation in Austria. Additionally, we unveiled the world's first RAPTOR multi sensor system, which sets new standards for recycling. We have already reduced our CO₂ intensity by 15% (scope 1,2 and 3 raw materials) since 2018 with new recycling initiatives and CCU technology opening further room to reduce.

People and culture

Through 2025, maintaining a disciplined cost culture, while keeping teams engaged and motivated, has been a top priority. We reinforced cost-aware behaviour across the organisation, encouraged efficient decision making, and accelerated capability building for leaders and operational teams.

It is our people who have ensured stability. Their dedication and adaptability provided the foundation for us to take strong operational decisions and continue investing in growth, innovation and safety.

At the same time, we maintained our commitment to long-term strategic transformation, preparing the Company for future competitiveness through leadership development, cross-functional collaboration, and a readiness to adopt innovative technologies once market headwinds ease.

Outlook

Market conditions are expected to remain challenging. Steel end-markets remain at cyclical lows globally, with no near-term demand recovery reflected in the order book.

A number of regulatory developments may provide medium-term support. The European Commission has proposed a significant reduction in tariff-free steel import quotas in 2026 to support the reshoring of steel production and the activation of the Carbon Border Adjustment Mechanism following its trial phase. Brazil has initiated an investigation into potential duty protection for refractory materials. China has introduced an export licencing regime for steel that could sustainably reduce current record steel exports. The timing and impact of these measures on local refractory demand remains uncertain and are not expected to materially affect refractory demand before 2027.

Industrial project market visibility remains limited, with modest improvements expected in non-ferrous metals and no recovery currently evident in the glass segment. Overall visibility is expected to improve in the second half of 2026 at the earliest, reflecting the planning lead time of industrial projects.

Despite these challenges, RHI Magnesita's adjusted EBITA for FY 2026 is forecast to increase to around €435 million on a constant currency basis, and €400 million after including foreign exchange headwinds. This improvement is driven by continued execution of self-help and efficiency measures. While pricing of raw materials is expected to stay at historically low levels, cost and portfolio optimisation measures are being implemented across raw material assets to support an improvement of profits over the coming years with the first results appearing in 2026 and a more solid double digit run rate from 2027.

RHI Magnesita's business is getting better every year and the Company is well positioned for long-term success and any market recovery.

Stefan Borgas

Chief Executive Officer

Innovation across our operations



Completion of ReSoURCE

After 42 months of intensive collaboration, the ReSoURCE project (Refractory Sorting Using Revolutionising Classification Equipment) has reached a successful conclusion. As the first Horizon Europe initiative coordinated by RHI Magnesita, ReSoURCE marked a major milestone in our innovation and sustainability journey. The project delivered all planned results, including

the development and demonstration of advanced sensor-based sorting technologies to enable high-efficiency recycling of used refractories. This breakthrough supports RHI Magnesita's global recycling strategy and significantly contributes to reducing CO₂ emissions from primary raw material use.



CCUpScale: Pioneering Decarbonisation Innovation in the Refractory Industry

RHI Magnesita, in partnership with MCI Carbon, the Austrian Institute of Technology and the University of Technology Sydney, has made significant strides towards establishing the world's first carbon capture and utilisation (CCU) plant in the refractory industry. Current commissioning of the first mineral carbonation demonstration plant in Australia, developed in collaboration with MCI Carbon, marks a major milestone. This facility is designed to capture CO₂ from industrial sources and convert it into valuable carbonates and silicates, transforming emissions into usable materials for the construction industry and various other material applications.

€10m
invested to fund pilot
plant in Australia

Autonomous logistics meets refractories

At our Radenthein plant, we are setting new benchmarks in intralogistics. By implementing bespoke Automated Guided Vehicles (AGVs), we have fully automated the transport of our customised refractory products.

Despite harsh environmental conditions, the robots ensure a 24/7 material flow, reduce transport damage to a minimum, and ease the workload of our employees. This project is a core element of our digital transformation strategy and secures the long-term competitiveness of our production operations in Europe. With the commissioning of a total of 12 AGVs, 80% of conventional forklift trucks have been replaced.



80%
Of natural gas powered
fork lifts were replaced
with electric AGVs



Scan the QR
code to find
out more

Focused on delivering for customers

At RHI Magnesita, our business model is built to support customers facing increasing operational complexity, cost pressures, trade uncertainty, knowledge gaps and sustainability requirements.

Global supply chain

A critical strength of RHI Magnesita's offering is the unmatched global supply chain for refractories and raw materials, enabling flexibility and resilience in the face of growing trade-policy uncertainty.

Global innovation network

Our global innovation network allows us to share new products, recycling technologies and production know-how across regions, ensuring customers benefit quickly from our latest research.

How 4PRO delivers for customers

Our most comprehensive offering, 4PRO, continues to differentiate us in the refractory industry. It is a full-service offer that customers value. They benefit from not only the refractories, but the step-change in efficiency enabled by automation, digitalisation and performance-driven service.

4PRO is an innovative application of our business model, built on seamless interaction between refractory consumers and RHI Magnesita. It addresses complex customer problems through collaboration across four pillars (Performance, Partnership, People, Planet) and delivers an unmatched set of solutions including refractories, systems, robotics, sensors, on-site service, engineering and decarbonisation solutions.

This arrangement has enabled us to build many long-term relationships and to improve the efficiency of customer plants by employing the best available technology and working practices. This results in value creation, a sustainable business and shared success for both us and our partners.

The 4PRO model in today's business environment

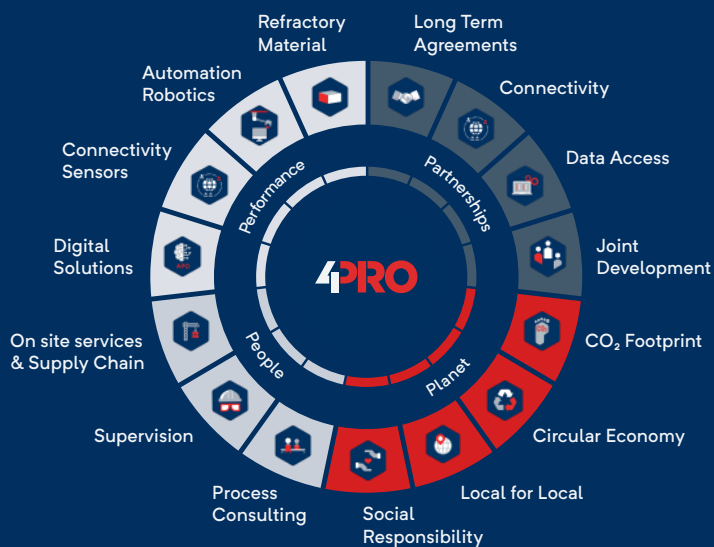
In an environment where customers face sustained margin pressure and are continuously seeking structural cost reductions, business models that go beyond product supply become increasingly relevant. 4PRO provides the framework for long-term, value-creating partnerships by aligning incentives, embedding operational improvements and delivering system-level efficiency across the customer's value chain.

This approach allows RHI Magnesita to protect and expand market share even in highly competitive markets such as India — and selectively in China — without compromising pricing discipline. By focusing on operational performance, reliability, and total cost of ownership rather than short-term price competition, 4PRO strengthens customer loyalty, stabilises volumes, and supports sustainable profitability.

Continuing to strengthen our business model through targeted M&A

RHI Magnesita continues to expand capabilities through targeted M&A, in line with strategic priorities. The investment in a refractory recycling company in the United States significantly enhanced the circular offering in the region. The Indian flow control markets remain important growth markets with highly attractive structural dynamics that we aim to harness with the acquisition of a leading local flow control machinery provider completed in 2025.

More than refractories



The new interaction — 4PRO

4PRO is a new form of interaction with our customers offering innovative solutions to the contemporary challenges of industry and society.

4PRO is an innovative business model built on seamless interaction. It addresses complex customer problems through collaboration across its four pillars (Performance, Partnership, People, Planet), delivering unmatched set of solutions such as: refractories & systems, robotics, on-site service, engineering and decarbonisation solutions. As a result, value creation, a sustainable business and shared success for our partners and us.



LES — Lining Evaluation Scan

LES — Lining Evaluation Scan — offers a step change in refractory maintenance and safety inspection capability for cement, lime and steel customers. RHI Magnesita offers more than refractories.

A laser solution to assess the residual thickness of rotary kiln refractory linings, enabling fast, holistic, and data-based decisions for upcoming repairs. Results are processed and presented digitally via the RHI Magnesita Customer Portal. Repeat scans allow analysing historical performance, track refractory status better and gain valuable insights into kiln health over time. LES measurements almost doubled in 2025 compared to 2024 with strong momentum particularly in the LATAM region.

Customers benefit from reduced refractory replacement volume and increased safety and operational reliability as most worn parts of the lining can be better identified and repaired. Customers see LES as a key tool for decision making, raising the refractory topic from a procurement and engineering to a senior plant management item



Gustavo Franco
Chief Customer Officer



~60%
of customers using LES stopped manual measurements

Our value chain

We design, produce, deliver, install, monitor, maintain, remove and recycle optimised refractory solutions in all customer industries globally.



Raw materials

RHI Magnesita operates raw material sites in Austria, Brazil, China, Czechia, Türkiye and the US. The majority of magnesite and dolomite raw material usage by volume was sourced internally in 2025, contributing 1.1% to Group Adjusted EBITA margin.



Refractory production

The Group operates 76 refractory production plants in Europe, Türkiye, India, China, Brazil and the US. Smaller markets in East Asia, the Middle East, Africa and Australasia are supplied from the global supply chain.



Logistics

Timely raw material and finished goods deliveries with effective inventory management strategies are crucial to ensure customer delivery reliability whilst minimising working capital and operating costs.



Research & Development

Development of new products, customisation and improved production techniques are essential to maintaining our position as market leader. R&D is also required to achieve our longer-term sustainability objectives.



Design & Engineering

The capability to design refractory solutions for new projects or new customers locks in future recurring revenues from refractory sales. New contract wins for DRI instrumental for green steel demonstrate the Group's success in 2025.



Installation

Customers often outsource the highly technical task of lining installation to RHI Magnesita. Refractory performance is dependent on correct installation, with high quality control requirements.



Sensors

We offer digital sensors to monitor refractory usage, depletion or slag levels in real time. Kiln surveys can identify hot spots and potential safety hazards. Such services are often carried out within a 4PRO contract framework.



Optimisation

Maximise customer plant utilisation and minimise operating costs associated with maintenance downtime or energy usage. Usage of advanced AI-powered models to predict refractory wear. Post mortem analyses of used refractories are carried out to optimise product formulations over time.



Maintenance

Refractory maintenance can include gunning or other repairs to extend the useful life of refractory linings. Efficient use of refractory linings can have meaningful benefits for other operating costs at customer sites, such as energy consumption.



Removal

Plan and execute the removal of linings after maximum safe usage has been achieved. Sort refractory waste to optimise recycling recovery yields.



Recycle

Reclaim valuable refractory material for reuse, with significant circular economy benefits. RHI Magnesita's proprietary technology and constant innovation ensure high performance of refractories with circular raw materials and a significant CO₂ emissions reduction.

Strategy

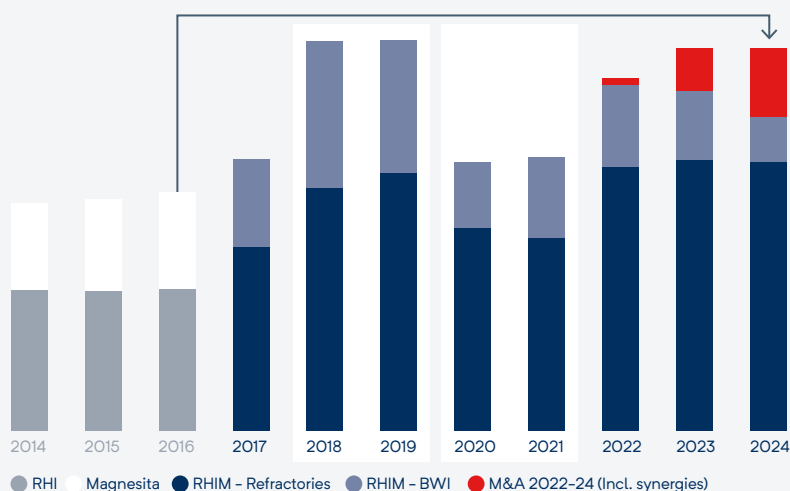
Strong self-help measures and acquisitions deliver stable margins in a volatile industry.

Constant progression, including transformation via M&A, is fundamental to RHI Magnesita's ability to continue to create stakeholder value in difficult market conditions. The Group continues to strengthen its market leadership and competitive advantage through strategic acquisitions. In 2017, the landmark merger of RHI and Magnesita created a structurally higher margin Group and a global market leader which was ideally positioned to consolidate a highly fragmented and undisciplined industry. Subsequent acquisitions have targeted either growing markets such as India, or market segments and regions where the Group is underrepresented. As part of M&A integration, effective restructuring is key to unlocking value from the Group's increased size and market depth, capitalising on raw material, logistics, SG&A and operational synergies.

Earnings contribution from the Group's strategic M&A and related synergies has served to offset a recent softening of earnings from the Group's backward integration since 2019. The depressed backward integration margin is considered to be temporary. The Group is actively engaged with Chinese regulators and other industry players to support the strategic reform of the Chinese steel, magnesite and magnesia industries. These dynamics are expected to deliver a normalisation of the Group's backward integration margin to around 2-2.5% in the medium term.

Management-driven self-help measures are the second component to drive stability and are a firm basis for future business success. The key self-help measures are shown to the right, and these spearhead the cost and efficiency drive the Group pursues. Their effectiveness and positive impact on earnings were shown in 2025, after a historically weak first half year. Self-help measures are run in almost all business areas and focus on sustainable efficiency increases, permanent fix-cost reductions and, where capital needs to be invested, an attractive return on invested capital.

EBITDA development 2014-2024 in €m



Key self-help measures

01

Digital transformation

DiGiT, Everest, Global Shared Service Center (GSS)

Replacement of ERP, change of IT architecture to data-centric model, becoming AI model, outsourcing of standard business services.

02

Operational efficiency gains

Operational Excellence System (OES), Transport Management System (TMS), CoRe

Continuous improvement in all 65 production plants to deliver above inflation productivity improvements.

03

Network optimisation

Network Optimisation Europe (NOE), Network Optimisation Americas (NOA)

Ongoing optimisation of production plants facilitated by acquisitions to create larger plants with better cost structure and fast reaction to customer requirements.

“Our digital transformation is gaining momentum with the S/4HANA go-live in Türkiye.”

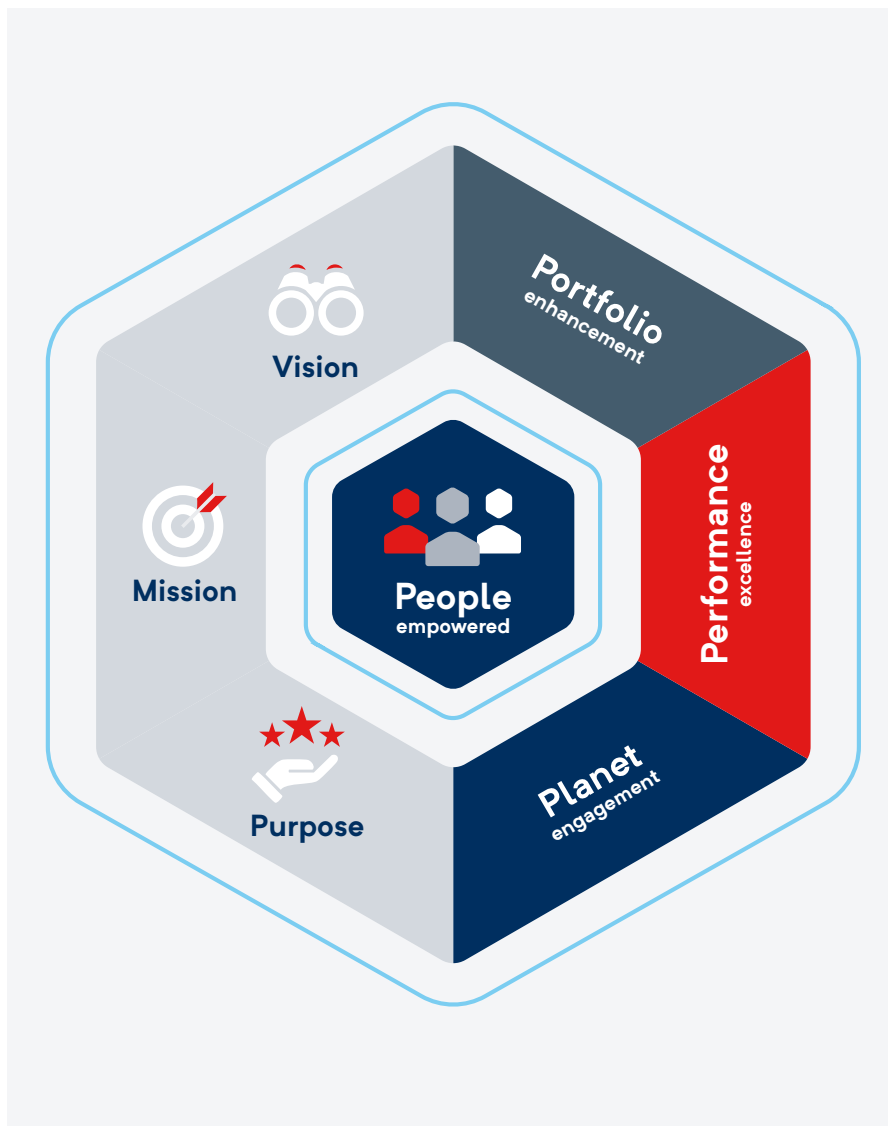


Ticiana Kobel
Executive Vice
President Legal
& Digital
Transformation



Our 2035 Strategy: strengthened focus and value creation

At RHI Magnesita, we are not just adapting to a changing world, we are shaping the future. Building on the success of our 2025 Strategy based on markets, business model, and competitiveness, our 2035 Strategy further sharpens our long-term focus and enhances value creation for RHI Magnesita and its shareholders through a clearer definition of our strategic pillars:



Portfolio enhancement

We are reviewing our portfolio, innovating with new products and business models that create greater value for existing and future customers.

We seek to maximise value for our customers and increase margins through offering a broad range of products and services, with R&D and new business models as key drivers. The Group also aims to grow its share of the global high-temperature refractories market via a consolidation strategy targeting businesses in high-growth and underrepresented markets. In this way M&A will continue to broaden the Group's product portfolio and geographic presence, adding further differentiation to 4PRO contracts and new business models.

Performance excellence

We are boosting productivity through scaled and optimised footprint, smarter operations and digital transformation.

We aim to enhance operational efficiency to strengthen profitability and competitiveness through cost-optimisation initiatives, including SG&A reduction, footprint optimisation, automation, digitalisation, supply chain improvements and targeted capital projects to lower raw material and conversion costs. In 2025, we successfully launched a network optimisation programme focused on Europe and the Americas, alongside a global raw material strategy.

Planet engagement

We lead in sustainability, by pioneering technologies that set the path for the green transformation of the refractory industry, while supporting our customers on their journey to net-zero.

The Group aims to create positive impact with profitable business models, by using recycling, decarbonisation and circularity as true game changers for us and our customers. We will further expand our recycling activities and continue working on decarbonisation technologies.

The success of these pillars relies on people engagement and a culture of safety first, by fostering a safe and inclusive workplace and promoting responsible business practices, grounded in a strong vision, mission and purpose.

Each strategic pillar represents an opportunity for RHI Magnesita to deliver significant long-term value for shareholders as a highly competitive global leader in refractories.

The Group's long-term strategy is aligned to its purpose of delivering sustainable high-temperature industry solutions worldwide, empowering modern life. The Board reviews the Group's strategy annually to respond rapidly to changing market conditions, industry developments and stakeholder priorities. The Board believes that the Group's strategy is the optimum route for delivering long-term value creation for all stakeholders.

Our 2035 Strategy sets a bold direction to innovate across our portfolio, strengthen our performance, and lead our industry towards a more sustainable future. The foundation for success lies in our raw material strategy, network optimisation, SG&A reduction and innovation in recycling and advanced technologies.

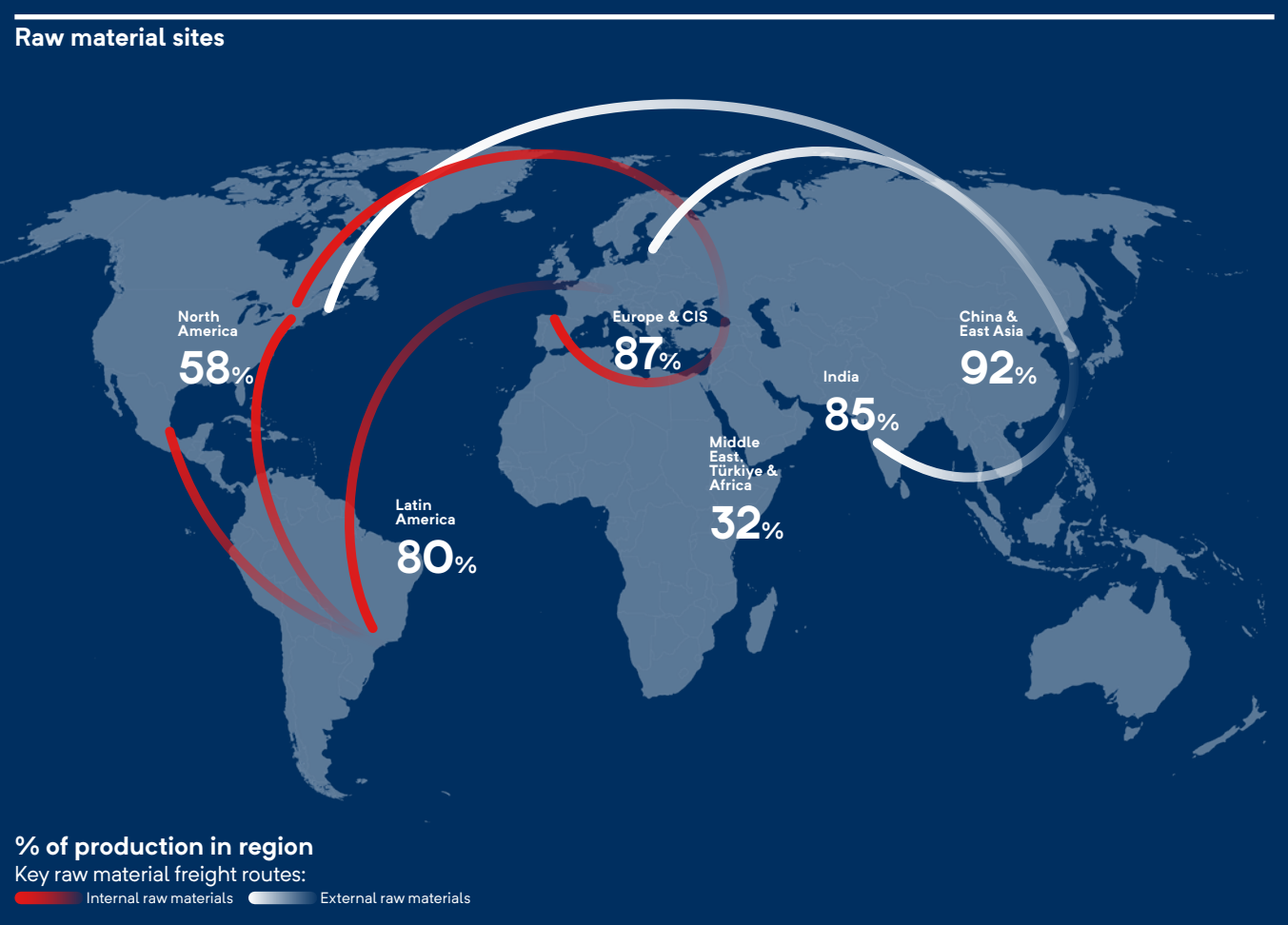
Other key levers for the future include M&A, further leveraging backward integration and creating a green minerals business. This roadmap positions the company to strengthen competitiveness, secure profitable growth and reinforce its role as an industrial pioneer in sustainable solutions. Successful execution is ensured via focus and discipline.

Strategy deep dive: Raw Material Strategy — listen to the stones

The Group's raw material strategy is central to strengthening its competitiveness and resilience in an increasingly volatile global environment. Raw material markets are primarily driven by the domestic demand in China and by the policy choices of the Chinese government. China is the undisputed leader in most refractory raw material production and exports, particularly in magnesite and magnesite. Given the challenging raw material market environment in 2025 and the resulting decrease of our backward integration margin to approximately 1%, it is even

more crucial that the Group defends its competitive raw material production irrespective of market conditions. In this context, the Group's approach focuses on cost leadership, diversification, and sustainable value creation.

Our backward integration model remains a key differentiator, ensuring reliable access to raw materials and safeguarding margins against market volatility. RHIM's raw material strategy encompasses a range of initiatives, including new raw material concepts, kiln efficiency enhancements, and energy optimisation. Some of the actions are already being implemented to improve backward integration earnings stepwise over the next two years. Beyond traditional refractory applications, the Company is expanding into other segments such as caustic calcined magnesite (CCM) for environmental, agricultural and chemical uses. This diversification opens access to new markets with attractive growth profiles while enhancing overall business stability and operational leverage



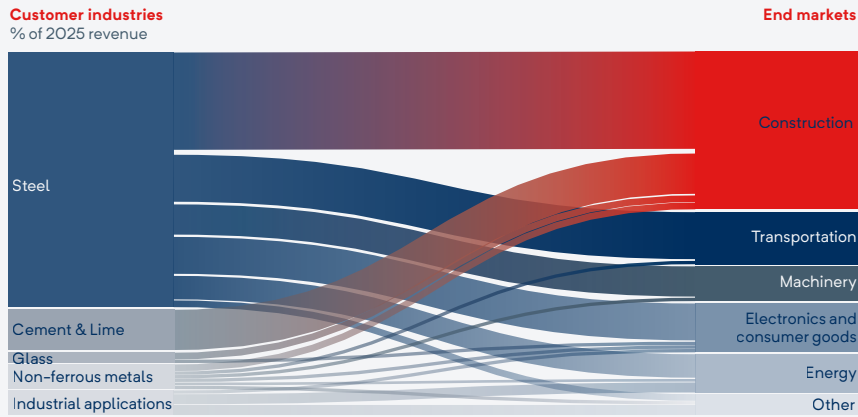
through existing capacity without the need for sizable capital expenditure. Continuous optimisation of our mines and processing operations enables us to maintain global cost leadership, with structural improvements expected to deliver significant ROIC gains by 2030. Our strategy is designed to generate tangible benefits under any market condition, even in a market low, as efficiency gains and cost advantages remain largely independent of external volatility.

“
By fostering a strong culture of safety, inclusion, transparency and engagement, we empower our colleagues to grow, collaborate, and perform. Through this, we ensure building a resilient organisation ready to meet today’s challenges and shape a sustainable future together.
”

Simone Oremovic
Executive Vice
President People,
Projects,
Integrations
& Recycling



End-use industries and key drivers for RHI Magnesita



Market context — medium-term reforms in China to trigger industry shift

RHI Magnesita operates in a wide range of end-use industries on a global scale. While the Group is exposed to a structurally stagnating market, benefitting from both its scale and depth as the global market leader it successfully targets pockets of growth in certain regions and product segments, both organically and via M&A.

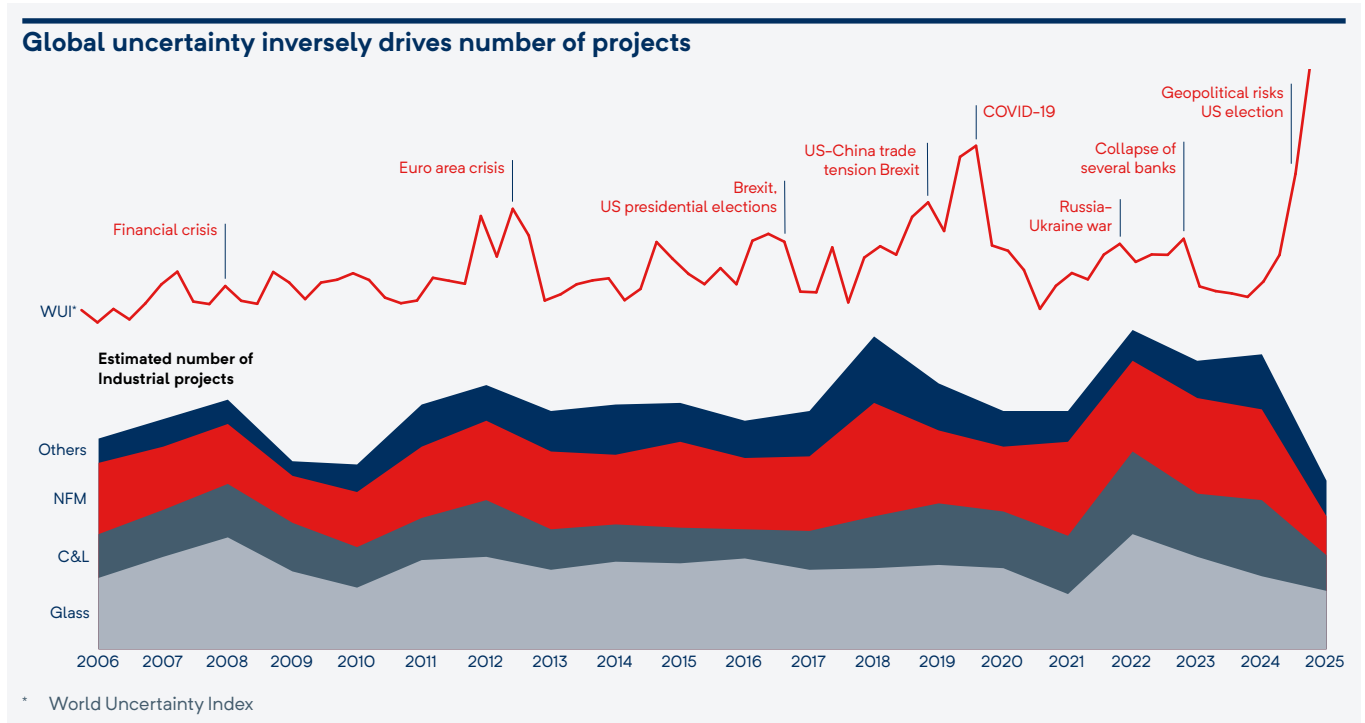
Steel

The global steel and key steel-consuming industries are increasingly fractured, aggravated most recently by a changing tariff environment. They are no longer moving in a cycle largely determined by demand, but by how and where excess capacity in the form of exports is deployed. In the last two years, an industry recession in Western markets has been characterised by weak demand from almost all base industries and from steel in particular, as weak domestic demand within China has driven record exports of Chinese goods (e.g., steel, vehicles). These exports substituted domestically produced steel, and lowered the domestic steel demand base by importing key steel-containing products, like vehicles. Trends such as Green Steel that could stimulate refractory demand growth have been developing more slowly than expected due to insufficient economic incentives and constrained investment. By contrast, developing markets like India, Southeast Asia and North Africa are bright spots of solid steel production and economic growth, but, some being comparatively small, they currently do not offset the weakness from the West and China.

This balance is set to change in the medium term. India is already producing more steel than the EU and will add sizable steelmaking capacity to become the undisputed steelmaking hub next to China in the medium term. Pockets of growth in Electric Arc Furnaces in North Africa, Türkiye and the Middle East offer further growth potential for the Group. Overall, we do not foresee a meaningful recovery in steel production in most markets in 2026. Trade protection, as for example proposed in the EU, can put a floor under steel production volumes, but does not provide a change of its trajectory.

Industrials

Industrial project numbers were historically low in 2025 at 40% below typical levels, as customers delayed capital investments due to global uncertainty. This is particularly evident in glass, where the Group’s order book at the 2025 year end is approximately 60% below typical levels. We do not see this level of industrial projects as sustainable, with a return to at least the median project number being likely within the next few years. Operators of large industrial kilns cannot delay the kiln reline indefinitely. Key demand drivers for industrial projects like electrification, urbanisation and recycling remain firm. In particular, copper, a key margin contributor to the Group, is projected to suffer from a supply-demand-gap in the next years requiring existing smelting capacity to run firmly and new capacity (particularly recycling-based smelters) to be built.



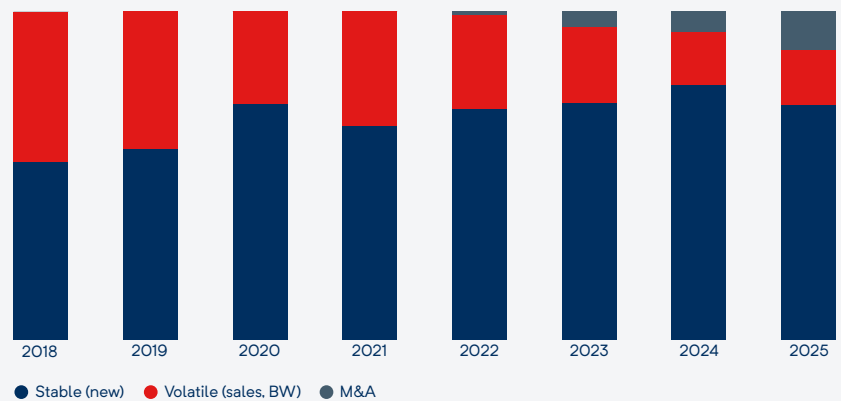
China

The Group expects metal and industrial output in China to be in the process of peaking, with base materials output including steel to reduce sizeably over the coming years. This is a major change for industry and commodity markets for whom strong growth in Chinese demand over the last 25 years has been a strong driving force. With a structural reduction of 150–250 million tons of steelmaking capacity within the next decade, the downstream and upstream industries need to be reformed too. Magnesite and magnesia are among those, and the Group is actively engaging with Chinese regulators and industry bodies to facilitate this shift. Once Chinese exports normalise, metal and industrial production, and therefore refractory demand, will return in other regions.

Global refractory market dynamics

The refractory market continues to consolidate in several regions. More consolidated markets are characterised by improved pricing and CAPEX discipline providing sustainable returns on capital. However, plenty of M&A opportunities still remain. Particularly in India we see considerable private investment into the sector, which is already oversupplied for the coming years despite solid refractory demand growth expectations. Additionally, Chinese refractory exports weigh on several

Indicative margin €m, scaled to 100%



markets including India. With the Chinese industry reform mentioned above, we expect refractory exports to normalise in the coming years. There is no need for additional refractory capacity anywhere globally.

Business areas deep dive — stable base business with more volatile high-margin top end

The Group delivers exceptionally strong and stable EBITDA. Despite many of its end-use industries being highly cyclical and suffering from difficult trading conditions, the Group's earnings

demonstrate limited cyclicality.

The stability of its financial performance is assured via relentless cost management, operational discipline and integrating acquisitions. Where parts of the base business are seeing an erosion of volumes, e.g., Steel Europe, the Group is focused on increasing customer value via innovative business models, pricing, sourcing from our global network and cost adjustments via network optimisation. Additionally, the Group is focused on capturing upside from more volatile but higher-margin business segments.

Stable business areas (70%)

- 1) Steel linings
- 2) Steel Flow Control
- 3) Cement
- 4) Industrial repair

Business foundations

Steel and most industrial products are the foundations of modern civilisation and almost every state worldwide has such domestic production.

Refractory volumes needed per ton of steel are constantly declining due to technological progress. Similar developments occur in industrial business, but to a lesser degree. RHI Magnesita is constantly driving refractory performance gains to add value to our customers. This might decrease the refractory volume needed, but can be offset by pricing, increased technology, solution and service offering.

This effect is evident during times of crisis of the global steel industry. For example, steel makers' margins plummeted in 2015 when Chinese steel exports flooded the market, while the EBITDA margin of RHI decreased only modestly. Similarly, the EBITDA margin of RHI Magnesita in 2024 was stable at approximately 16% when global steel demand softness coincided with record Chinese steel exports.

RHI Magnesita business deep-dive

The Group derives approximately 70% of earnings in this market segment. The Group's earnings come predominantly from mature markets like North America and Latin America. Earnings in markets like Europe and China are structurally under pressure. Therefore, the focus is on pricing, diligent cost management, operational discipline and bolt-on acquisitions.

The Group's shipments increase organically with steel and cement production growth. Therefore, the Group focuses its M&A efforts on expanding in underrepresented product segments.

India is the only large structurally growing market in this segment. Other regions and trends like growth in Southeast Asia and Green Steel are meaningful but partly delayed.



Volatile business areas (30%)

Industrial project business:

- 1) Non-ferrous metals
- 2) Glass
- 3) Industrial applications
- 4) Steel like directly reduced iron (DRI), blast furnace and re-heat furnace

Business foundations

Industrial projects are large capital-intensive investment projects of customers in which refractories are a modest share of the overall costs. Those high-temperature facilities commonly have a long lifetime and the refractory lining cannot be readily repaired or changed. Any operational disruption must be kept to a minimum due to financial and safety reasons. Therefore, customers value high-quality refractory solutions coupled to sophisticated engineering, technology, and automation.

Given its capital intensity, industrial projects are linked to global uncertainty. When global uncertainty is elevated, customers tend to delay investment decisions and adopt a wait-and-see approach (such as in H1 2025). Once visibility and the macro environment are favourable, a high number of projects are built in a short period of time (such as in 2018, 2022).

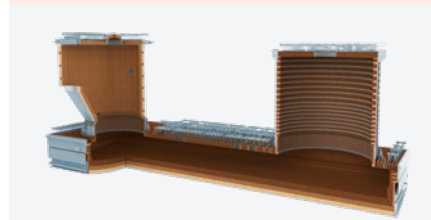
RHI Magnesita business deep-dive

The Group is a key refractory supplier for industrial projects in non-ferrous metals and glass, less so in the wide area of industrial application. The 2025 project number is approximately 40% lower than the 2022 peak. We expect a normalisation of industrial projects in the medium term.

The Group is less active in project business in steel. However, the P-D Refractories acquisition added capabilities in coke ovens. The low-CO₂ DRI (directly reduced iron) market trend offers a new attractive market.

The Group has a competitive advantage in industrial projects due to its products and experience in delivering such complex projects. Larger projects are typically supplied from two or more global plants with hundreds of different refractory products. Installation, digital services and guarantees are then added on top. The Group often also receives repair contracts in the years after the installation date adding regular high-margin business.

Organic growth in this segment is difficult without a structural increase in projects. We expect a normalisation of projects in the medium term. To capitalise on this, the Group targets this segment via M&A.



Minerals and backward integration:

- 1) Dead burned magnesite (DBM)
- 2) Calcined caustic magnesite (CCM)
- 3) Fused magnesite (FM)
- 4) Aluminas
- 5) Speciality materials (e.g. zirconia)
- 6) Recycling

Business foundations

The refractory raw material business is dominated by China with a market share of above 60% in global traded refractory raw materials. RHI Magnesita is the biggest non-Chinese basic raw material seller in the Western world. The global benchmark prices are set by Chinese export prices.

The Chinese domestic and export raw material prices are guided by Chinese industry cycles and policy choices. Short-term policy changes in particular can impact price levels very quickly. Prolonged price pressure comes from structural oversupply in China. Upcoming industry reforms are expected to change this.

The Group earns the backward integration margin and margin in mineral sales from two primary factors. First, the backward integration margin on a delivered basis (the difference between Cost of Goods Sold (CoGS) and Chinese raw material prices delivered to customers). Second, offering superior product specifications for dedicated customer applications or the Company's own products. Most recently, tariffs complicated the picture resulting in operational difficulties and material trade flow changes.

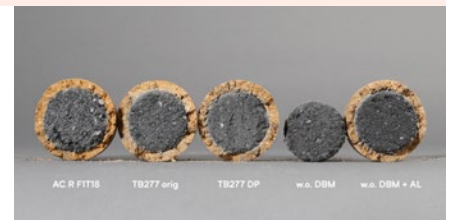
RHI Magnesita business deep-dive

The Group is primarily active in the DBM market with its operations in Brumado and Eskisehir. The majority of minerals earnings are with DBM. The Group has a market share of the merchant DBM market of approximately 7%. However, RHI Magnesita is the biggest western supplier of DBM and can scale up deliveries quickly in case of export disruptions out of China.

The Group is also active in the CCM (calcined caustic magnesite) market. RHIM derives approximately €20–30 million of revenue with CCM corresponding to a low market share. Here we aim to expand with newly started efforts in raw material operations in Austria, Türkiye, and Brazil.

The Group produces approximately 15ktpa Fused Magnesite (FM) near its Contagem plant exclusively for own use. China dominates the global export market with an approximate market share of 90%.

The Group operates the largest refractory recycling capabilities outside of China with operations focussed on Europe and USA. Further acquisitions are constantly explored.



Adapting to meet market needs

Restructuring is a key component of a successful M&A process. Every acquisition offers new opportunity to optimise the plant network. In a static industry, plant closures are a necessity. RHI Magnesita has been executing plant footprint optimisation programmes in Europe since 2019 and in the Americas since the beginning of 2026. The success of these optimisation programmes has meant that this process has become a core competency of RHI Magnesita.

Perform plant network analysis

Every plant network optimisation programme is led by the Strategy Team and the Regional Leadership team and brings together local and global senior experts and managers. Decisions are based on sophisticated financial, demand and supply chain modelling and enriched with technical and R&D deep dives. It is a holistic process including all departments from sales to R&D to deliver such a complex undertaking successfully.



Perform M&A

M&A is a core strategic lever for RHIM to close capability gaps, strengthen our product and service portfolio, stay close to customers and drive industry consolidation in a market performing at overcapacity.

We follow a proactive, end-to-end M&A approach — from identifying strategic targets to seamlessly integrating businesses.

Restructure operations

Restructuring an operation usually consists of a closure or part-closure. This means many of RHI Magnesita's core assets, our people, are impacted. Taking care of our people is therefore the prime consideration in every restructuring.

Other considerations are machine and technology transfer, and often land sale proceedings.

€100m

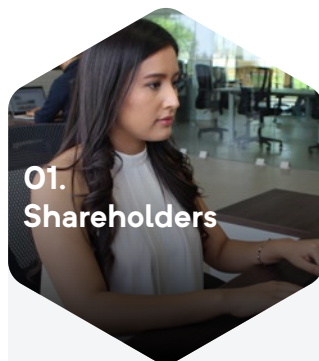
Invested from 2021 to 2025
€45m in CAPEX and €55m
in restructuring

€25m

€10m EBITA in 2025
Additional €15m EBITA
expected in 2026

Engaging for mutual success

The Board recognises its duty under Section 172 of the UK Companies Act 2006 to promote the success of the company for the benefit of its members, while considering broader stakeholder and long-term factors and the matters in Section 172(1) (a)–(f). Details of our key stakeholders, how the Company and Board engages with these stakeholders and key priorities and outcomes can be found on pages 21 to 26.



01. Shareholders

Who they are

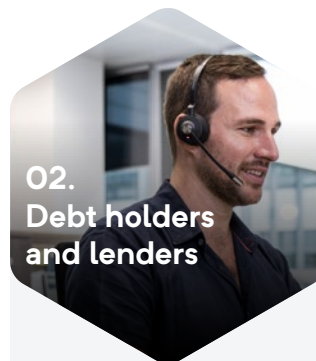
Providers of capital and owners of the business.

The value we create

Financial value, represented by the share price of the Company and dividends paid.



Find out more on page 21



02. Debt holders and lenders

Who they are

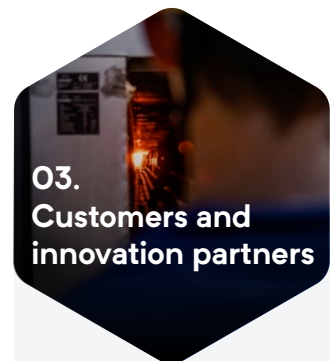
An important source of financial liquidity.

The value we create

A strengthening of the Group's funding structure.



Find out more on page 22



03. Customers and innovation partners

Who they are

Customers are at the heart of our business and we work to create value by collaborating with a number of external parties.

The value we create

Enhancing product performance and product offering.



Find out more on page 23



04. Communities

Who they are

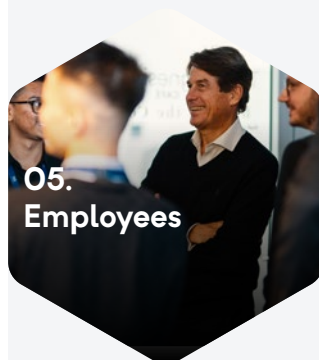
Members of the local communities within which we operate.

The value we create

Investment in community projects throughout our regions.



Find out more on page 24



05. Employees

Who they are

Our people are at the core of achieving our strategic objectives.

The value we create

Providing an environment of encouragement, engagement and learning.



Find out more on page 25



06. Governments and authorities

Who they are

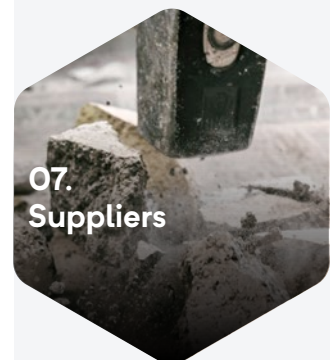
The regulatory framework within which we operate.

The value we create

Working with governments and agencies and engaging in open dialogue.



Find out more on page 26



07. Suppliers

Who they are

Providers of services and materials to ensure our end-to-end supply chain.

The value we create

Improved tactical and strategic supply chain management.



Find out more on page 27

01. Shareholders



Why they are important

As providers of capital and owners of the business, our shareholders play a central role in the Company's growth and development. By fostering and maintaining their support, we are able to implement our strategy and objectives.

How the Company engages

The Company is listed on the London and Vienna Stock Exchanges, with London as its primary listing location.

The Company issues consistent, fair, balanced and understandable information to these stock exchanges to ensure efficient and fair functioning of financial markets. Care is taken to ensure messaging is consistent and publications are compliant with the EU and UK Market Abuse Regime, UK Listing Rules, Austrian Stock Exchange Act, and Corporate Governance Codes and guidance.

The Investor Relations department maintains an ongoing dialogue with shareholders and analysts which is fed back to senior management.

Regular engagement is facilitated via one-on-one meetings, investor presentations and webcasts, the AGM, industry conferences and events and site visits.

How the Board engages

The Executive Directors meet regularly with investors and analysts (both in person and via digital channels). On request, the SID and Deputy Chair meets with shareholders to discuss governance matters. In 2025 this covered the Board's oversight of strategy and risk, Board skills, diversity and composition, and sustainability metrics.

The Investor Relations team regularly provides analyst coverage of the market and shareholder sentiment to the Board. This includes shareholder commentary, and comparison of the Company's performance against its peers. The Company's brokers also provide valuable and pertinent perspectives from their wider experience base, which gives context to the Board for regulatory news publications.

The Chair and SID and Deputy Chair also engaged with larger shareholders to hear about their priorities and answer questions around both tactical and strategic delivery.

The Board benefits from long-term shareholder representative Directors', who share their perspective and priorities to guide management and reflect the shareholder experience, whilst also taking care to recognise minority shareholder interests and priorities.

Priority topics raised by stakeholders

- Company strategy and implementation, particularly regarding M&A and capital allocation.
- Operational and financial performance including cash generation, sales volumes, pricing considering raw material costs, and trading outlook.
- Development of key end-use markets and associated challenges from the fragmenting global trade environment.
- Geopolitical outlook and associated changes to global economic factors.
- Sustainability agenda and activities, such as contract wins in green steel, sustainability targets.
- Climate strategy and associated capex investment.
- Board composition including gender diversity and the skills and experience represented.

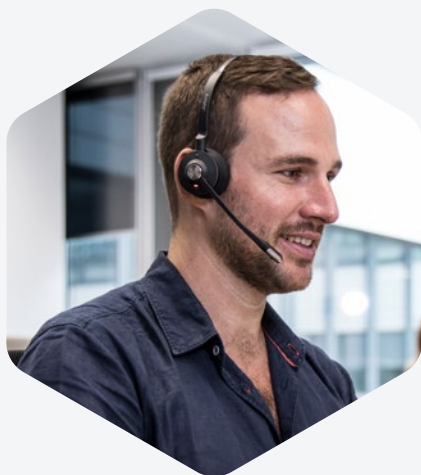
Outcomes

Shareholder perspectives were fundamental considerations in Board discussions on a wide range of topics, including the implementation of remuneration policy, accounting judgements, capital allocation decisions, gearing and leverage, and ESG strategy.

Feedback about the Group's acquisition strategy from shareholders informs the strategy and planning for the future in terms of liquidity and business capacity. A number of acquisitions have been made since 2022 and the priorities of shareholders will continue to be a driving factor in the future acquisition approach.

Two dividends, final and interim, were paid in 2025, in line with the dividend policy and shareholder expectations.

02. Debt holders and lenders



Why they are important

Our lenders and debt holders are an important source of the financial liquidity that the Group requires to operate. They are integral to the long-term sustainable success and growth initiatives of the business.

How the Company engages

The Group CFO and Group Treasurer execute strategies approved by the Board by regularly engaging with debt holders and lenders to secure favourable terms, mitigate risks, and ensure sustainable and solid relationships.

Regular engagement with these stakeholders is facilitated via one-on-one and Group meetings and presentations.

How the Board engages

The Treasury department maintains an ongoing, transparent dialogue with its debt holders and lenders, and reports regularly to the Audit & Compliance Committee and Board.

The Board has a clearly defined approval and delegation of authorities matrix for the contracting of debt instruments, and actively contributes and engages in discussions with the Group CFO and Group Treasurer.

Priority topics raised by stakeholders

- Company strategy and implementation.
- Operational and financial performance and outlook.
- Capital structure and liquidity.
- Sustainability initiatives.
- Risk management.

Outcomes

In March 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. This syndicated term loan was fully utilised in January 2025 to fund the acquisition of the Resco Group.

In April and May 2025, the Group successfully completed the refinancing of a €150 million bilateral term loan maturing in May 2025 and a €50 million bilateral term loan maturing in 2026 with a €100 million bilateral term loan maturing in 2029 and a \$50 million bilateral term loan maturing in 2030 respectively, with €50 million being repaid with excess cash to optimise the Group's capital structure and liquidity levels. These transactions strengthen the Group's funding structure and maturity profile ahead of upcoming maturities in 2026 and onwards.

RHI Magnesita continues to align parts of its funding structure with sustainability objectives, including the use of ESG-linked loan instruments. As of June 2025, the Group's EcoVadis sustainability rating was updated, achieving an overall score of 79 out of 100, placing the Group in the 97th percentile of all companies rated globally. At the reporting date, the Group's ESG-linked drawn and undrawn borrowing facilities amounted to €1,702 million (31.12.2024: €1,983 million).

03. Customers and innovation partners



Why they are important

Our customers are at the heart of our business model and fundamental to the sustainable future of the Group.

We collaborate across the refractory industry, and more broadly, with external partners such as accelerators, start-ups, open innovation platforms, companies and institutions to foster innovation and drive developments in R&D.

How the Company engages

The Company employs a structured innovation framework that integrates external scientific collaboration with internal R&D expertise. This includes joint development projects with industrial partners, academic collaborations, digital innovation partnerships and circular economy R&D programmes.

The Company maintains strong representation at global trade fairs across the steel, cement, non-ferrous and process industries. These platforms strengthen commercial relations and provide real-time intelligence on technological inflection points and evolution of customer requirements.

The Company runs Customer Satisfaction surveys to regularly assess the Net Promoter Score. It is used as a key metric for customer-facing teams, to ensure focus on providing a positive customer experience in every interaction.

How the Board engages

The Board integrates technological and scientific considerations into its strategic decision making, ensuring that R&D investment aligns with long-term value creation, customer demands, sustainability requirements and competitive differentiation. Meetings with senior leadership at customer organisations provide essential perspectives on operational priorities, technological needs and evolving sustainability requirements.

The CSC hears from senior management on their work with innovation partners on the development of the Company's sustainability strategy, and feedback to the Board.

Priority topics raised by stakeholders

- Price increases in response to widespread inflationary costs and low demand in some regions.
- Service levels and lead times.
- Response to climate change and opportunities in green transformation.
- Health & Safety.

Outcomes

R&D activities and associated investments have strengthened supply resilience, enhanced product performance consistency and accelerated the introduction of advanced refractory solutions. Organisational redesign and enhanced cross-functional processes have improved customer service and technical response capabilities.

Insights from customer relationship teams have guided strategic decisions to enhance the Company's service portfolio, expand the sustainable product offering and optimise supply locations, supporting the Company's role as a preferred partner in the green transition of steel and cement in Europe.

The Company's scientific journal, *Bulletin*, remains a key instrument for disseminating refractory research, showcasing innovation deployments and demonstrating progress across material science, recycling, digitalisation and service technologies. Its publication underscores our commitment to research excellence and collaboration with innovation partners across the global scientific community.

04. Communities



Why they are important

Wherever we operate, our ability to succeed depends on maintaining the trust and confidence of local communities. This social licence to operate requires us to conduct our business ethically, responsibly, and transparently. It also obliges us to contribute to sustainable development by supporting socioeconomic progress, safeguarding human rights, and protecting the environment both within our own operations and across our value chain.

How the Company engages

As a member of the UN Global Compact, the Company supports the UN Sustainable Development Goals (SDGs) and implements the Compact's principles on human rights, labour, the environment, and anti-corruption. These commitments inform engagement with policymakers, non-governmental organisations, and other stakeholders at national and international levels.

At the local level, each site maintains regular dialogue with community members and stakeholders to understand their priorities, identify risks, and determine where the Company's support can create the greatest impact. In 2025, the Company continued to focus community investments on three core pillars: education and youth development, health and medical care, and environmental protection. These areas align with several SDGs and guide the Company's long-term approach to community development.

How the Board engages

The Corporate Sustainability Committee (CSC) reviews community engagement activities and reports its findings to the Board. In 2025, the CSC evaluated charitable initiatives and received progress updates on projects in India and Brazil. The Committee provided direction on priority areas for future focus and noted applicable legal and regulatory requirements relevant to community programmes.

Priority topics raised by stakeholders

- Health and wellbeing.
- Climate change, biodiversity, circular economy (including income-generation opportunities), reforestation, and broader environmental awareness.
- Education, youth development, and employment programmes, including professional development and entrepreneurship.
- Rural transformation, particularly in India.

Outcomes

Despite challenging market conditions, the Company continued investing in community programmes across all regions in 2025. In India, this included the construction of schools, libraries, roads, and other essential infrastructure. Globally, the Company prioritised initiatives that build the skills and knowledge of children from disadvantaged backgrounds, strengthen female empowerment and women's skills development, and expand access to primary healthcare for communities near our sites.

The Company also committed to a more balanced distribution of resources across our three community pillars and increased investments in environmental initiatives, including a major biodiversity enhancement project in Türkiye.

The Company's employee volunteering programme, launched in 2022, continued to grow in 2025, with monthly activities delivered through partnerships with 11 non-profit organisations. Employees worldwide were encouraged to participate in volunteering, fundraising, and donation campaigns.

The Company remains focused on decarbonising our industry for the benefit of future generations. In 2025, use of Secondary Raw Materials (SRM) increased to 15.9%, a 1.7-percentage-point improvement compared with 2024.

05. Employees



Why they are important

Our people are at the core of achieving our strategic objectives. Attracting, retaining, and developing exceptional talent is vital to our Company's long-term success. We are committed to fostering an engaged, innovative, and collaborative workforce, built on a strong foundation of diversity and inclusion.

How the Company engages

Company communication channels include town hall meetings, function- and level-specific conferences, and a corporate communications app, Workvivo. These platforms ensure colleagues across all levels and locations remain connected, receive consistent updates from senior leaders, and have opportunities to share their perspectives, voice concerns, and celebrate achievements.

To help embed our culture and values throughout the organisation, designated Culture Champions worldwide actively engage with employees on an ongoing basis.

In addition, regional leadership teams host town halls to address local priorities such as supply chain developments, employee health and wellbeing, and site-specific changes, ensuring transparent communication tailored to regional needs.

How the Board engages

Three Employee Representative Directors (ERDs) served on the Board during 2025, feeding in on a range of workforce issues such as remuneration, feedback on executives, the operational footprint, and Health & Safety.

The Board meets with plant employees and management, as well as holding direct conversations with senior management on detailed topics outside of Board meetings.

Local and global townhalls and Q&A sessions are run both virtually and in person, at both regular intervals and when there are specific communications to be delivered, such as the full and half year financial results.

The CSC considers employee safety KPIs at each meeting, including a root cause analysis of any major accidents. The Board also receives a report of Health & Safety statistics from the CEO at each meeting. The CSC, as well as the broader Board, focused on the safety culture, lessons learned, as well as receiving briefings on the business's response and the support for affected colleagues at the plants. Guidance and encouragement were given by Board members to improve processes and approach based in their own experiences elsewhere.

Board Directors have participated in the mentoring programme for female talents, sharing their own experiences as women in the workplace, and supported the delivery of the scheme through advising other mentors in the Company on how to establish a good mentoring relationship.

Priority topics raised by stakeholders

- Operational performance improvement programmes including process and controls improvement.
- Health & Safety and cultural changes to foster greater transparency to build safer working environments.
- Business restructuring and job security, within the wider macroeconomic backdrop (specific to certain regions).
- Regional investment and the impact of new assets and additional colleagues.
- Responding to green steel transformation and delivering environment related solutions.
- Salary/wage growth.
- Recruitment, talent development and retention.
- Work/life balance.
- Leadership behaviours and communication, e.g., cultural role modelling and leading by example.
- Change resilience, psychological safety, and employee wellbeing.

Outcomes

As part of the Company's ongoing commitment to strengthening Diversity, Equity and Inclusion (DEI) a number of global initiatives and events were rolled out in 2025, including EmpowHer leadership workshops, a resilience webinar and a Lecture series focusing on DEI issues. The Company also enhanced our global mentoring and global trainee programmes.

In total, more than 3,800 colleagues worldwide participated in these development and inclusion sessions throughout the year. Together, these initiatives underscore the Company's belief that when people feel valued, supported and able to bring their full selves to work, the entire organisation thrives.

06. Governments and authorities



Why they are important

Governments and authorities set the regulatory framework within which we operate. They also set out national and international strategies wherein RHI Magnesita plays a part. There is vital interplay between industry and political stakeholders and this relationship is the linchpin that propels us towards a cleaner, more sustainable future.

How the Company engages

The Company engages on multiple levels with authorities in our regions. In 2025 these included:

Relations with EU institutions were strengthened through various initiatives and personal meetings. The Company, represented by Regional President Europe, CIS & Türkiye, attended the 2025 European Raw Materials Week in Brussels, contributing to a high-level panel at the 12th Annual Conference on Raw Materials and engaging with senior officials from the European Commission as well as with the Cabinet of the Commission President and members of the European Parliament.

In July 2025 Austrian Federal Chancellor Christian Stocker visited the fully digitalised refractory plant in Radenthein, where he was briefed on the site's high-tech production, regional raw material base and its relevance for Europe's green and digital transition.

RHI Magnesita also continued to play an active role in key European industry platforms. The Company is a member of Euromines, the European Refractories Producers Federation (PRE) and Cerame-Unie, the European Ceramic Industry Association. From January 2026, RHI Magnesita's Matthias Stalzer, responsible for Key Account Management Europe & CIS, will assume the presidency of PRE, further strengthening the Company's voice in shaping the policy framework for Europe's refractory and raw materials industries.

In Latin America, the Company engaged with local governments and attended COP 30.

In India, Ian Botha attended a business round table with India's Finance Minister, Nirmala Sitharaman and Austria's Minister of Finance and Corporate Affairs, Wolfgang Hattmannsdorfer.

How the Board engages

The Board considers responses to authorities and encourages management to research and consider the consultations which are issued.

The Board receives briefings on changes in legislation and the extent of their impact on the Company. The CSC also considers changes in regulation within its scope, such as the EU Omnibus package, CSRD implementation in the Netherlands and the UK Sustainability Disclosures requirements.

The Board sets an averse risk appetite in respect of non-compliance with regulations, establishing how the Directors expect the organisation to engage with authorities and regulations.

The Board approves the Code of Conduct which has a zero-tolerance approach to any illegality.

Priority topics raised by stakeholders

- Raw materials.
- Infrastructure.
- Alternative energies, sustainability, climate change, and decarbonisation.

Outcomes

The Board endorsed management's approach to public affairs and political engagement, and guided attention to the new assets, asking management to ensure Group standards were implemented and maintained.

The Company has provided information on request to governments and agencies, actively engaging in open dialogue.

By actively engaging in regional discussions and initiatives with political bodies and governmental agencies, we address unique challenges and contribute to environmentally responsible industrial practices on a global scale. Transparent communication and open information sharing progresses our goal of securing a sustainable infrastructure for a clean and efficient industry.

07. Suppliers



Why they are important

Strong relationships with our suppliers are vital to ensure our end-to-end supply chain. We rely on our suppliers to deliver services and materials, and we recognise that the availability of these goods impacts how we execute our services to customers. We are embracing strategic alliances and long-term partnerships mainly for raw materials and logistics.

How the Company engages

All suppliers are requested to confirm the Supplier Code of Conduct. Our Sustainable Supply Chain & Procurement Guideline and Supplier On-Site Assessment Guidelines are implemented consistently across our operations.

The Company evaluates its suppliers through a sustainability risk matrix that assesses suppliers according to country risk and a goal-based framework to evaluate the majority of RHI Magnesita's purchase spend by supplier under its sustainability criteria.

On-site assessments are undertaken at suppliers to ensure compliance with our standards. In higher-risk areas expert external parties undertake these assessments on behalf of the Company. Internal on-site supplier assessments have been completed across all of the Group's regions.

The Company has focused on building longer-term partnerships with certain strategic suppliers to establish more stable and reliable supply chains.

The Company operates fair payment terms for suppliers, whilst leveraging benefits for its own financial health.

How the Board engages

The CSC received reports from management on supplier on-site assessments and engagement, and considered progress on the Company's sustainable procurement initiatives.

The Board receives regular updates on the business's work to future-proof our supply chain and the work undertaken to adapt our processes to an increasingly volatile environment.

In 2025, the Board considered and approved the Modern Slavery Act Statement for publication. The statement can be found on the **Company's website**.

Priority topics raised by stakeholders

- Inventory levels.
- Supply chain resiliency & black swan event playbook.
- Climate action.
- Safety.
- Raw material pricing and rising risk of trade restrictions.
- Sustainable procurement.
- Mitigation of impacts from the implementation of tariffs and anti-dumping duties.

Outcomes

The efforts to improve tactical and strategic supply chain management continued in 2025 and the next steps will be to upgrade the systems and tools for use in the teams' work, driving efficiencies and improving supplier and employee experience.

The Group has launched a partnership with o9 Solutions to implement an advanced, end-to-end integrated supply chain planning platform. The implementation is well underway and aims to optimise planning processes and enhance overall efficiency.

The global roll-out of our Oracle Transportation Management system for finished goods ocean freight has increased the Company's visibility, enabled choice, maximised value for customers and enhanced the ease of doing business. In 2025, this focused more on land freight and raw material shipments in cooperation with two 4PL providers.

Greater numbers of suppliers are signed up to the Supplier Code of Conduct and are increasingly more aware of the Company's expectations on product carbon footprint data and about the on-site assessment process. This has led to greater adoption across associated industries and will drive improvements in ESG matters.

The insights from on-site assessments in 2025 have led to improvements in quality, transparency and supplier relationships. Tools used to increase supply chain transparency have identified no gross misconducts in 2025.

Operational review

Steel overview

Supplying refractory products and services to the steel industry accounted for approximately 69% of Group revenues in 2025 (2024: 68%). Applications span ironmaking, primary steelmaking, secondary metallurgy and casting, with product lifecycles ranging from hours to several years depending on the application. As a result, refractory consumption is typically classified as an operating expense by steel producers and represents approximately 2–3% of steelmaking operating costs.

Global steel markets remained weak throughout 2025. Demand softness across construction, automotive, machinery and consumer goods was compounded by elevated Chinese steel exports, which continued to exert pricing and volume pressure on producers outside China. According to World Steel Association data, global steel production declined by approximately 2% in 2025.

Steel revenues declined by 2% to €2,328 million (2024: €2,367 million). Excluding the impact of M&A activity, revenues decreased by approximately 6% to €2,218 million (2024: €2,367 million), reflecting a combination of lower volumes and pricing pressure. Global steel demand declined across all Group regions excluding North America, India and META. Shipped volumes of steel refractories declined by 2% on an organic basis,

partially offset by strong momentum in India. The acquisition of Resco largely offset organic volume declines, resulting in broadly flat reported volumes.

Gross profit declined to €523 million (2024: €553 million), with the gross margin compressing to 22.5% (2024: 23.4%). This reflects pricing pressure in competitive markets, particularly India and META, as well as fixed-cost under-absorption during the first half of the year. Competitive dynamics were exacerbated by elevated Chinese steel and refractory exports, particularly into the Middle East, Africa and Latin America.

Industrial overview

RHI Magnesita is a leading supplier of refractory products and services to a broad range of Industrial customers, including Cement & Lime, Non-ferrous metals, Glass, Energy, Environmental, Industrial applications and Chemicals. Industrial customers accounted for 28% of Group revenues in 2025. Refractories in these markets are typically classified as capital expenditure and exhibit longer replacement cycles, ranging from less than one year to over 20 years depending on application.

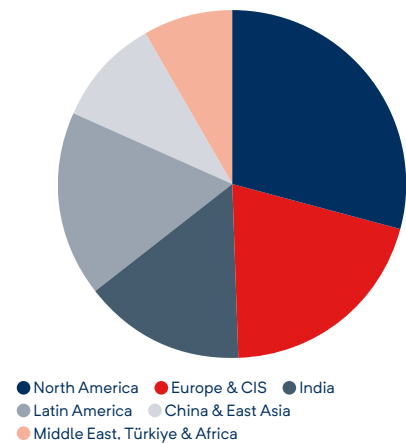
Industrial markets were uneven in 2025. While certain Non-ferrous metals segments showed resilience, overall demand was impacted by project deferrals, tariff-related uncertainty and weak end markets, particularly in Glass.

Steel revenue

€2,328m

2024: €2,367m

Steel revenue by region

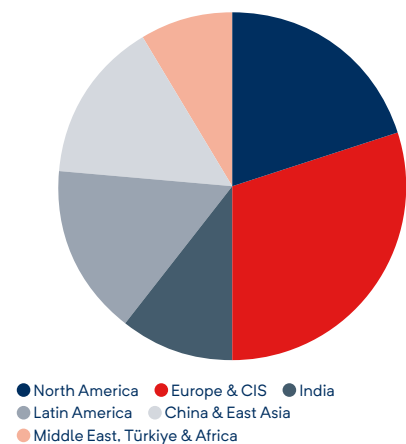


Industrial revenue

€958m

2024: €1,055m

Industrial revenue by region



Steel	2025	2024 reported	2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	2,328	2,367	2,293	(2)%	2%
Gross profit (€m)	523	553	535	(5)%	(2)%
Gross margin	22.5%	23.4%	23.3%	(90)bps	(80)bps

Industrial	2025	2024 reported	2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	958	1,055	1,034	(9)%	(7)%
Gross profit (€m)	241	300	298	(20)%	(19)%
Gross margin	25.1%	28.4%	28.8%	(330)bps	(370)bps

Industrial revenues contracted by 9% to €958 million (2024: €1,055 million), accompanied by a 6% decrease in overall shipped volumes. Industrial revenues excluding the impact of M&A declined by 17% to €880 million (2024: €1,055 million). This represents unusual underlying softness in Glass, Non-ferrous metals, and Industrial applications sub-segments, resulting in a 6% contraction in shipped volumes. The Year saw a cyclical low in high-value project execution, with volumes from major projects tracking below the comparative levels recorded in the prior year. Consequently, performance was notably skewed to the second half of 2025. This significant second-half weighting was primarily driven by two distinct dynamics: (i) the deferral of orders into the latter part of the year amidst uncertainty generated by global tariff tensions; and (ii) typical seasonal demand patterns during the peak cement production period. The Group anticipates a normalisation of trading patterns in 2026, with revenues weighting expected to return to a more balanced profile consistent with historical trends.

Gross profit declined to €241 million (2024: €300 million), with the gross margin compressing to 25.1% (2024: 28.4%).

Minerals

Raw materials not consumed internally are sold externally and reported under Minerals. External mineral sales generated revenues of €80 million in 2025 (2024: €65 million), with revenue growth driven primarily by price recovery against a weak prior-year comparative, while volumes remained broadly stable.

North America

North America delivered a strong performance, with revenue increasing by 22% to €863 million (2024: €709 million), or by 26% in constant currency terms. Growth was primarily driven by the acquisition and successful integration of Resco and BPI, which contributed €195 million in incremental revenue. Excluding M&A, revenue remained broadly stable (down €16 million) despite significant market volatility, tariff uncertainty and a weakening US dollar.

Revenue performance in North America was materially reshaped by the acquisition of Resco, which structurally rebalanced exposure toward Industrial end markets relative to the historical dominance of Steel. Consequently, Industrial revenues increased by 20% to €180 million (2024: €150 million), while Steel revenues increased by 22% to €683 million (2024: €559 million), both supported by the M&A.

Gross profit increased to €249 million (2024: €219 million), supported by a 19% increase in shipped volumes following the acquisition. Gross margin declined to 28.9% (2024:30.9%), as higher average revenue per tonne was offset by increased production costs. North America contributed 32% of global gross profit, and slightly more on EBITA level due to lean fixed cost structure.

In the Steel segment, volumes excluding M&A remained broadly flat, compared to a 0.7% increase in regional steel production according to WSA data. Performance was mixed, with Canadian steel production declining by 7.2% following tariff-related mill shutdowns. Structurally, the North American steel industry continues to transition toward electric arc furnaces. This trend is expected to accelerate following Nippon Steel's acquisition of US Steel, which includes a committed €11 billion investment in new or upgraded capacity by 2028 that will likely displace legacy integrated steel production.

In the Industrial segment, North America made solid progress integrating Resco's specific competencies in Foundry, Process Industries, and Petrochemicals, successfully delivering the expected synergies across the Group. However, tariff-related trade tensions during the first half of the year led to uncertainty and the deferral of several industrial projects.

Sustainability metrics remained flat, with the recycling rate in North America at 14.1% compared to 14.2% in 2024. This rate is projected to increase significantly in the future following the agreement of a joint venture with BPI, Inc. in June 2025.

Trade policy uncertainty and currency volatility continue to drive macroeconomic uncertainty. US tariffs announced in April 2025 increased input costs, largely mitigated through pricing actions.

Regional business units

New definitions of regional business units

In 2025, the Group reassessed its operating segments, driven by significant progress in its local-for-local strategy, the integration of the acquired Resco Group and a comprehensive restructuring of profit centres. This acquisition is considered a milestone in the development of the local-for-local strategy, resulting in the reassignment of certain sales markets to the regions.

The Group has re-organised its regional business units as follows:

- i. created a new 'Middle East, Türkiye and Africa' (META) region, with Middle East and Africa business having previously been included within 'India, West Asia and Africa' and Türkiye previously included in 'Europe, CIS and Türkiye';
- ii. re-named 'India, West Asia and Africa' region to 'India', now focused solely on business activity in India;
- iii. re-named 'South America' region to 'Latin America'; and
- iv. moved Mexico out of the 'North America' region into 'Latin America'.

Although this section primarily focuses on customer industries, the regional financial information presented in this section for 2025 including the comparative data for 2024 has been prepared according to the new regional structure adopted in 2025.

22%

increase in revenues in North America due to M&A

4%

increase in steel sales volumes in India

While tariffs are expected to support domestic steel production over time, the Group faces exposure to tariffs on finished goods imports, including a 15% tariff on European products and a potential 50% tariff on Brazilian imports. This exposure is mitigated by the Group's strong local-for-local footprint, with production in-region expected to increase to over 75% in 2026. Trade tensions also drove considerable foreign exchange volatility, with the US dollar weakening to 1.16 against the euro (from 1.04 at year-end 2024), resulting in a €24 million revenue headwind.

Europe & CIS

Revenues in Europe & CIS contracted by 12% to €727 million (2024: €829 million), driven primarily by a 14% reduction in shipped volumes against a backdrop of stable pricing. The volume reduction, combined with an unfavourable shift in product mix, weighed on profitability. Gross profit decreased by 15% to €151 million (2024: €178 million), with the gross margin declining to 20.8% (2024: 21.4%). This primarily reflects a temporary but significant contraction in the Industrial business, where sales volumes declined by 22%, outpacing the 10% decline in Steel, due to project deferrals in Non-ferrous metals and persistent weakness in Glass.

Regional steel production contracted by 4.1%, with the most pronounced decline in Germany, where steel output fell by 8.6% according to WSA data. Steel demand was severely impacted by weakness in the automotive sector, with European production in 2025 falling to levels last seen during the 2009 and 2020–2022 downturns. Trade policy volatility compounded these pressures, as the US reintroduced 25% tariffs on EU steel and aluminium exports in March, escalating to broader measures and a 50% tariff in June, materially undermining the competitiveness of European exports and disrupting supply chains. Although tariffs were partially reduced to 15% in the second half of the year, the earlier disruption significantly weighed on the Steel and Non-ferrous sectors. Despite these headwinds, the Group defended market share through more economical grades and expanded its 4PRO offering into Cement & Lime, Non-ferrous metals and Waste2Energy.

Revenue	2025	2024 reported	2024 (constant currency)	Change	Change (constant currency)
Europe & CIS	727	829	832	(12)%	(13)%
North America	863	709	685	22%	26%
India	441	458	432	(4)%	2%
Latin America	536	617	590	(13)%	(9)%
China & East Asia	377	425	411	(11)%	(8)%
Middle East, Türkiye & Africa	342	384	377	(11)%	(9)%
Minerals	80	65	63	22%	27%
Total	3,366	3,487	3,390	(3)%	(1)%

Industrial volumes declined, reflecting a lower number of projects during the Period. The Cement segment was resilient, supported by volume growth from infrastructure demand and disciplined pricing behaviour. The Glass market remained under pressure, particularly within the packaging end markets, leading glass makers to delay maintenance projects.

Low capacity utilisation and strategic alignment of the production footprint led to the closure of the Mainzlar and Wetro plants in Germany in 2025. Further network optimisation in the region and globally remains under consideration.

Recycling performance improved materially, with the region achieving a recycling rate of 22.3% (2024: 20.0%), as the MIRECO business model delivered growth in both the internal use of recycled raw materials and the sale of secondary raw materials to third parties. Operational efficiency and material recovery rates were enhanced by the deployment of advanced laser sorting technologies, specifically 'Maestro' and 'Raptor'.

Latin America

Revenues in Latin America decreased by 13% to €536 million (2024: €617 million), or by 9% on a constant currency basis. The average revenue per tonne fell by 9%, reflecting lower prices and an unfavourable product mix as the share of high-value industrial projects declined. Shipped volumes decreased by 4% as market conditions in the region remained challenging. The influx of Chinese imports exerted pressure on the domestic steel and refractory sectors, further compounded by US tariffs introduced in the second half of the year on both raw materials and finished goods from Brazil.

Gross profit declined to €147 million (2024: €190 million), with the gross margin contracting to 27.4% (2024: 30.8%). The impact of lower revenue was partially mitigated by lower input costs and operational efficiencies.

Steel volumes declined by 3%, more than regional steel production, which declined by 1.1% according to WSA data. The region delivered notable commercial achievements, securing projects in flow control, coke ovens, and reheat furnaces. While the Group successfully regained market share in Mexico, the country continues to face pressure from Chinese imports. The strategic focus in the region remains on driving adoption of the 4PRO model and renewing long-term contracts with key customers.

Industrial business declined in volume by 6%, driven by project postponements, particularly in Non-ferrous metals and an unfavourable shift toward lower-value Cement sales.

Recycling performance improved, with the recycling rate increasing to 12.2% (2024: 11.8%).

India

Revenues in India declined slightly to €441 million (2024: €458 million), but increased by 2% on a constant currency basis. Shipped volumes increased by 4%, reflecting sustained structural demand across end markets, while average revenue per tonne declined by 7% due to pricing pressure from imports and domestic competition.

Gross profit decreased by 18% to €64 million (2024: €78 million), with the gross margin decreasing to 14.4% (2024: 16.9%).

Steel sales volumes grew by 4%, supported by a robust macroeconomic backdrop. Steel production in India increased by 10.4% year-on-year, according to WSA data. Elevated imports from China, driven by domestic oversupply, intensified competition and pricing pressure from both multinational and local players. In response, Indian mills prioritised strict cost optimisation, reducing spend on refractories. Despite this challenging environment, the Group executed a strategic recovery, recapturing market share temporarily lost in the fourth quarter of 2024. RHI Magnesita strengthened its position in premium product categories through technical differentiation and targeted price increases, supported by the continued rollout of 4PRO, which secured significant contracts with tier-one steel mills. Demand for iron-making and Direct Reduced Iron (DRI) refractories also progressed well, generating a healthy pipeline of new orders.

Industrial business performance was weak in the region, partially offset by a 3% increase in sales volumes. Pricing pressure in Cement was driven by unseasonal monsoons and low capacity utilisation. The Group mitigated these challenges through accelerated deployment of 4PRO, recipe optimisation and the introduction of advanced global technologies to reinforce differentiation.

Sustainability initiatives continued to gain momentum, with the recycling rate increasing to 18.8% (2024: 15.5%), supported by an expanded local vendor base, closer collaboration with R&D and partnerships aimed at localising operations and increasing the use of recycled refractories.

China & East Asia

Revenues in the China & East Asia region declined by 11% to €377 million (2024: €425 million), reflecting a 3% decline in shipped volumes and an 8% reduction in average revenue per tonne. The challenging pricing environment weighed on profitability, with gross profit declining by 17% to €75 million (2024: €90 million) and the gross margin decreasing to 19.8% (2024: 21.2%), with the majority of the margin erosion concentrated in the Industrial business.

Steel refractory volumes increased by 1%, while steel revenue declined due to pricing pressure, representing a relative outperformance compared with WSA data which indicates a 4.2% decline in steel output in China in 2025.

Within the refractory market, subdued demand and excess capacity eroded pricing discipline across the industry. Despite these conditions, the Group demonstrated commercial resilience, securing new ladle, ISO, and 4PRO contracts in China, Japan, Indonesia, and Vietnam, partially offsetting softer volumes elsewhere.

The Industrial segment faced headwinds, with sales volumes decreasing by 11% and demand weakened across most end markets, with the Glass business particularly affected by oversupply following a sharp contraction in solar-related project pipelines. This downturn reflects a subdued construction environment, prompting leading cement producers to rationalise capacity. Customers adopted increasingly cost-focused procurement strategies, including bundled bidding and tighter purchasing limits, intensifying competitive pressure.

Despite the challenging market conditions, the Group continued to advance its strategic initiatives, including a new collaboration in the Environment, Energy & Chemicals product category, further expansion of 4PRO contracts and diversification of the Industrial portfolio into adjacent product categories. Sustainability initiatives also advanced, supported by partnerships in Southeast Asia and Japan, with the regional recycling rate increasing to 9.6% in 2025 (2024: 8.2%).

Middle East, Türkiye & Africa

Revenues in the Middle East, Türkiye and Africa region contracted by 11% to €342 million (2024: €384 million), reflecting a 6% reduction in shipped volumes and a 5% decline in average revenue per tonne. This translated into a 21% decrease in gross profit to €78 million (2024: €98 million), with the gross margin compressing to 22.8% (2024: 25.6%).

Steel demand across the region remained weak, with intensified price competition in the refractory market further pressuring performance. Steel refractory volumes declined by 5%, diverging from regional steel production growth of 3.3% reported by WSA, while average revenue per tonne fell due to tender-driven dynamics and heightened competition from Chinese refractory imports. Against this commoditised backdrop, the Group's 4PRO offering gained traction, resonating with customers through its focus on operational efficiency, extended campaign life and sustainability benefits.

The Industrial business revenues remained broadly stable, despite a 7% decline in volumes. Gross margin weakened, primarily due to product mix effects and softer demand in the Glass sector. Cement customers continue to be highly price-sensitive but increasingly sought energy-efficient and decarbonisation solutions integrated into their value chains. Aluminium and Hydrocarbon Processing Industry customers seek technical partnerships and installation support, creating opportunities for RHI Magnesita to differentiate through its 4PRO offering, which combines advanced materials with service and digital tools. Following the Resco acquisition, the Group is actively promoting its leading petrochemical product range in the Middle East and anticipates stronger traction going forward.

Recycling initiatives continued to advance, particularly in Türkiye, positioning circular solutions as a future growth lever. Recycling capabilities are expected to become an increasingly important differentiator in upcoming 4PRO contracts given the comparatively limited capabilities of competitors in the region.

Ian Botha
Chief Financial Officer

Financial review

Reporting approach

The Company uses a number of alternative performance measures (APMs) in addition to measures reported in accordance with IFRS Accounting Standards as adopted by the European Union (IFRS), which reflect the way in which the Board and the Executive Management Team assess the underlying performance of the business. The Group's results are presented on an "adjusted" basis, using APMs that are not defined or specified under the requirements of IFRS, but are derived from the IFRS financial statements. The APMs are used to improve the comparability of information between reporting periods and to address investors' requirements for clarity and transparency of the Group's underlying financial performance. The APMs are used internally in the management of our business performance, budgeting and forecasting. A reconciliation of key metrics to the reported financials is presented in the section titled APMs.

All references to comparative 2024 numbers in this review are on a reported basis, unless stated otherwise. All reported volume changes year-on-year are excluding mineral sales.

Revenue

Group revenues for the year amounted to €3,366 million, representing a 1% decrease on a constant currency basis (2024: €3,390 million). On a reported basis, revenues declined by 3% (2024: €3,487 million), reflecting the material impact of foreign exchange headwinds. Excluding M&A the Group revenues amounted to €3,171 million. The depreciation of key currencies against the euro, specifically the US dollar, Chinese yuan, and Indian rupee, negatively impacted reported revenues by €97 million.

Cost of goods sold

Cost of goods sold decreased by 1% to €2,594 million (2024: €2,628 million), although this represented an increase of 2% on a constant currency basis.

The cost of purchased raw materials declined by 5% to €1,009 million. Plant-related labour costs decreased by 5% to €551 million, driven by network optimisation and strict fixed-cost controls. Energy costs declined by 1% as supply conditions eased resulting in lower crude oil and natural gas prices. Freight costs remained broadly flat year-on-year,

supported by subdued freight demand and global overcapacity following market disruptions linked to US tariff announcements. Expenditure on general supplies, including pallets, packaging, and spare parts, increased to €615 million, compared to €548 million in 2024.

Despite these overall input cost reductions, low production volumes resulted in fixed-cost underabsorption, which weighed on unit costs.

Raw material prices

Average raw material prices softened in 2025 relative to 2024. Notably, the price of high-grade dead burned magnesite (DBM) from China declined by 8%, primarily driven by oversupply in China and reduced global refractory demand. This pricing environment exerts downward pressure on finished goods pricing, as production costs decrease for non-vertically integrated competitors.

Gross profit

Gross profit declined to €772 million (2024: €859 million), with the gross margin contracting to 22.9% (2024: 24.6%). This compression reflects pricing pressure, an unfavourable shift in product mix and fixed-cost under-absorption, particularly in the first half of the year.

Selling, general and administrative expenses (SG&A), decreased by 12% to €360 million (2024: €408 million), despite inflationary pressures on labour costs across all regions. The reduction reflects focused efforts to reduce SG&A costs in Europe, the continued migration of activities into shared services and the India

hub, realised synergies from the Resco acquisition, and lower bonus provisions.

Depreciation decreased to €132 million (2024: €136 million), and amortisation of intangible assets stood at €52 million in 2025 (2024: €39 million).

Adjusted EBITDA

The Group delivered Adjusted EBITDA of €504 million, representing a 7% decrease compared to the prior year (2024: €543 million). The Adjusted EBITDA margin declined to 15.0% (2024: 15.6%) primarily reflecting lower gross profit, partially mitigated by reductions in SG&A and R&D expenditure.

Adjusted EBITA

Adjusted EBITA decreased to €373 million (2024: €407 million), with a margin of 11.1% (2024: 11.7%). Currency movements had an adverse impact of €13 million. The weak first-half performance was partially offset by management actions implemented during the year, which contributed €70 million of savings in the second half. Resco and BPI contributed a combined €25 million to Adjusted EBITA in 2025.

The Group's refractory business delivered a resilient margin contribution of 10.0 ppts to the Adjusted EBITA margin of 11.1%. Vertical integration contributed 1.1 ppts (2024: 0.8 ppts), remaining close to record lows due to persistently low prices for refractory raw materials. Lower raw material prices negatively impact the earnings contribution from the Group's raw material assets, which is based on the difference between market prices and cost of internal raw material production.

(€m)	2025	2024 reported ²	2024 (constant currency)	Change	Change (constant currency)
Revenue	3,366	3,487	3,390	(3)%	(1)%
Cost of goods sold	(2,594)	(2,628)	(2,553)	(1)%	2%
Gross profit	772	859	837	(10)%	(8)%
SG&A	(360)	(408)	(400)	(12)%	(10)%
R&D expenses	(39)	(45)	(44)	(13)%	(12)%
OIE	(98)	(125)	(126)	(22)%	(23)%
EBIT	223	242	229	(8)%	(3)%
Amortisation	(52)	(39)	(38)	32%	38%
EBITA	275	281	267	(2)%	3%
Adjusted items	98	125	126	(22)%	(23)%
Adjusted EBITA¹	373	407	393	(8)%	(5)%
Refractory EBITA	336	379	-	(11)%	-
Vertical integration EBITA	37	28	-	32%	-

1. Adjusted EBITA is an APM used by the Group. Refer to page 333 for definitions.

2. Restated due to an accounting policy change. See Note (1) from the financial statements.

Items excluded from adjusted performance

In order to accurately assess the underlying performance of the business, the Group excludes certain items from Adjusted EBITA related to other income and expenses. In total, net adjustments to EBITA amounts to €98 million, including:

- €(44) million in expenses for the ERP system upgrade and digital architecture update
- €(27) million in network optimisation costs related to closure of Mainzlar and Wetro plants
- €(10) million in permanent SG&A headcount reduction
- €(9) million in restructuring costs for outsourcing the Group's shared service centre network and expanding its scope
- €(8) million in expenses related to M&A activities

Net finance expenses

Net finance expenses increased to €95 million (2024: €42 million). This aggregate figure includes interest payable on borrowings, net of interest income on cash balances, alongside the impact of foreign exchange movements, pension-related charges, present value adjustments, factoring costs, and expenses attributable to non-controlling interest.

Net interest expenses amounted to €46 million (2024: €39 million), reflecting reduced interest income on cash balances, and higher average borrowings following the Resco acquisition.

Foreign exchange movements resulted in a net loss of €16 million in 2025 compared to a gain of €11 million in 2024. This net loss relates primarily to the weakening of the Turkish lira, the Mexican peso and the US dollar, and includes embedded US dollar-linked derivatives in sales contracts and currency hedging costs.

Other net financial expenses totalled €33 million (2024: €14 million), comprising factoring costs of €11 million (2024: €10 million), pension charges of €11 million (2024: €12 million), and present value adjustments related to onerous contracts from the 2017 EU remedies amounting to €(6) million (2024: €(7) million). The increase in other net financial expenses is primarily attributable to significantly higher revaluation of the Group's obligation to purchase

(€m)	2025	2024
Net interest expenses	(46)	(39)
Interest income	15	22
Interest expenses	(61)	(61)
FX effects	(16)	11
Balance sheet translation	(34)	29
Derivatives	18	(18)
Other net financial expenses	(33)	(14)
Present value adjustment	(6)	(7)
Factoring costs	(11)	(10)
Pension charges	(11)	(12)
Non-controlling interest expenses	(1)	0
Capitalization of borrowing costs	0	3
Interest expense — Transaction costs	(4)	(1)
Other	(1)	12
Total net finance expenses	(95)	(42)

the remaining stakes it does not already own in Jinan New Emei and Chongqing.

Taxation

The reported tax charge for 2025 amounted to €34 million (2024: €46 million), resulting in a reported effective tax rate of 27% (2024: 23%). Reported profit before tax was €128 million (2024: €200 million).

On an adjusted basis, profit before tax was €273 million (2024: €347 million), with a corresponding adjusted effective tax rate of 25% (2024: 24%). The variance between the reported and adjusted tax metrics reflects the impact of specific adjusting items, comprising non-taxable IFRS income associated with put option valuations, non-capitalisable losses arising from restructuring initiatives, and non-deductible expenses incurred through M&A activity.

Profit after tax

On a reported basis, the Group generated profit after tax of €94 million (2024: €154 million). Profit attributable to the shareholders of RHI Magnesita N.V. stood at €86 million (2024: €142 million), resulting in reported earnings per share of €1.82 (2024: €3.01). Profit attributable to shareholders is derived after deducting non-controlling interests of €8 million (2024: €12 million). As the Group holds a 56% majority shareholding in RHI Magnesita India Ltd., the substantial majority of these non-controlling interests are attributable to the earnings consolidated from this subsidiary.

On an adjusted basis, profit after tax amounted to €206 million (2024: €263 million), with Adjusted earnings per share at €4.18 (2024: €5.32). A comprehensive reconciliation of EBITA to EPS and Adjusted EBITA to Adjusted EPS is provided in the table within the Alternative Performance Measures (APMs) section.

(€m)	2025 reported	Items excluded from adjusted performance	2025 adjusted	2024 reported	Items excluded from adjusted performance	2024 adjusted
EBITA	275	98	373	281	126	407
Amortisation	(52)	52	–	(39)	39	–
Net financial expenses	(95)	(5)	(99)	(42)	(17)	(60)
Result of profit in joint ventures	0	–	0	–	–	–
Profit before tax	128	145	273	200	147	347
Income tax	(34)	(33)	(67)	(46)	(38)	(84)
Profit after tax	94	112	206	154	109	263
Non-controlling interest	8	–	8	12	–	12
Profit attributable to shareholders	86	112	198	142	109	251
Shares outstanding	47	–	47	47	–	47
Earnings per share	1.82	2.36	4.18	3.01	2.31	5.32

Working capital

Excluding the impact of the Resco acquisition, working capital decreased to €718 million (2024: €865 million), primarily driven by reductions in inventory and accounts receivable in response to lower business activity and currency movements. Including the impact of M&A, total Group working capital amounted to €769 million at year-end.

(€m)	2025 (Excl. M&A)	2025 (Group)	2024 (Group)
Working Capital	718	769	865
Inventories	879	932	962
Accounts Receivable	400	414	474
Accounts Payable	561	577	572

Working capital intensity measured as a percentage of annualised revenue over the final three months of the year, decreased to 21.7% (2024: 23.4%). Inventory intensity remained broadly flat at 26.3% (2024: 26.1%) and accounts receivable intensity improved to 11.7% (2024: 12.9%).

(%)	2025 (Excl. M&A)	2025 (Group)	2024 (Group)
Working Capital Intensity	21.6%	21.7%	23.4%
Inventory Intensity	26.5%	26.3%	26.1%
Accounts Receivable Intensity	12.0%	11.7%	12.9%
Accounts Payable Intensity	16.9%	16.3%	15.5%

Cash flow

Adjusted operating cash flow decreased to €391 million (2024: €419 million), representing a cash flow conversion from Adjusted EBITA of 105% (2024: 103%). The Adjusted operating cash flow decline primarily reflects a €39 million reduction in Adjusted EBITDA compared to 2024 and lower cash generation from working capital, partially offset by lower capital expenditure of €111 million (2024: €145 million). Free cash flow decreased to €214 million (2024: €225 million).

Cash income tax payments decreased to €54 million (2024: €69 million), while net interest paid amounted to €83 million (2024: €89 million).

Adjusted EPS

€4.18

2024: €5.32 per share

Adjusted EBITA margin

11.1%

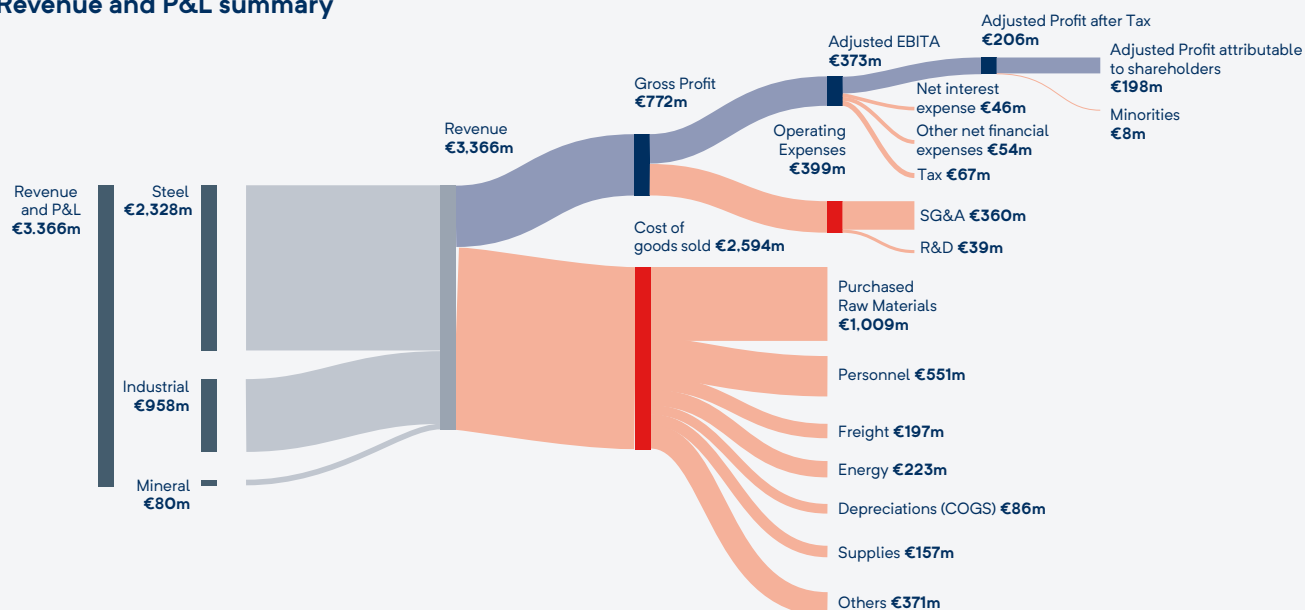
2024: 11.7%

Capital expenditure

€111m

2024: €145m

Revenue and P&L summary



ROIC**9.5%**

2024: €10.4%

Adjusted EBITA**€373m**

2024: €407m

Adjusted operating cash flow**€391m**

2024: €419m

Dividend**€1.80 per share**

2024: €1.80 per share

Cash flow €m	2025	2024
Adjusted EBITDA	504	543
Share-based payments — gross non-cash	4	9
Working capital changes	84	105
Changes in other assets and liabilities	(89)	(93)
Investments in PPE, IA	(111)	(145)
Adjusted operating cash flow	391	419
Income taxes paid	(54)	(69)
Cash effects of other income/expenses and restructuring	(69)	(62)
Investments in financial assets	(3)	(19)
Cash inflows from the sale of PPE, IA	24	16
Cash inflows from the sale of financial assets	0	11
Investment subsidies received	(0)	2
Cash inflow from joint ventures and associates	0	0
Net interest paid/received	(83)	(89)
Net derivative cash inflow/outflow	4	18
Dividend payments to NCI	(2)	(3)
Other investing activities	4	0
Dividends received	1	1
Free cash flow	214	225
Investments in non-current receivables	(0)	(44)
Investment in subsidiaries net of cash	(350)	(7)
Cash in from sales of subsidiaries net of cash	-	-
Proceeds from share issue in subsidiaries	0	0
Capital contribution NCI	-	-
Investments in NCI	(3)	(6)
Payment for share issue costs	-	-
Treasury stock	-	-
Dividend payments	(85)	(86)
Change financial receivables from joint ventures & associates	(0)	(0)
Cash change in net debt	(224)	80
Debt from acquisitions	8	-
New lease obligations	7	29
Exchange effects	4	(3)
Others	(0)	(1)
Actual change in net debt	(204)	105

Financial position

Net debt increased to €1,495 million (31 December 2024: €1,251 million), primarily reflecting the acquisition of Resco. Net debt comprises gross debt of €1,786 million, IFRS 16 lease liabilities of €64 million and cash equivalents of €355 million. Total leases of €64 million are included in the Group's Net debt position as required by IFRS 16.

This results in a leverage ratio at 2.9x Net debt to Pro Forma Adjusted EBITDA, compared to 2.3x as at 31 December 2024. Pro forma Adjusted EBITDA includes a full-year contribution from businesses acquired during the year.

Available liquidity at 31 December 2025 was €955 million (31 December 2024: €1,376 million), comprising undrawn committed facilities of €600 million and cash and cash equivalents of €355 million (2024: €576 million).

The Group continues to target a Net debt to Pro Forma Adjusted EBITDA range of 1.0–2.0x, with temporary increases for compelling M&A opportunities. Leverage is expected to reduce to around 2.6x by the end of 2026.

Returns to shareholders

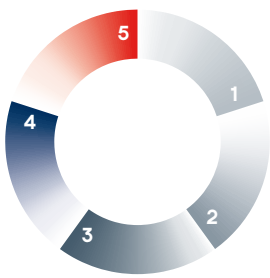
The Board has recommended a final dividend of €1.20 per share for the 2025 financial year, representing a cash outflow of €85 million for the full-year dividend. Subject to approval at the Annual General Meeting scheduled for 13 May 2026, the final dividend will be payable on 11 June 2026 to shareholders on the register at the close of trading on 29 May 2026. The ex-dividend date will be 28 May 2026.

Together with the interim dividend of €0.60 per share paid on 25 September 2025, this results in a full year dividend of €1.80 per share. This represents a dividend cover of 2.3x Adjusted earnings per share, in-line with the Board's stated dividend policy.

The Board's dividend policy remains unchanged, targeting a dividend cover below 3.0x adjusted earnings over the medium term. Dividends are paid on a semi-annual basis, with one third of the prior year's full year dividend paid at the interim.

Effective risk management

Risk management cycle



1. Identification

Starting from all the possible categories of risks potentially impacting the Group, specific risks relevant to RHI Magnesita are identified through several analytical tools, including comparative analysis and risk benchmarking.

2. Assessment

The risks identified are linked to potential root causes and assessed for their inherent likelihood, inherent impact, and velocity. Risk analysis to develop an understanding of the possible interdependencies between risks is performed.

3. Mitigation

All risks considered to be outside of the Group risk appetite, due to their nature or their potential financial or qualitative impacts, are mitigated by appropriate risk management strategies. The implementation and effectiveness of the defined mitigation measures are reviewed, and additional actions are defined if necessary. For this purpose, risks are assessed based on their likelihood and impact before and after the implementation of those mitigation measures.

4. Monitoring

Risks and associated mitigating measures are reassessed during the year, with increased frequency for those areas experiencing significant changes in the risk landscape. The remaining risk level is evaluated to ensure that it is aligned with the Group's risk appetite and reviewed by the EMT.

5. Reporting

Risks that require immediate action are reported immediately to line management for action. Risks that do not require immediate action are reported periodically to the operational management and on a quarterly basis to the EMT.

Our approach to risk management

The approach to risk management established over the past years was maintained throughout 2025. In 2025, the fraud risk assessment was extended by tailored use cases for RHI Magnesita and the production footprint through acquisition was amended for the plant risk assessment.

The risk management approach combines top-down, bottom-up and deep-dive risk assessments. The top-down risk assessment is performed by the Executive Management Team (EMT) and reviewed by the Audit & Compliance Committee and the Board of Directors. Reporting against these risks is included periodically within EMT meetings, Audit & Compliance Committee meetings and the annual Board-led strategic review. The bottom-up risk assessment is based on each of the plants, which maintain ongoing risk management activity linked to the ISO risk management practices, specialist risk assessments and monitored key risk indicators.

Deep-dive risk assessments are performed for areas of emerging or prevailing risks, which in 2025, included plant operations, fraud management, sustainability, and health & safety. The information from the bottom-up and the deep-dive risk assessments is integrated with the top-down risk assessments to ensure that the Group risk profile is complete and accurate.

Risks and strategy

Our risk management approach helps the Board and EMT to understand the risks associated with the adopted strategy, periodically assess if the strategy is aligned with our risk appetite and understand how the chosen strategy could affect the Group's risk profile, specifically the types and amount of risk to which the Group is potentially exposed. As part of this process, risk scenarios are evaluated to assess potential outcomes.



Our risk management approach helps the Board and EMT to understand the risks associated with the adopted strategy, periodically assess if the strategy is aligned with our risk appetite, and understand how the chosen strategy could affect the Group's risk profile, specifically the types and amount of risk to which the Group is potentially exposed.



Herbert Cordt
Chair of the Board of Directors

The assessment, monitoring and mitigation of key risks to the strategy are core features of the established risk management approach. Risk workshops were conducted with the EMT and Board to review the Group risk profile in the context of the 2030 strategy and the risk appetite of the top risks to the Group. The Group's key financial risks are disclosed under Note 36 to the Consolidated Financial Statements.

Risk appetite

We define risk appetite as “the nature and extent of risk RHI Magnesita is willing to accept in relation to the pursuit of its objectives”. We look at risk appetite from different angles, such as the severity of the consequences should the risk materialise, any relevant internal or external factors influencing the risk, and the status of management actions to mitigate or control the risk. A scale is used to help determine the risk appetite threshold for each risk, recognising that risk appetite can change over time.

If a particular risk exceeds its risk appetite threshold, it could threaten the delivery of our objectives and therefore require significant risk mitigation and potentially a change to the strategy. Risks that approach the limit of the Group's risk appetite may require acceleration or enhancement of management actions to ensure that risk remains within appetite levels.

The risk management approach is based on an assessment of the risk appetite formed by the Board, covering the key risk categories (“averse”, “limited”, “moderate” and “high”). The risk appetite statements are approved by the Board and are a foundational element of our risk framework as they provide guidance to management on the amount and type of risk we seek to take in pursuing our objectives. The Board has carried out a robust assessment of the Group's principal and emerging risks.

In 2025, scenarios relating to Raw Material and Network Optimisation were discussed in depth at the Board to assess the risk management approach, alignment with the strategy and the risk appetite being applied.



Our principal risks

The principal risks are those the Board considers may have a significant impact on the results of the Group and on its ability to achieve its strategic objectives. This does not represent an exhaustive list of risks faced by the Group but encompasses those considered to be most material to business performance.

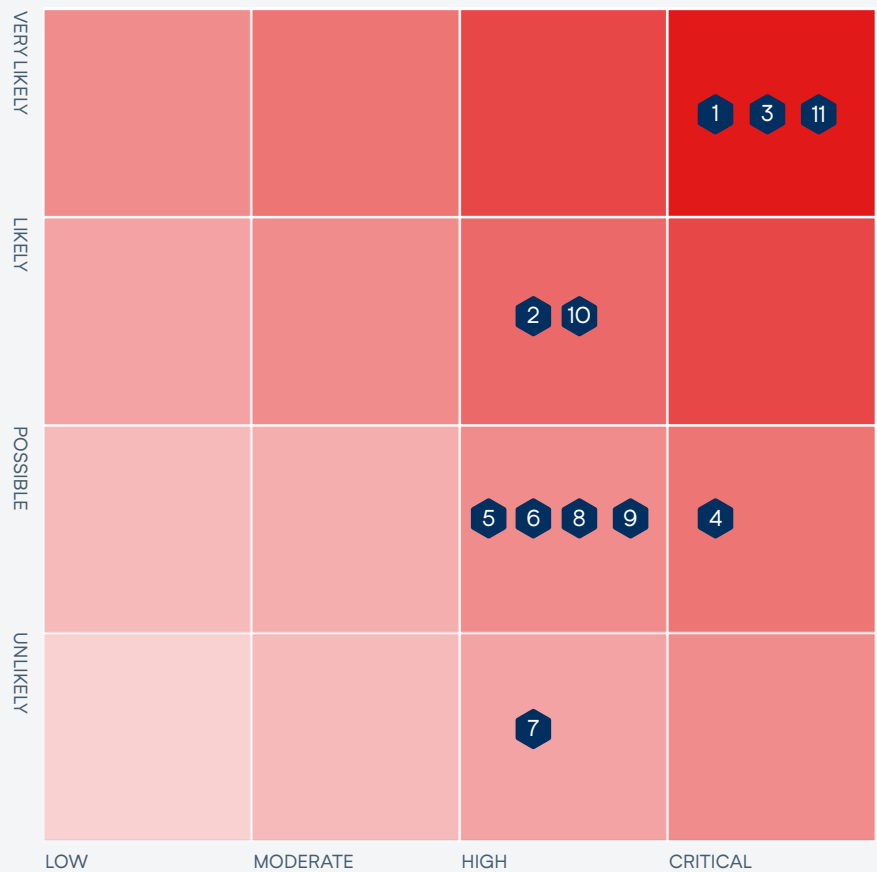
The risks can occur independently from each other or in combination. Extraordinary events have the potential to crystallise multiple principal risks simultaneously, significantly magnifying the adverse impact.

All principal risks included in the 2024 Annual Report have been confirmed to be equally relevant for 2025 and are reported with the same risk definition as 2024. An additional principal risk for "Ability to strategically price and deliver price increases" was reintroduced from the 2023 register reflecting the dynamic evolving external environment impacting the price developments. Therefore, there are eleven principal risks in 2025. All risks have been reviewed throughout the year and changes have been assessed to the rating or risk appetite relating to one of the principal risks ("Environmental and climate risks") in 2025. These changes are described in the section below.

Emerging risks

Identifying emerging risks is a key part of our risk management process. All risk assessment sessions at regional or global level dedicate time to identify and discuss emerging risks. These discussions are facilitated by Internal Audit, Risk & Compliance who raise risk topics apparent from peer companies and expert studies and combine these with the input from over 50 Senior Leaders on at least a six-monthly basis. Emerging risks are assessed to determine if they need to be added to the principal risks. Group Risk Dashboard, lower-level risk tracking or retained on a watchlist. Once added to the formal risk register, emerging risks are managed in the same manner as established risks. The consideration of emerging risks and changing risk landscape can also lead to changes in the risk appetite levels.

Group risk chart



Principal risks 2025

- 1 Macroeconomic and geopolitical environment
- 2 Inability to execute key strategic initiatives
- 3 Significant changes in the competitive environment or speed of disruptive innovation
- 4 Reliability of the end-to-end supply chain
- 5 Sustainability — environmental and climate risks
- 6 Sustainability — Health & Safety risks
- 7 Regulatory and compliance risks (excluding trade compliance)
- 8 Cyber and information security risks
- 9 Trade compliance
- 10 Organisational capacity to execute strategy, including demonstrating Company cultural values
- 11 Ability to strategically price and deliver price increases

Risks that have emerged in 2025 or increased in relevance and therefore received more focus include:

- Increasing complex trade restrictions.
- Risks impacting supply chain dynamics on the Company's Backward Integration Strategy Capital allocation constraints to fund operational business.

These risks have increased due to the impact on the Group of increasing complex macroeconomic and geopolitical environment. Additional risk drivers include the enhanced production footprint from acquisitions and the digital transformation of the Company.

Our internal control system

The Board reviews the effectiveness of the system of internal financial, operational and compliance controls and the risk management framework. RHI Magnesita follows the corporate governance requirements of the regulations of both the Netherlands, given the location of its incorporation, and the UK, given the location of its listing. Where possible; the disclosures are combined in this report, however there are certain risk areas where the respective governance requirements necessitate similar but separate assessments.

One such risk area is the required disclosure and description of RHI Magnesita's control environment and systems. Therefore, the Company provides both a Management "In-Control Statement" as is required by the Dutch Corporate Governance Code and an internal control system report as is required under the UK Corporate Governance Code. Both outline the measures that RHI Magnesita takes to ensure a strong control environment.

Internal control system

The Board is ultimately responsible for maintaining effective corporate governance, which includes the Group's risk management approach, the Group's system of internal controls and the Group's internal audit approach.

The Board regularly reviews the effectiveness of the system of internal financial, operational and compliance controls, and the risk management framework. The Board examines whether the system of internal controls operates effectively throughout the year and will make recommendations when appropriate.

These systems have been in place throughout 2025 and up to the date of this report and comply with the UK Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. They are based on the three lines of defence model, supported by an end-to-end process model and a delegation of authorities structure reflecting the responsibility for risk management and internal controls at all management levels.

The Group's internal control framework is designed to enable the application of the Group's risk appetite. This typically seeks to avoid or mitigate risks rather than to completely eliminate the risks associated with the accomplishment of the Group's strategic objectives. It provides reasonable but not absolute assurance against material misstatement or loss.

The Group has in place a specific risk management approach and an internal control framework in relation to its financial reporting process and the process of preparing the financial statements. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with the applicable accounting standards. For the accounting process, an accounting manual is used to structure the internal controls over the accounting process. In 2025, the Internal Controls Hub established in the previous period was further developed managing control performance, control monitoring and performance ensuring consistency in the application of financial reporting controls.

In 2025 the Group developed and executed a set of projects to improve the internal processes and systems of the Group. A key focus area has been delivered by designing a single set of Group-wide processes for key activities. Alongside this work the Group has continued to outsource key transactional processes to a specialised company in managing service centre operations and optimise the operational footprint. The Group is also in the execution stages of a multiple year project in replacing and upgrading its ERP system. In December 2025, the first successful go live in Türkiye was achieved. These activities will lead to a step change improvement in the consistency and efficiency of the internal control system.

The Group has an Internal Audit function, with a reporting line to the Chair, Audit & Compliance Committee and a secondary reporting line, for day-to-day operational matters, to the CFO. The Internal Audit function provides assurance to the Audit & Compliance Committee and the Board on the design and effectiveness of the internal control framework. Internal Audit operates within a single department also comprising Risk Management and Compliance. The Audit & Compliance Committee and management ensure that appropriate safeguards are in place to maintain the independence of Internal Audit. The Internal Audit, Risk & Compliance function is structured into regionally based teams providing a locally focused governance presence to support regional management in line with the established Group-wide model.

In April 2025 the Head of Internal Audit, Risk & Compliance left the Company. The role was filled on an interim basis with an internal talent for nine months and who was subsequently appointed as the new Head of Internal Audit, Risk & Compliance from December 2025. Organisational independence has been closely monitored by the Audit & Compliance Committee to ensure that the independence of Internal Audit and the effectiveness of Risk Management and Compliance have not been compromised.

An External Quality Assessment of the effectiveness and capability of the Internal Audit function was performed in 2021. The delivery of improvement points from this report has been completed in subsequent years and maintained in 2025.

During 2025, Internal Audit conducted 22 planned internal audits and 19 regional- or specialist-focused investigations, reporting the most relevant observations and recommendations to regional management, the Executive Management Team, and summarised reports to the Audit & Compliance Committee.

The reports by management and Internal Audit, Risk & Compliance also facilitated consideration by the Audit & Compliance Committee of management actions in respect of the following key control framework challenges:

- Improving management and the adherence to internal controls execution preventing operational inefficiencies.
- Effective integration of acquired entities into the Group's internal control framework.
- Continuing the journey towards global process standardisation.

The Board considers the Company's risk management and internal control system are appropriate and effective to give reasonable, but not absolute, assurance against material misstatement or loss. Improvements on the internal control systems implemented and planned have been discussed regularly between the Board and Audit & Compliance Committee. Given the dynamic nature of the Group and the continuing evolution of the regionalisation model, the Board emphasises the importance of further internal control system improvements in 2026, most notably the completion of global process standardisation work to drive the new ERP system implementation.

Management "In-Control Statement"

The Board and EMT are responsible for ensuring the Company has adequate risk management and internal controls systems in place.

The core design of the internal control systems is based on extensive work conducted as part of the merger activity in 2017 and reassessed in 2020 to create a more regionally focused and agile structure. The regional focus was further increased in early 2022. A further step change in process standardisation is expected in 2026 when the new control monitoring framework will be implemented introducing external assurance providers and cross-functional control oversight.

The key internal control measures include reviews of financial performance and key control weaknesses at each Board meeting.

The EMT continues to monitor the effectiveness of the adoption of control monitoring and corporate culture and values especially throughout the organisation — the enhancement of the corporate culture has been accelerated by the regional approach. The EMT have visited selected regions in 2025 and performed on-site week-long deep dives into all key aspects of regional performance. Following the update of the Code of Conduct in early 2023, the policy to report and investigate misconduct has been updated and reinforced through increased training and communication in 2024. In 2025, the investigation approach on low risk items was revisited introducing a balanced approach on resource management and risk management. The Board and EMT monitor the response to issues raised via the whistleblowing process. All key changes in the internal control framework were reviewed by the EMT.

Each leader is accountable for the effectiveness and monitoring of the internal controls within their areas of responsibility and is required to complete a self-certification of their assessment. The self-certification is also signed-off on a regional level. Measures are applied in each functional area and region to assess the effectiveness of internal controls and to escalate any identified issues. Control weaknesses identified by management and those identified through the quality management system reviews,

risk management activity and internal audit reports are escalated to the EMT for review and resolution, all of which is overseen by the Audit & Compliance Committee. The key control weaknesses identified from these processes were addressed within 2025.

In 2025, risk management activity focused on maintaining the previously established, mechanisms and integrating acquired entities and outsourced services into the risk assessment models. Plant risk management and fraud risk management were executed in 2025 following the established approaches. This approach continued to further strengthen the link between strategy setting and risk management, enhanced by extensive collaboration between the respective teams.

The delivery of the risk management approach and the results of the internal quality assessment and planned next steps were reviewed by the Audit & Compliance Committee. In addition, the risk appetite was discussed and approved by the Audit & Compliance Committee and the Board following a series of discussion workshops.

Therefore, Management confirms:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks;
- the aforementioned systems provide reasonable assurance that the financial reporting and limited assurance that the non-financial reporting, including sustainability, does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states the material risks, and the uncertainties, to the extent that they are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Viability statement

The Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet their liabilities as they fall due over the period to December 2028.

Assessment period

The Board has assessed the prospects and the viability of the Group over the forthcoming 12 months, based on a detailed financial plan (i.e. for financial year 2025) as well as a longer period e.g. the long-term plan to 2027. The Board believes that the three year period remains appropriate, being based on its internal budget, financial planning timeframes and the established targets and aims, which combine to give reasonable expectations of the Group's position and performance.

The assessment process and key assumptions

The Board's assessment included review of the potential financial impacts as well as available financial headroom in the most severe but still plausible scenarios that could threaten the viability of the Group. These scenarios considered the current financial position of the Group and the potential mitigations that management reasonably believes would be available to the Company. These mitigations include the use of credit lines, SG&A reduction, deferral and reductions in capital expenditure, reduction of working capital and dividend cancellation or reductions.

The financial forecast is based on a number of key assumptions, including product prices, exchange rates, raw material prices, energy, freight and labour costs, estimates of production volumes, future capital expenditure and delivery of our strategic cost reduction and sales initiatives.

In addition, the forecast does not assume the renewal of existing debt facilities or raising of new debt. A key component of the financial forecast and strategic plan is the expected growth of steel production and the output of non-steel clients in all regions, combined with the development of the specific refractory consumption, taking account of technological improvements.

Management also performed a reverse stress test assuming a severe decrease in sales volumes of 14% sustained over 30 months. Management analysed the impact of the 2008 Global Financial crisis and the COVID-19 impact over sales volumes and margins. Whilst the decrease in volumes was notable, the Group was able to recover the volumes within 12 months.

The scenarios that have been modelled are based on severe but plausible outcomes and associated costs are based on actual experience where possible. The scenarios have been considered individually and as a cluster of events.

Assessment of viability

The Group's liquidity amounts to €955 million comprising cash and cash equivalents of €355 million and undrawn committed credit facilities of €600 million as of 31 December 2025. This is sufficient to absorb the financial impact of the risks modelled in the stress and sensitivity analysis. However, if these risks were to materialise, the Group also has a range of additional mitigating actions that

enable it to maintain its financial strength, including reduction in fixed costs and capital expenditure, raising debt or reducing or cancelling the dividend.

Viability statement

The Directors believe that the Group is well-placed to manage its principal risks successfully. In making this statement the Directors have considered the resilience of the Group, taking account of its current position, the risk appetite, the principal risks facing the business in severe but plausible scenarios, and the effectiveness of any mitigating actions.

The Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2028.

Going concern

In considering the appropriateness of adopting the going concern basis, the Directors assessed the Group's potential cash generation and considered a range of downside scenarios that model different degrees of potential economic downturn, using the same model as for the viability assessment. This assessment covers at least 12 months from the date of approval of the Consolidated Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the debt covenant of the Group's principal borrowing facilities. Mitigating actions within management control which would be undertaken in the downside and reverse scenarios, include but not limited to: reduce fixed costs and SG&A, reduction of working capital and capital expenditure, seeking a debt covenant waiver and reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

In the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements of the Group and the Company for the period ended 31 December 2025.

Scenario	Principal risks	Severity of the impact
Severe macroeconomic downturn	1. Macroeconomic and geopolitical environment.	Low
Severe macroeconomic downturn with impact of multiple principal risk	1. Macroeconomic and geopolitical environment. 2. Inability to deliver strategic projects. 3. Significant changes in the competitive environment or speed of disruptive innovation. 4. Reliability of end-to-end supply chain.	Medium
Reverse stress test assuming significant and sustained reduction in sales volumes	1. Macroeconomic and geopolitical environment.	High

Principal risks

Macroeconomic and geopolitical environment

Target risk appetite



KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC.

Internally monitored metrics

Key macroeconomic and financial market indicators, steel, cement, and aluminium forecasted production.

Risk description

Changes in the global economic environment, financial markets conditions and adverse geopolitical developments may have an impact on the Group's revenue and profitability.

The macroeconomic environment changes leading to sales volume reductions can arise from industrial factors or from wider global issues, such as a global economic conditions, regional conflicts, trade restrictions or global logistic challenges.

The demand for refractory products is directly influenced by steel, cement, glass and non-ferrous metal production, energy prices and the production methods used by customers.

Due to the current market situation, fluctuations in sales volumes have an impact on the utilisation of production capacities and consequently on the Group's profitability and gearing.

Examples of specific risks:

- Decreasing investment and delays in customers' infrastructure projects (therefore reducing steel and cement demand) leading to lower refractory consumption and depressed sales volumes.
- Customers focusing on lower-cost and more commoditised refractories because of low-capacity utilisation.
- Lower sales volumes leading to lower fixed cost absorption.
- Increasing costs of core resources and supplies (e.g. energy, labour, raw materials, freight and packaging).
- Increased trade restrictions, tariffs or export bans could disrupt supply chains and increase material costs.
- Currency fluctuations could impact the cost of imports and exports.

Risk mitigation

- Initiatives to increase the Group's resilience, through establishing leaner processes and lower fixed cost structures whilst increasing the Group's market share and the value for our customers.
- Diversification of geographies and industries.
- Close monitoring of production costs fluctuations to guarantee the expected profitability.
- Price increase initiative to pass inflationary costs to customers.
- Early leading indicators to ensure identification of emerging macroeconomic trends.
- Treasury Policy and use of financial instruments to mitigate risk exposure to financial markets.
- Agile, experienced and solution-focused management teams who can respond quickly and innovatively to challenges.

Risk movement

During 2025, the macroeconomic environment continued to be challenging for the refractory industry. The refractory industry experienced a postponement in customer projects in most markets.

In addition to major ongoing geopolitical tensions, evolving sanctions regimes and heightened trade tensions have contributed to a more fragmented global environment. This has also impacted foreign exchange volatility which continues to affect translated revenues and costs.

The risk appetite remains high (no changes from 2024). The risk level has increased to outside the risk appetite with a continued management commitment to reduce the risk level and bring it within the risk appetite in 2026.



Inability to execute key strategic initiatives

Target risk appetite



KPIs

Voluntary employee turnover, Revenue, Adjusted EBITA margin, Adjusted EPS, Leverage, ROIC.

Internally monitored metrics

Adjusted EBITA from strategic initiatives, ROIC from strategic initiatives, completion of strategic initiatives on-time and on-budget.

Risk description

The Group's strategic initiatives include cost optimisation, production network optimisation, digitalisation, sales expansion, recycling and M&A projects.

Effective prioritisation and execution are key to delivering the Group strategy. The ambition level of these initiatives requires a high level of management capacity to effectively deliver change management and strategic initiatives execution.

The failure to effectively execute these initiatives because of external or internal circumstances may lead to lower than planned financial performance, including loss of revenue and margin.

Examples of specific risks:

- Failure to develop the Company strategy into specific actions.
- Failure to react in a timely manner to a changing environment.
- Failure to identify trends and emerging technologies.
- Failure to effectively deliver strategic initiatives.
- M&A underperformance.
- Inability to fully realise benefits from capex investments.

Risk mitigation

- Group-wide strategy with a high focus on key priorities.
- Postponement or cessation of strategically nonimportant projects.
- Strengthening of the culture of accountability.
- Leadership capability development programme.
- Deep dive learning-based review on each strategic initiative.
- Increased focus and oversight investments and enhanced financially based tracking during the delivery phase of corporate development and cost saving initiatives.
- Strong and impactful Group strategy team to have a broader more challenging role across the Group, concentrated on network optimisation and global strategies for main product groups.

Risk movement

In 2025, the Group executed key strategic initiatives including a step forward in the digital transformation journey, further investing in strategic acquisitions including recycling and strengthening the Company's operational excellence programme.

In 2025 most focus continued to be on the integration of acquired companies and transformational change projects to enhance strategic execution and set a strong basis to be fit for the future.

Considering that the principal risk covers a broad range of strategic initiatives, the overall risk score is unchanged and remains within the risk appetite, but requires close monitoring.

02

Significant changes in the competitive environment or speed of disruptive innovation

Target risk appetite



KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC, R&D & Technical Marketing Spend.

Internally monitored metrics

R&D & technical marketing spend, ROIC on such spend and time-to-market, Loss of opportunities, Win/Loss Rate, Net Promoter Score.

Risk description

Depending on the ability of the Group to develop adequate products and services, the changes in customers' preferences towards innovative products may present either an opportunity or a threat by increasing pressure on demand and margins.

The speed of evolution of customer demand for environmentally beneficial features, digitalisation and services may be faster than the pace of implementation of the Group's digital strategy.

Examples of specific risks:

- Disruptive product technology introduced by a competitor.
- Failure to identify digitalisation trends and technologies.
- Competitors being faster and more agile in responding to changing customer requirements.
- Failure to meet the customer demand.
- New market entrants or non-traditional competitors leveraging an aggressive pricing strategy attracting customers.

Risk mitigation

- Create a climate that fosters innovation and "out of the box" thinking.
- Continued investment in R&D, including, importantly, on sustainability in line with the Group's strategy.
- Focus development activity on projects aimed at an agile and fast impact on the market.
- Monitoring of key R&D and innovation metrics.
- Partnering with third-party innovation leaders.
- Develop a digital strategy and invest in technology infrastructure, tools, and talent.
- Failing to adopt AI-powered predictive maintenance and manufacturing processes.

Risk movement

The success of this approach has been seen in the customer satisfaction surveys with an all time high Net Promoter Score.

Throughout 2025, the Company experienced a continued strong external market environment with non-traditional competitors, particularly from regions with lower production costs leveraging an aggressive pricing strategy and increasing the market pressures. Therefore the overall risk score has increased with a continued management commitment to reduce the risk level in 2026.

The Company has successfully made progress on the strategy to enhance capabilities and market reach through acquisitions and successfully invested in recycling business in 2025. Furthermore, the Group retains the capability and ambition to develop customer facing digital solutions but aligned to the pace of change sought by our customers.

03

Reliability of the end-to-end supply chain

Target risk appetite



KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC.

Internally monitored metrics

Refractory lead times, plants' capacity utilisation, Supply in Full on Time, Inventory levels, Customer surveys.

Risk description

The journey from raw material to finished goods can span several months and might require shipments across the globe. The ability to react quickly to changes prompted by internal and external factors is therefore key to ensuring value delivery to our customers.

In addition, the ability to forecast the demand for the Group's products is key to enabling efficient and effective planning of production-related activities, including procurement, inventory planning and the size and locations of the plants in our production network.

Our global operations can be disrupted by issues in a specific geography or by industry-wide challenges. However, the ability to transfer some of the production between geographies to mitigate the risk of business interruption can be deployed as a risk mitigation strategy.

Examples of specific risks:

- Structural weakness in production network.
- Production interruption at a single-source manufacturing site.
- Inability to accurately predict customer demand leading to missed sales opportunities, inefficient production planning and additional costs.
- Global logistic challenges impacting the stability, speed and cost of our end-to-end supply chain.
- A natural disaster or major political crisis in one or more countries or regions.

Risk mitigation

- Supply chain initiatives to improve and address specific operational challenges.
- Regular reviews of sales, production and financial plans, as well as longer-term portfolio decisions, are based on extensive research.
- Additional system resources leading to improvements in delivery reliability and reduction of production backlog.
- Geographical diversification of the production network.
- Implementation of an optimised production footprint to meet planned requirements.
- Risk-based investment policy.
- Global insurance coverage.
- Focus on the minimisation of sole-source materials and strategically balancing stock levels.
- Concentrated efforts on increasing transparency and enhancing the communication flow.

Risk movement

In 2025 the Group achieved its highest ever customer satisfaction ratings for a third consecutive period.

Strategic initiatives are well advanced in optimising the Group's production network with a strong local-for-local approach ensuring timely reaction to demand shifts and supply chain challenges.

Localised logistics challenges remain monitored and mitigated, such as the Red Sea shipping lane issues in late 2023 and the threatened impact on global shipping due to the heightened tensions in the Strait of Hormuz in 2025. The Group has defined and invested in risk-mitigating measures — strategic external logistic partnerships and contingency plans including alternative transportation routes.

Consequently, the risk score has decreased. The risk remains within the risk appetite and is consistently monitored.

04

Sustainability — environmental and climate risks

Target risk appetite



KPIs

Relative CO₂ emissions,
Use of secondary raw material,
Revenue, Adjusted EBITA margin,
Adjusted EPS, ROIC.

Internally monitored metrics

Relative CO₂ emissions, use of secondary raw material, Progress towards the achievement of environmental and climate targets.

Risk description

Controlled emissions and use of potentially hazardous materials are inherent to the production of refractory products.

The risk of failing to meet environmental regulatory targets or uncontrolled emissions at our production sites exists and may result in high financial losses and liabilities.

The evolving regulatory environment, the increased stakeholders' focus, and the Group's commitment to sustainability led to increasing investment and effort being dedicated to achieving environmental and climate goals.

There are future environmental and climate targets that can only be met by new technological solutions to change the Group's production processes and by the delivery of environmental improvements by the Group's suppliers and customers.

Examples of specific risks:

- Uncontrolled emissions.
- Inability to meet sustainability targets.
- Failure in meeting stakeholders' expectations.

Risk mitigation

- Regular environmental audits and risk monitoring at all sites.
- Well-established Board-level Corporate Sustainability Committee (CSC) to oversee and challenge management's environmental and climate strategy.
- We manage, measure and report our climate-related risks and opportunities according to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (as described on page 167).
- A climate strategy focused on recycling, carbon capture and usage, fuel switch, energy efficiency and innovative customer solutions. Read more in Tackling Climate Change on pages 121.
- Increased focus on the use of secondary raw material as a core element of the Group's strategy.
- The geographical diversity of the Group's operations and the ability to shift production reduce the impact of single events impacting specific geographies.
- Increased focus on sustainable procurement. Executive Long-Term Incentive Plan (LTIP) and employee bonus linked to achievement of the Group's CO₂ reduction and recycling targets in 2025.

Risk movement

In 2025, the risk appetite was changed from Moderate to High. The Company has made good progress in the achievement of the Group sustainability targets and further set enhanced targets and measures until 2030. In addition, sustainable procurement processes have successfully supported to strengthen accountability across the organisation ensuring regional integration.

A continuing major risk for the Group is the proposed introduction of CBAM. For the refractory industry, it could create a significant impact at a fast pace. Therefore, management is closely monitoring the risk of a rapidly changing environment.

The strategic partnership between RHI Magnesita and MCI Carbon to produce CO₂-negative mineral value-added products was granted a significant funding at the end of 2024. This has supported the successful execution of the initial test phase of transforming captured CO₂ and mineral feedstocks into saleable materials.

The risk score remains stable within the Group's risk appetite and is continuously monitored by management.

05

Sustainability — Health & Safety risks

Target risk appetite



KPIs

LTIF, Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC, SIFP.

Internally monitored metrics

Total Recordable Injury Frequency (TRIF), Lost Time Injury Frequency (LTIF), Preventive Ratio, Near Misses, Unsafe Situations, Severe Incident and Fatalities Rate (SIFR), Progress in Safety Culture Transformation, Health & Safety Spend.

Risk description

Employees and contractors may be exposed to Health & Safety (H&S) hazards in our plants of which inherent risks cannot be completely eliminated.

Our activities and products may potentially cause accidents at our customers' sites.

Beyond the harm to individuals, H&S incidents can lead to high financial penalties, site closure, the loss of license to operate in geographical territories and a loss in reputation for the Group.

The health of our employees and contractors, both mental and physical, is a significant area of risk to the Group.

Examples of specific risks:

- Fatal or serious accident at manufacturing or customer site.
- Site shut down due to H&S incidents.
- Loss in reputation for the Group due to severe H&S accidents.

Risk mitigation

- H&S objectives are defined as a core Company objective, and the performance is constantly monitored.
- H&S approach is based on leading global standards and practices, including regular risk monitoring, emphasis on "near miss" reporting and root cause analysis.
- Focus on collaboratively enhancing the H&S approach at customer and supplier sites.
- Extensive focus on H&S at the Corporate Sustainability Committee.
- Specific action plans in the event of employee or contractor H&S incidents.
- Globally harmonised safety instruction videos.
- Global personal protective equipment (PPE) standards implemented.
- Measures focussing on a safety-conscious workforce driven by a strong leadership culture of H&S.

Risk movement

Following the fatal accidents in previous years and the fatality resulting from the treatment of a work-related injury in 2025, and the comprehensive root cause analysis of the H&S accidents with external specialist-led reviews, initiatives to improve the working practices and significant cultural changes in relation to H&S risks were launched and continued throughout 2025. Additional measures which continued in 2025 included increased specialist resources contributing to the Group's safety culture transformation, the successful completion of the first five pilot plants and initiation of the second wave rollout. During 2025, the new global Safety Management System was implemented, strengthening the Company's ability to proactively manage safety practices.

Whilst statistical analysis in 2025 highlighted a reduced but still high level of accidents recorded within the Group that have the potential to be severe or fatal, the monitored metrics during 2025 highlighted a significant increase in reported incidents, near misses and unsafe situations. This demonstrated the successes in building awareness and a better understanding of H&S risks.

Safety remains the top priority for the Group, with increased focus, investment and management efforts seeking to improve the overall H&S performance. The risk score has decreased and the risk remains within the risk appetite and is consistently monitored.



Regulatory and compliance risks (excluding trade compliance)

Target risk appetite

KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC.

Internally monitored metrics

Completion rate of various internal compliance trainings, whistleblowing reports, data privacy incidents.

07

Risk description

The Group faces increasing regulatory complexity and operates in some geographies with inherently high corruption risks.

We strive to establish a culture of compliance throughout the organisation.

We are exposed to regulatory and compliance risks which may result in financial losses or operational restrictions.

Regulatory changes could impact the profitability of our operations and require investment to achieve compliance.

Examples of specific risks:

- Failure to act in accordance with our Code of Conduct.
- Violation of anti-bribery and corruption laws by employees or third-party representatives.
- Violation of data privacy and AI regulations.
- Violation of anti-trust regulations.

Risk mitigation

- Ethical values supported by strong corporate culture.
- Code of Conduct and compliance policies and procedures.
- Enhancement of global training, documentation of compliance matters and communication.
- Various whistleblowing channels are available to employees and external parties to report compliance concerns. Concerns can also be reported anonymously, and all reports are followed up by qualified professionals.
- Range of interventions performed in conjunction with each acquired business to assess regulatory risk and introduce and embed the Group's compliance approach.
- Presence of regional Compliance experts.

Risk movement

In 2024, the risk was re-evaluated and split into two risks. This risk focuses on areas of non-Compliance as defined by the Association of International Fraud Examiners. The second risk related to Trade Compliance and is described as principal risk 9 on page 51.

The risk level remained stable in 2025, reflecting a steady control effectiveness and no material incidents and increased compliance training completion rates at Group level. Ongoing priorities include enhancing data-driven monitoring and process automation.

The overall risk level remained stable. The risk is within risk appetite and continuously monitored by management.

Cyber and information security risks

Target risk appetite



KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC.

Internally monitored metrics

Security incidents classified by severity, phishing test fail rates, triage escalation time.

Risk description

The Group's reliance on IT systems and the greater focus on digitalisation result in a growing exposure to cyber and information security risks due to factors such as the adoption of advanced technologies, interconnected systems and sophisticated cyber threats.

The possible impact of cyber and information security risks could range from operational disruptions, loss of intellectual property, legal compliance issues and frauds, to significant reputation losses.

Examples of specific risks:

- Intellectual property or confidential data theft.
- Personal data breach.
- Software or hardware failure leading to critical business process interruption.
- Cyber attacks on office and production IT leading to financial losses (e.g. ransomware, sabotage).

Risk mitigation

- EMT crisis management simulation exercise held focusing on cyber security.
- Global information and cyber security policies in line with information security best practices, standards and frameworks.
- Continuous awareness campaign and training.
- Regular risk assessment and penetration testing.
- Cyber security detection and response team.
- Network, device and application protection.
- Audit & Compliance Committee oversight and specific focus on cyber security-related controls.
- Email security (phishing and malware protection).
- Operations Technology (OT) security monitoring to protect our production.
- Security oriented approach when integrating newly acquired companies.

Risk movement

The Group experienced a continued increase in the inherent risk level of cyber and information security risks due to the fast-evolving cyber and information security global landscape.

The Group continued to successfully implement and adopt risk-mitigating measures to respond to this rising threat, including awareness campaigns, data encryption and OT security monitoring, AI Policy, and crisis management simulations.

The risk level is unchanged from 2024. Leadership commitment to maintaining robust internal controls and a proactive cybersecurity strategy remains.

The risk is evaluated to be within the Group's risk appetite and closely monitored to drive fast responses to changing external threats.

08

Trade Compliance

Target risk appetite

KPIs

Penalties and fees, Revenue, EBITA.

Internally monitored metrics

Penalties and other fees regarding Trade Compliance matters, access to markets and territories, revenue in exposed markets.

09

Risk description

Trade compliance risks refer to the potential legal, financial, and reputational consequences that arise from non-compliance with international trade laws, export control regulations, and sanctions.

Examples of specific risks:

- Operating in or trading with sanctioned countries or entities could lead to severe penalties, including fines, asset freezes, and potential criminal charges.
- Violations of export control laws or import restrictions, including misclassification of goods, underreporting values, or failure to secure required licenses can result in penalties or shipment delays.
- Frequent changes in trade policies, such as tariffs, quotas, and trade agreements can create uncertainty and require constant updates to compliance strategies.
- Risks associated with suppliers, distributors and other third-party intermediaries not adhering to trade laws can implicate the company in violations, even if unintentional.

Risk mitigation

- Robust developed trade compliance policies and procedures, including mandatory staff training.
- Clear governance structure for accountability and oversight.
- Automated trade compliance software to ensure real-time adherence to export regulations.
- Bespoke compliance risk assessment and Know-Your-Customers due diligence procedures for customers, sales agents, and other business partners.
- Proactive risk-based monitoring on high-risk business partners.

Risk movement

The specific risk in relation to sanction regimes and export controls has become increasingly complex due to the fast pace of diverse regulatory developments and the dynamic geopolitical landscape implicating cross-border trade.

In 2024, the Group has devoted a significant amount of time to strengthen the tone at the top for geographies considered high risk which was followed by a strong focus on process automation and standardisation across the Company in 2025.

Additionally, a higher risk exposure remains for acquired entities not integrated in the Group ERP system and automated sanction and export control risk screenings until strategic digitalisation projects are further progressed. The first rollout of digital initiatives for one jurisdiction and several entities in December 2025 demonstrate a strengthened control environment.

Target risk appetite

High Moderate Limited Averse

Organisational capacity to execute strategy, including demonstrating Company cultural values

Target risk appetite



KPIs

Gender diversity in leadership,
Voluntary employee turnover,
Adjusted EBITA, Adjusted EPS, ROIC.

Internally monitored metrics

Gender diversity in leadership,
Voluntary Employee Turnover, Adjusted
EBITA from strategic initiatives, ROIC
on strategic initiatives.

Risk description

The Group's corporate culture, combined with an optimal internal structure, adequate skills and resources, are key to ensuring the delivery of the Group strategy. To ensure access to adequate skills, the Group is focused on being able to retain talent as well as attract talent from the market.

A key focus of the Group's corporate culture is gender, ethnic and generational diversity, which is seen as an important driver to enhance performance.

Examples of specific risks:

- Inability to attract and retain top talent.
- Lack of accountability and responsibility.
- Inconsistent behaviour across the Group.

Risk mitigation

- Specific focus on People and Culture strategy in the Board 2025 strategy workshop.
- Continuous emphasis on the Company culture as a key enabler of performance and driver of strategy execution.
- Range of other awareness-based leadership training and initiatives to support the attraction and retention of "Generation Z" talent.
- Dedicated leadership capability enhancement programme.
- "Tone from the Top" leadership culture.
- Developing talent, enhancing diversity and promoting Company culture as significant components in the People Cycle.
- Trainee programme to develop graduates into future leaders.

Risk movement

Through 2025 Executive Management have continued to successfully make organisational changes to promote strategy execution, accountability and prioritisation which have confirmed the capacity is in place to deliver the strategy together with the organisational flexibility to adapt to emerging challenges.

The risk appetite has changed from Limited to Moderate.

The risk score has increased due to the volatile and highly dynamic current external environment leading to increased cost and price pressure. Furthermore, the large number of transformative and operational topics requiring attention is demanding continuous involvement from key talent. Therefore, management has strengthened the alignment on the organisational priorities for the Group.

In most jurisdictions, the Group has seen continuous high levels of people retention and views people attrition risk as low in the short to medium term.

The risk remains within the risk appetite and is closely monitored by management.

10

Ability to strategically price and deliver price increases

Target risk appetite



KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC.

Internally monitored metrics

Price increase realised, price fulfilment rates, leading cost indicators, operational cost variances.

Risk description

The Group is exposed to increases in its variable costs such as raw materials, energy, logistics and labour costs.

Shifting demand levels and competitive pricing pressure can lead to fix cost under absorption offsetting cost improvement measures and a risk of achieving target margin levels.

To achieve the Group's margin targets, it is crucial that rising costs are identified early through the monitoring of leading indicators and that these are effectively passed on to the Group's customers.

The Group can suffer significant financial loss should these costs not be fully passed on in a timely manner whilst preserving customers' relationships and our market share.

Examples of specific risks:

- Inability to react to demand volatility and effectively balance customer price levels.
- Inability to identify early signs of increases in the variable costs.
- Inability to react timely to competitive pricing pressure from low cost refractory suppliers.

Risk mitigation

- Consistent monitoring of leading indicators to identify early signs of externally driven cost inflation.
- Management focuses on effectively negotiating price increases with customers without compromising relationships and market share.
- Close management monitoring of progress towards price increase implementation.
- Mitigation of cost increases through a combination of strategies which include energy hedging, alternate fuel supplies.
- Implementation of network optimisation programs including optimised production planning and execution.

Risk movement

During the first half of 2025, the Group was not able to sufficiently balance customer price levels, resulting in reduced profitability. This was partially mitigated in the second half of the year through a clear management focus on pricing discipline, prioritisation of price increases, and successful customer negotiations.

Despite these improvements, the risk remains high due to continued competitive pricing pressure expected in 2026, combined with volatile external dynamics impacting market conditions and cost structures.

The risk remains outside the Group's risk appetite. Management remains committed to further mitigating this risk in 2026 through continued pricing actions and disciplined execution.

Our approach to sustainability

Sustainability is integral to how RHI Magnesita operates, invests and manages risk. As the global leader in refractories, the Group takes responsibility for setting benchmarks in hard-to-abate industries. Through innovation, disciplined execution and scale, sustainability is embedded across operations to strengthen resilience, support customers and create long-term value.

2025 highlights

Recycling has evolved into a comprehensive, strategically important platform delivering both environmental and commercial value.

Advanced industry-leading recycling capabilities, significantly increasing the use of secondary raw materials and strengthening circular supply chains.

Continued focus on health and safety through leadership, culture and system-wide improvements.

Delivered further reductions in CO₂ emissions intensity, driven by recycling progress and operational efficiency.

1.54 tCO₂/t

Refined the Group's double materiality assessment to reflect acquisitions and strategic developments, reinforcing robust governance and alignment with CSRD requirements.



Expanded future-ready decarbonisation solutions, including carbon capture and utilisation and hydrogen-ready technologies and low-carbon product development.



In 2025, we progressed decarbonisation, achieved our first sustainability targets, and strengthened recycling as a core value creation platform.



Herbert Cordt,
Chair

RHI Magnesita's 2025 sustainability strategy focused on delivering tangible progress in areas where the Group can exert the greatest operational influence, while reinforcing its leadership role in a hard-to-abate industry.

During the year, decarbonisation efforts were driven by structural improvements rather than one-off initiatives, with emissions intensity reductions supported by operational efficiency and recycling, strengthening circular supply chains and enabling innovative, lower-carbon solutions for customers.

Health and Safety remained a fundamental priority in 2025, supported by continued progress in the Group's global Safety Culture Transformation Programme, focusing on Visible Felt Leadership, behaviour-based Life-Saving Rules and strengthened Standard Operating Procedures targeting top risks.

Despite strong second half results with no Serious Injuries or Fatalities, the first half was marked by a tragic event. The Group reports a fatality resulting from an infection incurred in the course of treatment of a work-related injury. The Company remains firmly committed to its long-term goal of "Zero Harm — No Injury" and continues strengthening leadership accountability and preventive controls.

2025 strategy targets	2025 strategy achievements	2025 progress
01 Climate and environment: Reduce CO ₂ emissions intensity through operational efficiency, circular material use and preparation for low-carbon technologies.      	Delivered a 15% reduction in CO ₂ emission intensity, supported by operational efficiency measures, improved energy management and increased use of recycled raw materials across production sites.	CO₂ emissions Reduce by 15% per tonne. Energy Reduce by 5% per tonne. -15% -9%
02 Circularity and recycling: Scale recycling to increase secondary raw material use, reduce emissions and strengthen resilient, circular supply chains.    	Expansion of recycling rate to 15.9%, establishing recycling as a complete recycling platform solution, supporting emissions reduction, supply security and customer value creation.	Recycling Increase use of secondary raw materials to 15%. 15.9%
03 Health and safety: Embed consistent safety leadership, behaviours and standards to reduce incidents and strengthen global safety culture.  	Workplace injuries were reduced by 14% compared to 2018 levels. Despite this improvement, year-end LTIFR closed above the defined threshold target, and the year was marked by one fatality resulting from the treatment of the work-related injury.	Safety Maintain Lost Time Injury Frequency Rate (LTIFR) <0.3 per 200,000 hours worked. 0.37
04 Governance and transparency: Strengthen sustainability governance, controls and disclosures aligned with strategy, acquisitions and evolving regulatory requirements.    	The Group's governance framework integrates diversity and supply chain due diligence through defined roles, policies and oversight processes.	Diversity Increase female share on Board and in senior leadership levels to 33%. 33% Board at 33% SL at 33% Sustainable Supply Chain Enhancing supplier sustainability management: 66% Spend Coverage. 64.9%

2030 Sustainability targets

RHI Magnesita has extended and strengthen the ambitions for 2030

CO₂ emissions

Reduce by 10% per tonne



2025 progress

2% reduction achieved in 2025

Energy

Reduce energy consumption by 1% per year



2025 progress

0.84% reduction in 2025

Recycling

Increase use of secondary raw materials to 20%



2025 progress

15.9% recycling rate in 2025

Safety

Total recordable injuries frequency rate (TRIFR) <2.0 per 1,000,000 hours worked



2025 progress

TRIFR stands at 4.09 in 2025

Sustainable Supply Chain

Enhancing supplier sustainability management: 80% Spend Coverage



2025 progress

KPI stands at 64.9% in 2025

Determining what's material

RHI Magnesita uses materiality as a strategic tool to focus resources on the sustainability topics that matter most to the business and its stakeholders. Applying a double materiality lens, the Group assesses both its impacts on people and the environment, and the sustainability-related risks and opportunities that influence long-term value creation.

Outlining the materiality process

Materiality plays a central role in RHI Magnesita's sustainability strategy, risk management and decision making. As a global supplier to energy-intensive industries, the Group operates across complex value chains and regulatory environments. A robust, repeatable materiality process is essential to ensure sustainability priorities remain aligned with business realities, stakeholder expectations and evolving regulatory requirements.

RHI Magnesita applies a double materiality approach in line with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This approach assesses sustainability topics from two complementary perspectives: impact materiality, which considers the Group's actual and potential impacts on people and the environment; and financial materiality, which assesses sustainability-related risks and opportunities that could influence the Group's financial performance, position or future prospects.

The materiality assessment follows a structured five-stage process. First, the context for the assessment is defined, including the scope of activities, value chain boundaries, time horizons and relevant stakeholder groups. This ensures the assessment reflects the full breadth of the Group's operations, including recent acquisitions and changes to the business model. Second, a comprehensive set of potential sustainability impacts, risks and opportunities is identified across the value chain, covering environmental, social and

governance topics. This includes upstream activities such as raw material sourcing, the Group's own operations, and downstream interactions with customers. Inputs are drawn from internal expertise, prior assessments, regulatory developments, peer analysis and external research.

Third, identified impacts, risks and opportunities are assessed using defined criteria. For impacts, severity and likelihood are evaluated, taking into account scale, scope and the ability to remediate negative effects. For risks and opportunities, potential financial magnitude and likelihood are assessed across short-, medium- and long-term time horizons, ensuring consistency and transparency in prioritisation.

Fourth, the results of the impact and financial assessments are consolidated and validated through structured engagement with internal and external stakeholders, whose input informs prioritisation and confirms the relevance of material topics. Topics that meet defined materiality thresholds are reviewed with senior management, ensuring alignment with strategy, enterprise risk management and capital allocation considerations.

Finally, outcomes are reviewed and approved through established governance structures, including Board oversight. The results are used to inform strategic focus, investment priorities and performance management. The assessment is reviewed regularly to remain responsive to changes in the business, regulatory landscape and external environment.

Defining our material topics

01

Define scope: stakeholders, time horizons and value chain boundaries.

02

IRO long list: define potential sustainability impacts, risks and opportunities across the value chain.

03

Assessment: identified IROs are assessed against pre-defined criteria and mapped according to severity and likelihood.

04

Validation: results are consolidated and validated with key stakeholders to determine material issues.

05

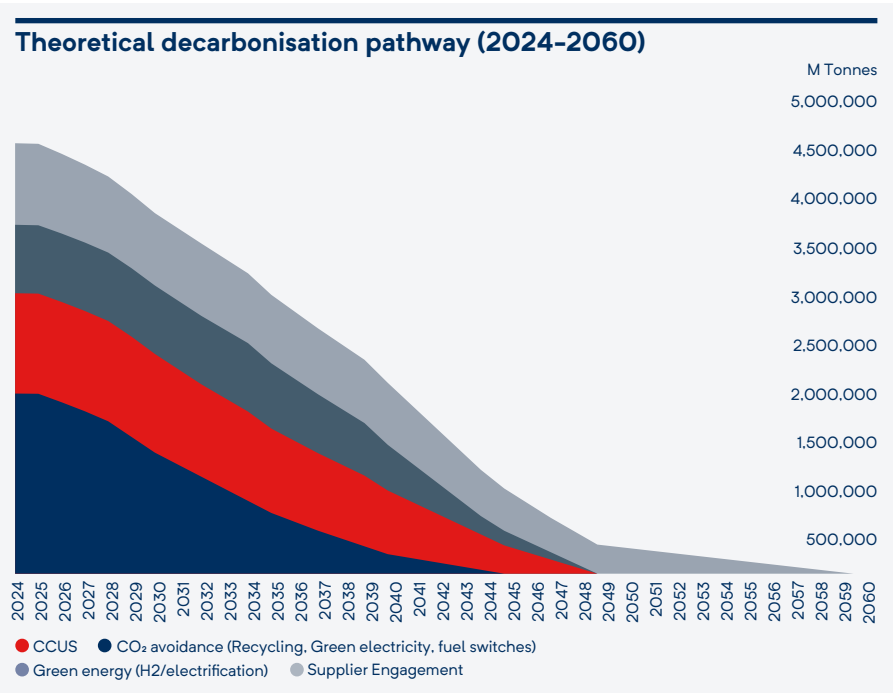
Approval: identified material issues are reviewed with senior management through robust governance structures, with Board oversight.

All sustainability-related impacts, risks and opportunities considered material for stakeholders or users of the Consolidated Sustainability Statement are presented in the following picture and a detailed description of each IRO and your relationship with Group's business model and strategy can be read in the SBM-3 section of our Consolidated Sustainability Statement and further details on the Double Materiality Assessment process are provided in ESRS 2 IRO-1 (page 96).

TOPICS	CATEGORY	UPSTREAM	Core	DOWNSTREAM	PAGE
ENVIRONMENT			Avoided emissions through heat management		84
				Saved emissions through usage of recycled raw materials	85
		Scope 3 CO ₂ emissions from purchased raw material and transport		Scope 3 CO ₂ emissions from the use of sold products and transport	86
			Scope 1 CO ₂ geogenic process emissions		86
			Scope 1 CO ₂ fuel based emissions		88
				Increased demand for refractory products that enable decarbonisation of customer industries	88
			Increased demand for low carbon footprint refractory products		89
			Decrease in costs or increase in revenue through use of new technologies to reduce or capture CO ₂ emissions from refractory production in ETS zones		89
			Increase in operating or capital expenditure due to changes in policy regulation		90
		Increase in operating expenditure and reputational damage if decarbonisation pathway not delivered			91
			Scope 2 CO ₂ emissions from energy consumption		91
			Reputational damage if energy reduction targets not achieved		92
			Air pollution from industrial process		92
		Efficient use of raw resources including the use of recycled materials			93
					Recycling of non-refractory materials offers a business opportunity by enabling new revenue streams and expanding market reach
SOCIAL			Workplace safety incidents in own workforce		93
			Potential incidents of forced labour in own workforce		94
			Reputational damage if health and safety targets not achieved		94
		Workplace safety incidents in supply chain			95
		Potential incidents of forced labour in supply chain			95
GOVERNANCE		Fraud and corruption in various forms			96

 Positive impact
  Negative impact
  Potential negative impact
  Risks
  Opportunities

Climate and environment



Planning and levers

RHI Magnesita's climate and environmental strategy reflects both the urgency of decarbonisation and the technical realities of refractory production. As a supplier to energy-intensive industries, the Group operates assets with long lifespans, complex process requirements and limited short-term alternatives for deep emissions abatement. Against this backdrop, climate planning is based on a portfolio of levers that can be deployed at scale today, while preparing operations for future technologies as they mature.

The most significant near-term lever is the increased use of recycled and secondary raw materials. By recovering and reprocessing spent refractories, RHI Magnesita reduces demand for primary raw materials, lowers embedded emissions and strengthens supply security. Recycling has therefore evolved from a sustainability initiative into a core operational and strategic capability, fully integrated into climate planning and capital allocation decisions.

Operational efficiency and energy management form a second key lever. Continuous improvement programmes focus on optimising thermal efficiency,

reducing energy intensity and improving process stability across sites. These measures deliver cumulative emissions reductions while supporting productivity, cost control and asset resilience.

In parallel, RHI Magnesita is actively preparing for the next generation of decarbonisation technologies. This includes readiness for alternative fuels, electrification options and emerging solutions such as hydrogen-based firing and carbon capture and utilisation. While these technologies are not yet universally deployable, the Group is investing in knowledge, engineering capability and infrastructure preparedness to ensure it can act quickly as external conditions evolve.

Climate planning also extends beyond the Group's own operations. RHI Magnesita works closely with suppliers to address upstream emissions and with customers to develop products and services that enable more efficient, lower-carbon industrial processes. Transparency on product carbon footprints and collaboration across the value chain are increasingly important elements of this approach.

These combined levers provide a balanced and credible pathway for emissions reduction. They allow the Group to deliver measurable progress today, while maintaining flexibility and optionality for deeper decarbonisation as technologies, energy infrastructure and regulatory frameworks continue to develop.

Reducing emissions

During 2025, RHI Magnesita continued to reduce emissions intensity across its operations, supported by a combination of structural improvements rather than isolated actions. Progress was achieved across Scope 1 and Scope 2 emissions through enhanced energy efficiency, improved process control and targeted operational optimisation at production sites.

A material contributor to emissions reduction was the increased use of secondary raw materials. By expanding recycling activities, the Group reduced upstream Scope 3 emissions associated with the extraction and processing of primary raw materials, while also lowering overall energy demand within its value chain. This reinforces recycling as the most effective near-term lever available to the business.

The Group focuses on emissions intensity as a core performance indicator, reflecting changes in operational efficiency over time. Absolute emissions remain influenced by production volumes, market demand and the geographic distribution of manufacturing activity, particularly in a cyclical industrial environment.

In addition to near-term reductions, the Group continued to advance its longer-term decarbonisation pathway, maintaining readiness for alternative fuels and emerging technologies. This dual focus on delivery and preparedness ensures that emissions reduction remains embedded in operational decision making, while positioning the business to accelerate progress as enabling conditions improve.



Innovating to decarbonise refractory production — Recycling and circular economy

Recycling is a cornerstone of RHI Magnesita's sustainability strategy and the most effective lever currently available to reduce emissions at scale. By recovering and reprocessing spent refractory materials, the Group reduces reliance on primary raw materials, lowers embedded carbon emissions and strengthens security of supply.

During 2025, recycling has evolved from a verticalised focus to a comprehensive business overview, forming a complete recycling platform solution that underscores its strategic importance as well as its environmental and commercial value. The Group focused on advancing recycling initiatives beyond its internal verticalisation strategy and substitution of primary raw materials, aiming to structure recycling as a standalone business with a strong external market focus. Establishing regional recycling hubs has been a key lever to scale the circular raw materials business. This integrated approach delivers environmental benefits while supporting innovation, cost efficiency, and long-term resilience across the value chain, demonstrating RHI Magnesita's leadership in circular refractories.

Hydrogen kiln

As part of its long-term decarbonisation planning, RHI Magnesita is advancing hydrogen-ready production trials to ensure future operational readiness. One example is the development of a hydrogen-capable hood kiln, designed to operate flexibly with natural gas, hydrogen or blended fuels.

The project focuses on generating detailed operational and material-performance data under hydrogen-based combustion conditions. This includes assessing impacts on firing behaviour, product quality, safety requirements and process stability. Importantly, the kiln also provides RHI Magnesita's customers with the opportunity to test their own materials and applications in a hydrogen environment. This supports shared learning and helps customers better understand how hydrogen-based processes may affect their products and operations.

This project is particularly important as, to date, data on the fundamentally different thermal and chemical environments created by hydrogen firing has been limited.

By investing early in testing, engineering capability and safety protocols, RHI Magnesita is building the knowledge required to enable future deployment and scale up when infrastructure, fuel availability, financial and technical feasibility and regulatory conditions allow. While not intended for immediate large-scale roll-out, the project positions the Group at the forefront of low-carbon kiln technology and contributes valuable insights that support both customer engagement and broader industry readiness.



Social

RHI Magnesita's social priorities focus on protecting people, maintaining safe industrial workplaces and managing social and human rights risks across its operations and value chain. As a global industrial business, the Group recognises that strong leadership, consistent standards and disciplined execution are essential to safeguarding employees, contractors, suppliers and communities.

Human rights

The Group's approach to human rights is closely linked to the nature of its operations and the environments in which it operates. Rather than treating human rights as a standalone policy topic, the Group focuses on identifying and managing the practical risks that arise from industrial activity, workforce safety and complex supply chains.

Human rights considerations are integrated into the Group's sustainability and risk management frameworks and informed by the outcomes of the double materiality assessment. This ensures that attention is directed towards the most relevant issues, taking into account the scale of operations, geographic footprint and business developments.

Oversight of human rights-related topics is embedded within senior management and Board governance structures. This provides accountability and ensures that emerging risks, acquisitions and changes in the operating environment are fully reflected in its approach. The Group recognises that expectations continue to evolve and that transparency and continuous improvement remain essential.

Human rights in the value chain

RHI Magnesita's value chain spans raw material sourcing, logistics and suppliers across diverse regulatory environments. The Group acknowledges potential social and human rights risks in upstream activities, particularly regarding labour practices and working conditions.

To manage these risks, RHI Magnesita applies a structured supply chain due diligence approach aligned with regulatory expectations. Human rights considerations are progressively integrated into supplier selection, assessment and engagement processes, with a focus on identifying higher-risk areas and prioritising actions accordingly. The Group seeks to work constructively with suppliers to support improvement over time, recognising that meaningful progress in complex supply chains requires sustained collaboration and transparency.

Health and safety

Health and safety remains RHI Magnesita's highest social priority, particularly given the high-risk nature of its operations. In 2025, the Group advanced its Safety Culture Transformation programme, strengthening leadership accountability, frontline engagement and consistent application of life-saving rules and critical controls.

While the second half of 2025 showed improvement, with no Serious Injuries or Fatalities recorded, the first half was marked by a tragic event. The Group reports a fatality resulting from an infection incurred in the course of treatment of a work-related injury.

Sustainable improvement requires continued leadership focus, robust systems and consistent reinforcement across all levels.

RHI MAGNESITA
HELP



HELP Fund

The HELP Fund reflects RHI Magnesita's commitment to supporting people affected by the most serious work-related incidents. Established as an independent, non-profit association, the Fund provides additional financial assistance to employees, contractors or their families when accidents or fatalities occur, complementing statutory and insurance provisions.

Support is provided on a case-by-case basis and may include assistance with medical treatment, rehabilitation, retraining or financial support for dependants. Funded through voluntary employee contributions alongside company support, the HELP Fund recognises that, despite strong prevention efforts, a responsible business response must also address human impact with care, dignity and accountability.

Leaders in Integrated Safety

Safety first. Always.

Culture & Leadership

The Group's safety culture transformation is our path towards Zero Harm — No Injury. By focussing on our top risks we aim to avoid serious injuries and fatalities. RHI Magnesita's people managers drive this transformation with their day-to-day visible felt leadership for safety.

Critical Controls

Safe work routines for top risks avoid serious injuries and fatalities

KPIs

Lagging and leading indicators providing the path towards zero severe injuries

Life Saving Rules

Our codex for safe behaviour in every aspect of our business

Global Guidelines

Keep workforce and customers safe around the world

Our safety culture is built on leadership accountability, clear standards, and shared responsibility — creating an environment where safe behaviour is the norm and Zero Harm — No Injury is the goal.

Controlling the Top Risks

Statistically, these six risks account for 85% of RHI Magnesita's potential for a serious injury or fatality.

Falling Objects

Line of fire exposure from objects with significant mass, weight, energy or distance.

Fall Risks

Falls from 1.2 meters, head strikes on the same level, falls onto sharp objects or surfaces, backwards falls or falls into deep water.

Driving Risks

Driving vehicles inside and outside plant premises. Risk of rollover, collisions, sudden swerves, or pedestrian contact.

Material Handling (By Machines)

Rigging failure during lifting, lowering, transport, crane boom contact, or exceeding the rated capacity of crane, hoist, forklift, etc.

Mobile Industrial Equipment

Mobile equipment involved in collisions, side-swipes, rollovers, or loss of control of equipment or pedestrian contact.

Caught In Machinery

Body entanglement in running machinery, rotating equipment, or between moving equipment and fixed objects.

Life Saving Rules

General commitments for safe behaviour in every situation.



I PREPARE

I PROTECT MYSELF

I FOCUS

I SHARE

I RESPECT

I AM QUALIFIED

I STOP

Lost Time Injury Frequency

2025	0.37
2024	0.11
2023	0.16
2022	0.19
2021	0.13

Our newly developed digital incident management tool "SMS" combines reporting, management and tracking of incidents and was fully integrated as of 1 January 2026.



Sustainability Statement

Following the provisions of the Corporate Sustainability Reporting Directive (CSRD), Article 29a of EU Directive 2013/34/EU, including compliance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation, Article 8 of EU Regulation 2020/852.

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

General Information

Overview

Our 2025 Consolidated Sustainability Statement has been prepared for the second consecutive year in alignment with ESRS Set 1 under the Corporate Sustainability Reporting Directive. Building on our initial reporting cycle, we have further enhanced the quality, transparency, and consistency of our disclosures. This year's statement reflects our continued commitment to addressing the impacts, risks, and opportunities most material to our business and to advancing responsible growth, long-term value creation, and accountability toward our stakeholders. As part of this process, we updated our Double Materiality Assessment to reflect recent acquisitions and the evolving structure of our organisation, reaffirming the material topics that guide our sustainability priorities and reporting approach.

ESRS 2 General disclosures

Basis for preparation

Disclosure requirement BP-1 — General basis for preparation of the Consolidated Sustainability Statements

The Consolidated Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), as adopted by the European Commission. It complies with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852 (the "EU Taxonomy Regulation") and reflects the applicable reporting framework and technical screening criteria for both climate-related and non-climate environmental objectives, as defined in Delegated Regulations (EU) 2021/2178, 2021/2139 and 2023/2486.

The Corporate Sustainability Reporting Directive (CSRD) has not yet been transposed into national law in the Netherlands at the time of reporting. Nevertheless, this Consolidated Sustainability Statement has been prepared in alignment with CSRD requirements and the ESRS framework.

The Consolidated Sustainability Statement forms an integral part of the Group's Management Report. Certain disclosures are incorporated by reference to other sections of the 2025 Annual Report and Accounts, as indicated throughout the document. To ensure transparency and alignment with regulatory expectations, we disclose all mandatory reporting requirements and provide cross-references to other relevant sections of the Annual Report under the principle of 'Incorporation by Reference'. Certain disclosures related to strategy and corporate governance, as outlined in the cross-cutting standard ESRS 2, have been integrated into other sections of this report – specifically, the corporate governance, risk management, and remuneration reports – where they are best contextualised alongside related information.

All material sustainability-related impacts, risks, and opportunities have been identified and disclosed in accordance with the ESRS, based on the results of the Double Materiality Assessment (DMA). The DMA was reviewed and updated following the acquisitions of Resco Products, Inc., Resco Canada, Inc., and Resco Products (UK) Limited (collectively referred to as "Resco"), the joint venture BPI RHIM LLC ("BPI"), and Ashwath Technologies Private Limited ("Ashwath") to ensure its continued relevance and completeness.

The Consolidated Sustainability Statement was subject to a limited assurance engagement performed by PricewaterhouseCoopers Accountants N.V. The engagement covered the Consolidated Sustainability Statement of RHI Magnesita N.V. (the Group) for the year ended 31 December 2025, as included in the section "Consolidated Sustainability Statement" of the Strategic Report, including information incorporated therein by reference.

Finally, as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), RHI Magnesita has reviewed, identified and quantified the climate-related risks and opportunities relevant to our business and disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) are provided in a dedicated appendix to this consolidated statement, ensuring transparency and consistency with international climate-related reporting expectation. The TCFD recommendations reference table is provided in the Appendix on page 167.

Scope of consolidation

The scope of this report, together with the accompanying Financial and Consolidated Sustainability Statements, is fully aligned and consolidated at the RHI Magnesita N.V. level. It encompasses the Parent Company, RHI Magnesita N.V., and all directly and indirectly controlled subsidiaries. The Consolidated Sustainability Statements specifically include information related to RHI Magnesita and, where available, its main value chain and business relationships.

During the reporting period, RHI Magnesita completed several acquisitions that supported different strategic objectives. The acquisition of Resco Products, Inc., Resco Canada, Inc., and Resco Products (UK) Limited (together referred to as "Resco") strengthened the Group's position in refractory manufacturing and expanded its market presence. Becoming the majority member of the Joint Venture, BPI RHIM LLC ("BPI") supported the expansion of the Group's recycling activities and circular economy capabilities.

The scope of consolidation includes all the newly acquired subsidiaries and fully consolidated joint venture entities from their respective acquisition dates.

In addition, RHI Magnesita acquired Ashwath Technologies Private Limited (Ashwath), a small site-based operation. Due to its limited scale, the acquisition of Ashwath does not have a material impact on the Group's consolidated performance or sustainability metrics, but it has been included in the scope of reporting in line with applicable reporting requirements.

Disclosures on Headcount and S1-14 (Own Workforce) cover fully consolidated Group entities in line with the financial consolidation scope except for the Joint Ventures entities. These entities were assessed regarding governance structure, system integration, and quantitative relevance. They represent 2.14% of total headcount and 1.10% of the S1-14 relevant workforce. Due to their immaterial share and current non-integration into CHRIS (Global HR platform) and the AccStat (Health and Safety reporting system), their exclusion does not materially impact the completeness or reliability of disclosures.

Incorporation by reference

Some disclosures are incorporated by reference to other parts of the Annual Report. Whenever this is the case, this is clearly indicated. We incorporate the following metrics by reference:

- Description of business and markets served
- Integration of sustainability-related performance in incentive schemes
- Diversity in the Board of Directors and Executive Management Team
- Role, expertise and independence of Board of Management
- Integration of sustainability risk management into the overall risk management approach
- Stakeholder engagement

Double materiality as the basis for our sustainability disclosures

The principle of double materiality is of fundamental importance for this Consolidated Sustainability Statement. This report should help users understand RHI Magnesita's impact on ESG aspects (inside out) and how sustainability factors influence the Group's financial position, performance, cash flows, and access to finance or capital cost (outside in). The materiality analysis is the basis of sustainability reporting under the ESRS. A sustainability aspect is material if it meets the criteria of materiality of impacts or financial materiality or both. This means that information is considered material, even if only one perspective is met. The materiality analysis is the basis for identifying material impacts, risks and opportunities. We explain the details of our materiality analysis in the following chapter ESRS 2 General information, disclosure requirement IRO-1 — "Description of the procedure for identifying and assessing the material impacts, risks and opportunities". A detailed overview of the business model and a representation of the Group's value chain can be found on pages 10-12, "Our business model", of this Annual Report.

The Double Materiality Assessment was updated to reflect the enlarged Group structure and to capture any resulting changes in sustainability-related impacts, risks and opportunities. Where feasible, prior-year data have been restated to enhance comparability; where this was not practicable, the respective limitations are disclosed in the relevant sections.

Application of CSRD and ESRS standards

Categories of ESRS standards

Cross cutting and topical standards are provided, in accordance with ESRS. Where material and necessary to improve understanding, Group-specific information is also disclosed.

Sector-agnostic disclosures according to cross-cutting and topical standards

The ESRS are divided into different categories of standards. The general standards ESRS 1 General Requirements and ESRS 2 General Disclosures apply to the sustainability aspects covered by thematic and topical standards. The preparation and presentation of this Consolidated Sustainability Statement is in line with the general requirements of ESRS 1. According to ESRS 2, we meet the disclosure requirements regarding the information that our Group must provide at a general level with regard to all material sustainability aspects in the reporting areas of governance, strategy, management of impacts, risks and opportunities, and key figures and objectives.

Disclosures according to topical ESRS

In addition, based on the results of our DMA, we disclose sustainability information in accordance with the thematic standards relating to the environment, social issues and responsible corporate governance. Information on environmental, social and governance issues covered by the ESRS whose impacts, risks and opportunities were assessed as not material for both our business and the ESG aspects are disregarded in accordance with ESRS 1.

Group-specific disclosures

We have identified impacts, risks, and opportunities that are not adequately covered by an ESRS standards.

Health and Safety performance

The Group reports its Lost Time Injury Frequency Rate (LTIFR) per 200,000 hours worked as the key metric for its 2025 health and safety performance and target.

CO₂ and Energy intensity targets and metrics

To achieve effective sustainability management, RHI Magnesita has implemented intensity-based targets, including CO₂ intensity (CO₂ emissions per tonne of product) and energy intensity (energy consumption per tonne of product). This adaptive approach allows the Group to respond to evolving business conditions and economic growth. Structural changes, such as mergers, acquisitions, or shifts in market demand, can significantly influence overall emissions, making it challenging to adhere to rigid absolute targets. Intensity-based targets, however, offer the flexibility needed to accommodate business expansion while maintaining a strong focus on emissions efficiency.

Scope 1 emissions due to geogenic process emissions

The Group uses Scope 1 emissions associated with raw material processing as a metric to monitor the geogenic emissions.

Scope 3 emissions due to purchased raw materials

The Group uses Scope 3 emissions associated with purchased raw materials as a metric to track progress in reducing its carbon footprint.

Recyclability of spent refractories

The Group has established a global sourcing guideline for recycling, which serves as an internal framework for purchasing spent refractories and incorporates recyclability as a company-specific metric. This guideline provides guidance on sourcing spent refractories from various industries and applies across all global regions to all personnel involved in the procurement process.

Recycling rate

The Group uses the recycling rate metric to measure and enhance resource efficiency use and circular economy integration. The metric is based on actual consumption of recycled material and total consumption of raw materials in refractories.

Avoided Emissions

Avoided emissions resulting from optimised heat management solutions are an entity specific metric. The Group intends to develop a key performance indicator and disclose in future, in line with phase-in requirements.

Supply of enabling technologies and low carbon footprint products

The supply of enabling technologies and low carbon footprint products for customers to reduce emissions in the downstream value chain is an entity specific opportunity.

The number of ETS certificates and ETS expenditures

The Group uses the volume of EU ETS certificates required and the related expenditures as an entity-specific metric to monitor the financial impact of regulatory developments. Scope 1 emissions from geogenic processes in the EU require the purchase of allowances for emissions exceeding free allocation.

Workplace safety incidents and potential incidents of forced labour in the supply chain

The Group collects and assesses supplier data as metric to monitor these topics.

Reporting areas

The disclosure requirements in ESRS 2, topic-related ESRS and topical ESRS are divided into the following reporting areas:

- Governance (GOV): the governance procedures, controls and processes for monitoring, managing and overseeing impacts, risks and opportunities;
- Strategy (Strategy and business model, SBM): the interaction of the Group's strategy and business model with its material impacts, risks and opportunities, including how the Group deals with these impacts, risks and opportunities;
- Impact, risk and opportunity management (IRO): the process(es) by which the Group identifies impacts, risks and opportunities and assesses their materiality (see IRO-1 in Section 4.1 of ESRS 2) and addresses material sustainability aspects through concepts and measures; and
- Metrics and targets (MT): the performance of the Group, including the objectives it has set and the progress made towards achieving those objectives.

Upstream and downstream value chain

The Consolidated Sustainability Statement covers the Group's upstream and downstream value chain where sustainability-related impacts, risks, or opportunities are considered material — for example, in relation to CO₂ emissions and supplier sustainability performance. The Group produces and purchases refractory raw materials from external suppliers whose production generates high CO₂ emissions. These emissions arise from fuel-based and from natural (geogenic) CO₂ emissions released during the processing of mineral raw materials.

Scope 3 emissions are reported for both upstream and downstream activities and include emissions from purchased goods and services, transportation and distribution, fuel- and energy-related activities and the processing of sold products.

Upstream Scope 3 emissions from purchased raw materials and upstream fuel and energy-related emissions are indirect greenhouse gases released during the extraction, production, and transportation of fuels, as well as energy lost during transmission and distribution, before reaching the end-user. These emissions are estimated applying literature emission factors to the Group's fuel-specific energy consumption.

Downstream Scope 3 emissions, including those from transportation and distribution, are also reported. Additionally, emissions associated with the processing of the Group's products by customers. All other Scope 3 categories were assessed as non-significant, each representing less than cumulative 5% of total Scope 1, 2 (market-based) and Scope 3 emissions, in line with the GHG protocol, and are therefore excluded from this report.

The emissions of the Group's customers associated with their activities whilst using refractory products (but not directly arising from the consumption of refractories) are significant, due to the high energy and CO₂ intensity of customer industrial processes. Based on the Group's calculated market share as a refractory supplier to the steel, cement, non-ferrous metals and glass sectors and using estimates for the total global emissions of those customer industries, these customer emissions are estimated to be approximately 1.4 billion tonnes of CO₂e annually. The Group's Scope 1, Scope 2 and Scope 3 gross emissions consolidated 6.3million tonnes of CO₂e in 2025, based on the market-based methodology, i.e. approximately 0.4% of the combined total, if customers' emissions are included in total reported emissions by the Group as indirect use-phase emissions. Through GHG Protocol, ESRS recommends reporting indirect use-phase emissions from the use of sold products when such emissions are significant. However, the Group does not include these indirect emissions in its Scope 3 inventory as it concluded that this recommended guidance is not applicable for the Group for the following reasons:

- No guidelines exist for the refractory industry as to whether such Scope 3 emissions should be reported by refractory producers and which methodologies for recognition and allocation of indirect use-phase emissions would be reasonable and supportable,
- There is a significant likelihood of inaccuracy in estimations and allocations, since a thinkable methodology would be based on top-down estimates by industry and would not take account of possible differences in the carbon footprint of the Group's customers versus other emitters in that industry as it is currently not possible to comprehensively gather data from customers to obtain more accurate estimates of customer emissions, and RHI Magnesita has no control over these emissions which are separately reported and managed by the Group's customers, although the Group does offer products and services aimed at assisting its customers to reduce CO₂ emissions.

RHI Magnesita's assessment of impacts, risks, and opportunities of its upstream and downstream value chain considers factors such as the scale and scope of impacts, stakeholder expectations, financial and reputational risks, and alignment with the Group's strategic priorities. By evaluating the extent and severity of topics across environmental, social, and economic dimensions, the Group ensures a balanced approach to identifying material issues. Moreover, incorporating market trends, regulatory developments, and alignment with global frameworks such as the UN Sustainable Development Goals (SDGs) highlights the Group's commitment to addressing both current and future challenges. An index aligned with the Sustainable Development Goals (SDGs) is provided in the Appendix to this Consolidated Sustainability Statement.

Where relevant, our disclosures, policies, actions and targets extend to both our upstream and downstream value chain. For example, all the principles contained within the Group's Code of Conduct are also included in the Supplier Code of Conduct, which all suppliers are expected to abide by. Similarly, RHI Magnesita's CO₂ emissions intensity target has always included Scope 3 emissions from purchased raw materials since it was first established in 2019. The definition of each sustainability target clearly sets out whether the upstream or downstream value chain is included.

Disclosure requirement BP-2 — Disclosures in relation to specific circumstances

Time horizons

RHI Magnesita applies the short-, medium- and long-term time horizons as defined in ESRS 1, Section 6.4, without deviation.

The short-term time horizon refers to the period in which immediate operational, financial and regulatory impacts may occur and generally covers the current reporting period and up to one year, reflecting short-term business planning and decision-making cycles.

The medium-term time horizon covers impacts, risks and opportunities expected to materialise beyond the short term, typically within a two- to five-year timeframe, aligned with medium-term business planning and transformation initiatives.

The long-term time horizon refers to impacts, risks and opportunities that may arise beyond the medium term, generally beyond five years, and is primarily aligned with the Group's strategic planning, associated with structural developments such as climate change, resource availability and regulatory transformation.

Value chain estimation

When disclosing metrics which include estimation of upstream or downstream value chain data, RHI Magnesita has identified the metrics for which this is the case, described the basis for preparation, included commentary on the resulting level of accuracy and described any possible actions that may be taken to improve accuracy in the future.

Sources of estimation and outcome uncertainty

The following data includes or is based on estimates with accompanying levels of uncertainty.

CO₂ — emissions data is calculated by reference to fuel consumption data or raw material processing quantities, multiplied by emissions factors. Very small operations are estimated based on operational characteristics (e.g. revenue, number of employees). Whilst the methodology has been developed over several years and has been subject to external review and refinement, CO₂ emissions data is by necessity based on assumptions that could be inaccurate.

Other emissions — emissions of other pollutants such as dust (reported as PM10), SO_x or NO_x are based on spot measurements taken periodically and are not continuously monitored. This could result in inaccuracies due to fluctuations in production volumes or other variables throughout the year. For plants for which only total dust emissions data is available, the PM10 share is estimated based on literature values.

Own workforce data including health and safety data — reporting of hours worked and the occurrence of health and safety incidents is reliant on the accuracy of the Group's systems and reporting procedures which cannot be guaranteed to be comprehensive. There is a possibility that health and safety incidents could be concealed, in particular minor incidents.

Supply chain data — any information which is provided in relation to sustainability impacts in the Group's upstream value chain relies on the accuracy of data provided by an external party. Since the Group does not have direct ownership and control the accuracy of data provided cannot be guaranteed and has a wider degree of estimation uncertainty compared to data relating to the Group's core activities.

Forward-looking information — Forward-looking sustainability targets and projections are based on management assumptions, internal models, and external data sources that are subject to inherent uncertainty, as future developments such as regulatory changes, market dynamics, technological progress, and stakeholder behaviour may differ materially from current expectations.

Changes in preparation or presentation of sustainability information

During the reporting year, we updated selected methodologies and underlying assumptions to ensure full alignment with the ESRS requirements under Delegated Regulation (EU) 2023/2772 and with the amended disclosure obligations under Delegated Regulation (EU) 2026/73, which supplements Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). These updates also aim to further enhance data accuracy and consistency.

In addition, we strengthened data collection and consolidation processes. This included the use of updated consumption data, improved system interfaces, and enhanced internal controls to increase reliability and traceability.

Furthermore, we refined estimation approaches and updated emission factors in line with the latest external datasets and regulatory guidance. These adjustments, particularly for Scope 3 emissions, improve the robustness and transparency of the underlying methodology.

These updates include:

Scope 3 emissions

Upstream Scope 3 emissions from purchased raw materials and downstream emissions — including transportation, distribution, and the processing of the Group's products by customers, are estimated and are now reported using the Group's knowledge of raw material production processes together with indicative supplier emission factors.

All other Scope 3 categories related to capital goods, waste generated in operations, business travel, use of sold products, end-of-life treatment, and investments were assessed as non-significant following the introduction of a materiality threshold set at 5% of cumulative emissions across all Scope 1, Scope 2 and Scope 3 emission categories and are therefore excluded from this report. For the materiality assessment 2024 emissions were considered for the immaterial emission categories. The acquisitions conducted in 2025 do not have a significant impact neither on total Scope 3 emissions nor categories classified as immaterial both considering the size of acquisitions and their indirect emissions characteristics.

Pollutants

There has been a change in reporting scope for 2025 compared to prior year, 2024. Only emissions from plants reported which exceed the reporting threshold will be disclosed. The comparative figures were adjusted.

NO_x and SO_x total emissions for the year 2024 are restated as shown in the table below due to changes in consolidation methodologies.

Region ¹	Published		Restatement	
	t NOx	t SOx	t NOx	t SOx
India	262	120	147	–
China & East Asia	143	37	–	–
North America	1616	668	1,615	641
Latin America	6001	331	5,855	283
Europe & CIS	2201	438	1,668	–
Middle East, Türkiye & Africa	–	–	128	–
Total	10,223	1,594	9,413	924

¹In 2025 the Group has re-organised its regional business units as follows:

- created a new 'Middle East, Türkiye and Africa' (META) region, with Middle East and Africa business having previously been included within 'India, West Asia and Africa' and Türkiye previously included in 'Europe, CIS and Türkiye';
- re-named 'India, West Asia and Africa' region to 'India', now focused solely on business activity in India;
- re-named 'South America' region to 'Latin America'; and
- moved Mexico out of the 'North America' region into 'Latin America'.

Other pollutants

Other air pollutants emissions for the year 2024 are restated as shown in the table below due to changes in consolidation methodologies.

t Other air pollutants	Published	Restatement
CO	5,622	4,098
HFC	1.84	1.51
Hg	0.02	0.01
HCl	33	31
Particulate Matter (PM10)	–	122

Own workforce data

Methodological updates were made to Health & Safety disclosures, including refinements to metric definitions including total hours worked; change in the incident rate normalization factor from 200,000 to 1,000,000 hours worked to enhance alignment with ESRS. While absolute incident figures remain unchanged, reported frequency rates are affected due to the revised denominator. Where practicable, prior-period data have been recalculated to ensure comparability.

Changes in Regional Boundaries

We also revised our regional reporting structure to better represent our operational footprint and management responsibilities. This involved reallocating certain entities to new regions and consolidating smaller market clusters into broader functional groupings. These updates were made to ensure that sustainability disclosures accurately reflect our organisational structure and remain consistent with the ESRS 1 reporting boundary.

Specifically, this included the expansion of the former South America region into Latin America through the inclusion of Mexico, previously reported under North America, and the reclassification of Türkiye from Europe into the newly established Middle East, Türkiye and Africa (META) region.

Where regional changes affected how sustainability data—such as workforce or social indicators—were classified, we adjusted prior-year figures where feasible. Restatements are shown at indicator level and explain the change, the metrics affected, and the extent of the revision. Where full retrospective adjustment was not possible, this is noted in the relevant disclosure.

Impact on Comparability

Overall, the changes strengthen the relevance and interpretability of regional insights. However, they may limit comparability with previously reported regional breakdowns. Users are therefore encouraged to consult the accompanying explanatory notes for each revised figure. Where feasible and appropriate, comparative information has been recalculated to ensure consistency across reporting periods. The specific effects on individual KPIs are described within the respective sections of this report.

These updates reflect methodological and process improvements rather than material prior-period error corrections. Their purpose is to further increase the reliability, completeness and clarity of the sustainability information presented.

Restatements and reporting errors in prior periods

Notwithstanding minor corrections to plant emissions and energy data in 2024, there are no material reporting errors relating to prior periods that have been identified while preparing the 2025 Consolidated Sustainability Statement.

EU Taxonomy 2024 — Restatement of Financial Figures

The Total CapEx originally reported has been revised to align with financial statements. Due to this restatement the proportion of CapEx of Taxonomy--aligned--activities changes from the originally reported 1.2% to 2.3%.

Scope 3 emissions 2018 and 2024

Due to updates to methodology and scope, for the years 2018 and 2024, Scope 2 and Scope 3 emissions for specific categories are restated as presented in table below. Comparative figures have been adjusted, accordingly. As a result, total Scope 3 emissions, as well as total Scope 1, 2 and 3 emissions, increased.

Purchased goods and services: Category 1 emissions have been corrected due to consideration of previously unaccounted volumes of purchased goods.

Upstream and downstream transportation: Changes due to improvements in methodology and application of latest transport emission factors.

Fuel and energy-related activities: Changes due to expansion of scope to consider energy consumption from processing of products

Processing of sold products: Scope 3 emissions have been restated for FY 2024 to reflect an enhanced allocation between categories 3.10 (processing of sold products) and 3.11 (use of sold products). In the previous reporting period, emissions attributable to category 3.10 were unintentionally reported under category 3.11. The revised emissions under category 3.11 have been assessed as non-material and the resulting restatement arises from a methodological improvement.

	Published prior period		Restatement	
	2018	2024	2018	2024
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	not applicable	216,000	not applicable	230,000
Significant scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	5,021,000	3,575,000	4,972,000	3,880,000
1) Purchased goods and services ¹	not applicable	2,274,000	not applicable	2,615,000
3) Fuel and energy-related Activities (not included in Scope 1 or Scope 2) ¹	463,000	364,000	559,000	468,000
4) Upstream transportation and distribution ²	457,000	383,000	490,000	412,000
9) Downstream transportation ²	106,000	89,000	190,000	159,000
10) Processing of sold products ²	0	0	223,000	226,000
11) Use of sold products ²	369,000	346,000	0	0
Total GHG emissions				
Total GHG emissions (location-based) (tCO ₂ e)	7,842,000	6,050,000	7,793,000	6,369,000
Total GHG emissions (market-based) (tCO ₂ e)	7,788,000	5,933,000	7,739,000	6,238,000

Scope 1 and 2 – Investees

For investees that are not fully consolidated in the financial statements of the consolidated accounting group, including associates, joint ventures, unconsolidated subsidiaries, and contractual joint arrangements where RHI Magnesita has operational control, the following emissions originally reported for 2024 have been revised to 12t tCO₂e (originally 171 tCO₂e) under Scope 1 and 12 tCO₂e (originally 252 tCO₂e) under Scope 2 market-based.

¹ Revisions resulting from error corrections

² Revisions resulting from methodological changes

Scope 1 – direct biogenic emissions

Direct biogenic emissions originally reported 20,000t tCO₂e have been revised to 28,000 tCO₂e

Health and safety

The number of recordable work-related accidents has been restated due to the inclusion of workers outside the defined S1 reporting scope. The corrected figure reflects only workers within scope.

Total hours worked were not disclosed in 2024 and are now reported to enhance transparency. In addition, the figure reflects a methodology refinement for calculating employee hours and the correction of an error that previously included hours from workers outside the defined S1 reporting scope.

The rate of recordable work-related injuries has been restated to reflect the revised number of recordable work-related accidents and the updated total hours worked.

The Lost Time Injury Frequency Rate (LTIF) for 2024 remains 0.11 following restatement. The numerator was revised due to a refinement of the methodological definition, including the treatment of own workforce fatalities, and the correction of a prior scope allocation error from workers outside the defined S1 reporting scope. The denominator was updated to reflect the restated total hours worked.

The 2018 baseline year for LTIF has not been restated, as it is impracticable to do so due to the unavailability of reliable underlying data.

The 2030 target has been revised from <1.2 to <2.0 per 1,000,000. This adjustment reflects the outcome of a comprehensive reassessment of the underlying health and safety data.

In addition, 2024 can no longer serve as the baseline year due to a reclassification assessment performed during the reporting period. As a result, 2025 will be used as the new baseline year. The 2025 baseline is based on more robust and accurate underlying data following a detailed deep dive into the classification of health and safety cases, ensuring improved data quality, consistency, and comparability going forward.

The 2024 health and safety data have not been retrospectively restated, as a comprehensive reclassification exercise was considered impracticable due to organizational restructuring and related resource constraints. To support comparability, a targeted review and estimation exercise was conducted using the uplift identified in the 2025 review (excluding Resco) as a proxy for the potential reclassification effect in 2024. Based on this assessment, the overall impact is considered immaterial, as it does not affect the reported trends.

	2025	2024
Health and safety restatements		Restatement Published
The number of recordable work-related accidents	204	98 115
Rate of recordable work-related injuries (per 1,000,000 hours)	4.09	1.90 2.03
Total hours	49,938,226	51,611,558 56,774,009

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The Group is subject to certain provisions of the UK Listing Rules, including climate-related disclosure requirements, as well as the UK and Dutch Corporate Governance Codes. To the extent that these provisions require sustainability-related disclosures, such requirements are addressed within this Consolidated Sustainability Statement through reporting prepared in accordance with ESRS and the EU Taxonomy Regulation. Where applicable, cross-references are provided to demonstrate compliance with the relevant UK Listing Rule provisions. No separate or additional sustainability disclosures beyond those required under ESRS and the EU Taxonomy Regulation have been included.

Exemptions and phase-in provisions

No material information has been excluded for reasons relating to intellectual property, know-how or innovation. The exemption from disclosure of impending developments or matters in the course of negotiation has not been utilised.

In accordance with the Quick Fix amendment to Delegated Regulation (EU) 2023/2772, adopted by the European Commission on 11 July 2025 and effective from 10 November 2025, the Group has applied the transitional relief provided therein and has decided not to disclose certain phased-in requirements listed in Appendix C of ESRS 1 in its 2025 Consolidated Sustainability Statement. As a result, the principal phase-in options applied in the current reporting period arise from the Quick Fix provisions, which are intended to facilitate a proportionate and orderly implementation of ESRS requirements. The following phase-in and transitional provisions on Disclosure Requirements, as set out in ESRS 1, are excluded from this Consolidated Sustainability Statement, and the quick-fix provisions have been applied where relevant:

- ESRS E1-9 disclosures regarding anticipated financial effects from material physical and transition risks and potential climate-related opportunities.
- ESRS E2-6 disclosures regarding anticipated financial effects from pollution-related risks and opportunities.
- ESRS E5-6 disclosures regarding anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities
- ESRS S1-7 disclosures regarding non-employee workers.
- ESRS S1-14 88(d) and (e) disclosures regarding health and safety metrics 'number of cases of recordable work-related ill health of employees' and 'number of days lost'.
- ESRS 2 SBM-3(e) related to the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term.
- The transitional provision related to entity-specific disclosures based on the topical ESRS, supplemented by an appropriate set of additional disclosures to address sustainability matters that are material to the Group in its sector.

Governance

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

The following Governance disclosures are incorporated by reference:

Board powers, responsibilities and representation; EMT and delegation of authority; Board composition; Board diversity

Corporate Governance Report, pages 178-205.

Executive Management Team

Corporate Governance Report, page 190.

EMT role in managing and overseeing sustainability impacts, risks and opportunities

The EMT is the primary management body through which initiatives to address sustainability related impacts, risks and opportunities are planned, implemented, and monitored. In 2025, RHI Magnesita revised its Double Materiality Assessment in line with ESRS requirements, reflecting the Group's evolving structure and ensuring that material impacts, risks, and opportunities are assessed comprehensively. The Executive Management Team (EMT) oversees the full DMA process, including the integration of stakeholder engagement insights. The EMT will remain the primary management body responsible for guiding the management of sustainability-related impacts, risks, and opportunities throughout the 2025–2030 period.

The Chief Executive Officer (CEO) is the most senior executive responsible for policy implementation. Policies are formulated with key stakeholder interests in mind and align with the UN Guiding Principles on Business and Human Rights and other internationally recognized standards.

The CEO is also responsible for the overall monitoring and management of sustainability impacts, risks and opportunities. Individual EMT members are responsible for delivery in specific areas as follows:

EMT member	Sustainability impact, risk or opportunity
Chief Financial Officer (CFO)	Risk and opportunity financial modelling ETS allowance purchasing and hedging strategy ESG rating-backed financial instruments Tax incentive programmes Business ethics Sustainability risks Modern slavery reporting compliance
Chief Technology Officer (CTO)	Health and Safety CO ₂ emissions Air emissions Energy Water Waste Biodiversity
Chief Customer Officer (CCO)	Sustainable procurement Supply chain due diligence Supplier Scope 3 emissions Workers in the value chain

EVP People, Projects, Integrations & Recycling

Human Rights
Employee relations
Diversity
Community relations
Recycling
Circular economy

Regional management are responsible for delivery of specific regional sustainability objectives and integration of acquired businesses into the Group's sustainability practices.

Executive management convenes a Sustainability Forum as appropriate to assess progress against targets and align on the delivery of the Group's sustainability objectives.

Controls and procedures are applied to the management of impacts, risks and opportunities at a functional level, with each EMT member receiving regular updates on progress towards targets in their area of responsibility.

EMT skill and experience in sustainability matters

EMT members are skilled and experienced in their individual specialisms as set out above. Since 2019 each EMT member has been tasked with delivery of sustainability related goals and priorities and has therefore gained experience in specific areas which fall within their responsibility. The EMT has access to expertise and skills from specialist staff who are experienced in sustainability matters, from CO₂ certificate trading, Carbon Capture and Utilisation technologies, measurement of air emissions (e.g. NO_x, SO_x, etc.), diversity, equity & inclusion, the use of hydrogen mix in our energy supply and a wide range of other matters, if required.

Process for setting and monitoring sustainability targets

RHI Magnesita's executive management and Board defined its first set of sustainability targets in 2019, based on a 2018 baseline, with achievement planned by 2025. In early 2025, a new set of sustainability targets to be delivered by 2030, with a baseline year of 2024 has been set, reflecting the evolution of its strategy, business footprint, and regulatory expectations. Progress against sustainability targets is monitored monthly by the responsible functions, with year-to-date performance reviewed at each meeting of the Corporate Sustainability Committee.

To achieve the 2030 recycling target of 20%, the Group plans to establish regional recycling hubs as a key implementation lever to scale circular material flows.

Newly acquired businesses have been reflected in the target-setting process, with baseline adjustments applied to ensure comparability. Recycling-related data from these entities is currently excluded, as operational integration and data harmonisation are still ongoing.

The current reporting cycle marks the completion of the first target period and represents a key milestone in the Group's sustainability journey. Significant progress has been achieved over 2018 baseline year, including a strengthened safety culture, the expansion of recycling from an internal performance target to a core element of the business model, a 15% reduction in CO₂ emissions per tonne—equivalent to a reduction of approximately two million tonnes emissions (Scope 1, 2, 3 raw materials)—and further integration of sustainability considerations across the supply chain. These outcomes demonstrate the effectiveness of the Group's target-setting and monitoring processes and provide the foundation for the next phase of ambition towards the 2030 targets.

Tables below present the achievements for both set of RHI Magnesita's sustainability targets 2025 and 2030.

2025 Targets		Baseline Year 2018	Actual 2025	Target Year 2025
Health and Safety	Maintain LTIF at <0.3 per 200,000 hours worked (goal: Zero Harm, No Injuries)	0.43	0.37	<0.3
CO ₂ e Emissions (Scope 1,2,3 raw materials)	Reduce by 15% per tonne of product	1.82	1.54	1.55
Energy	Reduce by 5% per tonne of product	1.92	1.74	1.82
Recycling	Increase use of secondary raw materials to 15%	3.8%	15.9%	15%
Sustainable Supply Chain	Enhancing supplier sustainability management: 66% Spend Coverage	–	64.9%	66%

During the 2025 reporting period, RHI Magnesita delivered its first set of sustainability targets, with some objectives already exceeded ahead of year-end. CO₂e emissions (Scope 1, 2 and upstream Scope 3 raw materials) decreased to 1.54 tonnes of CO₂ per tonne of product, surpassing the target of 1.55 and reflecting the positive impact of increased recycling and operational efficiency measures. Energy intensity improved to 1.74 MWh per tonne, significantly outperforming the target of 1.82. In parallel, the share of secondary raw materials increased to 15.9%, exceeding the 15% target and demonstrating further progress in circularity.

In the area of Health and Safety, the Lost Time Injury Frequency Rate (LTIFR) decreased by 14% compared to the 2018 baseline, demonstrating sustained progress in reducing workplace injuries. However, the year closed with an LTIFR of 0.37, remaining above the target threshold of <0.3. In 2024, the Group launched the Safety Culture Transformation programme aligned with its Zero Harm–No Injury ambition. As anticipated, this initiative led to an increase in reported safety observations and incidents, reflecting strengthened awareness, improved transparency, and a more proactive reporting culture across the organisation. Despite the overall improvement in frequency rates, the year was marked by one fatality resulting from the treatment of a work-related injury.

The Group also advanced its sustainable supply chain programme, achieving a spend coverage of 64.9%, close to the 2025 target of 66%. Building on this progress, continued and focused efforts will support further advancement towards the 2030 target of 80% spend coverage.

2030 Targets		Baseline Year 2024	Actual 2025	Target Year 2030
Health and Safety	Total recordable injuries frequency rate (TRIFR) <2.0 per 1,000,000 hours	n.a. ³	4.09	<2.0
CO ₂ e Emissions (Scope 1,2,3 raw materials)	Reduce by 10% per tonne of product	1.57	1.54	1.41
Energy	Reducing energy consumption by 1% each year (MWh savings)	1.4% (69,744)	0.84% (42,000)	n.a.
Recycling	Achieve combined recycling rate of 20%	14.2%	15.9%	20%
Sustainable Supply Chain – Social	Enhancing supplier sustainability management: 80% Spend Coverage	55%	64.9%	80%

³ The 2030 Health and Safety Target is based on the 2025 baseline Total Recordable Injury Frequency Rate (TRIFR) of 4.09.

RHI Magnesita continued to advance toward its 2030 sustainability targets, which are now disclosed in alignment with the ESRS, showing solid progress in several core areas while identifying specific themes that require renewed focus. CO₂ emissions decreased from 1.57 t/t product in 2024 to 1.54 t/t in 2025, indicating early momentum toward the 10% reduction target for 2030. Recycling performance also overperformed, rising from 14.2% to 15.9%, reflecting the Group's growing capability in circularity. Supply chain sustainability management expanded to 64.9% spend coverage compared with a baseline of 55%. Coverage will slightly decrease in 2026 due to an expansion of scope to also cover the recent acquisitions. Energy consumption continues to follow the Group's ambition of an annual 1% reduction, although progress will need to be monitored year-on-year to ensure continuous improvement.

RHI Magnesita's health and safety performance remains a central focus on the path to 2030, with the TRIFR increasing from 1.90 in 2024 to 4.09 in 2025. This deterioration is explained partially by the Group's safety culture transformation, reflecting more safety observations reporting and a broader engagement of the workforce and partially as a result of a deep-dive reclassification of health and safety data. In this context, the 2030 target has been revised from <1.2 to <2.0 per 1,000,000 following a comprehensive review of the underlying health and safety data. Additionally, 2024 is no longer suitable as a baseline. Accordingly, 2025 has been established as the new baseline year, based on improved data quality and strengthened methodological consistency.

Corporate Sustainability Committee (CSC)

This section is incorporated by reference to the Corporate Governance Report, pages 210–211.

CSC role in managing and overseeing sustainability impacts, risks and opportunities

The Corporate Sustainability Committee (CSC) is the Board committee responsible for overseeing sustainability-related impacts, risks and opportunities. In 2025, the double materiality assessment was reviewed to reflect the integration of newly acquired businesses, in line with ESRS requirements. The CSC oversaw the review process and assessed the outcomes. In November 2025, a Joint Committee comprising members of the CSC and the Audit Committee approved the results of the double materiality assessment review conducted in response to the acquisitions completed during the reporting period.

The CSC monitors progress towards the Group's sustainability targets regularly, using year to date information and full year forecast outcomes. Executives responsible for delivering sustainability targets are invited to present to the CSC at least once per year.

The 2030 sustainability targets were established in 2025 following a detailed review by the Corporate Sustainability Committee (CSC) in November 2024 and subsequent approval by the Board of Directors in February 2025. The revised 2030 health and safety target was formally approved by the CSC in February 2026.

CSC skill and experience in sustainability matters

CSC members are skilled and experienced in their individual specialisms as set out on pages 182–185.

Since its formation in 2019 the CSC has been tasked with supervision of the delivery of the Group's sustainability related goals and priorities and has therefore gained experience in specific areas relevant to those initiatives. The CSC has access to expertise and skills from specialist staff within RHI Magnesita who are experienced in sustainability matters and undertakes site visits once per annum to broaden its specific RHI Magnesita knowledge.

Sustainability governance structure

At Board level, the above-mentioned CSC supports the Board, acting as an advisory body to deliver the long-term sustainability of the business. The CSC monitors performance against relevant KPIs and assesses risks and opportunities associated with climate change, environmental, Health & Safety, stakeholder relations and other ESG risks. They bring their skills and awareness of risks and upcoming topics to guide management in where to direct their efforts.

At EMT level, the CEO is accountable for driving sustainable practices within the organisation and delivering the Group's sustainability targets, supported by the CTO. The CTO actively engages in overseeing and integrating technologies and methodologies across various aspects of our operations. Strategic decisions and technological initiatives contribute significantly to the achievement of the Group's sustainability targets, ensuring that innovation and R&D is aligned with our commitment to sustainability.

Reporting to the CTO, the Global Sustainability Team collaborates closely with the CEO, CTO and CSC to monitor progress against targets, advise on regulatory developments, compile reporting materials and engage with external ratings agencies. A collaborative approach ensures co-ordination with key functional areas such as Health & Safety, environment, sustainable technology and decarbonisation, recycling, finance, risk management and compliance, Group secretary and procurement. This governance framework facilitates a comprehensive and integrated approach to sustainability.

At the operational level, plant managers and Regional Presidents are accountable for the day-to-day performance of the Group's assets, including delivering progress towards sustainability goals. Regional Presidents report to the Chief Customer Officer who in turn reports to the CEO.

This governance structure combines transparency and accountability with functional expertise.

Board skills and experience

This section is incorporated by reference to the Corporate Governance Report, pages 182–185.

Disclosure requirement GOV-2 — Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

How CSC is informed about impacts, risks and opportunities

This section is incorporated by reference to the Corporate Governance Report, pages 210–211.

How Board considers sustainability related impacts, risks and opportunities

The Board is the supervisory body which considers sustainability impacts, risks and opportunities when assessing strategic decisions, such as major transactions, and in its semi-annual assessment of principal and emerging risks. Trade-offs between potentially conflicting impacts, risks and opportunities are considered for example, when, in pursuing an acquisition-led growth strategy the Board assesses the executive management's assessment of the potential impacts and opportunities in sustainability performance of each new acquisition, such as the potential to increase the use of secondary raw materials, but also the possibility that there could be an impact on the Group's carbon emissions with the asset's energy profile or age of equipment. Management provides this assessment following an extensive due diligence process and provides a risk-based analysis based on their findings from the review of documents provided by the asset and from management's assessment from their visits to the target plants. Where specialist third-party support has been required in due diligence, their findings are also included. These risks are provided to the Board with associated mitigating actions. The Board assesses the information provided by management on the risks and opportunities during a transaction in the pursuit of a broad range of objectives and decides to proceed on the balance of the best interest for the Group and its stakeholders.

On a more routine basis, the Board are updated on at least an annual basis as part of the strategy session on the progress against the sustainability targets. The annual budget comprises sustainability-related spending and the Board considers this twice per annum in its agreed schedule. In every Annual Report, which is signed off by the Board, since the targets were set, progress against the targets has been reported upon. In the course of delivering their duties as effective Directors, (each Annual Report covers the Board performance reviews which have found them to be effective, including external assessments of the Board) the Board has engaged with these updates and challenged management on the measurement and progress, as appropriate. This discussion leads to actions for management to bring further updates on sustainability performance. As part of the Matters Reserved to the Board (available on our website) and Delegation of Authority framework, the Board reserves matters to itself based on certain characteristics and thresholds which have included sustainability-related investments and entry into ESG ratings-linked financial instruments and therefore management brings these items for discussion and approval. While considering routine matters such as entry into contracts with customers or suppliers, the sustainability targets and the work of the CSC within its established scope, have meant that the Board ensures it receives detail about the effect that such a contract would have on the Group's progress in sustainability and the impact on performance against the aforementioned targets.

The Corporate Sustainability Committee (CSC) receives regular updates at each of its meetings on progress against the sustainability

targets, in line with its terms of reference, which require a minimum of three meetings per year. These updates are provided through a structured agenda approved by the Committee and aligned with its defined responsibilities.

The Remuneration Committee also receives regular updates on progress against incentive-related targets, including sustainability metrics, as outlined on pages 218–236. Both committees report on these matters to the Board at the meeting following their respective sessions.

Sustainability specific risks are assessed separately and submitted to the principal risk assessment process via the CSC. The Board ranks sustainability specific risks alongside other risks to the business based on the likelihood of occurrence and potential financial or reputational impact.

The material impacts, risks and opportunities addressed by the CSC, the Board and the Executive Management Team (EMT) encompass those identified through the double materiality assessment, which was reviewed in 2025. In addition, the CSC, the Board and the EMT reviewed the following sustainability topics in detail:

- Health and safety of the Group's own workforce
- Recycling and circularity
- Sustainable procurement, including modern slavery risks
- Transitional and physical climate-related risks
- Sustainability governance and oversight
- Carbon capture and utilisation
- Regulatory and policy developments
- Assurance of sustainability-related data
- Energy and CO₂ markets

- Stakeholder perspectives, including customers, employees, investors and suppliers
- Community engagement and relations
- Organisational diversity
- Use of renewable energy
- Target setting, monitoring and performance measurement
- Capital allocation to sustainability initiatives
- Decarbonisation strategy
- Low-carbon product strategy
- Use of hydrogen and other alternative fuels

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

Given sustainability is a core element of RHI Magnesita's strategy, and, given its relevance to Group's sustainable growth, the Board has been keen to ensure it is part of the incentivisation of management and for several years the Group's remuneration approach has included sustainability targets, particularly focusing on those relating to our carbon footprint.

The Group is responsive to feedback from investors and customers on such topics and incorporates their views as inputs to the Group's sustainability approach. The CSC supports the Board with its deliberations on sustainable initiatives, target and investments and supports the Remuneration Committee with priorities to be incentivised.

The Remuneration Committee's responsibilities include the development of a reward package for Executive Directors and senior managers that supports the delivery of RHI Magnesita's vision and strategy as a Group, and to ensure the rewards are performance-based, encouraging long-term shareholder value creation, and taking account of the remuneration of the wider workforce. The Non-Executive Directors of the Board do not receive incentive-based remuneration; their remuneration is an annual fixed fee, and no share-based payments are made. Our Employee Representative Directors are remunerated on the basis that they are employees of the Group and therefore they participate in the incentive schemes of the Group to the extent they are eligible as employees. This topic is presented on pages 218–236 of the Remuneration Report.

Annual bonus

In 2025, Executive Directors' maximum annual bonus opportunity remained at 150% of salary with performance assessed against Adjusted EBITA (40%), Adjusted operating cash flow (25%), strategic initiatives (25%) and use of SRM (10%). The bonus criteria are identical for all eligible employees and not just the Executive Directors.

Long-term incentive plan (LTIP)

In 2025, the Remuneration Committee reviewed the performance measures for LTIP as it does on an annual basis and agreed to continue to dedicate a quarter of the award to CO₂ emissions performance conditions.

The structure of the 2025 LTIP will therefore be as follows for the performance period 1 January 2025 to 31 December 2028:

- 50% of the award: Adjusted Earnings Per Share
- 25% of the award: ROIC
- 25% of the award: Reduce CO₂ emissions per tonne (against actual 2024)

Disclosure requirement GOV-4 — Statement on due diligence

List of information provided on the due diligence process

Core elements of due diligence	Reference in the Sustainability Statement or in the Annual Report
a) Embedding due diligence in governance, strategy and business model	Risk Management pages 37–39 Internal Controls pages 40–41 Code Compliance pages 203–204 Gov-1 Management Responsibilities page 73 Gov-1 Oversight of Sustainability Matters – Impacts, Risks and Opportunities page 73. Gov-2 Sustainability Matters addressed by Management page 77 Gov-3 Incentive Schemes – Remuneration Report page 78 SBM-3 Double Materiality Assessment (DMA) pages 82–96
b) Engaging with affected stakeholders in all key steps of the due diligence	Our Stakeholders pages 20–27 Internal Controls pages 40–11 Gov-2 Sustainability Matters addressed by Management page 77 IRO-1 DMA Process page 92 Whistleblowing page 198 Board workforce engagement page 198
c) Identifying and assessing adverse impacts	SBM-3 Double Materiality Assessment (DMA) pages 82–96 SBM-3 DMA Results pages 83–96 SBM-3 DMA Process pages 96–99
d) Taking actions to address those adverse impacts	Internal Controls pages 40–41 E1-3 Climate Change Actions pages 121–122 E2-2 and E2-4 — Actions against pollution and pollution control page 135 E5-2 Managing impacts on Resource Use and Circular Economy page 141 S1-4 Managing impacts on Own Workforce page 147 S2-4 Managing impacts on Workers in the Value Chain pages 160
e) Tracking the effectiveness of these efforts and communicating	Internal Controls Pages 40–11 Board effectiveness Page 201

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

The main mitigation of strategies and controls employed by the Group to ensure the accuracy of sustainability data includes the use of reporting manuals, training for key personnel, multiple internal review processes during the preparation of sustainability information and periodic reviews by the Group's internal audit function to identify opportunities for improvement.

An internal audit was undertaken of the Group's sustainability reporting processes in 2023 which concluded in September 2023 and made the observations set out in the table below.

Observation	Action	Status December 2025
Implications of acquisitions not fully considered for global KPIs and sustainability targets	ESG reporting included in M&A integration process	Closed
Lack of knowledge and minor data inaccuracy identified for samples tested	Process manual and job description updates, training, additional reviews	Closed
Weaknesses in the technical setup of the system to measure health and safety KPIs	Update and improve reporting software	Closed
Methodology to measure NOx emissions not reliable	Consider alternative measurement method	Closed
Risks to comply with future legal requirements for human rights legislation	Assignment of new roles and responsibilities internally in line with requirements of new legislation	Closed
Current targets related to People & Culture potentially not sufficient	Review diversity targets, previously focused only on gender	Closed

The Group has established internal control and risk management processes to ensure the reliability of sustainability reporting. During the 2025 reporting period, sustainability reporting risks were reassessed using the Group's established risk management methodology, including an evaluation of likelihood and potential impact. The methodology applied, including risk impact and likelihood definitions, is aligned

with the framework used for the Group's general risk register, which supports the identification and assessment of principal and emerging risks.

The highest risks identified in the 2025 risk assessment relate to the reporting of data on workers in the supply chain, in particular the completeness and reliability of information on workforce and health and safety. These risks are considered to remain within the Group's defined risk appetite, although they are subject to close monitoring due to the potential for escalation if not adequately managed.

The resulting risks were integrated into the Group's sustainability risk register and used as an input to the double materiality assessment. The effectiveness of the related controls and risk assessments is reviewed on a regular basis and updated as appropriate to reflect changes in reporting requirements, business activities and regulatory expectations.

The Group's risk appetite for sustainability matters is as follows:

- Environment and climate — HIGH
- Health & Safety — AVERSE
- Regulatory and compliance — AVERSE

As part of the Group's continuous refinement of its risk management framework, the risk appetite for environment and climate was reviewed during the July 2025 Board meeting. The Board approved an adjustment from moderate to high, reflecting the strengthened control environment, the clearly defined measures and milestones underpinning the feasibility of the 2030 climate targets, and the positive progress expected for 2025. This change in risk appetite signals the Group's increased readiness to pursue environmental and climate initiatives while operating in an emission-intensive industry. It does not imply any tolerance for non-compliance; the Group maintains a strict zero-tolerance approach to breaches of environmental or climate-related requirements.

The findings of the risk assessment process and internal controls are integrated into the annual process that is carried out for the purpose of reporting sustainability data in the Group's Annual Report and Accounts. The Global Sustainability Team, relevant functional heads and functional reporting teams apply the methodology set out in the reporting manual for each area to ensure standardised and accurate reporting across the Group.

Internal audit reports and risk assessments relating to sustainability reporting are submitted to the Audit & Compliance Committee and the CSC for consideration. These Committees hold a joint session annually for this purpose, which was held on November 24, 2025. An extraordinary session on internal controls was held on 12 January 2026.

Disclosure requirement SBM-1 — Strategy, business model and value chain

Strategy

RHI Magnesita's strategy aims to secure long-term competitiveness and sustainable value creation in an increasingly complex global environment. In 2025, the Group refined its strategic direction as part of the transition to the 2035 strategy cycle, building on its established pillars of competitiveness, business model expansion, and targeted growth through acquisitions.

The updated strategy is anchored in three levers:

Portfolio enhancement: expanding and innovating the product and solutions offering to create more value for customers.

Performance excellence: improving productivity and resilience through digitalisation, an optimised footprint, and disciplined cost management.

Planet engagement: advancing circularity and decarbonisation technologies and supporting customers on their path to lower-carbon production.

These levers build on the Group's progress in recycling, network optimisation, raw material strategy, and technology development. They also reflect the increasing importance of sustainability performance for customers, regulators, and stakeholders. Health, safety and people engagement remain fundamental enablers of the strategy, supporting strong execution and long-term growth.

Through this strategic framework, the Group aims to strengthen competitiveness, drive operational excellence, and reinforce its role as a leading provider of sustainable solutions across the refractory value chain.

Business model

RHI Magnesita is a global supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers worldwide and employs more than 20,000 people across over 65 production sites, more than 20 recycling facilities and over 70 sales offices. The Group operates 12 raw material sites, including 7 key mines located in Austria (3), Brazil (1), China (1), Türkiye (1) and the United States (1).

In the production of refractories, raw materials are blended and combined with chemical additives to be sold as mixes, or subject to further processing into shaped refractory products. Shaped refractory bricks are pressed into different sizes and shapes depending on the specific application, employing pressures of up to 3,200 tonnes. After pressing, shaped refractory bricks are tempered at temperatures of up to 350°C and may be further subjected to firing at 1,800°C in tunnel kilns for several days.

Unfired products are primarily used in the steel industry, whilst the main applications for fired products are in the cement, non-ferrous metals, process and mineral industries.

The Group's comprehensive product range and expertise enable it to offer solutions contracts to customers who are seeking to improve production efficiency and reduce their costs and environmental impacts, and this service offering is one of RHI Magnesita's key differentiators. Under a solutions contract RHI Magnesita is paid a fixed price per unit of customer production, initially offering a saving to the customer versus their prior level of refractory operating expenses. Over time the Group can deploy more advanced products and technical expertise to reduce refractory usage or increase productivity by other means over the five-to-seven-year life of the contract. Solutions contracts are usually renewed upon expiry with revised productivity goals for the subsequent period.

Innovation, research and development are essential drivers of success in the refractory industry. Refractory products are highly customised for individual customer applications, often representing many years of iterative improvements tailored to specific customer environments. Development of new technologies requires careful testing and trials at pilot scale and in live production environments, without impacting customer results.

Value chain

RHI Magnesita's value chain starts with the input of refractory raw materials which are sourced from the Group's own raw material assets or purchased on the open market. The key raw materials produced or purchased are magnesite or dolomite based (basic) or alumina-based ('non-basic'). The production of basic raw materials involves the mining and extraction of raw magnesite or dolomite followed by high temperature processing in either rotary or shaft kilns to calcine the material produce refractory raw materials. The calcination process is primarily fuelled using fossil fuels such as natural gas, fuel oil or petcoke. RHI Magnesita has no alumina-based raw material production assets. Raw materials are increasingly sourced through the recycling of reclaimed refractories which go through a process of sorting, crushing and washing prior to re-use.

The purchase of refractory raw materials represents the largest proportion of the Group's cost of goods sold, followed by personnel costs, energy, freight and other consumable items such as packaging.

The core production processes for refractory products are as follows:

- Unshaped refractory products — milling, floating, briquetting, screening and sieving.
- Shaped refractory products — moulding, pressing, drying, tempering, firing, heat treatment, finishing; and
- Isostatically pressed products — pressing, curing, machining, glazing, firing, heat treatment, assembly, finishing.

Supporting processes to the core production process include logistics, quality control, research & development and information technology.

The Group's products are purchased by industrial producers who require refractories to protect equipment during high temperature production processes. At the end of the useful life of a refractory lining, the Group seeks to partner with its customers to reclaim as much residual waste as possible for re-use in the refractory production process.

Significant products and services offered

Significant products offered by the Group are:

- Shaped refractory products;
- Unshaped refractory products;
- Other refractory products;
- Systems, sensors, machinery and digital products; and
- Raw materials.

Refractory services are also provided, either as ad hoc additions to the provision of refractory products or via a full solutions contract, according to customer preference.

No significant new products or services were added or removed during the reporting period. Please refer to the Note 5, Segment reporting on page 261 of this Annual Report for further details.

Significant markets and customers served

The Group's customers are producers of steel, cement, lime, non-ferrous metals, glass, energy, chemicals and waste processors. The end markets served by the Group's customers are the construction, transportation, machinery, electronics and consumer goods and energy sectors.

Banned products

None of the Group's products are banned from use in any geography.

Business relationships along the value chain

Understanding the business ecosystem requires a comprehensive analysis of the key stakeholders and their respective roles across different stages of the value chain. The following outlines the primary business actors involved in upstream, core, and downstream operations and their interdependent relationships.

Upstream business actors

In the upstream segment, the Group relies on essential partners to secure resources, drive innovation, and ensure compliance. Key business actors include:

- Suppliers — Provide raw materials, components, and services necessary for production and operations.
- Contractors — Deliver specialised expertise and support in areas such as infrastructure, logistics, and development.
- Innovation Partners — Collaborate on research and development initiatives to enhance product and process efficiencies.
- Regulators — Oversee industry compliance, ensuring adherence to legal and sustainability standards.
- Employees — Contribute to operational efficiency, knowledge transfer, and corporate growth.

Core Business Actors

At the core of business operations, RHI Magnesita engages with critical stakeholders who influence corporate strategy, innovation, and governance. These include:

- Innovation Partners — Drive technological advancements and co-create value through research and strategic alliances.
- Investors/Shareholders — Provide financial capital, influence decision-making, and ensure long-term business sustainability.
- Regulators — Enforce compliance with industry standards, corporate governance, and environmental policies.
- Employees — Form the backbone of the organisation, driving productivity, corporate culture, and innovation.
- Communities — Represent the broader societal impact of business activities, influencing corporate social responsibility (CSR) initiatives.

Downstream Business Actors

In the downstream segment, the Group engages with partners who facilitate market access, service delivery, and regulatory compliance. These include:

- Customers — Serve as the end recipients of products and services, shaping demand and market trends.
- Contractors — Support the distribution, marketing, and after-sales processes to ensure operational efficiency.
- Regulators — Monitor business practices, ensuring ethical, financial, and environmental accountability.
- Employees — Play a crucial role in customer service, brand representation, and operational continuity.

Disclosure requirement SBM-2 — Interests and views of stakeholders

This section is incorporated by reference to "Our Stakeholders" section, pages 20–27.

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

RHI Magnesita's material impacts, risks and opportunities arise across the upstream, core and downstream stages of its value chain and are closely linked to the Group's energy- and resource-intensive business model. In the core operations, including mining, processing and high-temperature manufacturing, the Group is exposed to climate-related impacts and risks associated with greenhouse gas emissions, energy use, evolving regulatory requirements and the need for continued investment in decarbonisation technologies. These activities also give rise to occupational health and safety risks inherent to industrial and site-based operations. In addition, potential human rights impacts related to the Group's own workforce may arise in connection with working conditions, health and safety standards, equal treatment and non-discrimination. These risks are managed through established governance frameworks, policies and internal controls aligned with applicable labour and human rights standards.

In the upstream value chain, impacts and risks are primarily linked to the sourcing of raw materials and the use of contractors and suppliers. These relationships expose the Group to Scope 3 emissions and to potential labour-related and human rights impacts, including health and safety and forced labour incidents, particularly in regions where the Group does not have direct operational control. These topics are addressed through supplier due diligence processes, contractual requirements and ongoing monitoring mechanisms.

Child labour has been assessed as not material for the Group in relation to both its own workforce and value chain workers. For the own workforce, risk exposure is considered low due to the Group's formal and regulated operating model, limited presence in high-risk geographies, the absence of recorded cases, and established controls such as formal recruitment procedures and mandatory identity verification processes. Within the value chain, elevated child labour risks are typically associated with agriculture and artisanal or informal mining

activities. The Group predominantly sources raw materials from industrial and formalised suppliers operating within regulated environments. Interrelated risks, including forced labour, are addressed through established due diligence processes and are disclosed annually in the Group's Anti-Slavery Statement. Based on this assessment, child labour is not considered material at the reporting date.

In the downstream value chain, RHI Magnesita faces both risks and opportunities driven by customer demand and market developments. The Group's refractory products enable efficient heat management, increased recycling and lower emissions in customer processes, creating opportunities linked to climate change mitigation, circularity and the growing demand for low-carbon solutions. At the same time, failure to meet decarbonisation expectations or sustainability targets could result in increased costs, reputational impacts and reduced market competitiveness.

Overall, these impacts, risks and opportunities influence the Group's cost structure, investment decisions, revenue potential and long-term resilience and are therefore integral to the ongoing development of RHI Magnesita's strategy and business model.

The material impacts, risks and opportunities described below are based on the outcomes of the Group's double materiality assessment conducted in line with ESRS requirements (see ESRS 2 IRO-1).

The full double materiality assessment process is described in IRO-1. As the operating environment, regulatory landscape and stakeholder expectations evolve, the outcomes of the double materiality assessment and the due diligence process may change over time. Therefore, the Consolidated Sustainability Statement and material impacts, risks and opportunities identified may be subject to future updates.

Topic	Sub-topic	IRO type	Value chain	IRO description	Policy	Time horizon	Action	2025 target	2030 target
ENVIRONMENT									
E1 Climate change	Climate change mitigation	Positive impact	Core, Downstream	1. Avoided emissions through optimised heat management	IMS policy	All time horizons	✓		
		Positive impact	Downstream	2. Saved emissions through usage of recycled raw materials	IMS policy	All time horizons	✓		
		Negative impact	Upstream, Downstream	3. Scope 3 CO ₂ emissions from purchased raw material, use of sold products and transport	IMS policy	All time horizons	✓	✓	✓
		Negative impact	Core	4. Scope 1 CO ₂ geogenic process emissions	IMS policy	All time horizons	✓	✓	✓
		Negative impact	Core	5. Scope 1 CO ₂ fuel based emissions	IMS policy	All time horizons	✓	✓	✓
		Opportunity	Downstream	6. Increased demand for refractory products that enable decarbonisation of customer industries (EAF, ESF, BOF, DRI)	IMS policy	Medium-long term	✓		
		Opportunity	Core, downstream	7. Increased demand for low carbon footprint refractory products	IMS policy	Medium-long term	✓		
		Opportunity	Core	8. Decrease in costs or increase in revenue through use of new technologies to reduce or capture CO ₂ emissions from refractory production in ETS zones	IMS policy	Medium-long term	✓		
		Risk	Core	9. Increase in operating or capital expenditures due to changes in policy and regulation	IMS policy	Medium-long term	✓		
		Risk	Upstream, Core, downstream	10. Increase in operating expenditure and reputational damage if decarbonisation pathway not delivered	IMS policy	Medium-long term	✓		
	Energy	Negative impact	Core	11. Scope 2 CO ₂ emissions from energy consumption	IMS policy	All time horizons	✓	✓	✓
		Risk	Core	12. Reputational damage if energy reduction targets not achieved	IMS policy	Short-medium term	✓		
E2 – Pollution	Pollution of air	Negative impact	Core, Downstream	13. Air pollution from industrial processes	IMS policy	All time horizons	✓		

E5 — Re-source use and circular economy	Resource inflows, including re-source use	Positive impact	Upstream, Core, Downstream	14. Efficient use of raw materials and resources including the use of recycled materials	IMS policy	All time horizons	✓	✓	✓
		Opportunity	Downstream	15. Recycling non-refractory materials creates new revenue streams and broadens market reach	IMS policy	Medium-long term	✓	✓	✓
SOCIAL									
S1 — Own workforce	Health and safety	Negative impact	Core	16. Workplace safety incidents in own workforce	IMS policy	All time horizons	✓	✓	✓
	Forced labour	Potential negative impact	Core	17. Incidents of forced labour in own workforce	Human rights policy	All time horizons	✓		
	Working conditions	Risk	Core	18. Reputational damage if health and safety targets not achieved	IMS policy	Short-medium term	✓		
S2 — Workers in the supply chain	Health and safety	Negative impact	Upstream	19. Workplace safety incidents in supply chain	Supplier code of conduct	All time horizons	✓		
	Forced labour	Potential negative impact	Upstream	20. Incidents of forced labour in supply chain	Supplier code of conduct	All time horizons	✓		
GOVERNANCE									
G1 — Governance	Corruption and bribery	Risk	Upstream, Core, Downstream	21. Fraud and corruption in various forms	Code of conduct, Anti-corruption policy	Short-medium term	✓		

- Corruption and bribery were not deemed to be a material impact, risk or opportunity by the Group's DMA, but was added following stakeholder engagement.

Avoided emissions through optimised heat management

Positive impact

RHI Magnesita's comprehensive product range and expertise enables it to offer heat management solutions contracts to customers who are seeking to improve production efficiency and reduce their costs and environmental impacts. Heat management solutions encompass a range of technologies and strategies designed to prevent overheating, improve energy efficiency, reduce costs, and extend the lifespan of equipment. The Group's customers include industrial producers in the steel, cement, metals and glass sectors with high energy usage and associated CO₂ emissions. Improvements in refractory performance can often lead to significant energy savings and therefore avoid CO₂ emissions. For example, refractory linings or functional products with a longer service life can extend periods of continuous operation, improving asset utilisation for the customer, reducing the impact of downtime and energy loss during warming and cooling phases.

The ability to deliver production efficiency gains to customers is a key focus of the Group's strategy which requires the provision of a full range of refractory products and services to a global customer base. RHI Magnesita has adopted its strategy to seek to increase the proportion of its revenue from solutions contracts. Significant capital has been invested in M&A to strengthen the Group's presence in previously underrepresented geographies and product segments. These investments directly support the expansion of the solutions contract offering, which was consolidated and relaunched under the 4PRO brand in 2024. We saw a strengthening of our 4PRO program in 2025 laying a solid framework for a healthy pipeline of new and improved 4PRO contracts for 2026.

The positive impact from avoided emissions occurs both in the Group's core operations and in its downstream value chain. The Group can (i) service customer needs whilst using lower volumes of refractories; and (ii) deliver efficiency gains such as energy and emissions savings at customer sites.

RHI Magnesita intends to continue to offer heat management solutions and has a target to increase the proportion of revenue derived from these contracts. Solutions contracts are highly valued by many customers and result in a higher proportion of repeat business since they are usually renewed on expiry. Margins can also be higher over the full life of a contract. The Group is developing new advanced products and services to further improve its solutions contract offering and bring further efficiency gains for its customers. Allocation of capital to R&D spending is intended to continue the Group's leadership position in this area.

Avoided emissions have an immediate positive impact on people and the environment through avoiding the release of CO₂ to the atmosphere which would otherwise occur. The positive impact of avoided emissions originates from the Group's business model to offer heat management solutions and results from changes to its own activities and from business relationships with its customers.

The Group has demonstrated its capacity to address the opportunity of offering heat management solutions by increasing the proportion of revenue derived from such contracts. The contribution from solutions contracts has recently reduced, mainly because of M&A, therefore creating the opportunity to increase revenue from such contracts in the future.

Avoided emissions resulting from optimised heat management solutions are entity specific and not covered by a specific ESRS disclosure requirement. The Group intends to develop KPIs and disclose in future in line with phase-in requirements.

Saved emissions through usage of recycled raw materials

Positive impact

RHI Magnesita can significantly reduce its CO₂ emissions through increasing the use of recycled raw materials. Each tonne of recycled material used saves approximately 1.6 tonnes of emissions compared to the CO₂ intensive process of extracting and processing fresh raw material. The use of recycled materials improves local raw material availability and self-sufficiency and, in some cases, can result in cost savings compared to freshly mined material.

The Group will use the recycling rate KPI to measure and enhance resource efficiency and circular economy integration, as increasing the use of recycled raw materials is a core part of its strategy to lead in sustainability within the refractory industry, driving significant developments in its business model.

Historically, recycling rates for refractories in the refractory industry were low (4%) due to reduced performance levels for finished products containing reclaimed materials. RHI Magnesita developed new sorting and cleaning processes to solve this technology challenge and has now demonstrated in real-world applications that high quantities (up to 96%) of recycled materials can be incorporated into refractory products without compromising performance. R&D activities are ongoing, and further technical progress is expected to increase the efficacy of recycled material utilisation, while parallel process improvements support gains in operational efficiency.

After proving the new technology, the Group allocated capital to acquisitions of recycling companies including the joint venture established with Horn & Co., MIRECO in 2022, the acquisition of Refrattari Trezzi in 2024 and BPI in 2025 which have increased availability of reclaimed material. Further acquisitions of recycling companies in other geographies are under consideration. We aim to increase our sorting yield through automatic sorting machines. Achieving higher recycling rates requires developing a closer partnership with customers to optimise the process of breaking out and collecting waste refractories at customer sites. Increased precision in sorting and reducing the time between break out and recycling into new products leads to a higher recycling yield. The Group's solutions contract offering is the ideal platform to offer this partnership to customers and recycling of residual material now forms an important part of the '4PRO solutions offering. There is a significant strategic opportunity to roll out recycling activities globally.

The benefits of recycling are realised in the Group's core activities and in its upstream and downstream value chains. In the upstream value chain, the use of recycled raw materials displaces the quantity of refractory raw materials that must be purchased from external suppliers, reducing Scope 3 CO₂ emissions and all other environmental impacts of extracting, processing and shipping virgin material. Within the Group's core activities recycled materials may sometimes be obtained at lower cost compared to purchased raw materials. Materials are generally locally sourced, which reduces freight costs and emissions from transportation whilst shortening the supply chain, with potential for working capital benefits. In the downstream value chain the Group's customers derive significant waste management and circular economy benefits as refractory waste would otherwise have to be disposed of and would usually go to landfill, incurring additional costs.

RHI Magnesita has responded to the benefits of recycling by investing in the technology, infrastructure and changes to its business model necessary to take full advantage of the opportunity. In the near-term recycling rates have been diluted by the addition of multiple new acquisitions to the Group, with lower levels of recycling usage compared to the Group average. However, further investments in new sorting technologies and a global roll-out of recycling are underway and are expected to deliver further benefits in the short and medium term.

RHI Magnesita's collaboration with Stahlwerk Thüringen demonstrates how circular high-alumina additives and improved slag engineering can strengthen greener steel production. The trials showed that replacing conventional fluxes with recycled materials, maintained desulphurisation performance while reducing costs and carbon emissions. Although the shift to circular inputs requires precise process control, the environmental and economic benefits highlight the strong potential of this approach for more efficient and sustainable steelmaking.

In the future, use of recycled materials within the Group's raw material processing kilns offers the potential to reduce geogenic emissions which would otherwise incur a CO₂ allowance cost within the EU ETS framework and later CBAM which is expected to be implemented over the period 2026–2034. Incorporating high proportions of recycled raw materials into finished refractories enables the Group to offer lower carbon footprint refractories to its customers. This product range is expected to deliver market share gains or a pricing premium as customers seek to address their Scope 3 emissions from refractory usage, as set out in opportunity (7) "Increased demand for low-carbon footprint refractory products", below. In the long-term, recycling rates have a natural ceiling since refractories are largely consumed during use and only residual materials can be reclaimed.

For 2025, the CapEx budget for recycling is set at €1.9 million, prioritizing circular raw materials processing and the integration of innovative technologies to improve operational efficiency. Beyond 2025, the focus will be on expanding in the refractory circular minerals market

outside Europe, leveraging CapEx and M&A to drive growth and market presence. RHI Magnesita will continue to invest in organic and inorganic projects to increase its recycling activity so long as such investments are calculated to deliver an attractive return on capital compared to other investment opportunities available to the Group. Sufficient financial and organisational capacity exists to support further development of recycling and therefore the Group has sufficient capacity to address this opportunity. The future potential positive impact on equity value of this opportunity is ca. €537 million.

Recycling is covered by topic "E5 — Resource use and circular economy" and sub-topic "Resource inflows, including resource use" and further information on recycling performance is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Scope 3 CO₂ emissions from purchased raw material, fuel- and energy-related activities, processing of sold products and transport **Negative impact**

Refractory production is a CO₂ intensive activity and is a 'hard to abate' industry. Raw material processing generally uses fossil fuels for ignition and burning of carbonate rock, which results in significant geogenic CO₂ emissions. These geogenic emissions are classified as Scope 1 when resulting from the Group's own production or Scope 3 in the case of externally purchased raw materials, occurring in the upstream section of the value chain. Scope 3 emissions from purchased raw material represented 43% of total Group CO₂ emissions in 2025 (2024: 34%).] The use of fuels and electricity results in indirect upstream emissions from the sourcing, processing and transportation.

In the downstream section of the value chain, certain finished refractory products need to be heated up at the customer prior use. This results in additional Scope 3 CO₂ emissions in the downstream value chain. Scope 3 emissions are also generated in the shipping and distribution of refractory products to customers worldwide.

The Group is aware of the relatively high CO₂ intensity of its business relationships with raw material suppliers and emissions from the transportation of raw materials and finished goods. Such emissions are recognised to have an impact on people and the environment through contributing to climate change over the medium and long-term and the Group has therefore sought to adapt its strategy and business model to reduce this impact to the greatest extent as is sustainably possible.

Scope 3 emissions from purchased raw material usually arise in regions where carbon emissions costs are currently not incurred but may attract a cost penalty in the future, for example in the case of raw materials imported into Europe after the implementation of CBAM.

The strategy and business model has been adapted to reduce Scope 3 emissions from purchased raw material by (i) replacing raw material which would otherwise be purchased externally with recycled raw materials; (ii) prioritising raw material suppliers with lower CO₂ footprints; (iii) engaging with raw material suppliers to help them to reduce the CO₂ footprint of their operations; and (iv) pursuing technological solutions to decarbonise the Group's own raw material production facilities which can then be utilised in favour of externally purchased raw material from high CO₂ emitting suppliers in the future.

Scope 3 emissions from shipping and distribution are unavoidable so long as raw material and finished goods movements are required and transport methods used by the Group (shipping, road and rail) utilise fossil fuels as a primary energy source. However, the extent of raw material and finished goods movements can be reduced through the implementation of the Group's 'local for local' production strategy, which seeks to increase self-sufficiency of its regional hubs, reducing reliance on imports and thereby decreasing the number of freight movements or reducing distance travelled. The Group is currently investing in an upgrade of its logistics and supply chain planning systems which is expected to generate further efficiencies in this area.

Through the above responses the Group has demonstrated its capacity to act to address the impact of Scope 3 emissions and further opportunities exist to further reduce such emissions. However, compared to other actions that the Group is able to take to address its overall CO₂ emissions, Scope 3 emissions from purchased raw materials are one of the areas over which management has the least control and influence since this will ultimately require the decarbonisation of suppliers who may not be willing, able or incentivised sufficiently to act.

As part of the Group's decarbonisation commitment, RHI Magnesita has undertaken to (i) lobby governments to invest in the necessary infrastructure to decarbonise the refractory industry and other energy intensive industries; and (ii) work with partners in the private sector to develop new renewable energy solutions, hydrogen energy networks and carbon capture and utilisation technologies which will be applicable to its upstream suppliers of raw materials.

To monitor this topic, the Group will use as a KPI, Scope 3 emissions associated with purchased raw materials, processing of sold products, and transport, to track progress in reducing its carbon footprint.

Scope 3 emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Scope 1 CO₂ geogenic process emissions **Negative impact**

Scope 3 emissions from purchased raw material represented 43% of total Group CO₂ emissions in 2025 (2024: 34%). Raw material processing generally uses fossil fuels for ignition and burning of carbonate minerals such as magnesium carbonate (magnesite) or calcium magnesium carbonate (dolomite), which results in significant geogenic CO₂ emissions. Approximately half of the mass of raw magnesite and dolomite prior to burning is oxidised and emitted as CO₂ during raw material processing. These geogenic emissions are classified as Scope 1 when resulting from the Group's own production. They occur within the Group's core operations and not in the upstream or downstream value chain. Upstream emissions resulting from the same process are classified as Scope 3 emissions from purchased raw material. Scope 1 emissions from geogenic process emissions represented 17% of total Group CO₂ emissions in 2025.

The Group is aware of the relatively high CO₂ intensity of its raw material processing operations, and these emissions are recognised to have an impact on people and the environment through contributing to climate change over the medium and long-term. RHI Magnesita has therefore sought to adapt its strategy and business model to reduce this impact to the greatest extent as is sustainably possible.

Scope 1 emissions from geogenic process emissions incur carbon costs in the European Union, where the Group is required to purchase certificates for CO₂ emissions over and above its free allocation. In 2025 the cost of purchasing certificates for these emissions through the European ETS was €3 million (2024: 6 million; 2023: €2 million) for the shortage. Recent EU policy developments indicate an unexpected reduction in free allowances under the preliminary ETS benchmark updates for 2026–2030. Final benchmark values are expected to be confirmed by the European Commission in Q1 2026. If benchmarks are confirmed, this would result in significantly higher compliance costs for our operations. In addition to that, the cost of purchasing CO₂ certificates is expected to rise in the future due to the full implementation of the Carbon Border Adjustment Mechanism (CBAM). Currently in its transition phase, CBAM will eventually lead to the complete removal of all free allowances, further increasing compliance costs for RHI Magnesita.

Considering the expected increase in the cost of Scope 1 CO₂ emissions in Europe and potentially other geographies, the Group has adapted its strategy and business model to reduce Scope 1 geogenic emissions associated with raw material processing in geographies that are or may be subject to ETS costs.

Since the processing of virgin carbonate raw materials necessitates the emission of geogenic carbon as CO₂, the only routes available to reduce such emissions are to (i) develop non-carbonate raw material sources; or (ii) to capture geogenic process emissions for storage or utilisation to prevent release to the atmosphere.

The Group is assessing possible routes for the use of non-carbonate raw material sources but has not yet identified an economically viable production process. RHI Magnesita previously operated sea water based raw material assets in Ireland and Norway, but these assets were energy intensive and ultimately proved to be uncompetitive compared to carbonate raw material sources.

The Group is therefore conducting R&D and investing in pilot production facilities for the capture, storage and/or utilisation of geogenic process emissions. The Group is now participating in trials of a carbon utilisation technology pioneered by MCI Carbon, an Australia based developer of mineralisation technology which can efficiently bind CO₂ into saleable solid carbon-negative materials, permanently removing emissions from the atmosphere. To date, RHI Magnesita has invested more than €10 million in MCI Carbon and during 2025 further progress has been made in the evaluation of technologies for CO₂ capture at the Group's raw material production sites. A trial production of carbon negative materials utilising captured CO₂ was commissioned at this facility in Nov 2025. Technology and other similar solutions may have wider implications beyond the refractory industry, for example in cement production where geogenic emissions pose a similar challenge. The Group considers the MCI process to be the most promising technology for economically reducing geogenic CO₂ emissions because it results in the production of saleable carbon negative materials, whereas other carbon storage or sequestration methods only represent additional capital and operating expenses with no additional revenues.

If the technology is successfully proven in the demonstration plant in Australia, RHI Magnesita intends to conduct a feasibility study for the construction of new plant at its Hochfilzen, Austria raw material production site to remineralise CO₂ emissions at that site. The capital expenditure for the construction of such a facility and impact on operating expenditures is not yet known but is expected to be material.

RHI Magnesita has sufficient capacity to continue to assess the viability of various technologies to reduce the impact of its Scope 1 geogenic process emissions but may require external support to employ such technologies on an industrial scale. In assessing the optimum financing structure and economic viability of the Green Minerals Initiative, the Group would seek to reduce risk through equity partnering, public subsidy or tax incentives and the use of specialised financing instruments which may be available for green projects. This project or any similar undertaking would be assessed according to the Group's existing capital allocation process and required to deliver an attractive return on capital compared to other investment opportunities available to the Group if it is to proceed.

The Group will use Scope 1 emission metric related to raw material processing to monitor this topic.

Scope 1 geogenic process emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Scope 1 CO₂ fuel-based emissions

Negative impact

RHI Magnesita uses fossil fuels such as natural gas, oil and petcoke at its raw material and refractory production sites worldwide. The consumption of these fuels results in Scope 1 CO₂ emissions from within the Group's core operations and not in the upstream or downstream value chain. Upstream emissions resulting from the use of fuels by external raw material suppliers are classified within Scope 3 emissions from purchased raw material. Fuel based Scope 1 CO₂ emissions from this source were 1,108 kt CO₂, accounting for 18% of total Group CO₂ emissions in 2025, with the majority of fuels being consumed at raw material production sites.

The Group is aware of the relatively high CO₂ intensity of its operations arising from the consumption of fuel and these emissions are recognised to have an impact on people and the environment through contributing to climate change over the medium and long-term. RHI Magnesita has therefore sought to adapt its strategy and business model to reduce this impact to the greatest extent as is sustainably possible.

Scope 1 emissions arising from fuel consumption incur carbon costs in the European Union, where the Group is required to purchase certificates for CO₂ emissions over and above its free allocation, as described in impact (4) "Scope 1 CO₂ geogenic process emissions", above. The cost of such emissions is expected to increase significantly between 2026 and 2034 with the introduction of CBAM and with the possible commencement of similar ETS regimes in other geographies. In addition to that, recent EU policy developments indicate an unexpected reduction in free allowances under the preliminary ETS benchmark updates for 2026–2030. Final benchmark values are expected to be confirmed by the European Commission in Q1 2026. If benchmarks are confirmed, this would result in significantly higher compliance costs for our operations. The Group is therefore actively seeking to adapt its strategy and business model to reduce its fuel-based emissions, to minimise this potential future financial impact.

The primary routes being assessed or utilised to reduce emissions from fuel consumption are (i) energy efficiency; (ii) fuel switches to lower CO₂ footprint fuels e.g. natural gas; (iii) increased use of carbon neutral alternative fuels e.g. charcoal, biomass, waste; and (iv) use of green hydrogen as a partial or total replacement for fossil fuels. Electrification has been evaluated as an alternative to the burning of fuels but was not found to be viable with currently available technologies due to the high temperatures required in the Group's manufacturing processes.

The capital cost of fuel switches can be significant if the Group is required to partially or wholly fund infrastructure connections, in addition to the cost of equipment upgrades at production sites to accept new fuels. Such capital costs could make a fuel switch project uneconomic, even after accounting for potential savings on CO₂ emissions certificates. Operating expenditures may also be affected, either positively or negatively. The Group has successfully implemented a fuel switch at Ponte Alta, Brazil, and is currently conducting biofuel co-firing trials at Breitenau, Austria. The Group is also evaluating possibilities at Hochfilzen, Austria and York, USA which will depend on infrastructure provision.

RHI Magnesita has sufficient capacity to continue to implement fuel switches and increase the use of carbon neutral fuels to reduce its Scope 1 fuel-based emissions but requires external support for the provision of the necessary infrastructure and guaranteed supply agreements. Infrastructure is usually provided for multiple users and in accordance with national or regional development plans.

The Group has tested and demonstrated its readiness for the partial use of hydrogen as a fuel in certain of its processes but is wholly reliant on external parties for the production and distribution of green hydrogen at a price which is competitive with existing alternative energy sources. Read more details

The Group will use Scope 1 emission KPI related to fuel use to monitor this topic.

Scope 1 fuel-based emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Increased demand for refractory products that enable decarbonisation of customer industries (EAF, ESF, BOF, DRI)

Opportunity

RHI Magnesita's customers operate in high-energy and emissions-intensive industrial sectors. Refractory products and heat management services have an important role to play in energy consumption and associated CO₂ emissions at customer sites and can have a material impact on reducing emissions in the Group's downstream value chain. Steel production in particular accounts for around 9% of global CO₂ emissions and steel customers represent together with cement customers around 70% of Group revenues.

Major advancements by our steel customers are underway in the development of technologies for manufacturing steel with low or zero CO₂ emissions and approximately 20 new plants or trial projects are currently being developed or are under construction worldwide. Providing refractory linings, new refractory technology and heat management services to green steel projects represents a material new business opportunity for the Group. Consumption of magnesite-based refractories is expected to be higher in furnaces and other applications which are likely play a major role in green steel production such as Electric Arc Furnaces (EAF), Electro Smelter Furnaces (ESF)

facilities and Basic Oxygen Furnaces (BOF). Direct Reduction Furnaces (DRI) using natural gas or hydrogen also offer a new business opportunity, replacing blast furnaces in ironmaking for green steel production.

Recognising this new opportunity in its downstream value chain, RHI Magnesita has adapted its strategy and business model to pursue green steel contracts. Developing refractory solutions for new technologies in green steel requires similar capabilities to the project business in the Industrial division and the Group is therefore well positioned to win such contracts. In 2025 three major green steel projects were tendered and RHI Magnesita was appointed in each case, with positive financial effects for the Group in 2025 and 2026. The Group intends to cement its position as industry leader in the provision of refractory products and services for green steel projects and builds a stronger reputation with each contract award. The Group's M&A strategy has been adapted to grow capabilities which will assist in supplying green steel projects and the Group is willing to invest in personnel, R&D or new production facilities where necessary to satisfy customer requirements. The successful award of three new contracts is early evidence that the Group has the capacity and capabilities to take advantage of this new business opportunity.

The future potential positive impact on equity value of this opportunity is ca. €251million.

The supply of enabling technologies for customers to reduce emissions in the downstream value chain is an entity specific opportunity and is not covered by a specific ESRS disclosure requirement.

Increased demand for low-carbon footprint refractory products

Opportunity

Using recycled raw materials, RHI Magnesita is able to manufacture refractory products with a significantly reduced CO₂ footprint. The low CO₂ footprint product range is marketed to customers who may be seeking to reduce their Scope 3 emissions from refractory usage or to demonstrate a commitment to sustainable procurement practices. The Group is not aware of any competing low CO₂ footprint refractory products on the market and this product range therefore represents an opportunity to increase revenue through market share gain or pricing premium, subject to customer demand appetite.

In the process of developing its capabilities to increase the use of recycled raw materials, the Group successfully produced and tested products made up to 96% recycled raw materials. Recognising this new capability and the potential for future customer demand, the Group adapted its strategy and business model to develop its offering of low CO₂ products and to actively market them as a sustainable alternative. The opportunity lies in the Group's core activities where a new and potentially attractive product range may generate additional revenues, and in the downstream value chain where the Group's customers may benefit from a reduction in their Scope 3 emissions arising from refractory consumption. The Group provides carbon footprint information for all of its products and highlights lower carbon footprint alternatives to its customers.

Whilst sales of low CO₂ footprint products are growing strongly from a low base, there is not yet evidence of widespread demand from customers, who are focusing first on reducing Scope 1 and Scope 2 emissions from their own production processes and from other raw materials such as iron ore, which are much higher as a proportion of total emissions than those arising from refractory usage. The Group expects demand for low CO₂ footprint products to increase in the future, in particular with the growth of green steel producers for whom CO₂ emissions in the supply chain are expected to be a higher priority. RHI Magnesita conducts regular customer surveys to better understand expectations regarding innovative and sustainable product solutions. Since the launch of 4PRO, the Group has intensified its follow-up on customer interest, and the Q4 2025 survey revealed significant regional differences in awareness and interest, ranging from 5% to 46%. Building on these insights, the Group will continue to promote and strengthen awareness of the 4PRO approach. Anchored in the pillars Performance, Partnership and Planet, 4PRO enhances the ability to deliver measurable improvements and supports customers in their long-term transformation journeys.

The continued inclusion of low CO₂ refractories in the Group's product range does not require material new funding. The Group therefore has the capacity to take advantage of any increase in demand for low CO₂ refractory products which may occur in the future.

The Group tracks the sales of refractory products supporting electric arc furnaces — key to lower-carbon steel production — as a KPI for this area, reaching €510 million in 2025.

The future potential positive impact on equity value of this opportunity is ca. €251 million.

The supply of low-carbon footprint refractories for customers to reduce their Scope 3 emissions from refractory consumption is an entity specific opportunity and is not covered by a specific ESRS disclosure requirement.

Decrease in costs or increase in revenue through use of new technologies to reduce or capture CO₂ emissions from refractory production in ETS zones

Opportunity

Carbon emission costs in Europe are set to increase significantly with the introduction of CBAM over the period from 2026-2034. Additional geographies may also implement ETS schemes and impose a cost on carbon emissions. If the Group is able to reduce CO₂ emissions

from its production process by avoiding or capturing emissions there is an opportunity to gain a cost advantage versus competitors and to realise higher prices for finished refractories, since the cost of production for the industry as a whole will increase.

Recognising the change in cost structure for the industry that will be brought about by the introduction of CBAM, the Group has adapted its strategy and business model to take advantage of this potential opportunity.

The primary routes by which the Group is seeking to reduce its Scope 1 CO₂ emissions in Europe are (i) fuel switches and use of alternative fuels; (ii) use of recycled material in raw material kilns; and (iii) carbon capture and utilisation or storage. The Group is also able to reduce the CO₂ footprint of certain finished product ranges through the use of high proportions of recycled raw materials. Using one or a number of these methods RHI Magnesita has the capability to manufacture refractory products without incurring cost penalties associated with CO₂ emissions, as CBAM increases the cost of such emissions. Other refractory producers may not be able to reduce CO₂ emissions since they are not vertically integrated and do not have advanced recycling initiatives similar to RHI Magnesita. Operating on a 'cost plus' basis, competing refractory producers may have to increase prices to cover the additional costs incurred in purchasing high CO₂ intensity raw materials that are imported into Europe in addition to any CO₂ emissions in EU-based refractory plants. As the market price for refractories increases, RHI Magnesita should therefore be able to increase margins on its low CO₂ footprint products.

The financial benefits from this opportunity are not expected to occur in the short term or in the next reporting period but are expected to emerge over the period 2026–2034, which is the implementation timetable for CBAM. The additional cost that would be incurred by the Group if it does not reduce its own emissions is approximately €70 million per year for its European operations, representing the maximum possible cost impact if the Group is not able to make any reduction in its European Scope 1 emissions. Prices for products sold within Europe are assumed to rise in line with competitor pricing but this will not apply to c.50% of the Group's European production which is exported and sold in markets where no ETS or structure similar to CBAM applies. Over the long-term if CBAM continues to impose a cost of carbon on high CO₂ emitting producers, the financial benefit from selling low CO₂ footprint products within the EU could be significant.

As set out in IROs (2), (4) and (5) above, significant capital investments may be required to fully decarbonise the Group's operations in Europe, in particular for any carbon capture and utilisation project which may be contemplated. The capital cost of achieving this has not yet been calculated and such initiatives will only be approved for investment if an attractive return on capital can be realised compared to other opportunities available to the Group. It is therefore not certain that the Group will have the capacity to fully take advantage of this potential opportunity, which depends on as yet unproven technologies and support from public subsidy or infrastructure provision.

The opportunity to decrease costs or increase revenue through use of new technologies to reduce or capture CO₂ emissions from refractory production in ETS zones is an entity specific opportunity and is not covered by a specific ESRS disclosure requirement.

The Group will monitor the increase of recycling rate as a KPI for this topic.

Increase in operating or capital expenditures due to changes in policy and regulation

Risk

RHI Magnesita foresees a risk to its business from the increase in operating costs due to an increase in the level or scope of carbon pricing.

Scope 1 emissions arising from fuel consumption or geogenic process emissions incur carbon costs in the European Union, where the Group is required to purchase certificates for CO₂ emissions over and above its free allocation. The cost of such emissions is expected to increase significantly between 2026 and 2034 (c.2030 for RHI Magnesita) with the introduction of CBAM and with the possible commencement of similar ETS regimes in other geographies. The Group is therefore actively seeking to adapt its strategy and business model to reduce its Scope 1 CO₂ emissions in Europe, to minimise this potential future financial impact.

Higher expected future emissions costs are a key driver behind the Group's strategic decision to invest in CO₂ emissions reduction initiatives, such as the use of recycling, fuel switches and alternative fuels, and carbon capture, storage and utilisation projects. The possibility to avoid the higher future costs of emissions creates a business case for investing in such initiatives.

If the Group is unable to reduce its Scope 1 emissions in Europe, the implementation of CBAM is expected to have a negative financial impact on the Group from 2030 onwards as free carbon allowances under the existing EU ETS are phased-out. CBAM will apply a charge to imported raw materials and is expected to increase refractory pricing for all suppliers selling into the EU. Additionally, products manufactured in the EU and then exported will incur higher costs, as there are currently no compensation mechanisms for exporters who will have paid the CO₂ costs on production within the EU.

No negative financial effects are expected in the next reporting period, 2026. The Group is in the process of developing new technologies and projects to reduce CO₂ emissions but is not yet able to calculate the required capital expenditure or funding sources for such projects. Emissions reduction projects will be assessed according to the Group's existing capital allocation process and required to deliver an attractive return on capital compared to other investment opportunities available to the Group. Whilst the Group may be successful in developing new technical solutions it is not certain that there will be sufficient financial capacity available to fund large capital projects without support from public subsidy or tax incentives, co-investors and specialised debt providers.

Without mitigation such as the use of new technologies to reduce CO₂ emissions in the production process, the financial impacts of CBAM could result in a future negative impact on equity value of €136 million.

The Group will use as a KPI to monitor this topic, the number of ETS certificates and ensure regulatory compliance.

Scope 1 emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Increase in operating expenditure and reputational damage if decarbonisation pathway not delivered

Risk

RHI Magnesita has published a theoretical decarbonisation pathway which sets out a potential route to eliminate CO₂ emissions in its core operations and upstream value chain by 2060. If the Group is unable to deliver this decarbonisation pathway it could be impacted by an increase in operating expenditures and may also suffer reputational damage.

The negative financial impacts that may arise due to higher operating expenses if RHI Magnesita is unable to reduce its CO₂ emissions and the Group's responses to this risk are described in risk (9) "Increase in operating or capital expenditures due to changes in policy and regulation", above.

In addition to direct financial effects, RHI Magnesita may suffer criticism from stakeholders and consequent reputational damage if it is not able to deliver its theoretical decarbonisation pathway. The Group has adopted a theoretical decarbonisation pathway that is not aligned with a 1.5-degree scenario as set out in the Paris agreement. A detailed assessment was carried out in 2021 and 2022 of all possible measures to reduce CO₂ emissions based on proven technology and available financial resources. The Board concluded that whilst it may be possible to reduce emissions in line with a 'well below 2 degrees' scenario, it would not be possible to set a target that is aligned with a 1.5-degree scenario as this would be dependent on the development of as-yet-unknown technologies or reliant on significant external financial and infrastructure support which are uncertain.

As a relatively high emitter of CO₂ RHI Magnesita is aware of the potential damage to its reputation of not achieving its theoretical decarbonisation pathway and has therefore responded to this risk by adapting its strategy and business model and by allocating resources to decarbonisation R&D and projects.

The key strategic measures being taken to reduce CO₂ emissions are set out in impacts (2) to (5) in the table above, and include (i) increasing the use of recycled raw materials; (ii) energy efficiency programmes, fuel switches and the use of alternative fuels; (iii) carbon capture and storage or utilisation projects; (iv) working with suppliers of raw materials to reduce or eliminate their CO₂ emissions and (v) transportation efficiency gains.

The reputational risk of not achieving the theoretical decarbonisation pathway occurs within the Group's core activities and in its upstream value chain, where a large proportion of CO₂ emissions are accounted for by suppliers of purchased raw materials.

No negative financial effects arising from this reputational risk are expected to occur in the next reporting period, 2026. In the medium and long-term the Group could be affected by reputational damage if it is unable to maintain positive relations with key stakeholders such as its employees, customers, suppliers, shareholders, lenders, host governments and local communities. The specific impact would depend on the stakeholder relationship that is affected but could include an increase in the cost of equity or debt financing, permitting issues, market share loss or local operational disruption.

Whilst the Group may be successful in developing new technical solutions for decarbonisation it is not certain that there will be sufficient financial capacity available to fund large capital projects without external support.

The Group uses ETS expenditure as KPI to track this topic and optimise cost efficiency in emission trading.

CO₂ emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Scope 2 CO₂ emissions from energy consumption

Negative impact

RHI Magnesita purchases electrical energy from external power producers resulting in Scope 2 CO₂ emissions. Scope 2 emissions are a smaller proportion of the Group's CO₂ emissions compared to Scope 1 and Scope 3, accounting for only 1% of total emissions in 2025.

The Group is aware of the relatively high CO₂ intensity of its operations and Scope 2 emissions are recognised to have an incremental impact on people and the environment through contributing to climate change over the medium and long-term. RHI Magnesita has

therefore sought to adapt its strategy and business model to reduce this impact to the greatest extent as is sustainably possible. Due to their smaller scale and the ability to obtain power from clean energy sources it is easier for RHI Magnesita to reduce its Scope 2 emissions compared to Scope 1 or Scope 3. Scope 2 emissions occur within the Group's core operations.

Scope 2 emissions do not incur carbon costs in Europe or elsewhere and therefore there are no near term negative financial impacts from an ETS perspective, including in the next financial reporting period 2026. The Group has a plan to replace its remaining non-renewable power consumption with a combination of self-generated clean power e.g. from on-site solar installations and via power purchase agreements with certified clean energy providers. In China, a 2.2 MW photovoltaic installation was completed by the end of 2024, generating around 112 MWh of green electricity annually and reducing Scope 2 emissions by approximately 64 tonnes of CO₂ per year. Additionally, an increasing share of green electricity is purchased in China. In total the group reduced its Scope 2 market-based emissions by around 16,000t CO₂e compared to 2025.

The Group will use as KPI to measure and reduce Scope 2 emissions, energy efficiency and renewable energy sourcing.

Scope 2 emissions are covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Reputational damage if energy reduction targets not achieved

Risk

RHI Magnesita has published a target to reduce energy consumption per tonne of production by 5% by 2025, compared to a baseline year of 2018. By 2030, the Group has committed to reducing absolute energy consumption by 1% each year and to increase coverage of its plants by ISO 50001 standards to 90%. Failure to achieve some or all these targets could result in reputational damage and may negatively impact the Group's ESG ratings.

This risk exists within the Group's core operations and not in its upstream or downstream value chain. There are no near or long-term major financial impacts of missing the targets other than slightly higher operating expenditure on energy and potentially higher expenditure on CO₂ certificates if the energy consumption in question is related to fossil fuel use in Europe.

RHI Magnesita recognises that its business model is energy intensive and has responded to this risk by adapting its strategy and business model and by allocating resources to energy saving projects. The 5% energy intensity target has already been achieved in 2024 and performance is well ahead of target, achieving an 9% improvement versus the baseline. The Group considers that it also has sufficient capacity to deliver the 2030 targets — 1.4% savings in 2024 and 0.84% savings in 2025.

The Group will establish a KPI in alignment with phase-in requirements to enhance tracking and reporting in this area.

Energy consumption is covered by topic "E1 — Climate change" and sub-topic "Climate change mitigation" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Air pollution from industrial processes

Negative impact

RHI Magnesita's raw material processing and refractory plants utilise fossil fuels including natural gas, fuel oil and petcoke. Combustion of these fuels results in air pollution from Sulphur Dioxide (SO_x) and Nitrogen Oxides (NO_x). These emissions occur in the Group's core operations and have a negative impact on people and the environment due their effects on air quality. Similar emissions are also present in the Group's upstream value chain at its raw material suppliers and in the downstream value chain at customer sites and in the transportation of goods.

The Group is aware of this negative environmental impact and has taken steps to adapt its strategy and business model to reduce it. The primary method for reducing SO_x and NO_x emissions is through the installation of emissions abatement equipment at sites where such pollution occurs. Switching fuels can lead to a reduction in pollution for example by replacing fuel oil or petcoke use with natural gas. Emissions can also be reduced indirectly by increasing the use of recycled raw materials, which avoids the need to mine and process virgin raw materials with associated SO_x and NO_x emissions.

There are no financial impacts associated with SO_x and NO_x emissions, either in the next reporting period or the medium to long-term, as long as emissions are kept below legal limits in the relevant jurisdiction. However, it is possible that legal limits could be reduced in the future.

The Group has implemented a programme of emissions abatement equipment installation with upgrades completed in China and North America in 2021 and 2023, respectively. Over the period 2025–2030 similar installations or reductions by other means will be undertaken in Europe and Brazil. RHI Magnesita has adequate organisational and financial capacity to address this risk and has allocated capital for equipment over that period. Equipment installed to date has demonstrated its efficacy in reducing pollution from these sources.

The Group monitors emission levels at its production sites and will use them as a KPI to track and improve environmental performance.

Pollution from SO_x and NO_x emissions is covered by topic “E2 — Pollution” and sub-topic “Air pollution” and further information is therefore provided below in the relevant section of the Group’s Consolidated Sustainability Statement.

Efficient use of raw materials and resources including the use of recycled materials

Positive impact

RHI Magnesita’s use of recycled refractory material has a positive sustainability impact on people and the environment by promoting the efficient use of raw materials. Using recycled material prevents the consumption of resources required to extract and process fresh raw material and reduces waste at customer sites. This positive impact occurs within the Group’s core operations and in its upstream value chain, since quantities of externally purchased raw materials are reduced. Waste disposal and circular economy benefits are realised in the downstream value chain.

Seeking to increase the use of recycled raw material is an integral part of the Group’s strategy to be a sustainability leader in the refractory industry and has led to significant developments in the business model.

As described in impact (2) “Saved emissions through usage of recycled raw materials” above, RHI Magnesita has developed proprietary technology to utilise recycled raw materials without negatively impacting refractory performance. Investments in R&D, product development, acquisitions and internal capital expenditures have been deployed and this has successfully delivered an increase in the recycling rate from 3.8% in 2018 to 15.9% in 2025. A total of 416kt of recycled material was utilised, compared to 364 kt in 2024. Without recycling, this material would have been sourced through new mining and processing activities in 2025. The Group’s solutions contract offering is the ideal platform and recycling of residual material now forms an important part of the ‘4PRO’ solutions offering.

Further investments in new sorting technologies and a global roll-out of recycling are underway and are expected to deliver further benefits in the short and medium term. In 2025 the Group allocated €1.9 million to recycling. The Group may also make further recycling focused acquisitions, although no sum is reserved specifically for this purpose. The Group has sufficient capacity to continue to invest in recycling opportunities.

The Group uses the recycling rate as KPI to enhance its recycling efforts and drive sustainable material management.

Recycling is covered by topic “E5 — Resource use and circular economy” and sub-topic “Resource inflows, including resource use” and further information on recycling performance is therefore provided below in the relevant section of the Group’s Consolidated Sustainability Statement.

Recycling non-refractory materials creates new revenue streams and broadens market reach

Opportunity

A strategic joint venture between RHI Magnesita and BPI brings together RHIM’s global refractory expertise with BPI’s strong US infrastructure and processing capabilities. This collaboration marks a significant step toward reaching a 20% combined recycling rate by 2030 and sets the foundation for long-term innovation in circular raw materials across North America. With 20 operational locations spanning eight states and Canada, the partnership will enhance customer proximity, strengthen technical support, and expand access to high-quality, domestically sourced recycled materials.

The joint venture will also boost innovation and sustainability by uniting both companies’ R&D teams to develop safer, more efficient, and lower-carbon solutions. It supports RHIM’s broader ambition to create a global recycling technology platform, complementing ongoing efforts in Europe through the MIRECO partnership. Leaders from both companies highlight the shared commitment to advancing sustainable sourcing, expanding circular solutions, and delivering greater value to customers. The transaction remains subject to customary closing conditions and is expected to be completed in the second half of 2025.

In 2025, the Group updated its Double Materiality Assessment (DMA) to reflect the acquisitions occurred during reporting period, including BPI and the establishment of the new joint venture designed to enhance circularity in North America. This review highlighted a new business opportunity: the potential to unlock additional revenue streams and expand market reach through the scaled external sales of recycled materials and additives enabled by the Group’s broader recycling footprint. The Group will further evaluate the magnitude of this opportunity and report the detailed impacts in the next reporting cycle.

The Group will consider as KPI the external sales of recycling and additives to monitor this topic.

Workplace safety incidents in own workforce

Negative impact

Occupational injuries occurring at RHI Magnesita’s operational sites have a negative impact on affected individuals and their families. This impact is focused on incidents which occur within the Group’s core operations and not in its upstream or downstream value chains.

The Group’s operations may also be affected by poor health and safety performance and such impacts could be both short term and long-term in nature. Workplace safety incidents have a negative financial impact in the short term due to lost time, reduced production, lower

productivity and costs associated with compensation, investigations and remedial upgrades. Long-term impacts could arise due to higher costs of production, reputational damage, long-dated compensation payments and impacts on key stakeholders such as difficulty in recruiting or retaining employees.

Health and safety is a core value for RHI Magnesita and adaptations have been made to the strategy and the business model to reduce this negative impact. Key initiatives aimed at structurally reduce impacts include automation, training, incident investigation, global standards, safety culture initiatives and reviews by external experts. The Group has sufficient capacity to invest in improving its health and safety performance and health and safety related capital expenditures are protected and prioritised within the Group's capital allocation framework.

Workplace safety incidents are covered by topic "S1 — Own workforce" and sub-topic "Health and safety" and further information on workplace safety is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Incidents of forced labour in own workforce

Potential negative impact

RHI Magnesita employs approximately 15,500 employees and 5,500 contractors across its main production sites globally, operating in a diverse range of locations. While the risk of forced labour is closely managed, it remains a concern, particularly among the contractor workforce, where the Group has less direct control over recruitment and working conditions. This risk is specifically focused on incidents within RHI Magnesita's core operations and does not extend to its upstream or downstream value chains.

Findings from the Double Materiality Assessment (DMA) indicate that the risk of forced labour is significantly higher in regions such as BRICS, Asia, Africa, and Middle and South America, where regulatory oversight and enforcement mechanisms may be weaker. Forced labour has severe consequences on individuals' quality of life, making prevention and mitigation a key priority. In contrast, regions such as Europe, North America, Singapore, and South Korea present a significantly lower risk, supported by strong legal frameworks and governance structures, with only rare cases occurring.

Within RHI Magnesita's operations, strict Group policies and compliance measures serve as a strong deterrent, minimising the probability of occurrence to an individual level. However, managing and mitigating the personal and systemic impacts of forced labour remains complex.

The risk of poor labour practices interacts with the Group's strategy in the area of M&A, which is a primary growth driver for RHI Magnesita. Through due diligence before transactions and during integration processes after completion the Group seeks to ensure that practices in acquired businesses are in line with expected minimum standards and policies.

Failure to identify and rectify instances of forced labour within its own workforce could result in fines, enforcement action and reputational damage. Conditions of forced labour have clear negative impacts on people but are not likely to be connected to environmental impacts.

Given the safeguards that the Group has in place, no material financial effect from this risk is expected in the next reporting period, 2025, or in the medium to long-term. The Group has sufficient capacity to continue to address this risk in its own workforce.

The Group tracks the number of reports to the whistleblowing hotline, and it will be used as a KPI for this area.

Forced labour is covered by topic "S1 — Own workforce" and sub-topic "Forced labour" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Reputational damage if health and safety targets not achieved

Risk

RHI Magnesita employees and contractors working at production and customer sites may be exposed to occupational safety hazards. The most common causes of serious injuries include falls, falling objects, contact with moving vehicles or industrial equipment, and material handling.

The Group aims to eliminate fatalities and to maintain a Total Recordable Injury Frequency Rate (TRIFR) below 2 per 1,000,000 hours worked by 2030. This target has been restated from the previous threshold of <1.2 per 1,000,000 hours worked following a comprehensive reassessment of the underlying health and safety data.

Failure to achieve these targets could result in reputational damage, regulatory fines or enforcement actions, and may negatively affect the Group's ESG ratings, with potential implications for the interest rates applied to its sustainability-linked debt facilities.

This risk is focused on health and safety performance within the Group's core operations and not in its upstream or downstream value chains.

Workplace health and safety interacts closely with the Group's strategy and business model since refractory production in non-automated plants is labour intensive and necessitates people working in close proximity to equipment, machinery and other potential hazards. As a responsible employer with an aspiration to lead the refractory industry in sustainability, the Group assigns the highest priority of all sustainability risks and impacts to the safety of its employees and contractors.

Health and safety risk interacts with the Group's strategy in the area of M&A, which is a primary growth driver for RHI Magnesita. Through due diligence before transactions and during integration processes after completion the Group seeks to ensure that health and safety practices in acquired businesses are in line with expected minimum standards and policies.

Given the safeguards that the Group has in place, no material financial effect from this risk is expected in the next reporting period, 2025, or in the medium to long-term. The Group has sufficient capacity to continue to address this risk in its own workforce.

The Group will develop a reputation-related KPI in line with phase-in requirements for this topic.

Health and safety in own workforce is covered by topic "S1 — Own workforce" and sub-topic "Health and Safety" and further information is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Workplace safety incidents in supply chain

Negative impact

RHI Magnesita utilises a broad supply chain including raw material producers, energy suppliers, freight service providers, consumables, packaging and capital goods suppliers, amongst others. Occupational injuries occurring in the supply chain have a negative impact on affected individuals and their families. This impact is focused on incidents which occur within the upstream value chain and not in the Group's core operations or downstream value chains.

Health and safety is a core value for RHI Magnesita and suppliers are expected to maintain compliance with health and safety regulations according to the Supplier Code of Conduct. Workplace safety incidents in the supply chain are unlikely to have any financial impact on RHI Magnesita but could result in reputational damage.

RHI Magnesita undertakes audits at supplier sites and requires participation in third party evaluations provided by Eco Vadis to ensure supplier compliance with a range of sustainability issues, including health and safety performance. The Group has sufficient capacity to continue addressing this negative impact in its supply chain.

The Group collects and assesses supplier data and uses as a KPI to track this topic.

Workplace safety incidents in the supply chain are covered by topic "S2 — Workers in the supply chain" and sub-topic "Health and safety" and further information on workplace safety is therefore provided below in the relevant section of the Group's Consolidated Sustainability Statement.

Incidents of forced labour in supply chain

Potential negative impact

RHI Magnesita utilises a broad supply chain including raw material producers, energy suppliers, freight service providers, consumables, packaging and capital goods suppliers, amongst others. Since RHI Magnesita does not have direct managerial control over workers in its supply chain, there is a relatively higher risk of instances of forced labour. This risk is focused on forced labour which may occur within the upstream value chain and not within the Group's core operations or downstream value chain.

According to the terms of RHI Magnesita's Supplier Code of Conduct, suppliers are expected to respect and promote human and civil rights and refrain from using any form of forced, compulsory or child labour. Incidents of forced labour in the supply chain are unlikely to have any financial impact on RHI Magnesita but could result in reputational damage.

RHI Magnesita undertakes on-site assessments at supplier sites and requires participation in third-party evaluations provided by Ecovadis to ensure supplier compliance with a range of sustainability issues, including forced labour. The Group has sufficient capacity to continue addressing this negative impact in its supply chain. No incidents of this kind were recorded in 2025. The Group had previously addressed a case of forced labour identified in 2023 by terminating the supplier relationship. No comparable incidents were identified in 2024 or 2025.

The risk of poor labour practices interacts with the Group's strategy in the area of M&A, which is a primary growth driver for RHI Magnesita. Through due diligence before transactions and during integration processes after completion the Group seeks to ensure that practices in acquired businesses are in line with expected minimum standards and policies.

The Group collects and assesses supplier data and uses as a KPI to track this topic.

Forced labour in the supply chain is covered by topic “S2 — Workers in the supply chain” and sub-topic “Forced labour” and further information on workplace safety is therefore provided below in the relevant section of the Group’s Consolidated Sustainability Statement.

Fraud and corruption in various forms

Risk

RHI Magnesita operates in some geographies with inherently high corruption risks, where employees or third-party representatives may violate anti-corruption laws. This risk could occur in the Group’s core operations or in its upstream and downstream value chains.

Fines, enforcement action and reputational damage as a result of breaches of anti-corruption laws may be significant. The Group is not aware of any ongoing investigation which could result in a material financial impact in the current reporting year, 2025. The risk of fraud and corruption is likely to continue to exist in both the medium and long-term but the Group has sufficient capacity to continue to address this risk.

Fraud and corruption risk interacts with the Group’s M&A growth strategy as it seeks to grow its business in geographies and product segments in which it is under-represented. RHI Magnesita may pursue acquisitions in geographies with a higher risk of fraud and corruption. Through due diligence before transactions and during integration processes after completion the Group seeks to ensure that practices in acquired businesses are in line with expected minimum standards and policies.

Responses to the risk of fraud and corruption include:

- Promoting ethical values supported by strong corporate culture;
- Code of Conduct and compliance policies and procedures;
- Enhancement of global training, documentation of compliance matters and communication;
- Whistleblowing channels available to employees and external parties to report compliance concerns; and
- Range of interventions performed in conjunction with acquired businesses to assess regulatory risk and to introduce and embed the Group’s compliance approach.

The Group tracks the number of reports to the whistleblowing hotline, and it will use as a KPI for this area.

Fraud and corruption are covered by topic “G1 — Business Ethics” and further information is therefore provided below in the relevant section of the Group’s Consolidated Sustainability Statement.

Impact, risk and opportunity management

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

RHI Magnesita has assessed material sustainability related impacts, risks and opportunities according to the ESRS concept and requirements of double materiality. The assessment results were presented to management and subsequently reviewed by the joint meeting of the Corporate Sustainability and Audit & Compliance Committees on behalf of the Board of Directors.

Refractory production is a hard-to-abate industry characterised by energy-intensive processes, high-temperature operations, and reliance on fossil fuels, leading to significant carbon emissions, including process emissions from raw material calcination and fuel combustion at raw material processing sites. The impact is exacerbated by rising global demand, particularly in emerging markets, and the inherent challenges of decarbonisation due to technological limitations (e.g., achieving high temperatures with renewable energy), long investment cycles, and substantial transition costs. To address these emissions, the Group is actively pursuing and evaluating solutions such as carbon capture, utilisation, and storage (CCUS), electrification, green hydrogen, energy efficiency enhancements, and the integration of low-carbon materials into its operations.

To prepare for the double materiality assessment, RHI Magnesita conducted a comprehensive evaluation of its business model and activities across the value chain. This included a detailed analysis of the granularity of impact risks and opportunities (IROs) within the Group, ensuring a thorough understanding of their specific implications. This process was aimed at identifying key areas of significance, refining the scope of material issues, and aligning them with the Group’s strategic priorities. This process was guided by the list of sustainability matters outlined in the topical ESRS and facilitated the identification of key stakeholders. Additionally, RHI Magnesita also made use of performance data, literature review, ESG public databases, current and upcoming regulations and standards, industry sector benchmarking and external experts to support the materiality assessment. RHI Magnesita has previously carried out materiality and risk assessments for GRI reporting and TCFD analysis.

The evaluation of potential GHG emissions has been conducted with a focus on the distinct contributions from raw material preparation plants and refractory production facilities. This analysis accounts for variations in energy and fuel mixes across operations, as well as the specific carbon intensity of each process. Raw material preparation plants, due to energy-intensive activities such as calcination and material processing, have been assessed separately to highlight their unique emission profiles. Similarly, emissions from refractory production have been analysed, with particular attention to kiln operations, fuel combustion, and electricity consumption. Additionally, the type and

sourcing of raw materials have been considered, given their significant impact on the overall emissions footprint. This approach ensures a comprehensive understanding of source of emissions across the value chain and highlights key areas for targeted mitigation efforts.

The assessment process incorporated input and validation from key stakeholders, including subject matter experts from group functions in health and safety, environment, equality, diversity and inclusion, community engagement, sustainable procurement, compliance, and risk management. Additionally, contributions from the sustainability functions in corporate areas were integral to ensuring a holistic perspective. Involvement of the risk management resources in the materiality assessment process supports the identification and further evaluation of sustainability related impacts, risks and opportunities. There are no additional internal controls for the DMA.

Impact materiality assessment

The impact materiality assessment considered both actual and potential sustainability impacts from RHI Magnesita's own activities and business relationships across the upstream and downstream value chain, focusing on high-risk areas such as mining and production processes, as well as relevant processes and influencing factors. Where applicable, industry-specific issues were also integrated into the evaluation to ensure a tailored approach.

The following steps were taken for the impact materiality assessment:

- Identification of impacts;
- Scoping and classification of individual impacts;
- Assessment of significance of individual impacts;
- Analysis of results and materiality thresholds; and
- Perception and Validation of DMA Outcomes by stakeholders.

Identification of impacts

RHI Magnesita has identified its impacts across the value chain by examining sustainability matters at varying levels of granularity, including topics, sub-topics, and sub-sub-topics. This analysis considered the direct and indirect consequences of RHI Magnesita's operations, products, and services on environmental, social, and governance aspects. By aligning with the detailed structure provided by the ESRS, the assessment captured specific nuances of each sustainability matter, ensuring a thorough understanding of the scale, scope, and depth of RHI Magnesita's impacts at every stage of the value chain. This approach enabled the identification of both significant adverse effects and opportunities for positive contributions to people and environment.

Scoping and classification of individual impacts

As a next step, a detailed analysis of each identified impact, considering its classification along the value chain to pinpoint where it occurs, and its significance was carried out. Impacts were classified as positive or negative and assessed further to determine whether they are actual (already occurring) or potential (likely to occur in the future). Each impact was also evaluated based on its time frame – whether it is short (0–1 year), medium (2–5 years), or long-term (> 5 years) – and the probability of its occurrence, enabling a thorough understanding of the likelihood and urgency of the impact. This approach ensures a comprehensive assessment of sustainability impacts across RHI Magnesita's operations and value chain.

Assessment of significance of individual impacts

RHI Magnesita assesses the significance of impacts using the ESRS methodology, evaluating scale, scope, remediability, and likelihood on a 1–6 scale, with 6 representing the highest relevance. This approach combines quantitative indicators with qualitative insights from experts and stakeholders to ensure a balanced and comprehensive assessment. Potential impacts are further reviewed based on their probability of occurrence, level of detail, and time horizon.

For impact materiality, any topic scoring 6 in any category is automatically deemed material, reflecting its importance for people or the environment across the short-, medium- and long-term. A matter is therefore considered material when it presents a significant actual or potential impact—positive or negative—within these time frames.

Analysis of results and materiality thresholds

The analysis of results and materiality thresholds play a critical role in determining which issues are to be included in RHI Magnesita's sustainability reporting. Materiality thresholds were carefully evaluated for reasonableness to ensure a balance between comprehensiveness and manageability, ensuring that resources are focused on critical areas without diluting efforts across too many topics while meeting reporting obligations effectively. Both quantitative (e.g. numerical scoring) and qualitative thresholds (e.g., legal compliance, reputational risk) were utilised, with alignment to Group targets shaping final decisions. To ensure focus on the most critical issues, RHI Magnesita applies a materiality threshold of >5, directing attention to those impacts that require priority action.

Financial materiality assessment

Financial materiality is evaluated based on the potential risks of negative reputational, financial, or commercial impacts on RHI Magnesita arising from sustainability topics, as well as the opportunities linked to sustainability that could benefit RHI Magnesita. The following steps were taken for the financial materiality:

- Gap analysis;
- Risk mapping against CSRS topics, subtopics and sub-subtopics;
- Assessment based on RHI Magnesita's internal risk assessment approach;
- Analysis of results and materiality thresholds; and
- Perception and Validation of DMA Outcomes by stakeholders.

Gap analysis

The gap analysis of financial materiality involves a thorough review of existing risks to assess their alignment with RHI Magnesita's strategy and sustainability goals. This process includes identifying any emerging risks that may pose reputational, financial, or operational challenges and evaluating their potential impact on the Group. Simultaneously, the analysis explores untapped opportunities that align with RHI Magnesita's strategy, enabling the integration of sustainability-driven initiatives into the business strategy.

Risk mapping against ESRS topics

As part of the risk mapping process, ESG risks and opportunities were aligned with their corresponding topics within the ESRS framework. By doing so, RHI Magnesita ensured that highly rated impacts identified in the materiality analysis are adequately reflected as risks or opportunities within the ESRS universe, providing a cohesive and comprehensive integration of sustainability considerations into risk management and reporting practices.

Risk and opportunity assessment following RHI Magnesita's risk management approach

The assessment of risks and opportunities has followed RHI Magnesita's internal risk assessment methodology, ensuring alignment with the Group's established approach to evaluating potential impacts. The analysis incorporates a time horizon perspective, considering short-, medium-, and long-term implications for the business. This comprehensive evaluation enables the identification and prioritisation of risks and opportunities, ensuring that immediate concerns, emerging trends, and long-range strategic impacts are thoroughly addressed within the sustainability context.

Analysis of results and materiality thresholds

The analysis of results and materiality thresholds is key in identifying which issues are significant enough to be included in RHI Magnesita's sustainability reporting. These thresholds were assessed to ensure a balance between comprehensiveness and focus, allowing resources to be directed toward critical risks and opportunities while maintaining effective reporting. Both quantitative thresholds (e.g., numerical scoring) and qualitative criteria (e.g., legal compliance, reputational risk) were applied, with alignment to Group targets guiding final decisions. For Financial materiality, a sustainability matter is considered material when it triggers, or may trigger, material financial effects on the Group, including risks and opportunities that can influence cash flows, development, performance, or access to finance across all relevant time frames. A threshold of >15 has been set for this assessment, ensuring that the analysis concentrates on high or critical financial risks and opportunities. It should be noted, however, not all sustainability related risks in the Consolidated Sustainability Statement are specifically highlighted in RHI Magnesita's aggregate risk profile.

For impact materiality, 95 matters were assessed. Of these, 12 were classified above the materiality threshold. For financial materiality, 70 matters were assessed. Of these, eight were classified above the materiality threshold and one was added as a result of the stakeholder validation process.

Stakeholder perception and validation of Double Materiality Assessment (DMA) results

RHI Magnesita conducted consultations with internal and external stakeholders (employees, investors, suppliers, customers, NGOs, lenders, members of Board) for validation and perceived materiality.

The stakeholder engagement for the 2025 Double Materiality Assessment was conducted through targeted interviews with selected internal and external stakeholders. The engagement focused on validating existing Impacts, Risks and Opportunities (IROs) and identifying potential changes resulting from recent acquisitions, in particular Resco, BPI and Ashwath. Discussions were structured around key topics including environmental impacts, recycling and circularity, biodiversity, workforce and community impacts, and operational risks. The feedback received was used to confirm the continued relevance of existing material topics, assess the materiality of newly identified aspects, and support the robustness of RHIM's materiality conclusions in line with CSRD requirements.

The views of RHI Magnesita's stakeholders are integrated in the materiality assessment. RHI Magnesita's Group functions and business areas summarise input provided to them through their engagement with affected stakeholders, and their interaction with external sustainability experts and users of RHI Magnesita's Consolidated Sustainability Statement.

Results

All identified sustainability related impacts, risks and opportunities that are considered material for affected stakeholders or users of RHI Magnesita's Consolidated Sustainability Statement are presented in the SBM-3 section, which is the basis for the scope of this Consolidated Sustainability Statement. Material information for disclosure has been determined through a structured Double Materiality Assessment aligned with ESRS 1, section 3.2, combining impact materiality and financial materiality considerations. This process integrated qualitative

criteria and quantitative thresholds to ensure consistency and relevance, with potential impacts, risks and opportunities screened across the value chain, assessed based on their severity, likelihood and strategic significance, and validated through internal expert input and stakeholder insights. Only those topics that met the established materiality thresholds or were assessed as critical due to their nature or scale, were designated as material and selected for disclosure.

In 2025, RHI Magnesita updated its double materiality assessment to reflect the acquisition of Resco, BPI and Ashwath, the establishment of the joint venture with BPI, and recommendations from the previous assurance process, including sustainability reporting risks. The review followed a structured five-step methodology aligned with ESRS requirements and assessed changes in impacts, risks and opportunities resulting from the expanded organisational scope. The Group's value chain was updated to include Resco's production and mining sites in the United States and Canada, as well as BPI's processing and laboratory sites. The assessment confirmed that the new entities do not introduce materially new activities. A physical climate risk and hazard analysis was conducted for Resco sites, assessing exposure to acute and chronic risks such as extreme heat, flooding, storms and wildfires, supporting both impact and financial materiality assessments. Stakeholder engagement was strengthened through targeted interviews with relevant internal and external stakeholders, whose input supported the refinement of material topics. In line with updated ESRS interpretation guidance, certain impact classifications were adjusted, including the reallocation of the positive impact related to recycled raw materials from core to downstream, and a new material opportunity related to external sales of recycled materials was identified.

Further validation of physical climate risks will be conducted in 2026 through site-level interviews, and the double materiality assessment will be reviewed to reflect updated ESRS requirements and ongoing organisational developments.

A regular review of the scope of the DMA is expected, to remain responsive to the evolving regulatory environment and/or the Group goes through significant changes in its industrial footprint (e.g. M&A).

Disclosure requirement IRO-2 — Disclosure requirements in ESRS covered by the undertaking's Consolidated Sustainability Statement

Environmental Information

The following index shows the disclosure requirements that were followed in preparing the Consolidated Sustainability Statement based on the results of the materiality assessment (see ESRS 1 Chapter 3), including the page numbers that contain the corresponding disclosures in the Consolidated Sustainability Statement.

In addition, information on data points in ESRS 2 and the thematic ESRSs arising from other EU legislation (ESRS 2 Annex B), as well as the requirements under the thematic ESRSs that need to be taken into account when reporting on the ESRS 2 disclosure requirements (ESRS 2 Annex C), is provided in the Appendix on pages 168-173.

MDR — minimum disclosure requirements

RHI Magnesita's Consolidated Sustainability Statement includes separate sections on all material sustainability topics covered by ESRS. The chapter for each material sustainability topic includes a description of material impacts, risks and opportunities in relation to the topic, and corresponding disclosures on governance, strategy, policies, metrics and targets.

The adopted policies, actions, metrics and targets with reference to the specific sustainability matter concerned, do not necessarily include all the information required under relevant ESRS, hence it is disclosed as required by ESRS.

Environmental information

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

The EU Taxonomy Regulation (EU Taxonomy) applies in respect of the financial year to 31 December 2025 and requires the Group to report annually on the proportion of its turnover, operating expenditure and capital expenditure attaching to economic activities that are considered to be environmentally sustainable.

The Taxonomy disclosures have been prepared in compliance with Delegated Regulation (EU) 2026/73, which amends the disclosure requirements based on Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) further specified in supplementing Delegated Regulations. The delegated act updates the applicable reporting framework and technical screening criteria for both climate-related and non-climate environmental objectives, as set out in Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486. In line with the updated legislation, the assessment for OpEx and CapEx applies the 10% materiality threshold for the identification and disclosure of taxonomy-eligible and taxonomy-aligned economic activities.

The EU Taxonomy identifies the six environmental objectives: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems. In respect of the 2025 financial year, the Group, RHI Magnesita has reviewed its activities that qualify as eligible and aligned according to the published technical screening criteria for climate change mitigation and adaptation. As no sector-specific guidance for the refractory industry has been published yet and therefore the Group is required to use its own

judgement against the eligibility criteria. The NACE (the statistical classification of economic activities in the European Community) codes most closely describing the activities of the Group are “23.20 Manufacture of refractory products” and “08.99 Other mining and quarrying”. These NACE codes are not listed in Annex I or Annex II of the Taxonomy Regulation, but certain activities carried out by the Group do meet the definitions of economic activities listed in Annex I of the Regulation. As elaborated further by the Commission on Taxonomy, if the NACE code of an economic activity is not mentioned in the Climate Delegated Act, but the economic activity corresponds to the description of the activity, it can qualify as Taxonomy eligible.

The EU Taxonomy distinguishes between taxonomy eligibility and taxonomy alignment. An economic activity can be considered eligible if it is listed in the annexes of Taxonomy regulation. However, in order to be considered “aligned”, further Technical Screening Criteria (TSC) must be met. This requires a further assessment of the eligible activities identified. The TSC comprise Substantial Contribution plus the Do-No-Significant-Harm criteria (DNSH) for each of the environmental objectives associated with the relevant business activities. Additionally, the Minimum Social Safeguards (MSS) at the corporate level have to be met. The overall aim of this process is to establish the taxonomy-eligibility and alignment.

Accounting policy

RHI Magnesita N.V. prepares consolidated financial information in accordance with IFRS accounting standards as adopted by the EU and the financial information for turnover, operating expenditure and capital expenditure presented under the EU Taxonomy has been prepared under the same accounting principles.

Taxonomy eligible activities of RHI Magnesita

The following economic activities of RHI Magnesita are listed in the annexes of EU Taxonomy Delegated Acts and therefore, are considered eligible:

- CCM/CCA 3.6 Manufacture of other low-carbon technologies.
- CCM/CCA 5.9 Material recovery from non-hazardous waste.
- CCM/CCA 7.7 Acquisition and ownership of buildings.
- CE 2.7 Sorting and material recovery of non-hazardous waste.
- BIO 1.1 Conservation and restoration of habitats, ecosystems and species.

R&D supports eligible economic activities, allocated accordingly. GHG emission avoidance related to R&D is not material, and therefore, not reported separately.

Manufacture of other low carbon technologies

The economic activity CCM/CCA 3.6 “Manufacture of other low-carbon technologies” pursuant to Article 10(3) and Article 11(3) covers the “Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy”. At RHI Magnesita products and services for Electric Arc Furnaces (EAF), digital solutions and advanced technologies contribute to achieve substantial GHG emissions at our customers.

EAF refractories

RHI Magnesita provides refractory products specifically designed for EAFs. Additionally, RHI Magnesita provides solutions and services to its customers to reduce their GHG emissions, including digital solutions as well as advanced refractory products.

EAFs are a vital enabling technology for the reduction of CO₂ emissions in the steel industry. EAFs can be powered using electricity sourced partially or wholly from renewable electricity and replace the BOF phase of the traditional integrated steel manufacturing process, which pairs a blast furnace with a BOF and is highly CO₂ intensive. To replace a BOF, EAF steelmaking requires scrap steel, and a source of virgin iron like DRI or pig iron produced from the reduction of iron ore. EAF steelmaking requires a source of scrap steel or sponge iron produced from the reduction of iron ore.

DRI using elevated levels of or exclusively hydrogen and is a new technology under development that seeks to eliminate CO₂ emissions from the reduction of iron ore in blast furnaces using coke. If enough hydrogen manufactured from renewable sources can be accessed and if a DRI furnace can be paired with an EAF for the second stage of the steelmaking process that is also powered by renewable energy, CO₂ emissions from steel production can be largely eliminated. A key limiting factor for increased DRI production is currently the availability of suitable iron ore, as DRI production requires highest quality iron ore pellets while blast furnaces can consume almost any kind of iron ore facing no restrictions.

RHI Magnesita is one of the market leaders in EAF-specific refractories, services and solutions, in part due to the unique chemical composition of the Group's raw material supply. RHI Magnesita's refractories used in EAF production contribute to reducing CO₂ emissions at steel plants by supporting the more sustainable electric arc furnace process, which inherently generates lower emissions compared to steel production via blast furnace and BOF methods.

Digital Solutions and advanced technologies

RHI Magnesita offers digital solutions and associated physical equipment, which achieve CO₂ emissions reductions through process efficiencies, such as wear monitoring and gunning repairs to extend the safe working life of refractory linings. Safely extending the working life of refractory linings can achieve significant energy savings for steel producers by reducing the number of heating and cooling cycles required per unit of steel output.

The Group also offers advanced refractory products, which enable its customers to substantially reduce GHG emissions by reducing electricity consumption, improving yield and reducing oxygen consumption.

Other solutions and products which directly contribute to CO₂ emissions reductions at customers' sites include cold setting mixes, EAF direct purging plugs and converter inert gas purging.

Material recovery from non-hazardous waste

The activity CCM/CCA 5.9 Material recovery from non-hazardous waste pursuant to Article 10(3) and Article 11(3) – covers the “construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into circular raw materials involving mechanical reprocessing, except for backfilling purposes.”

RHI Magnesita increased its Secondary Raw Material (SRM) input to 15.9% of raw material used in production of refractories. As part of this effort, RHI Magnesita operates facilities for the sorting and processing of spent refractories from customers' industries.

Circular raw materials, which are mechanically processed by RHI Magnesita and transformed from waste to raw material are eligible for consideration under the EU Taxonomy, whilst circular raw material processed by a third party and purchased externally by the Group are non-eligible.

Sorting and material recovery of non-hazardous waste

The activity CE 2.7 “Sorting and material recovery of non-hazardous waste” pursuant to Article 13 (2) covers “Construction, upgrade, and operation of facilities for the sorting or recovery of non-hazardous waste streams into high-quality secondary raw materials using a mechanical transformation process”.

RHI Magnesita actively collaborates in the transition to a circular economy through the sorting and material recovery of non-hazardous waste. This encompasses the construction, upgrade, and operation of facilities for sorting or recovering non-hazardous waste streams into high-quality secondary raw materials using mechanical transformation processes.

Across various sites, RHI Magnesita engages in sorting non-hazardous waste, recovering materials for use as secondary raw materials in its refractory production, aligning with the EU Taxonomy criteria.

Conservation and restoration of habitats, ecosystems and species

The activity BIO 1.1 “Conservation and restoration of habitats, ecosystems and species” pursuant to Article 15(2) – covers in-situ conservation and restoration activities aligned with Convention on Biological Diversity”.

RHI Magnesita is committed to the protection and restoration of biodiversity and ecosystems, specifically through the conservation and restoration of habitats, ecosystems, and species. RHI Magnesita's engagement in-situ conservation and restoration activities align with the Convention on Biological Diversity's definition and applies to its open-pit mining operations, where recovery of ecosystems and habitats is planned and executed.

The Group operates multiple mines, where a crucial aspect of open-pit mining involves restoring ecosystems and habitats. In 2025, recultivation activities occurred at six sites.

Acquisition and ownership of buildings

The activity CCM/CCA 7.7 ‘Acquisition and ownership of buildings’ is a cross-cutting activity pursuant to Article 10(3) and Article 11(3) occurring also at RHI Magnesita. Due to the acquisition of Resco, significant CapEx relating to buildings such as office buildings falls into this category in 2025 and is reported as eligible CapEx without further assessment as this is not a core activity of RHI Magnesita.

KPIs

Share of Taxonomy-eligible revenue, operating expenditure and capital expenditure — climate change mitigation, transition to circular economy, and protection and restoration of biodiversity and ecosystems.

Turnover

The turnover KPI is calculated as the ratio of turnover associated with taxonomy-eligible and/or aligned economic activities in the reporting period to total turnover in that period. The total turnover of the financial year 2025 of €3.4 billion forms the denominator of the turnover key figure and is provided in the Consolidated Statements of Profit or Loss of the Financial Statement Note 5 of this Annual Report.

The following eligible and/or aligned activities have been identified as relevant in view of turnover:

- CCM/CCA 3.6 Manufacture of other low-carbon technologies.
- CCM/CCA 5.9 Material recovery from non-hazardous waste.
- CE 2.7 Sorting and material recovery of non-hazardous waste.

Most of our Taxonomy-eligible turnover (numerator) are reported under Activity CCM/CCA 3.6, "Manufacture of other low-carbon technologies". The only portion of our turnover Taxonomy-aligned is reported under Activity CCM/CCA 5.9 "Material recovery from non-hazardous waste". A thorough analysis of turnover KPI drivers during the reporting period considered diverse revenue sources, including customer contracts and lease income. About 84% of materials recovered by the Group from non-hazardous waste are consumed internally. Therefore, the 2025 financials include external Turnover from material recovery in non-hazardous waste.

Capital expenditure

The total capital expenditures in line with point 1.1.2.1. Annex 1 of the Disclosure Delegated Act equal the denominator. Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). In 2025, the total CapEx amounts €411m and is in line with the Financial Statement Notes 18 and 19 of this Annual Report.

The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by total CapEx (denominator), for the financial year, ended 31 December 2025.

The following eligible activities have been identified as relevant regarding the capital expenditure KPI:

- CCM/CCA 3.6 Manufacture of other low-carbon technologies.
- CCM/CCA 5.9 Material recovery from non-hazardous waste.
- CE 2.7 Sorting and material recovery of non-hazardous waste.
- CCM/CCA 7.7 Acquisition and ownership of buildings.

The additions of assets in the reporting year served as a basis for the necessary identification.

Taxonomy-eligible CapEx (numerator) is an aggregation of addition to property, plant and equipment reported under Activity CCM/CCA 5.9 "Material recovery from non-hazardous waste" and Activity CE 2.7 "Sorting and material recovery of non-hazardous waste"; and to internally generated intangible assets reported under Activity CCM/CCA 3.6 "Manufacture of other low-carbon technologies" and under Activity CCM/CCA 7.7 "Acquisition and ownership of buildings". There is neither a CapEx plan to expand RHI Magnesita's Taxonomy-aligned economic activities nor to upgrade Taxonomy eligible economic activities to render them Taxonomy-aligned.

Operating expenditure

Total applicable OpEx is in line with the Taxonomy legislation consisting of maintenance OpEx, R&D OpEx and Recultivation OpEx. Other OpEx categories such as short-term lease are excluded as they are immaterial.

The following eligible activities have been identified as relevant regarding the operating expenditure KPI:

- CCM/CCA 3.6 Manufacture of other low-carbon technologies.
- CCM/CCA 5.9 Material recovery from non-hazardous waste.
- CE 2.7 Sorting and material recovery of non-hazardous waste.
- BIO 1.1 Conservation and restoration of habitats, ecosystems and species.

Most of our Taxonomy-eligible OpEx (numerator) is related to assets or processes associated with taxonomy-eligible activities reported under Activity CCM/CCA 3.6 "Manufacture of other low-carbon technologies".

Avoidance of double counting

To avoid double counting, data sources for the various reported items are individually cross-checked to identify overlapping classifications. Where double counting is identified, overlapping data is removed from the eligible amount. OpEx related to activity CE 2.7 "Sorting and material recovery of non-hazardous waste" is overlapping with OpEx reported under activity CCM 5.9 "Material recovery from non-hazardous waste" therefore, not reported.

Taxonomy aligned activities of RHI Magnesita

For the eligible economic activities of RHI Magnesita previously described, the following activity is considered as aligned:

- CCM/CCA 5.9 Material recovery from non-hazardous waste.

The aligned turnover for this activity amounts € 24m, which reflects the total revenue from external sale of secondary raw material. In 2025, the increase of turnover from Mireco is the key element of change compared to prior year. The aligned CapEx for this activity amounts € 2m and shows the capital expenditures of our recycling sites, which fulfil the DNSH assessment criteria. The decrease results from a general reduction of operational investment activities. The aligned € 4m OpEx of this activity can be split into € 2m of recycling related R&D expenses and € 2m for maintenance⁴ OpEx at recycling sites. This increase is in line with our expanded recycling activities, which is also reflected by increased recycling revenues.

Substantial contribution criteria

In respect to alignment criteria, RHI Magnesita considered its activities under "Material recovery from non-hazardous waste" aligned because for each raw material recovery site, yield reports demonstrate a constant yield above 50%, which fulfil the alignment criteria. Not all of the eligible amount of the activity material recovery from non-hazardous waste is aligned, mainly due to the fact that DNSH assessment of recently acquired recycling plants has not yet been concluded in the reporting year.

All the other activities could not meet the technical screening alignment criteria and therefore, these are not considered as aligned activities.

Do No Significant Harm (DNSH)

To fulfil the DNSH criteria for the identified taxonomy-eligible economic activities, corresponding analyses and surveys were carried out in accordance with (EU) 2021/2139 to establish taxonomy alignment.

DNSH to climate change adaptation

Activity 5.9

For the climate risk and vulnerability analysis for objective 2 "climate change adaptation", potential climate hazards were analysed and assessed for their risk potential in accordance with the requirements of Appendix A (EU) 2021/2139. RHI Magnesita conducted climate risk assessments considering both physical and transitional climate risks aligned with TCFD. Four climate scenarios (representative concentration pathways 2.6, 4.5, 6.0 and 8.5) were considered based on the Intergovernmental Panel on Climate Change Fifth Assessment Report and the International Energy Agency (IEA) Sustainable Development Scenario. The results of the assessment indicated that the impact for physical risks is limited, since measures are in place to assess on a regular basis the risk of physical damage of assets. Insurance policies are partially covering physical damage by natural catastrophes.

DNSH to protection and restoration of biodiversity and ecosystems

Activity 5.9

The requirements for objective 6 "Biodiversity" according to Appendix D of Regulation (EU) 2021/2139 are ensured due to the legal framework within the EU. For sites outside the EU, the national legal framework was analysed.

RHI Magnesita considers its mining sites as the part of the production process with the highest potential for adverse effects on biodiversity. Therefore, the assessment focuses on mining sites. For all major RHI Magnesita's mining sites an environmental impact screening has been conducted. The mining sites operate close (less than 10 kilometers) to IUCN category Ia, II, IV, VI and unclassified (Natura 2000) protected areas. All mining sites fulfil general environmental protection requirements in line with legal requirements. Additionally, RHIM assessed its recycling sites in 2025. Generally, most recycling sites have a small environmental footprint due to the nature of the recycling processes. The assessment concludes that a few recycling sites are located less than 10 kilometers to protected areas but none of the sites is requested to monitor its environmental impact on nature protected areas in proximity. A very few sites have to comply with nature protection requirements as part of their permit and several sites had to conduct environmental impact screening as part of their permitting process.

Minimum social safeguards

RHI Magnesita has implemented a due diligence and governance framework aligned with internationally recognised standards, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the eight fundamental conventions of the International Labour Organization (ILO).

Human rights protection is embedded in the Group's policies and oversight structures. The Consolidated Anti-Slavery Statement is approved by the Corporate Sustainability Committee and published annually. Suppliers are required to comply with the Supplier Code of Conduct, which mandates adherence to internationally recognised human rights and labour standards, supported by contractual clauses and ongoing monitoring across the supply chain. A dedicated Human Rights Officer oversees the continuous strengthening of the Group's human rights framework.

Risk-based due diligence procedures apply to business partners—including customers, sales intermediaries, and suppliers—as well as to mergers and acquisitions. Enhanced screening is conducted for partners operating in high-risk countries. All sales agents are certified by Ethixbase360, including reputational screening. The Board retains ultimate responsibility for corporate governance, including risk

⁴ Maintenance includes all measures during the life cycle of an object to maintain the functional state or to return it to this state so that it can fulfil the required function.

management, internal controls, and internal audit. An independent whistleblowing system enables confidential reporting of concerns, which are investigated by Internal Audit, Risk, and Compliance in cooperation with relevant functions.

Fair competition is firmly anchored in the Code of Conduct and compliance framework. The Group conducts its business in full compliance with applicable antitrust and competition laws and prohibits any anti-competitive agreements or practices that could distort market conditions. Publicly available policies on gender equality, anti-discrimination, and anti-harassment further reinforce the Group's commitment to responsible business conduct.

Tax governance forms part of the minimum safeguards framework. RHI Magnesita complies with applicable tax laws and internationally recognised standards and maintains a comprehensive Tax Control Management System (TCMS). The Global Tax Policy, approved annually by the Audit Committee, defines the Group's tax strategy, principles, and control mechanisms to manage and mitigate tax risks. Tax-related disclosures are transparently reported in the Financial Review section (see pages 32–36) of the Annual Report. During the reporting period, there were no convictions or severe violations of tax law, no systemic aggressive tax avoidance practices, no repeated penalties for tax misconduct, and no failure to remediate significant tax controversies.

Through these governance structures, policies, due diligence processes, and reporting mechanisms, RHI Magnesita ensures the effective implementation of the EU Taxonomy Minimum Safeguards across its operations and value chain.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities — disclosure covering year 2025 (summary KPIs)

Financial year 2025																													
KPI	Total	Proportion of Taxonomy eligible activities		Proportion of Taxonomy aligned activities		Breakdown by environmental objectives of Taxonomy aligned activities										Proportion of Taxonomy aligned activities in previous financial year (N-1)		Proportion of Taxonomy aligned activities in previous financial year (N-1)											
						Climate Change					Circular Economy		Pollution		Biodiversity		Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year (N-1)	Taxonomy aligned activities in previous financial year (N-1)								
						Mitigation		Adaptation		Water																			
						(6)	(7)	(8)	(9)														(10)	(11)	(12)	(13)	(14)	(15)	(16)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)														
Text		€ million	%	%	%	%	%	%	%	%	%	%	%	€ million	%	%	%												
Turnover		3,366	16.7%	24	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17	0.5%	0.0%	0.5%												
CapEx		411	2.8%	2	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.3% ^(a)	4	2.3% ^(a)	0.0%	2.3% ^(a)												
OpEx		167	16.2%	4	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.1% ^(a)	3	1.7%	0.0%	1.7%												

Explanatory notes for Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities:

(1) refers to cross-cutting activities and related additions to property, plant and equipment.

(2) refers to cross-cutting activities covering buildings incl. energy efficient equipment for buildings as well as cars & light commercial vehicles.

(3) amount restated, see section "Restatements and reporting errors in prior years" for details.

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities — disclosure covering year 2025 (activity breakdown)

Reported KPI: Turnover													
Financial year 2025													
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy aligned value of Turnover)		Taxonomy aligned KPI (Proportion of Taxonomy aligned value of Turnover)		Taxonomy aligned KPI (Proportion of Taxonomy aligned value of Turnover)		Environmental objective of Taxonomy aligned activities					Proportion of Taxonomy aligned in Taxonomy eligible
		Taxonomy eligible KPI (Proportion of Taxonomy aligned value of Turnover)		Taxonomy aligned KPI (Proportion of Taxonomy aligned value of Turnover)		Taxonomy aligned KPI (Proportion of Taxonomy aligned value of Turnover)		Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	€ million	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of other low carbon technologies	CCM/CCA 3.6	15.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	E		0.0%
Material recovery from non- hazardous waste	CCM/CCA 5.9	11%	24	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%			63.6%
Sum of alignment per objective					0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total KPI Turnover		16.7%	24	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	63.6%

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities — disclosure covering year 2025 (activity breakdown)

Reported KPI: CapEx		Financial year 2025												
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)	Environmental objective of Taxonomy aligned activities							Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	(11)	(12)	(13)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(14)
Text		%	€ million	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%	%
Manufacture of other low carbon technologies	CCM/CCA 3.6	0.2%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	E			0.0%
Material recovery from non- hazardous waste	CCM/CCA 5.9	1.9%	2	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%				26.3%
Acquisition and ownership of buildings	CCM/CCA 7.7	0.7%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%
Sum of alignment per objective					0.5%	0.0%	0.0%	0.0%	0.0%	0.0%				
Total KPI CapEx		2.8%	2	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.3%

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities — disclosure covering year 2025 (activity breakdown)

Reported KPI: OpEx															
Financial year 2025															
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx)	Taxonomy aligned KPI (monetary value of OpEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx)	Environmental objective of Taxonomy aligned activities								Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
Text		%	€ million	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%		
Manufacture of other low carbon technologies Material recovery from non- hazardous waste Conservation including restoration of habitats, ecosystems and species	CCM/CCA 3.6	12.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	E		0.0%		
	CCM/CCA 5.9	3.0%	4	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%			80.0%		
	BIO 1.1	0.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%		
Sum of alignment per objective					2.4%	0.0%	0.0%	0.0%	0.0%	0.0%					
Total KPI OpEx		16.2%	4	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	80.0%		

ESRS E1 Climate change**ESRS 2 General disclosures****Governance****Disclosure requirement related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes**

RHI Magnesita integrates sustainability considerations into its executive remuneration framework in order to align management incentives with the long-term strategic objectives of the Group and the creation of sustainable value.

In line with the requirements of ESRS 2 GOV-3, sustainability-related performance metrics are embedded in both the annual bonus and the long-term incentive plan (LTIP). These metrics are designed to support the Group's strategic priorities, including financial resilience, operational efficiency and environmental performance.

Particular emphasis is placed on climate- and resource-related indicators, reflecting RHI Magnesita's commitment to reducing its environmental footprint and supporting the transition to a more circular and low-carbon business model. The remuneration structure ensures that a defined portion of variable compensation is directly linked to the achievement of sustainability objectives, including the reduction of greenhouse gas emissions and the increased use of secondary raw materials.

The Board, the Corporate Sustainability Committee and the Remuneration Committee recognise that the use of financial incentives for executive management and other key functions, such as sales, can accelerate the achievement of sustainability objectives. This approach is further supported by feedback received through shareholder engagement, which has confirmed strong support for the inclusion of sustainability-related performance measures within the overall executive remuneration framework.

Annual bonus and Long-term incentive plan (LTIP)

Annual bonus and Long-term incentive plan are described in detail in the section GOV-3, page 78.

Disclosure requirement related to ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model**Climate strategy**

Driving down carbon emissions is a key strategic priority for RHI Magnesita. In addition to pursuing its own decarbonisation pathway, the Group aims to support its customers in their transition towards a lower-carbon economy.

The Group has set clear carbon reduction targets. Its first target aims at a 15% reduction in CO₂ emissions per tonne across Scope 1, 2 and relevant Scope 3 (raw materials) by 2025, compared to the 2018 baseline. In early 2025, a second target was established, targeting a 10% reduction in CO₂ emissions per tonne by 2030, based on a 2024 baseline.

The Group's climate strategy is based on:

- reducing the carbon footprint of our raw materials, including through the increased use of circular raw materials;
- enhancing energy efficiency in our operations;
- reducing the carbon intensity of our energy sources; and
- providing innovative solutions to reduce customer emissions.

To assess the resilience of its strategy, the Group conducts annual climate scenario review to assess the potential impacts of transitional climate-related risks and opportunities over the short, medium, and long term. The analysis considers key drivers relevant to its energy-intensive operations, including CO₂ pricing, energy costs, regulatory developments, and the availability of low-carbon technologies.

Key assumptions considered in the transition to a lower-carbon economy, progress will be driven by increasingly stringent climate regulation, growing customer demand for low-carbon solutions, and the gradual decarbonisation of energy systems. It is assumed that energy efficiency will continue to improve and that the share of renewable energy will increase over time, while energy-intensive industrial processes will remain necessary in the medium term. The strategy further assumes the progressive development and deployment of recycling, low-carbon, and digital technologies, with more advanced solutions such as carbon capture utilisation / storage becoming available over the longer term. These assumptions are regularly reviewed to reflect evolving regulatory, market, and technological conditions.

Scenario modelling is based on International Energy Agency (IEA) reference pathways and includes both a Paris-aligned mitigation scenario (RCP 2.6) and a high-emissions scenario (RCP 8.5). These scenarios are used as analytical tools to assess resilience and risk exposure, rather than as direct representations of the Group's decarbonisation commitments.

The analysis is conducted at an aggregated level using sector- and region-specific assumptions reflecting current data availability and modelling capabilities. While the Paris-aligned scenario provides insight into potential transition risks under ambitious climate policy conditions, the interpretation of results takes into account uncertainties related to regulation, technology maturity, infrastructure availability, and economic feasibility.

Short term

For short-term risks (between 0–1 years), aligned with the business and financial planning cycle. In addition, we are actively monitoring emerging trends and opportunities that may require us to adjust our strategic plans. We are committed to staying agile and adapting our plans as needed to ensure that we remain competitive in the marketplace and continue to meet our sustainability targets.

In 2025, the Group has achieved an additional reduction in CO₂ emissions intensity resulting in a 15% reduction in CO₂ emissions intensity, compared to its base year 2018 (2024: -14%). This progress is mainly a result of recycling overperformance, but this has been offset by slower progress on switching to alternative fuels and lower plant capacity utilisation in the short term.

Medium term

For medium term risks (between 2–5 years), it is the most likely horizon for the regulatory frameworks (such as the EU Emissions Trading System and Carbon Border Adjustment Mechanism) currently over a three-year transition period, and to be expanded to all sectors within EU ETS in the future thus having partial effect on to RHI Magnesita's operations due to the gradual phase out of free allocations. We are anticipating and considering adjustments to our plant footprint.

Long-term

For the long-term risks (> 5 years), the Group considered the deadline that has been set by the UN and many policy-making bodies to meet decarbonisation goals, being the year 2050.

Time horizons for both physical and transitional risks are aligned with climate scenarios to ensure a structured and forward-looking approach to sustainability and risk management.

The Group considers the resilience of its strategy in relation to physical and transition climate risks as part of its overall risk management and strategic planning processes. The strategic focus on portfolio enhancement, performance excellence, and planet engagement supports the long-term viability of the business model, particularly in the context of evolving regulatory and market conditions. The analysis of climate-related risks and opportunities focuses primarily on the Group's own operations, and those parts of the value chain considered most material, notably raw material sourcing, production activities, and key customer industries. Due to the nature of the Group's industrial operations and data availability, certain upstream and downstream activities, as well as longer-term systemic transition risks, are currently assessed at a qualitative level or excluded from detailed analysis. While technical limitations apply, climate-related developments and regulatory changes are monitored on an ongoing basis to support informed reassessment of strategic priorities and the progressive refinement of the strategy.

The resilience analysis is subject to uncertainties related to the pace of climate change, regulatory developments, technological availability, and market evolution. It focuses primarily on the Group's own operations and those business activities with the highest exposure to physical and transition risks, while certain upstream and downstream value chain elements are considered at a qualitative level due to data and methodological limitations

Each year, the Group systematically reviews and evaluates all viable measures to reduce CO₂ emissions across its operations, prioritising proven technologies and aligning with available financial resources. While achieving emission reductions consistent with a "well below 2 degrees" scenario appears feasible, our current assessment indicates that setting a target aligned with a 1.5-degree scenario is not achievable without the advancement of currently unavailable technologies or substantial external financial and infrastructure support.

RHI Magnesita will continue to monitor technological developments, regulatory changes and internal innovation progress and will update its transition pathway accordingly where additional decarbonisation potential becomes feasible.

Impact of climate-related risks on the Group's strategy

RHI Magnesita defines "substantive financial or strategic impact" as impact which is classified as "high" (score 4) or "critical" (score 5) impact.

RHI Magnesita defines the impact of a risk, including those related to climate change, on a scale of 1 (minor) to 5 (critical). Each of these five ratings has specific definition and quantifiable indicators based on the potential to compromise the ability of RHI Magnesita in achieving its strategic, operational, financial and compliance goals.

- A score of 1 represents minor impact on our ability to achieve these goals.
- A score of 2 represents low impact in achieving such goals.
- A score of 3 represents moderate impact (for example the potential for one strategic deliverable to be slightly delayed).
- A score of 4 represents high impact on the achievement of our goals, which might result in one objective not being achieved or being significantly delayed.
- Finally, a score of 5 represents a critical impact on RHI Magnesita's ability to deliver more than one goal.

With specific reference to climate-related risks, the following four quantifiable indicators are used by RHI Magnesita to define a substantive strategic or financial impact:

- An impact that would compromise the ability of RHI Magnesita to achieve (or achieve in a timely fashion) one or more objectives defined in the Group's 2025 strategy, which includes climate-related targets. RHI Magnesita's climate-related objectives include the reduction of CO₂ emissions by 15% per tonne of product — Scope 1,2 and 3 (raw materials), a 5% increase in energy efficiency tonne of product, and the increase of secondary raw materials use to 15%.
- An impact that would compromise our ability to achieve our financial objectives by more than 15% Group budgeted EBITA.
- An impact that would compromise our ability to meet climate regulatory requirements applicable to our Group resulting in negative international media attention and/or reputational damage to RHI Magnesita.
- An impact that would create a substantial disruption to a) our plants (i.e., the inability to continue operations in more than one of RHI Magnesita key locations across four global regional areas) and b) our ability to fulfil contracts with customers comprising a negative impact of more than 15% Group budgeted EBITA for the year and/or c) compromise the safety of our employees.

The impact of risks and opportunities were assessed across three different time horizons. The short-term (2025) sits within our short-term business plan, while the medium (2030) and long-term (2050) time horizons are oriented towards the broader international policy developments, including the Paris Agreement, EU Green Deal and the EU Carbon Border Adjustment Mechanism.

The Group believes, and this view is endorsed by the CSC, that it has the essential elements to run the climate resilience analysis. From risk identification, ability to implement mitigation measures, high adaptive capacity, the Group has the means to reduce risk exposure and embrace the opportunities associated with the climate-change related developments across the different scenarios. The Group also collaborates with governments, industry associations, universities to enhance climate mitigation and adaptation across the regions. By making use of frameworks like TCFD, the Group discloses transparently and regularly updates stakeholders on climate-related matters.

Climate-related risk opportunities could range from disruptive regulatory developments, physical hazards for our operations or new business opportunities, for example, to earn a Green Premium for refractories with low-carbon footprint. By monitoring market developments and enhancing its business adaptability, innovation and planning, RHI Magnesita can maintain a strong level of climate resilience over the short, medium and long-term across different scenarios. The Group remains committed to supporting its customers' decarbonisation efforts as well as actively managing our own climate-related risks and opportunities.

The Group's resilience analysis, updated annually, assesses risks across acute and chronic physical hazards, legal factors, evolving regulations, technological shifts, market dynamics, and reputational risks. Risks affecting direct operations, downstream, and upstream activities are systematically identified through the Group's risk management framework. The analysis incorporates four climate scenarios – RCP2.6, RCP4.5, RCP6.0, and RCP8.5, based on the IPCC Fifth Assessment Report – to evaluate exposure under different climate conditions. Results indicate that 39 sites may be susceptible to physical climate hazards, with insurance policies in place to cover potential damage and losses, including those caused by natural catastrophes.

The Board actively advances initiatives that align sustainability with business success. By offering more sustainable products and solutions, the Group strengthens its competitive position through pricing, market share, and preferred supplier status – key advantages in a low-carbon economy. At the same time, RHI Magnesita remains committed to minimising its environmental and social impact, maintaining its licence to operate and reputation as a responsible industry leader.

With a strategic focus on climate resilience, endorsed by CSC, RHI Magnesita is well-positioned to navigate future challenges and opportunities, ensuring long-term value creation for both the business and its stakeholders.

Impact, risk and opportunity management

Disclosure requirement related to ESRs 2 IRO-1 — Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Climate material impacts, risks and opportunities and their interaction with strategy and business model are shown in SBM-3 ESRs 2 and the process to identify and assess material climate-related impacts is described in IRO-1 ESRs2. Time horizons are aligned with strategic planning to integrate climate risks and opportunities into the Group's business strategy. The short-term horizon focuses on immediate sustainability targets and operational adjustments, while the medium-term guides investment and regulatory adaptation. The long-term horizon aligns with global decarbonization goals, ensuring resilience and competitiveness.

Climate risks and opportunities management

The Group has an established risk management approach with the objective of identifying, assessing, mitigating, monitoring and reporting uncertainties and risks that could impact the delivery of RHI Magnesita's strategy. Since environment and climate change represent both strategic and operational risks to our business, they are considered as RHI Magnesita's principal risks.

The climate scenarios applied are consistent with both the key assumptions used in the preparation of the Consolidated Financial Statements and the Group's climate-related risk assessment under ESRs E1. The Paris-aligned Mitigation and Hot House World Limited mitigation scenarios reflect management's best estimate of plausible future economic and regulatory conditions and are aligned with assumptions on carbon pricing, energy costs, asset utilisation and demand development applied in financial planning and impairment testing. The timing and magnitude of the impacts identified, in particular the expected increase in carbon prices from 2026 onwards, are consistent

with the assumptions underlying asset valuations, provisions and cash-flow projections. The concentration of negative impacts in European operations and the identification of global opportunities are likewise aligned with the Group's geographic risk assessment and strategic planning assumptions.

Several mitigation measures are in place to ensure that the risk is appropriately managed and within the Group's risk appetite. The risk management process at RHI Magnesita combines top-down, bottom-up and subject-specific risk assessments. The top-down risk assessment is performed by the Executive Management Team and reviewed by the Audit & Compliance Committee and reporting against these risks is included in Board meetings, Executive Management Team meetings and strategic reviews. The bottom-up risk assessment is based on operational sites that maintain ongoing risk management activity and is linked to the quality management-based governance practices. Subject-specific risk assessments are performed for areas of emerging or important risks such as climate change. These risk assessments are reviewed by the CEO, the Executive Management Team and the Audit & Compliance Committee.

The Corporate Sustainability Committee (CSC) reviews the Group's risk appetite, tolerance and strategy in respect of corporate sustainability risks and advise the Board accordingly. The CSC reviews, 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.

Climate change represents both strategic and operational risks to our business. These are grouped as physical risks and transitional risks. Physical Climate Risk refers to the potential financial and operational impacts on an organisation resulting from climate-related events. These risks are categorised as:

Acute Risks: Sudden, extreme weather events like tornados, floods, or heatwaves.

Chronic Risks: Long-term changes in climate patterns, such as changing air temperatures, sea-level rise, or soil erosion.

These risks can disrupt operations, damage assets, increase costs, and impact supply chains, requiring proactive risk assessment and adaptation strategies.

Transitional climate risk refers to potential financial, operational, and strategic risks that organisations may face as economies transition toward a low-carbon economy. These risks arise from changes in policies, regulations, market dynamics, technologies, and social attitudes aimed at mitigating climate change. While these risks can pose challenges, they also present opportunities for innovation, competitive advantage, and long-term resilience.

The process of identifying and assessing all Group climate-related risks and opportunities, is as follows.

Starting from the risk and opportunity universe (comprising all categories that could impact businesses in the next ten years), categories which are not applicable to our business are excluded from the risk and opportunity analysis. Categories identified as applicable to our Group are analysed to identify specific risks and opportunities that impact (or potentially impact) our business. These are linked to potential root-causes and assessed for their inherent likelihood impact, and velocity. For climate-change risks and opportunities, the following categories are considered: acute and chronic physical risk, legal, current and emerging regulations, technology, market, and reputational risks. Within each category, specific risks and opportunities impacting direct operations, downstream and upstream, are identified and assessed based on the Group's risk management processes.

Risk and opportunities impact is evaluated based on a scale of 1 (minor) to 5 (critical). Each rating has a specific definition based on the impact of the risk on RHI Magnesita's strategic, operational, financial and compliance goals.

Risks and opportunities are also rated according to their inherent likelihood on a scale of 1 (rare) to 5 (very likely) based on their probability or expected frequency.

Once likelihood, impact and velocity of a risk have been assessed, an appropriate response is determined. This ranges from mitigating the risk to transferring or avoiding the risk based on the level of "risk appetite" defined by the Board.

Appropriate initiatives to reduce the level of inherent risk are then identified and implemented. The level of residual likelihood and impact after mitigation is assessed for each risk and opportunity using the scoring system above (i.e. impact on a scale of 1 "minor" to 5 "critical" and likelihood on a scale of 1 "rare" to 5 "very likely").

The overall level of residual risk is evaluated to ensure that it is aligned with the Group's risk appetite and risk tolerance. Effectiveness of mitigating measures is monitored over time and risks are reassessed at least on an annual basis and as needed in the case of significant changes in the risk landscape.

Climate-related transitional risks and opportunities

Operating in an emissions intensive industry, it is likely that RHI Magnesita's business model will be affected by the transition to a low-carbon economy. As well as risks, there are significant opportunities that the Group is well positioned to benefit from.

For transitional risks, financial effects are expected due to evolving regulatory frameworks, market dynamics, and technological shifts. These impacts may include increased costs related to carbon pricing mechanisms, investment requirements for low-carbon technologies, and adjustments in operational strategies. The specific financial implications of these transitional risks are disclosed in the accompanying table, providing transparency on potential cost impacts and strategic responses.

The assessment has identified EU sites needing significant efforts to align with climate-neutral goals due to regulatory changes, infrastructure limitations, and investment requirements for low-carbon technologies. Key challenges include the phase-out of free carbon allowances under the EU ETS and constraints in adopting alternative fuels. The Group is exploring process optimisation, renewable energy use, and industry collaboration with policymakers and industry partners to support a viable and sustainable transition.

RHI Magnesita has updated its climate-risk modelling and analysis of climate-related transitional risks and opportunities across short-, medium-, and long-term horizons. This update integrates key variables such as CO₂ pricing and energy costs based on IEA references. Scenario analysis was conducted using two climate pathways: the Paris-aligned mitigation scenario (RCP 2.6), which envisions strengthened climate policies limiting warming to below two degrees, and the hot-house world scenario (RCP 8.5), which assumes inadequate mitigation, leading to three to four degrees of warming. While this report is based on the Paris-aligned scenario, regulatory and market uncertainties add complexity to quantifications.

Risks

RHI Magnesita's main risk is the additional operating expense resulting from carbon pricing developments. The financial implications of this risk have escalated following the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM). This policy instrument aims to create a level playing field for domestic producers subject to carbon pricing by imposing a carbon-based tariff on imports from countries lacking comparable carbon pricing mechanisms. By increasing the cost of imports from such regions, CBAM mitigates competitive disadvantages for domestic industries, ensuring alignment with the EU's climate objectives while protecting local producers.

This mechanism would help to ensure that domestic producers and consumers are not put at an economic disadvantage by having to bear the cost of carbon pricing, while their international competitors do not. CBAM is intended to incentivise countries to adopt similar carbon pricing policies, thereby reducing the global greenhouse gases emissions.

CBAM is expected to have a financial impact on the Group from 2030 onwards as free carbon allowances under EU-ETS are phased-out. This is attributed to levies on imported materials, implemented to safeguard the EU domestic business.

This is expected to increase refractory pricing for all suppliers selling into the EU. Additionally, products manufactured in the EU and then exported will incur higher costs, as there are currently no compensation mechanisms for exporters.

The financial impacts of CBAM have been included in the Group's updated TCFD modelling, resulting in a future impact on equity value of circa €136 million due to the increase in operating costs because of increase in level or scope of carbon pricing. (2024: €260 million; 2023: €180 million) — see Note 4 of Financial Statements for more details.

Opportunities

Three opportunities were identified (i) increased demand for products that enables decarbonisation in the customer industries, e.g. EAF refractories, and (ii) increased demand for low carbon footprint refractory products and (iii) decrease in costs or increase in revenue through use of new technologies to reduce or capture CO₂ emissions from refractory production in ETS zones.

The steel industry is undergoing a decarbonisation process which is predicted to continue into 2050 and beyond. Long-term emissions reduction solutions include direct reduced iron in electric arc furnaces and increased scrap steel use. This megatrend has led to an increased demand for electric arc furnaces (EAF) and electric smelter furnaces. As global pressure to reduce carbon emissions intensifies, RHI Magnesita is strategically positioned to capitalise on this trend. Through its vertically integrated business model, the Group secures essential raw materials for electric arc furnace applications from its European mines in Hochfilzen and Breitenau, Austria. This integration not only ensures a reliable and sustainable supply chain but also provides RHI Magnesita with a distinct competitive advantage. These capabilities strengthen the Group's standing as the preferred refractory partner in the steel industry's transition toward greener and more sustainable operations.

RHI Magnesita maintains its industry leadership in utilising recycled minerals and recycling has been the major contributor to the Group's CO₂ emissions reductions to date.

Moreover, recycling also has significant waste management and circular economy benefits for Group's customers. RHI Magnesita's joint venture with Horn & Co., MIRECO, combines recycling activities in Europe and increases the production, use and offering of secondary raw

materials. This results in a significant decrease in CO₂ emissions. Horn & Co., MIRECO is well positioned at the forefront of the circular economy, providing services to customers in steel, cement, glass and other process industries. In 2025 RHI Magnesita started a strategic joint venture with BPL Inc in the United States to extend its recycling business to North America.

With an estimated CO₂ reduction of 1.6 tonnes per tonne of secondary raw material used, financial benefits arise from both premium pricing and lower production costs. However, long-term gains remain uncertain, influenced by carbon price volatility, regulatory changes, and customer demand for low-carbon solutions. Read more on chapter ESRS E5 — “Resource Use and Circular Economy” and “Business Model” on pages 140–144.

The net future impact on equity value of these opportunities combined is +€608 million (2024: +€515 million; 2023: +€388 million, 2022: +€123 million; 2021: +€352 million).

Climate Drivers	Risk/ Opportunity	Category	Impact	RHI Magnesita response and strategy	Main affected Time Horizon	Related metrics and targets
Policy-Making & Regulatory Pressure	Increase in operating or capital expenditures due to changes in policy and regulation	Risk	RHI Magnesita foreseen an impact on equity value of circa ca. €136 million due to the increase in operating costs because of increase in level or scope of carbon pricing	The Group incorporates carbon permit price projections into its financial planning and maintains a hedging programme to mitigate future exposure risks. To further enhance sustainability and reduce emissions, we are actively developing innovative technologies, including carbon capture, utilization, and storage (CCUS). Additionally, advancements in sorting technology are being pursued to improve recycling performance. A key priority is increasing the use of secondary raw materials, which offers a lower carbon footprint compared to the extraction or procurement of virgin raw materials. Furthermore, the Group remains committed to ongoing investments in fuel switching, renewable energy adoption, and energy efficiency measures, all of which contribute to reducing carbon intensity across operations.	Medium-Long Term	We have set a 15% emissions intensity reduction target by 2025 on a 2018 baseline of Scope 1, 2 and 3 raw materials emissions. By the end of 2025, the Group emissions intensity was 15.4% lower than the 2018 baseline.
Technology	Increased cost of capital for investing in recycling technology to achieve CO ₂ reduction targets	Risk	RHI Magnesita anticipates an estimated impact of approximately €12m on its equity value, driven by the increase in the cost of capital required to achieve its CO ₂ reduction targets. This reflects the financial implications of transitioning towards lower-carbon operations and compliance with evolving regulatory frameworks.	The Recycling Rate in 2025 reached 15.9%. RHIM plants had consumed 416kt of recycled materials. This led to €49 million in raw material cost savings for refractory finished goods and a reduction of 551kt in CO ₂ emissions.	Short-term	We have a target to increase the use of secondary raw material to 15% by 2025 and 20% by 2030. In 2025, the Group achieved a recycling rate of 15.9% (excluding the recent Joint Venture with BPI Inc).

Climate Drivers	Risk/ Opportunity	Category	Impact	RHI Magnesita response and strategy	Main affected Time Horizon	Related metrics and targets
Market & Customers	Increased demand for refractory products that enable decarbonisation of customer industries (EAF, ESF, OBF, DRI)	Opportunity	RHI Magnesita foresees a positive financial impact on equity value of €251m, regarding the increased demand from customers for refractory products that help them reduce their emissions is considered low (e.g. EAF)	RHI Magnesita is committed to supporting its customers in transitioning to low-carbon production processes through our advanced refractory products. Currently, a significant portion of our portfolio serves the steel and cement industries, which together represent approximately 80% of our business. In the steel sector, we provide refractory solutions that enable the use of electric arc furnaces (EAF), a key technology for reducing CO₂ emissions. Our market position reflects this commitment: RHI Magnesita holds a higher market share in lower CO₂-emitting applications, such as EAF, while maintaining a comparatively lower share in higher-emission technologies, such as basic oxygen furnaces (BOF) and blast furnaces. The Group will continue to expand its portfolio of low-energy and low-carbon solutions, including process optimization, recycling services, advanced coating technologies, and digital innovations, to further support our customers in achieving their sustainability targets.	Short-Medium-Long Term	Sales of refractory products supporting electric arc furnaces, associated with the lower carbon production of steel, was €510 million in 2025
Market & Customers	Increased demand for RHI Magnesita products that are produced with lower carbon footprint and incorporation of carbon expenses	Opportunity	Higher revenue due to increased demand for low-carbon (e.g. recycled) refractory products, resulting in a combined positive impact on equity value of €608 million	In the short term, increasing the proportion of secondary raw materials (SRM) in our products will contribute to a reduction in geogenic emissions from raw material use while simultaneously enabling the development of competitive low-carbon product offerings. In the long term, the successful implementation of carbon capture, sequestration, and utilization technologies, alongside a transition to renewable energy sources, has the potential to enable the production of refractory products with significantly lower or even net-zero CO₂ emissions. This strategy is expected to yield a competitive advantage in terms of pricing and market positioning, particularly as customers place increasing emphasis on reducing their Scope 3 emissions. By proactively addressing these sustainability concerns, the Group can strengthen its market presence and differentiate itself from competitors with higher carbon footprints.	Short-Medium-Long Term	We established a target to reach a 15% recycling rate by 2025. In 2025, the Group achieved a secondary raw material share of 15.9%, excluding the recently formed Joint Venture with BPI Inc. This represents continued progress compared with prior years (2024: 14.2%; 2023: 12.6%) and exceeds the original 2025 target. In parallel, we set a goal to reduce CO₂ intensity by 15% by 2025.

Climate-related physical risks

The 2025 assessment builds on earlier climate risk analyses and reflects the expansion of the Group's operational footprint following recent acquisitions. The scope included production sites, recycling facilities, and mining locations, ensuring consistency with the Group's enterprise risk management framework. Certain value chain assets had already been assessed as part of the initial physical climate risk assessment conducted in 2021 and were not identified as being materially exposed to climate-related risks.

The Group has carried out a comprehensive assessment of its production sites with regard to physical climate hazards. While all sites have been assessed for climate-related exposure, the most recent in-depth assessment conducted in 2025 focused on 11 sites, reflecting a

targeted analysis of newly integrated operations. This assessment placed particular emphasis on ensuring operational resilience, business continuity, and alignment with the Group's climate risk management and adaptation approach.

The assessment considered four distinct climate scenarios – RCP2.6, RCP4.5, RCP6.0, and RCP8.5 – taken from the findings of the Intergovernmental Panel on Climate Change Fifth Assessment Report. These scenarios project varying greenhouse gas concentration trajectories, indicating potential outcomes such as staying below a 2°C temperature increase, reaching approximately 2°C above the modern climate baseline, a global temperature rise of about 3–4°C by 2100, and an exceeding 4°C increase in the global average surface temperature by 2100.

The assessment focused on evaluating future exposure of RHI Magnesita sites to climate-related hazards across temperature, wind, water, and solid matter, encompassing a total of 29 categories as recommended by Delegated Regulation EU 2021/2139, assessing the probability of future climate conditions surpassing current baseline values.

Classification of climate hazards (source: Commission Delegated Regulation (EU) 2021/2139)

Classification of climate-related hazards	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water stress	
Acute	Heat wave	Cyclones, hurricanes, typhoons	Drought	Avalanche
	Cold wave/frost	Storms (including blizzards, dust, and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
			Glacial lake outburst	

Climate exposure levels were determined using a probability-based approach, assessing the likelihood that projected future climate values exceed historical mean levels at site level. Climate indices were grouped into five exposure classes (no exposure, low, medium, high, and red flag). The overall classification for each climate dimension reflects the highest individual variable under the RCP8.5 scenario, applying a precautionary approach.

Where no forward-looking data were available, present-day climate exposure was assessed instead, where feasible. This is indicated as "n.a." in the corresponding table. Uncertainty was evaluated based on model robustness, data quality, and the use of direct indicators or proxy variables.

The 2023 results highlighted that several locations within the Group's industrial footprint are exposed to chronic physical climate hazards—such as rising air temperatures, heat stress, and soil erosion—as well as acute risks like flooding. For the sites initially red flagged, a more detailed assessment was carried out in 2024 to deepen the understanding of these exposures and determine appropriate responses. This included targeted interviews to validate modelling outputs, confirm whether local perceptions align with the assessed risk levels, and identify existing or planned adaptation measures. The sites identified as high risk through the 2025 modelling will undergo the same structured assessment process, ensuring a consistent and comparable approach across the Group's portfolio. This approach enables a thorough evaluation of site-specific vulnerabilities and supports the development of effective risk mitigation strategies.

The table below presents the outcome of the physical climate risk assessment model for all sites red flagged.

Country	Climate Hazards (A-Acute; C-Chronic)	Site	Current Risk Assessment (Short-term)	2030-2050 (Medium-long-term)			
				RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5
Brazil	Heat stress – C	Brumado	Low	Low	High	High	Red flag
	Sea level rise – C	Terminal Aratu	Medium	Red flag	Red flag	Red flag	Red flag
	Soil erosion – C	Contagem	Low	High	High	n.a.	Red flag
		Coronel					
	Soil erosion – C	Fabriciano	Low	Red flag	Red flag	Red flag	Red flag
	Soil erosion – C	Fazenda Funchal	Medium	Red flag	Red flag	Red flag	Red flag
	Soil erosion – C	Retiro Pd Domingo	Medium	Red flag	Red flag	n.a.	Red flag
		Fazenda Serra dos					
	Soil erosion – C	Ferreiras	Low	High	High	n.a.	Red flag
	Changing air temperature – C	Uberaba	Low	Low	High	High	Red flag
China	Heat stress – C	Uberaba	Low	Low	High	High	Red flag
	Soil erosion – C	Uberaba	Low	High	High		Red flag
	Flood (A)	Chizhou	Medium	Red flag	Red flag	Red flag	Red flag
	Changing air temperature – C	Chongqing	Low	Low	Medium	High	Red flag
	Soil erosion – C	Chongqing	Low	Red flag	Red flag	Red flag	Red flag
Germany	Soil erosion – C	Dalian	Low	Red flag	Red flag		Red flag
	Flood – C	Niederdollendorf	Low	Red flag	Red flag	Red flag	Red flag
	Flood – C	Urmitz	Low	n.a.	n.a.	n.a.	Red flag
India	Changing air temperature – C	Venkatapuram	Low	Medium	Red flag	Red flag	Red flag
	Changing air temperature – C	Rajnandgaon	Low	Low	High	High	Red flag
	Soil erosion – C	Jamshedpur	Low	High	High	n.a.	Red flag
	Changing air temperature – C	Jamshedpur	Medium	Medium	Red flag	Red flag	Red flag
	Heat stress – C	Jamshedpur	Low	No risk	Medium	High	Red flag
	Soil erosion – C	Katni	Low	Low	High	High	Red flag
	Soil erosion – C	Cuttack	Low	High	Red flag	Red flag	Red flag
	Soil erosion – C	Dalmiapuram	Low		Medium	Medium	Red flag
Mexico	Changing air temperature – C	Tlalnepantla	Low	Low	High	High	Red flag
Switzerland	Water stress – C	Pfäffikon	Low	n.a.	n.a.	n.a.	Red flag
Türkiye	Water stress – C	Sörmaş	Low	n.a.	High	n.a.	Red flag
	Water stress – C	Eskisehir	Low	n.a.	High	n.a.	Red flag
USA	Soil erosion – C	Pevely	Low	High	High	n.a.	Red flag
	Changing air temperature – C	York	Low	Medium	Medium	Medium	Red flag
	Cold Frost –	Hammond	Redflag	Medium	Medium	Medium	Medium
		Mareland	Redflag	Red flag	Red flag	Red flag	Red flag
	Tornado	Hammond	Redflag	n.a.	n.a.	n.a.	n.a.
		Mouton	Redflag	n.a.	n.a.	n.a.	n.a.
	Flood	New Castle	Redflag	Red flag	n.a.	Red flag	Red flag
		Oakhill	Redflag	Red flag	n.a.	Red flag	Red flag
	Water stress – C	Santa Fe	Redflag	Redflag	Redflag	Redflag	Red flag
		Hillsboroug	Redflag	Redflag	Redflag	Redflag	Red flag
	Soil erosion	Oakhill	Redflag	n.a.	n.a.	Redflag	Red flag

This comprehensive process included engaging with local experts to assess the accuracy of climate risk models and reviewing insurance audits where available. The findings from this analysis revealed that the Group's overall exposure to physical climate risks is limited. The rationale behind this conclusion is twofold: (i) Imminence of Risks: Many of the flagged sites, under current climate conditions, are not perceived to face immediate threats, meaning the anticipated risks are either less severe or unlikely to materialise in the near term; (ii) Proactive Risk Management: For sites where risks are acknowledged, effective adaptation measures have already been implemented or are planned. These measures demonstrate the Group's proactive approach to resilience and preparedness, significantly mitigating potential vulnerabilities. This targeted approach underlines the Group's commitment to continuous improvement in climate risk management and ensures that the business remains resilient even under changing climate conditions.

Moreover, a three-year programme dedicated to the ongoing assessment of physical risks associated with the Group's assets has been implemented. This programme involves on-site evaluations by experts to assess preparedness for various risks, including structural conditions and geographical exposure to extreme weather events such as storms, hurricanes, and earthquakes – mainly focusing on acute risks. Newly acquired sites are seamlessly integrated into the programme to ensure a consistent risk assessment approach. Beyond climate-related hazards, this initiative also evaluates the overall physical conditions of each site and its exposure to broader operational risks, with natural catastrophes forming just one part of a holistic risk assessment framework. Additionally, RHI Magnesita's property, damage, and business interruption insurance programme provides partial coverage for all production sites and key offices, offering financial protection against physical damage and losses, particularly those arising from natural catastrophes. This integrated approach enhances resilience and ensures systematic risk mitigation across the organisation.

No material financial impacts are anticipated from the physical climate risk assessment. Current evaluations indicate that existing mitigation measures adequately address potential exposures, ensuring resilience against physical climate risks such as extreme weather events or long-term environmental changes. The Group continues to monitor developments and adapt its strategies as needed to maintain operational stability.

Disclosure requirement E1-1 — Transition plan for climate change mitigation

Refractory production is a 'hard to abate' industry. Raw material processing generally uses fossil fuels for ignition and burning of carbonate rock. In the burning process, around 50% of the weight of the mineral is converted into CO₂, resulting in geogenic emissions. These geogenic emissions are classified as Scope 1 when originating from the Group's own production, or Scope 3 in the case of externally purchased raw materials. Taken together, our own geogenic emissions and those associated with the raw materials that we purchase account for a quarter of our total CO₂ footprint.

Significant energy is also required for firing of refractory products in the manufacturing process and further emissions are generated in the shipping and distribution of our products to customers worldwide.

The Group has published a theoretical decarbonisation pathway which sets out a potential route to substantially remove all CO₂ emissions by 2060. The decarbonisation pathway is not aligned with a 1.5°C temperature goal of the Paris Agreement. Consequently, the Group does not currently have a climate transition plan for mitigation that is consistent with limiting global warming to 1.5°C. However, the Group has a climate transition plan for climate mitigation that is aligned with the Paris Agreement's objective of holding the increase in global average temperature to well below 2°C, based on feasible and available technologies.

Actual delivery of decarbonisation pathway is uncertain due to reliance on yet unproven technologies, infrastructure, energy sources and the actions of suppliers and governments which are not under the control of management. RHI Magnesita's decarbonisation commitment is as follows:

- Lead the refractory industry by decarbonising our operations as fast as sustainably possible.
- Annually update our decarbonisation pathway based on technology, infrastructure and capex developments.
- Invest in the research and development of new technologies to avoid or capture CO₂ emissions.
- Offer our customers enabling technologies or solutions for their own low-carbon production technologies and low-carbon refractory products to reduce their Scope 3 emissions.
- Lobby governments to invest in infrastructure to support decarbonisation.
- Work with partners in the private sector to develop new solutions for decarbonisation.

Full decarbonisation will require significant capital expenditure, starting in Europe and subsequently in all regions.

The decarbonisation pathway has been approved by the Board, the CSC and the Executive Management Team.

The first step of CO₂ emissions reduction is to be delivered through measures which can be implemented by the Group without significant external support, including increased use of recycled raw materials, fuel switches and energy efficiency measures (see E1-4 for details on levers and respective targets). It is estimated that these measures could deliver an absolute reduction of around 1.3 million tonnes of CO₂ emissions, or 28% of the baseline total by 2035. Beyond this initial reduction, decarbonisation measures become progressively harder to deliver. Recycling has a natural ceiling since refractories are consumed during use and only residual materials can be reclaimed, whilst fuel

switches to natural gas only offer a partial reduction. The next steps of the pathway are reliant on the provision of (i) new infrastructure or renewable energy sources such as hydrogen by outside parties; (ii) the use of technologies which do not yet exist or are not proven at pilot or production scale; and (iii) significant capital expenditure, which may not be possible for the Group to generate from its existing operations, obtain from its finance providers or receive via government funding. While the Group uses in its production natural gas, pet coke, coal and oil as fuels, it is not engaged in other fossil-fuel related economic activities. The Group is not excluded from the EU Paris-aligned Benchmarks in accordance with Commission Delegated Regulation (EU) 2020/1818. The Group currently has one economic activity that is aligned with the requirements of Commission Delegated Regulation (EU) 2021/2139. There are no Capex plans to expand taxonomy-aligned activities in the short to medium term. RHI Magnesita will continue to monitor evolving regulatory requirements and technical screening criteria to assess whether future changes may require a reassessment of alignment.

The costs of emitting carbon, which could provide an incentive to accept higher capital expenditure and operating costs for the purposes of reducing CO₂ emissions, apply in certain jurisdictions and may provide a business case for reducing emissions in those geographies. Estimates of future potential CO₂ costs are built into the Group's financial forecasts and planning decisions. However, the Group has a global production and customer network and competes with other refractory producers who are not subject to additional CO₂ costs.

Carbon capture and utilisation

In 2025, further progress has been made in the evaluation of technologies for CO₂ capture at the Group's raw material production sites. 2025 activity was concentrated on the operation of a membrane-based demonstrator at one of RHI Magnesita's raw material plants.

In the area of Carbon Capture and Utilisation (CCU), the Group has progressed its partnership with MCI Carbon to develop technologies focused on the direct mineralisation of CO₂ from flue gases, through a process which can efficiently transform gaseous waste CO₂ into new green minerals. The MCI process offers opportunities for utilisation in other industries, such as the cement sector, which faces similar challenges with process emissions of CO₂ not originating from the use of fossil fuels. 2025 activity was concentrated on finalizing the construction a pilot facility in Newcastle, Australia. Testing and development programmes with MCI Carbon are set to continue until mid-2026.

Alternative fuels including hydrogen and biofuels

Hydrogen produced using renewable energy is a promising alternative fuel for use in high temperature industrial processes such as those undertaken by RHI Magnesita. Proof of concept has been achieved, and no further significant investments are required until, and unless, an economic source of clean hydrogen fuel becomes available.

Securing a reliable and economic supply of green hydrogen is an essential pre-cursor to large scale adoption of hydrogen use in quantities that would make a material difference to the Group's Scope 1 emissions.

RHI Magnesita is also exploring other non-fossil fuel options including biofuels. RHI Magnesita uses charcoal in Brazil, which is considered as biofuels and tests are ongoing with sunflower husks in Europe.

Reducing the carbon intensity of energy

RHI Magnesita is seeking to reduce the carbon intensity of its energy sources through switching to lower intensity alternatives where possible. In Europe, transition from CO₂ intensive petroleum coke to more CO₂ efficient natural gas in our plants will start in 2026 but due to high natural gas prices only partially. Exploring biofuels as an alternative is dependent upon local availability and cost competitiveness. We continue to monitor energy markets and alternative fuel sources to reduce emissions.

At Brumado plant in Brazil we aim to change from heavy fuel oil to natural gas. Currently the construction works to the plant are on-going. At the Ponte Alta raw material production site in Brazil, we substituted petroleum coke with sustainable sourced charcoal as much as technically possible given the lower calorific value of charcoal.

We continue to reduce the CO₂ intensity of purchased electricity. The Group is investigating the potential for solar generation at several other sites. In 2025, 78% of total electricity generated was from renewable sources.

Investment and funding

The capital cost of full decarbonisation is highly uncertain but has been estimated at approximately €1 billion. Since there is no payback outside of jurisdictions where an ETS imposes a cost of carbon emissions, there is a limit to the amount of capital that the Group can commit to decarbonisation. In 2025 RHI Magnesita generated €214 million of free cash flow and allocates capital to M&A, organic capex, maintenance and dividends to sustain and grow the business. At current levels of cash generation and considering competing demands for capital it is unlikely that the Group would be able to fund a full decarbonisation of its operations from internally generated cash flow. External funding may be possible to obtain in the form of subsidies or co-investment in specific projects. The Group's transition plan is based on a bottom-up approach to ensure feasibility and alignment with the Group's overall business strategy and financial planning. The transition plan does not entail any objectives or plans for aligning with Taxonomy activities as there are not Taxonomy activities for refractory production.

Locked- in emissions

The vast majority of direct emissions at RHI Magnesita result from firing at high temperature of various kilns and geogenic emissions from carbonate raw materials during firing. The Group has set a 2030 target to also reduce direct emissions. Remaining emissions both from fuels and geogenic emissions are hard to abate and require carbon-neutral fuels such as hydrogen as well as carbon capture for geogenic emissions which are in nature otherwise unavoidable. We do not expect that the locked-in emissions jeopardise the undertaking's GHG emission 2030 reduction target. For a comprehensive decarbonisation beyond the Group's 2030 target locked-in emissions require a market environment which allows the Group to pass on higher costs of carbon-neutral fuels and carbon capture and utilisation.

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

RHI Magnesita has an Integrated Management System Policy (IMS policy) in place which addresses, among others matters, climate change mitigation. In this policy the Group commits to tackling climate change as far as it is technically and economically feasible. The Group strives to minimise direct and indirect CO₂ and other greenhouse gas emissions, by improving the energy efficiency of its operations and the use of cleaner sources. RHI Magnesita's IMS policy covers the environmental policy. With this policy the Group commits to operate all its business activities in a most sustainable way to ensure environmental protection, tackling climate change, through minimising the environmental impacts of its operations as far as it's technically and economically feasible. The policy applies to RHI Magnesita N.V. and all Group companies (together referred to as RHI Magnesita) and employees. The scope of the IMS policy is limited to Group companies and employees and does not extend to the upstream or downstream value chain. The Supplier Code of Conduct includes references to environmental compliance and other sustainability priorities and is aimed at the Group's upstream value chain. The CTO is accountable for the implementation of the policy. The IMS policy does not refer to any third-party standard and does not consider any particular stakeholder group. The IMS policy is published on RHI Magnesita's website. The Group's IMS policy is globally applicable and does not specifically address or exclude stakeholder groups. The Group's current policy does not yet fully align with all ESRS disclosure requirements. An update is underway to ensure compliance and comprehensive reporting.

RHI Magnesita's Corporate Risk-Taking/Management Policy outlines structured processes for identifying and managing risks across the organisation. The Risk Register includes a diverse range of risks and is not limited to specific categories such as Health & Safety or Environment. Rather than implementing separate policies for individual risks, the Group relies on this comprehensive risk framework to ensure a consistent approach to risk management. Additionally, while the IMS Policy covers climate change mitigation and energy efficiency, it does not explicitly address renewable energy or climate change adaptation. Climate-related risks and opportunities are, however, integrated into the broader corporate risk management framework to ensure a holistic approach to sustainability and resilience.

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

In 2025, the Group made further progress on our decarbonisation roadmap. Guided by the climate objectives set out in our transition plan, our recycling initiatives once again exceeded expectations, contributing decisively to emissions reductions. Multiple energy efficiency measures were implemented across regions, increasing operational performance where feasible and expanding the share of renewable energy in our mix. In China, a 2.2 MW photovoltaic installation was completed at the end of 2024, with an expected annual output of around 3,000 MWh and a reduction of approximately 1,700 tonnes of Scope 2 CO₂ emissions. Consistent with actions implemented near year-end, the resulting emission reductions are now reflected in the 2025 reporting period.

We also advanced key technology pathways and partnerships aimed at addressing hard-to-abate emissions, including the commissioning of MCI Carbon's "Myrtle" pilot plant in Australia and the scale-up of MCI Carbon's technology ahead of the planned commercial deployment at Hochfilzen, Austria in 2029. Once operational, the facility is expected to capture and convert approximately 50,000 tonnes of CO₂ per year into valuable mineral products. These initiatives reflect our commitment to aligning our operations with a low-carbon trajectory and delivering positive environmental, social, and economic outcomes.

The recycling target, initially set in 2019, was reviewed in 2022 and raised to 15% by 2025. In 2024, the Group further expanded its ambition by introducing a new 2030 target aiming for a 20% recycling rate. In 2025 the Group increased its recycling rate to 15.9% (compared to 14.2% in 2024). Every tonne of secondary raw material used replaces virgin raw material with a CO₂-intensity of 1.6t CO₂ per tonne of raw material on average.

The impact of acquisitions on the recycling rate has been assessed by taking into account the BPI acquisition (effective 21 August 2025) and the fact that Resco plants have historically not utilized recycled raw materials. For methodological consistency, the baseline raw material demand is derived from global supply chain planning data and excludes projects planned for 2026. Based on these assumptions and calculations, the recycling rate (RR) is estimated at 16.2%.

Other actions are energy efficiency measures with the aim to reduce the energy intensity of RHI Magnesita by 1% per year. In 2025 energy efficiency measures contributed to an emission reduction of around 11,000 t CO₂.

In addition, the partial switch from petroleum coke to natural gas at our Hochfilzen plant starting in 2026 will be another CO₂ reduction lever. Furthermore, the Group switches to green electricity where feasible. As a result, most of the electricity consumption in Europe and South America is from renewable sources and in China an increasing share of green electricity is consumed, and PV panels are installed at several plants in China and India. The scope of the key actions is direct Scope 1, Scope 2 market based and Scope 3 emissions from

purchased raw materials. While the Group has set time-bound targets to reduce its GHG-footprint, increasing the use of secondary raw materials and increasing energy efficiency are continuous actions. The full switch to natural gas at our Hochfilzen plant is planned for 2026.

The main short-term decarbonisation lever at RHI Magnesita's direct and indirect emissions is the increased use of circular raw materials. Actions to increase the share of circular raw material include improved recipes and processes which allow higher shares of circular raw materials as well as sales activities aiming at sale of brands with higher circular raw materials share as well as investments in operations to improve the capacity to process circular raw materials.

Investments in increased recycling capabilities are a continuous effort, and individual investments are short-term and are part of the asset category 'Plant Property & Equipment'.

Other short-term levers are increasing energy efficiency, switching to renewable electricity and switching to less CO₂-intensive fuels.

The implementation of actions to achieve the Group's 2030 CO₂ reduction target depends on annual CapEx and OpEx in the same order of magnitude as in the reporting year; therefore, for 2026 and beyond no additional availability and allocation of resources is required.

All actions described above contribute to the policy objective to minimise direct and indirect CO₂ and other greenhouse gas emissions.

During the reporting period, the Group incurred operational expenditure (OpEx) of €4 million related to decarbonisation activities. This amount primarily comprises the additional cost associated with procuring green electricity compared to conventional electricity supply, as well as research and development expenses for projects supporting low-carbon solutions, including recycling initiatives and other resource-efficiency measures. These expenditures reflect the Group's ongoing efforts to reduce operational emissions and advance sustainable production processes.

In 2025 the Group invested €4.5 million to reduce its CO₂ emissions. The Capex mainly contributes to increase the share of circular raw materials. Thereof, around €1.9 million relate to recycling investments according to EU Taxonomy (EU regulation 2021/22178) Material recovery from non-hazardous waste/sorting and material recovery of non-hazardous waste. Additionally, more than €2 million were invested for the switch to natural gas to replace Petroleum Coke at the Austrian Hochfilzen plant. Future financial resources are projected to remain at levels comparable to those in 2025.

The CapEx is part of Note 19 (Property, plant and equipment) in the Financial Statements under 'Additions'.

The CapEx/OpEx reported under Taxonomy-related disclosures deviate for various reasons from the disclosures required by ESRS:

- Not all Taxonomy-eligible activities contribute to reducing CO₂ emissions within the scope of the Group's transition plan (e.g. downstream indirect emissions).
- Not all Capex or OpEx reported following ESRS for achieving the Group's transition plan are eligible or aligned with the taxonomy activities (e.g. purchasing of green electricity or expenditures to switch to less CO₂-intensive fuels).

In line with the EU Taxonomy requirements, climate-related operating expenditure (OpEx) and capital expenditure (CapEx) are assessed separately from the Group's broader climate action measures.

Taxonomy-eligible OpEx and CapEx do not fully correspond to all climate mitigation actions, for example energy efficiency measures that fall outside the Taxonomy's technical screening criteria. In addition, Taxonomy-eligible R&D OpEx is limited to activities with technologies at a Technology Readiness Level (TRL) of 6 or higher, which excludes earlier-stage or pilot decarbonisation initiatives that are nevertheless relevant to the Group's climate transition strategy.

Metrics and targets

Greenhouse gas emissions methodologies

RHI Magnesita reports all relevant direct and indirect emissions. Reported GHG emissions considers carbon dioxide, Hydrofluorocarbons, methane, nitrous oxide and sulphur hexafluoride. Emissions of Scope 1, 2 and 3 are annually externally verified by LRQA Group Limited (limited assurance according to ISO 14064).

CO₂ KPI methodology

The CO₂ KPI is the metric used to measure progress against the Group's 15% relative reduction target against a 2018 base year. The denominator of the KPI are tons of shipped products excluding resale and sale of primary raw materials with very low GHG-intensity (raw magnesite and dolomite). The shipped volumes are corrected by inventory changes of finished goods and GHG-intensive raw materials produced by RHI Magnesita. The metric is not externally verified. The target did not undergo any significant change in methodology.

The KPI reflects RHI Magnesita's policy commitment to tackle climate change. The target is not a science-based target and external stakeholders have not been consulted. The target is based on a bottom-up approach with clearly identified CO₂ reduction levers.

Disclosure requirement E1-4 — Targets related to climate change mitigation and adaptation

RHI Magnesita has defined greenhouse gas (GHG) emission reduction targets based on a structured internal decarbonisation pathway covering its core operations and relevant upstream value chain activities. The pathway outlines a potential trajectory to significantly reduce CO₂ emissions by 2060 and serves as the basis for the Group's climate transition planning. It was developed through a comprehensive internal assessment of technically feasible and economically viable abatement measures, taking into account technological maturity, financial viability, and expected developments in energy systems and industrial infrastructure.

The Group's emission reduction targets are not science-based targets as defined by external validation frameworks such as the Science Based Targets initiative (SBTi), and they have not been externally assured.

Based on this assessment, the Board concluded that emission reductions consistent with a well-below-2°C pathway are achievable for the Group. Alignment with a 1.5°C pathway was assessed but determined not to be feasible at this stage, as it would require the large-scale deployment of technologies that are not yet commercially available as well as significant external infrastructure development and supportive regulatory and financial frameworks, all of which remain uncertain. Accordingly, the Group's greenhouse gas reduction targets are aligned with a well-below-2°C trajectory. Climate scenario analysis aligned with a Paris-consistent pathway (RCP 2.6) is used to assess transition risks but does not constitute a target calibration methodology. The assessment assumes continued improvement in energy systems and incremental technology deployment but does not assume large-scale commercial availability of breakthrough process technologies before 2035.

The Group has established intensity-based CO₂ reduction targets covering Scope 1, Scope 2, and Scope 3 emissions from purchased raw materials. The targets apply to all RHI Magnesita operations globally and are reported in tonnes of CO₂ equivalent, covering approximately 4.4 million tonnes of CO₂e, representing ca. 70% of total Scope 1, 2, and 3 emissions. Geogenic CO₂ emissions from raw materials represent a significant share of total emissions and are therefore explicitly included in the target framework. Emissions are calculated and reported using standardized, Group-wide methodologies aligned with the GHG Protocol, with central oversight in place to ensure consistent application and comparability across operations.

The Group's targets do not include non-CO₂ greenhouse gas emissions and do not assume the availability of breakthrough technologies or future regulatory changes. Nevertheless, the Group continues to invest in decarbonisation technologies, operational efficiency, and the increased use of secondary raw materials in order to support the progressive reduction of emissions and mitigate transition risks over time.

New technologies are not considered as a significant lever given the technical and economic uncertainties associated with them for the target period.

Based on identified reduction levers, the Group aims to reduce Scope 1 emissions by 9%, Scope 2 emissions by 5%, and Scope 3 raw material emissions by 12% by 2030. Scope 2 emissions reductions are calculated using a market-based approach. The levers outline the quantified contribution of our key measures toward achieving the defined CO₂ reduction target. Their impact is determined through a structured bottom-up assessment of the estimated abatement potential, ensuring transparency and traceability. To reduce the influence of production volume fluctuations and enhance comparability over time, targets are defined and monitored on an intensity basis rather than as absolute emission reductions.

The 2025 emission reduction target is based on 2018 as the base year, which represents the first full reporting year following the merger of RHI and Magnesita. The 2030 target is based on 2024, as this year reflects current operations and is supported by robust emissions data. Base years are adjusted in the event of significant structural changes, including mergers, acquisitions or divestments exceeding 5% of total CO₂ emissions. No such adjustments were required in 2025. All targets are developed in accordance with the GHG Protocol and are based on consistent Group-wide methodologies.

The Group achieved its 2025 target of a 15% reduction in CO₂ intensity per tonne of product, compared to the 2018 base year. This improvement was primarily driven by increased use of secondary raw materials, operational efficiency measures, and lower short-term plant utilisation, which partially offset slower progress in fuel switching.

A comparison with a 1.5°C-aligned pathway indicates that such a trajectory would require approximately a 42% reduction in Scope 1 and Scope 2 emissions and a similar reduction in Scope 3 emissions by 2030. The Group's current targets do not meet this level of ambition and are therefore not aligned with a 1.5°C pathway, reflecting the technological, economic and infrastructure constraints identified in the internal assessment.

Progress against the targets is measured using CO₂ intensity per tonne of product and energy efficiency indicators derived from a bottom-up assessment of identified reduction levers.

In addition to its CO₂ reduction targets, the Group has established energy efficiency targets. The 2025 target of a 5% reduction in energy intensity compared to 2018 has been achieved. Energy efficiency performance per tonne of product shows an 8% improvement compared to 2018 and a 2% improvement compared to 2024.

In line with the Greenhouse Gas Protocol, the metric is adjusted to reflect changes in the Group's operational footprint resulting from mergers, acquisitions, and divestments. However, it does not account for changes in the sourcing of energy-intensive raw materials from within or outside the Group. The KPI captures only energy consumed directly by the Group.

The denominator of the KPI is tonnes of shipped products, excluding resale volumes and the sale of primary raw materials with very low GHG intensity (raw magnesite and dolomite). Shipped volumes are adjusted for inventory changes in finished goods and GHG-intensive raw materials produced by RHI Magnesita. The KPI has neither been externally verified nor assured. The target has not undergone any material methodological changes. The 2018 baseline value is 1.91 MWh per tonne of product, adjusted to reflect mergers and acquisitions.

The reported energy efficiency metric covers direct energy consumption and excludes upstream energy embedded in purchased raw materials. Adjustments are made for mergers and acquisitions exceeding 5% of total energy consumption to maintain year-on-year comparability. The metric has not been subject to external assurance and is not based on a science-based target methodology.

The Group has revised its energy efficiency target metric from energy intensity (MWh/t) to absolute annual energy savings (MWh per year). While MWh/t reflects relative efficiency, it is significantly influenced by external and structural factors such as plant load, production mix, and the share of externally purchased raw materials. These variables can distort the measurement of actual operational efficiency improvements.

To better reflect the impact of dedicated energy-saving initiatives, the Group now targets annual energy savings equivalent to a 1% efficiency improvement per year by 2030, using 2024 as the baseline. The target is supported by structured energy management processes and specific measures aligned with ISO 50001 principles.

Targets related to climate change mitigation and adaptation

The Group does not have an absolute emission target. The table below presents the theoretical reduction path in alignment with a 1.5°C, based on the SBTi calculation tool and an absolute contraction approach for Scope 1, 2 (market-based) and 3. The expected reduction by 2030 would be 41.9%.

SBTi Approach - Absolute emissions tCO ₂ e	2018	2024	2025	2030 T	2025 vs. 2018	2025 vs. 2024	2030 vs. 2025 T
Scope 1	2,528,000	2,250,000	2,176,000	1,305,000	(13.9)%	(3.3)%	(40.0)%
Scope 2	239,000	99,000	83,000	57,000	(65.3)%	(16.2)%	(31.3)%
Scope 3 - raw materials	3,350,000	2,058,000	2,141,000	1,194,000	(36.1)%	4.0%	(44.2)%
Total	6,117,000	4,407,000	4,400,000	2,556,000	(28.1)%	(0.2)%	(41.9)%

RHI Magnesita approach - Absolute emissions tCO ₂ e	2018	2024	2025	2030 T	2025 vs. 2018	2025 vs. 2024	2030 vs. 2025 T
Scope 1	2,528,000	2,250,000	2,176,000	2,050,000	(13.9)%	(3.3)%	(5.8)%
Scope 2	239,000	99,000	83,000	94,000	(65.3)%	(16.2)%	13.3%
Scope 3 - raw materials	3,350,000	2,058,000	2,141,000	1,811,000	(36.1)%	4.0%	(15.4)%
Total	6,117,000	4,407,000	4,400,000	3,955,000	(28.1)%	(0.2)%	(10.1)%

RHI Magnesita approach – Relative emissions tCO ₂ /t	2018	2024	2025	2030 T	2025 vs. 2018	2025 vs. 2024	2030 vs. 2025 T
Scope 1	0.75	0.80	0.76	0.73	1.3%	(5.0)%	(3.9)%
Scope 2	0.07	0.04	0.03	0.03	(57.1)%	(25.0)%	0.0%
Scope 3 – raw materials	1.00	0.73	0.75	0.64	(25.0)%	2.7%	(14.7)%
Total	1.82	1.57	1.54	1.41	(15.4)%	(1.9)%	(8.4)%

Reductions planned by lever

Expected contributions by lever to 2025 and 2030 targets are presented in the following table

Reductions planned in core operations	2025 vs. 2018	2030 vs. 2024	GHG Scope
GHG emissions (ktCO ₂ e)	1,717	452	
Energy efficiency and consumption reduction	6.5%	2.0%	Scope 1
Fuel switching	2.5%	35.0%	Scope 1
Use of renewable energy	10.6%	1.0%	Scope 2
Reductions expected in value chain			
Supply chain decarbonisation	0.0%	21.0%	Scope 3
Recycling	80.4%	41.0%	Scope 3

* Values presented in column "2025 vs. 2018" are actuals.

Disclosure Requirement E1-5 — Energy consumption and mix

RHI Magnesita operates entirely within high climate impact sectors, meaning that total revenue is fully classified as revenue from these sectors, aligning with financial statement disclosures. The Group's energy production includes 1,000MWh from non-renewable sources and 3,600 MWh from renewable sources.

A key limitation of the 2018-2025 energy target is the challenge of identifying drivers of progress, as changes in product portfolio and capacity utilisation can influence the metric. Additionally, the measurement of energy metrics is not externally validated beyond assurance provider reviews.

The Group determines energy intensity based on its operations in high climate impact sectors, which include refractory production and metallurgical processes, both characterised by energy-intensive manufacturing and resource transformation.

Assumptions and methodologies

The share of electricity from renewable, nuclear and fossil sources is calculated on a market-based approach using location-based data where no other data is available.

Energy consumption and mix	2025	2024	%N/(N-1)
1) Fuel consumption from coal and coal products (MWh)	891,000	837,000	6.5%
2) Fuel consumption from crude oil and petroleum products (MWh)	1,447,000	1,511,000	(4.2)%
3) Fuel consumption from natural gas (MWh)	2,018,000	2,024,000	(0.3)%
4) Fuel consumption from other fossil sources (MWh)	-	-	-
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	115,000	121,000	(5.0)%
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	4,471,000	4,493,000	(0.5)%
Share of fossil sources in total energy consumption (%)	90%	90.0%	
7) Consumption from nuclear sources (MWh)	30,000	29,000	3.4%
Share of consumption from nuclear sources in total energy consumption (%)	0.6%	0.6%	
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	21,000	28,000	(25.0)%
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	438,000	441,000	(0.7)%
10) The consumption of self-generated non-fuel renewable energy (MWh)	4,000	1,000	
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	463,000	470,000	(1.5)%
Share of renewable sources in total energy consumption (%)	9.3%	9.4%	
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	4,964,000	4,992,000	(0.6)%

Assumptions and methodologies:

Electricity from renewable sources (PV) is considered in the total energy consumption. Energy from non-renewable energy generation is not considered in the total energy consumption to avoid double reporting. Non-renewable energy generation is estimated based on fuel inputs to electricity generators with an estimated conversion efficiency of 36%.

Disaggregation of non-renewable and renewable energy production	2025	2024	%N/(N-1)
Non-renewable energy generation (MWh)	1,000	900	11.1%
Renewable energy generation (MWh)	3,600	1,300	176.9%
Total (MWh)	4,600	2,200	109.1%

Assumptions and methodologies

Electricity from fossil sources is calculated on a location-based approach.

Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	2025	2024	%N/(N-1)
Electricity fossil (MWh)	115,000	121,000	(5.0)%

Energy intensity based on net sales**Assumptions and methodologies**

Total energy consumption also considers self-generated electricity from renewable sources.

Energy intensity per net revenue	2025	2024	% N / N-1
Total energy consumption from activities in high climate impact sectors (MWh)	4,964,000	4,992,000	(0.6)%
Net revenue from activities in high climate impact sectors (EUR)	3,366,000,000	3,487,000,000	(3.5)%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	0.00147	0.00143	3.0%

Net revenue is disclosed in Note 5 of the Group's Financial Statements on page 261.

Connectivity of GHG intensity based on net revenue with financial reporting information

Connectivity of energy intensity based on net revenue with financial reporting information	2025 (EUR)	2024 (EUR)	% N / N-1
Net revenue from activities in high climate impact sectors used to calculate energy intensity	3,366,000,000	3,487,000,000	(3.5)%
Total net revenue (Financial statements)	3,366,000,000	3,487,000,000	(3.5)%

Net revenue is disclosed in Note 5 of the Group's Financial Statements on page 261.

Energy efficiency target 2018–2025: 5% energy efficiency improvement

Energy efficiency target 2018–2025: 5% energy efficiency improvement	Retrospective				Milestones and target years	
	Base year (2018)	2024	2025	%N/N-1	2025 (absolute target)	2025 progress in target year against base year (%)
Energy consumption (MWh)	6,418,000	4,992,000	4,964,000	(0.6)%	5,185,000	(22.7)%
MWh/t	1.91	1.77	1.74	(1.9)%	1.82	(9.0)%

Table note — Energy targets

Energy intensity target (2018–2025)

The Company aims to reduce energy consumption per tonne of product by 5% by 2025, using 2018 as the baseline year.

Energy efficiency target (2024–2030)

From 2024 to 2030, the Company targets a 1% reduction in absolute energy consumption per year, with 2024 as the baseline year.

Energy efficiency target 2025–2030: 1% energy reduction per year	Retrospective				Milestones and target years
	Base year (2024)	2024	2025	%N/N-1	1% of base year
Energy consumption (MWh)	4,992,000	4,992,000	4,964,000	(0.6)%	299,000

Energy efficiency initiatives delivered cumulative savings of 42,000 MWh in 2025, equivalent to 0.84% of total energy consumption.

Disclosure requirement E1-6 — Gross scopes 1, 2, 3 and total GHG emissions

Assumptions and Methodologies

Scope 1 emissions

Reporting boundaries: RHI Magnesita follows the operational control approach for consolidating data and accounts for GHG emissions or removals from operations over which it has full year operational control in the respective reporting year. Emissions from offices and warehouses which are not part of operational sites and emissions from Group cars used offsite are not included. Facilities partially owned without operational control are Scope 3 emissions (Investments; not material).

For investees that are not fully consolidated in the financial statements, including associates, joint ventures, unconsolidated subsidiaries, and contractual joint arrangements where RHI Magnesita has operational control, the following emissions have been considered: 44 tCO₂ under Scope 1 and 14 tCO₂ under Scope 2 market-based. These figures ensure alignment with the reporting requirements by reflecting emissions from entities and operations where operational control is exercised, even if they are not fully consolidated in the financial statements.

For Scope 1 emissions a materiality threshold of 1% of the total direct plant CO₂ emissions (Scope 1) or 1,000 tCO₂ per year is applied on plant level.

Most relevant Scope 1 GHG sources are 1) fuel-based emissions at our production facilities from firing various types of kilns in the raw material production and finished goods production and 2) geogenic process emissions from the raw material (MgCO₃ is calcined to MgO and CO₂). Other minor sources of GHG are organic additives in RHI Magnesita's finished goods production which oxidize to CO₂ in high temperature kilns and emissions from explosives as well as emissions from mobile equipment.

Potentially existing sinks are forests owned by the Group but are at the moment not considered.

Emission factors

For direct Scope 1 emissions, fuel emission factors are used. Where available, supplier and fuel specific emission factors are applied; otherwise, generic fuel emission factors are used. For geogenic emissions from raw materials, emission factors are stoichiometrically calculated. The emission factors used to calculate Scope 1 GHG emissions are provided as fallback emission factors as published by the German Environmental Agency (Umweltbundesamt, 2016). The selection of these emission factors aligns with established methodologies and ensures consistency in reporting. Furthermore, no third-party calculation tools were used in the preparation of Scope 1 GHG emissions data.

Scope 2 emissions

RHI Magnesita applies a dual reporting approach for Scope 2 emissions in line with the GHG Protocol Scope 2 Guidance (2015). Market-based emissions reflect the CO₂ intensity of purchased electricity as provided by suppliers and include eligible contractual instruments such as unbundled renewable energy certificates. Where supplier-specific emission factors are unavailable, residual mix emission factors are applied; where neither are available, location-based factors are used as a fallback. Non-CO₂ greenhouse gases are not consistently included in market-based calculations.

Location-based Scope 2 emissions are calculated using grid-average emission factors obtained from third-party databases. These factors include non-CO₂ greenhouse gases, such as CH₄ and N₂O, where available. No external calculation tools were used in the preparation of location-based emissions data. The applied methodology avoids double counting with Scope 1 and Scope 3 emissions and ensures consistency with the GHG Protocol.

Scope 3 emissions

RHI Magnesita reports indirect upstream and downstream emissions. Various approaches are used to calculate indirect emissions. No calculation tools have been used for this purpose. The following indirect emissions are excluded from reporting, as they remain below cumulative 5% of the Group's Scope 1,2 (market-based), and 3 emissions—RHI Magnesita's threshold for inclusion

- Use of sold products
- Capital goods
- Employee commuting
- Waste generated in operations
- Business travel
- End of life treatment of sold products
- Investments
- Upstream leased assets
- Downstream leased assets
- Franchises

The reporting excludes the following indirect emissions:

- Other purchased goods than purchased raw materials and metal components, trading goods, packaging and those used in capital goods.
- Emissions of customers other than those directly from use of RHI Magnesita's products.

Calculation methods for significant Scope 3 categories:

Purchased goods and services: The indirect emissions from purchased goods and services consists of two main groups: purchased raw materials and goods for resale; minor emission sources within this category are packaging, purchased metal parts and auxiliary materials. Indirect emissions of these groups are quantified by applying emission factors to the volumes of purchased goods. For purchased raw

materials emission factors are applied per raw material class. RHI Magnesita actively engages with suppliers to use emission factors provided by suppliers. For resale goods and estimated emission factors are applied due to a lack of supplier data. For minor emission groups literature values are applied for calculating indirect GHG emissions. Emission factors are applied to actual tonnages of consumed purchased goods.

The Group uses several sources for emission factors for purchased raw materials, prioritized in descending order:

1. Supplier provides emission factors of their raw materials which are then used for calculating the emission of the respective raw material independently of the actual supplier.
2. In the case of purchased raw materials which the Group also produces on its own it uses the emission factor from own production, if production settings are comparable (e.g., fuel use) or it adapts emission factors according to the assumed energy mix (e.g., coal or electricity based on coal).
3. The emission factor is taken from literature or databases (e.g., ecoinvent).
4. Based on literature research and investigation the CO₂ emission factor is calculated reflecting the production process and assumed energy sources of the supplier; or for other products with similar production method as products for which suppliers provided emission factors.
5. For raw materials for which none of the four approaches leads to a plausible emission factor the residual category "Others" is created for which a generic emission factor of 1.8 tCO₂ per tonne of product is taken. The 1.8 t CO₂ were defined per expert judgement as a plausible average value for refractory raw materials.
6. For secondary raw materials a cut off approach is applied which allocates CO₂ emissions from the initial production of primary raw materials fully to the first use phase. As a result the emission factor of secondary raw material only reflects the processing of waste to a secondary raw material.

Downstream and upstream transportation: For all transportation in the corporate ERP system all transport and distribution flows from origin to destination are fully covered in the GHG calculation, independent if the actual transport activity was performed under the Group's management responsibility or customer or supplier management responsibility. Transport distances are sourced from publicly available routing platforms. Literature-based CO₂ emission factors per tonne-kilometre are used to calculate transport-related GHG emissions. Transportation not covered by the corporate ERP system is extrapolated according to shipped volumes. For emissions related to transport, third party database emission factors are used.

Upstream fuel and energy related activities: Emissions from fuel and energy related activities are calculated based on fuel-specific emission factors and applied on fuel-specific energy consumption at company's operations and for processing of sold products at customer sites. For emissions related to fuel and energy related emissions, third-party database emission factors is used. Fuel- and energy-related emissions are indirect greenhouse gases released during the extraction, production, and transportation of fuels, as well as energy lost during transmission and distribution, before reaching the user of the energy.

Processing of sold products: Emissions from the processing of sold products origin heating up of refractory products at the customer. Emissions are estimated based on representative energy consumption data. Total emissions are calculated based on sales volumes of respective product groups.

The base year is adapted in case of changes in the calculation method; changes in production footprint (e.g. plant divestment or mergers and acquisitions) but also in case of an error or a number of cumulative errors that are collectively substantial (exceeding 5% of the respective metric). Start of a new operation or expansion of an existing operation as well as closure of an operation or part of an operation do not lead to an update of the base year. In 2025, RHI Magnesita expanded its Group perimeter through the acquisition of Resco, BPI and Ashwath. These acquisitions led to an increase in greenhouse gas emissions of approximately 13,000 tCO₂e in Scope 1, 6,000 tCO₂e in Scope 2, and around 105,000 tCO₂e in Scope 3 (Category: purchased goods and services). The CO₂-intensity of the production does not change significantly. The base year is not adjusted as the changes do not exceed cumulative 5% of the total Scope 1,2 (market-based) and 3 emissions.

	Retrospective				Milestones and target years			
	Base year (for 2025T)	Comparative (N-1)\ Base year (for 2030T)	(N)	% (N / N-1)				
CO ₂ and equivalent	2018	2024	2025	%2025/2024	2025 progress against base year 2018 (%)	2025T	2030T	Annual % target / Base year 2024
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO ₂ e)	2,528,000	2,259,000	2,186,000	(3.2)%				
thereof CO ₂ emissions (tCO ₂ e)	2,519,000	2,250,000	2,176,000	(3.3)%	(13.5)%	2,278,800	2,050,000	1.5%
thereof other GHG emissions (tCO ₂ e)	9,000	9,000	10,000	11.1%				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	24%	27%	24%					
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	293,000	230,000	232,000	0.9%	(20.8)%			
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	239,000	99,000	83,000	(16.2)%	(65.3)%	128,900	94,000	0.8%
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	4,972,000	3,880,000	3,993,000	2.9%	(19.7)%			
1) Purchased goods and services	3,510,000	2,615,000	2,715,000	3.8%	(22.6)%			
there of purchase of raw materials	3,350,000	2,058,000	2,142,000	4.1%	(36.1)%	2,340,900	1,811,000	2.0%
3) Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	559,000	468,000	468,000	0.0%	(16.3)%			
4) Upstream transportation and distribution	490,000	412,000	404,000	(1.9)%	(17.6)%			
9) Downstream transportation	190,000	159,000	162,000	1.9%	(14.7)%			
10) Processing of sold products	223,000	226,000	244,000	8.0%	9.4%			
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ e)	7,793,000	6,369,000	6,411,000					
Total GHG emissions (market-based) (tCO ₂ e)	7,739,000	6,238,000	6,262,000		1.3%	4,749,000	3,955,000	6.1%

Table notes:

- For the 2025 targets, the baseline year is 2018; for the 2030 targets, the baseline year is 2024.
- Scope 2 and Scope 3 data for 2024 have been restated. Scope 2 (location-based) figures were updated due to the revision of Ecoinvent emission factors. The total Scope 3 base-year values were restated following the exclusion of several Scope 3 categories that cumulatively fell below the 5% of relevant threshold.
- The reduction percentages shown under "Annual % target / Base year" refer to the planned annual reduction required to achieve the 2030 target over the period 2024–2030.

Disaggregation of GHG emissions**Assumptions and methodologies**

Scope 1 emissions are disaggregated into fuel-related emissions and process emissions. The biggest share of process emissions are geogenic emissions which result from the dissolution of carbonate minerals where CO₂. A much smaller share of process emissions are emissions from additives. The disaggregation excludes biogenic emissions.

Scope 1	2025	2024	%N/(N-1)
Fuel emissions (t CO ₂)	1,103,000	1,117,000	(1.3)%
Process emissions (t CO ₂)	1,073,000	1,133,000	(5.3)%

Percentage of Scope 1 GHG emissions from regulated emission trading scheme (%)**Assumptions and methodologies**

Emissions from regulated emission trading schemes cover all emissions covered the EU ETS. Other emission trading schemes do not cover Scope 1 emissions of RHI Magnesita.

The percentage of Scope 1 GHG emissions from regulated emission trading schemes is determined by identifying all installations operated by the undertaking that fall under the EU ETS or other applicable national or non-EU emission trading schemes. For these installations, only emissions of CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃ are considered. The calculation is performed using the same accounting period as applied for the reporting of total gross Scope 1 GHG emissions to ensure consistency and comparability.

Scope 1:	2025	2025 (%)	2024	2024 (%)	2018	2018 (%)
ETS covered emissions (t CO ₂)	540,000	24.7%	598,000	26.6%	613,900	24.2%
Not ETS covered emissions (t CO ₂)	1,646,000	75.3%	1,652,000	73.4%	1,922,800	75.8%

Emissions from biogenic fuels and additives

In accordance with ESRS E1, biogenic CO₂ emissions are reported separately and excluded from Scope 3 emissions. Any potential biogenic CO₂ emissions would relate to the use of sold products and are currently assessed as not material. Based on available information, no use of biomass by suppliers has been identified. The Group continues to monitor its value chain and will reassess materiality as part of its regular emissions reporting and supplier engagement.

Direct emissions from biogenic fuels result from the use of charcoal, biofuels for mobile equipment and from biogenic additives to products which oxidise during the production process to CO₂. Indirect emissions from biogenic fuels are calculated based on Ecoinvent emission factors.

Emissions from biogenic fuels (t CO ₂ eq)	2025	2024	%N/(N-1)
Direct emissions from biogenic fuels and organic additives	25,000	28,000	(10.7)%
Indirect emissions from biogenic fuels	3,000	5,000	(40.0)%
Indirect biogenic emissions from electricity consumption	39,000	42,000	(7.1)%

Percentage of contractual instruments, Scope 2 GHG emissions

Purchased electricity which is not green electricity is categorised as 'None'. All green electricity which does not rely on unbundled attribute claims is categorised as 'Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates'. Green electricity based on an unbundled guarantee of origin (e.g. IREC certificate) is categorised as 'Unbundled attribute claims'.

Percentage of contractual instruments, Scope 2 GHG emissions	2025		2024	
	MWh	%N/(N-1)	MWh	%N/(N-1)
None (no active purchases of low carbon electricity)	185,000	31.7%	202,000	34.2%
Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates	144,000	24.7%	151,000	25.6%
Unbundled attribute claims	255,000	43.7%	237,000	40.2%
Green electricity products from an energy supplier (e.g. green tariffs)	-	0.0%	-	0.0%
Total	584,000	100.0%	590,000	100.0%

Percentage of GHG scope 3 calculated using primary data

Emissions are categorised as based on supplier data if emissions are either directly provided by supplier or if relevant information (e.g. emission factors) is provided by a supplier. For purchased raw materials all raw material related emissions are categorised as based on supplier data if the used emission factor is from a supplier of the raw material class, but not all raw materials considered in a raw material class are from the providing supplier.

Percentage of GHG Scope 3 calculated using primary data (E1-6 AR46g)	t CO ₂ Scope 3	Share of emissions based on supplier data	2025		Share of emissions based on supplier data	2024	
			Share of Scope 3 category among total Scope 3 emissions	t CO ₂ Scope 3		Share of Scope 3 category among total Scope 3 emissions	%N/(N-1)
Upstream transportation and distribution	404,000	0.0%	10.1%	412,000	0.0%	10.6%	(1.9)%
Downstream transportation and distribution	162,000	0.0%	4.1%	159,000	0.0%	4.1%	1.9%
Purchased goods and services	2,715,000	20.6%	68.0%	2,615,000	22.6%	67.4%	3.8%
thereof purchased raw materials	2,142,000	26.9%	53.6%	2,058,000	25.0%	53.0%	4.1%
Fuel-and-energy-related activities	468,000	0.0%	11.7%	468,000	0.0%	12.1%	0.0%
Processing of sold products	244,000	0.0%	6.1%	226,000	0.0%	5.8%	8.0%

Restatement due to introduction of a 5% materiality threshold and more accurate Scope 3 categorization of sold products. Employee commuting Capital Goods; Waste Generated in Operations; Business Travel; Use of Sold Products; End-of-Life Treatment; and Investments cumulatively account for less than 5% of total Scope 1,2 and 3 emissions and are considered non-significant. Scope 3 emissions from processing of sold products and use of sold products have been split into these two categories to enhance accuracy and transparency (previously reported in 2024 all under Scope 3 use of sold products.). Only processing of sold products remains a material emission category.

Current and future financial resources allocated to action plan (OpEx and CapEx)

Additional cost for green electricity and R&D activities in direct relation to CO₂ emissions (e.g. R&D to increase share of secondary raw material usage) are considered as relevant OpEx. Future financial resources are estimated based on relevant OpEx in 2025.

The capex reported considers investments into increasing the Group's recycling rate and investments into CO₂ reduction measures such as fuel switches or use of waste heat. Future financial resources are projected to remain at levels comparable to those in 2025.

Current and future financial resources allocated to action plan	2025	2024	%N/(N-1)
CapEx (EUR)	4,500,000	5,800,000	(22.4)%
OpEx (EUR)	4,000,000	4,300,000	(7.0)%

Revenue from refractory products that enables decarbonisation in the customer industries (e.g. EAF; ESF; BOF; DRI)

Revenue (in EUR)	2025	2024
Revenue from refractory products that enables decarbonisation in the customer industries (e.g. EAF; ESF; BOF; DRI)	525,000,000	548,228,600

The CO₂ KPI is the metric used to measure progress against the Group's 15% relative reduction target against a 2018 base year. In line with the greenhouse gas protocol the metric is adjusted to reflect changes in the operational footprint due to mergers and acquisitions as well as divestments (when exceeding cumulatively 5% of Scope 1,2 and 3 raw material emissions). As a result, the metric does not show the impact of mergers and acquisitions and divestments on the GHG-intensity of the Group. The denominator of the KPI are tonnes of shipped products excluding resale and sale of raw materials with very low GHG-intensity (raw magnesite and dolomite). The shipped volumes are corrected by inventory changes of finished goods and GHG-intensive raw materials produced by RHI Magnesita. The metric is not externally verified. The target did not undergo any significant change in methodology.

The KPI reflects RHI Magnesita's policy commitment to tackle climate change. The target is not a science-based target, and external stakeholders have not been consulted. The target is based on a bottom-up approach with clearly identified CO₂ reduction levers.

GHG intensity per net revenue

GHG intensity per net revenue	2025	2024	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	0.00190	0.00183	4.0%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	0.00186	0.00179	3.9%

Net revenue is disclosed in Note 5 of the Group's Financial Statements on page 261.

Connectivity of GHG intensity based on net revenue with financial reporting information

Connectivity of GHG intensity based on net revenue with financial reporting information	2025	2024
Net revenue used to calculate GHG intensity	3,366,000,000	3,487,000,000

Net revenue is disclosed in Note 5 of the Group's Financial Statements on page 261.

Disclosure requirement E1-7 — GHG removals and GHG mitigation projects financed through carbon credits

The Group has significant CO₂ emissions within its own value chain and there are large emissions savings that can be delivered for its customers through improved solutions contracts or other solutions. The Board therefore considers that the priority should be to allocate capital and other resources to reducing the Group's own CO₂ footprint and the emissions of its customers rather than investing in carbon offset projects. The Board believes that taking this approach will deliver a faster, greater and more sustainable decrease in net CO₂ emissions than could be delivered by allocating capital to offsets.

Disclosure requirement E1-8 — Internal carbon pricing

RHI Magnesita has conducted a thorough evaluation of the implicit carbon pricing approach as a potential element of its sustainability strategy. While recognising the value of such a mechanism, the Group has opted not to proceed with its adoption at this stage due to the significant complexity involved in implementation. However, RHI Magnesita remains committed to revisiting this approach as it closely monitors the evolution of emissions trading schemes and regulatory developments in the countries where it operates. Following this proactive approach, the Group remains well-positioned to adapt its strategy to align with emerging sustainability and market requirements.

Disclosure requirement E1-9 — Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The anticipated financial effects from material transition risks and potential climate related opportunities are presented on table of climate-related risks and opportunities on pages 115–116. Sites exposed to climate hazards are presented on page 118. Currently, there are no material physical risks.

ESRS E2 Pollution**ESRS 2 General disclosures****Impact, risk and opportunity management****Disclosure requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material pollution-related impacts, risks and opportunities**

As part of the materiality assessment, the impacts, risks, and opportunities associated with pollution of RHI Magnesita's production sites were assessed in addition to operational environmental permit requirements. The environmental permit and the related programme for monitoring emissions and impacts set the minimum requirements for the observation of environmental impacts. This holistic approach supports the identification and prioritisation of material topics relevant to RHI Magnesita. The DMA process is described on pages 96–99.

As a result, RHI Magnesita has identified that in addition to GHG emissions, RHI Magnesita's production generates other emissions to air and can have a negative impact on health and environment. Most of these emissions arise from industrial processes involved in raw material preparation and refractory production.

Emissions from sources other than RHI Magnesita production sites are not included in the pollution screening. The assessment is based on emission thresholds defined by the European Pollutant Release and Transfer Register (EC No. 166/2006)⁵ and focuses on actual pollution related to the nature of the IRO. Upstream and downstream value chain emissions were not assessed; however, given that both involve high-temperature processes, similar pollution impacts are expected.

RHI Magnesita adopts a compliance-driven approach to pollution management, ensuring that all operations meet or exceed the strict environmental regulations in place. By adhering to enforceable legal standards, such as emission limits and monitoring obligations, the Group ensures responsible management of pollutants. Production sites are required to record and report their emissions for various parameters into the Group's environmental ERP system, ensuring a comprehensive corporate overview of relevant pollutants. Communities were not consulted for this specific analysis.

Disclosure requirement E2-1 — Policies related to pollution

Policies are formulated with key stakeholder interests in mind and align with the ISO and other internationally recognized standards.

Through its Integrated Management System (IMS) policy, RHI Magnesita is committed to minimising emissions—including both direct and indirect CO₂ as well as other greenhouse gases—along with reducing pollution and the release of harmful substances. This effort extends across its operations and applications at customer sites, aiming to mitigate potential negative impacts on human health, and the environment. This policy underscores the Group's dedication to reducing the environmental impact of its activities to the extent that it is technically and economically feasible. The Group's current policy does not fully address all ESRS disclosure requirements. At this stage, IMS policy updates are not planned, as the existing framework is considered appropriate to support the Group's current climate management and reporting approach.

Based on RHI Magnesita's DMA, substances of concern and substances of very high concern are not considered to have material impacts, risks, or opportunities for the Group. Consequently, there is no stand-alone policy addressing these substances. While the IMS policy commits to minimising pollution, it does not explicitly include provisions for incidents and emergency situations.

The scope of the IMS policy encompasses RHI Magnesita's direct operations as well as activities at customer sites. The CTO holds the highest level of accountability for the policy's implementation within the organisation. The Group's current policy does not yet fully align with all ESRS disclosure requirements.

The IMS policy is integrated into the governance framework of the Group's ISO-certified management systems and is publicly available on the RHI Magnesita website.

Business partners (upstream and downstream) are expected to adhere to the RHI Magnesita's Code of Conduct and Supplier Code of Conduct.

⁵ Reporting thresholds applied: Nox: 100t/y/plant; SOx: 150t/y/plant; CO: 500t/y/plant; HFC: 0.1t/y/plant; Hg: 0.01t/y/plant

Disclosure requirement E2-2 — Actions and resources related to pollution

The Group adheres to all legal requirements regarding pollution control and proactively takes measures to ensure compliance. In 2025, several targeted initiatives were implemented to reduce air pollution across the Group's global core operations.

The reported actions, all completed within the reporting year, focused primarily on mitigating dust emissions, with a particular emphasis on minimising occupational exposure risks. These measures reflect the Group's ongoing commitment to safeguarding health and maintaining environmental standards.

To support these efforts, the Group allocated approximately €3.5 million in capital expenditures (CapEx) towards pollution control initiatives during the reporting period. Future financial resources are projected to remain at levels comparable to those in 2025.

In line with ESRS E2 AR13, RHI Magnesita extends actions related to pollution prevention and environmental protection across its upstream and downstream value chain. The Supplier Code of Conduct requires suppliers to comply with applicable environmental laws and regulations, while the RHI Magnesita Code of Conduct sets environmental protection expectations for all business partners. Compliance with these requirements is supported through supplier on-site assessments, thereby embedding pollution prevention and environmental protection practices throughout the value chain.

Metrics and targets**Disclosure requirement E2-3 — Targets related to pollution**

The Group is currently not planning to establish specific pollution-related targets and continues to follow a compliance-driven approach. Air pollution across its operations is subject to stringent regulatory requirements, including enforceable emission limits and mandatory monitoring obligations. By prioritising full adherence to these legal standards, the Group ensures that emissions remain within permissible levels and that the effectiveness of its policies and actions is consistently monitored and maintained.

Disclosure requirement E2-4 — Pollution of air, water and soil

Soil and water pollution were assessed as part of RHI Magnesita's double materiality evaluation and were deemed immaterial to the Group's value chain. The assessment considered the nature of industrial processes, mining activities, existing environmental controls, and regulatory compliance measures, which mitigate significant risks in these areas. As a result, no material impacts, risks, or opportunities were identified related to soil and water pollution.

Main emissions to air from the production of refractory and refractory raw materials are (nitrogen oxides) NO_x and sulfur oxides SO_x emissions. Other pollutants relevant for certain sites are dust (reported as PM₁₀), carbon monoxide (CO), hydrogen chloride (HCl) and mercury (Hg). Additionally, emissions from Hydrofluorocarbons (HFCs) from air conditioning are relevant at certain sites. Mercury, hydrogen chloride and carbon monoxide emission levels are reported; however, E2-5 pollutants of high concern are not material, as the products do not contain these pollutants.

RHI Magnesita has implemented significant actions in recent years to reduce its NO_x emissions across key regions. These efforts have led to a 61% reduction in China, a 33% reduction in North America, and a 35% reduction in Europe, and 42% reduction in South America (compared to 2018), resulting in an overall substantial decrease in NO_x emissions⁶. SO_x emissions also reduced over time through investment into SO_x abatement technologies. CO emissions typically occur at the abnormal operating conditions of kilns when incomplete combustion occurs. Emissions are quite stable over time. Unabated HCl emissions stem from the naturally occurring chloride content in fuels and raw materials, which is released as hydrogen chloride during high-temperature processing. Hydrofluorocarbons (HFC) emissions reduced compared to 2024 due to reductions in major Brazilian plants. Reported PM₁₀ emissions reduced significantly due to a reduction of plants which exceed the reporting threshold as a result of operational improvements.

Pollution-related data is collected annually or for very few sites monthly via the Group environmental ERP-system. Depending on the pollutant required information are pollutant-concentration in off gas and off gas volumes, consumption of HFCs.

Air pollutants methodology at RHI Magnesita

RHI Magnesita systematically monitors key air pollutants, including nitrogen oxides (NO_x), sulfur oxides (SO_x), carbon monoxide (CO), dust, hydrogen chloride (HCl), hydrofluorocarbons (HFCs), and mercury (Hg). While NO_x, SO_x, and CO emissions primarily result from combustion processes, mercury emissions originate from its presence in certain raw materials and coal used as fuel.

Given its global operations, RHI Magnesita adheres to local regulatory standards for air pollutant monitoring.

Monitoring is carried out in alignment with the applicable EU BREF standards for ceramics and magnesium oxide. Where BREF guidance is not applicable, equivalent internationally recognised benchmarks are applied.

⁶ NO_x emission reductions are calculated based on total emissions, including volumes below applicable reporting thresholds.

Sites in Europe comply with EN standards, while the U.S. facility follows EPA reference methods, integrating both continuous and periodic stack testing. In China and India, sites align with national air quality regulations, while Brazilian operations adhere to CONAMA standards, utilizing monitoring instruments and methodologies comparable to those in Europe and the U.S.

Emissions are measured from off-gases of relevant production units, either continuously or on a spot basis, as specified by environmental permits that define monitoring locations, frequency, and methodologies. Total emissions are calculated based on pollutant concentration per cubic meter of off-gas and total annual off-gas volumes.

Where automated measurement systems (AMS) are used, calibration tests are performed in accordance with applicable regulatory, technical, and permit-based requirements to ensure the accuracy and reliability of measured data.

For compliance reporting purposes, all sites are recommended to report the results from spot measurement campaigns with exception from China facilities that emission monitoring is direct connected with authorities.

Periodic and spot measurements are conducted and/or verified by independent accredited laboratories where required by regulation or permit conditions. In jurisdictions with direct regulatory oversight of emissions data, such oversight is considered to provide equivalent assurance.

Dust emissions occur both as piped emissions (e.g. from chimney as part of the offgas) from the firing process, but also during the storage and handling of raw materials and fuels (e.g. conveyors or elevators), and from grinding and milling processes or as diffuse emissions (e.g. from dusty roads in plants). For channeled dust emission from combustion, emission measurement is typically done as part of the other air pollutant measurements as spot measurement. For channeled dust emissions from non-combustion sources (e.g. dedusting units in dusty production areas), additional spot measurements are taken. Frequency of measurements is once or a few times per year in line with local applicable law. Total dust emissions are calculated based on measurements where concentrations are measured and offgas volumes (same as for other air pollutants).

For HFC emissions, direct measurement is not feasible; instead, mass balance calculations ensure a more accurate and reliable estimation compared to online analysers.

HFCs, commonly used in air conditioning, are accounted for by tracking all inputs and outputs, minimizing measurement uncertainties. Where historical data is incomplete, HFC emissions are estimated based on production volumes, maintaining consistency in reporting. RHI Magnesita follows the recommended approach for both equipment manufacturers and users who maintain their own equipment, estimating HFC emissions based on the quantity of refrigerant purchased and used, in accordance with the GHG Protocol. This "Sales-Based Approach" requires data that should be available from entity purchase and service records, and tracks emissions from equipment manufacturing (producers) or installation (users), operation, servicing, and disposal. The Group has restated its 2024 emissions data for SO_x, NO_x and other regulated air pollutants as it introduced reporting thresholds provided by the European Pollutant Release and Transfer Register (E-PRTR) resulting in lower total pollutant emissions being reported. Furthermore, dust is newly reported as PM₁₀ and the respective 2024 figures are presented in this report to enhance comparability.

NO_x emissions

t NO _x	2025	2024	%N/N-1)
India	147	147	0.0%
China & East Asia	-	-	0.0%
North America	1,706	1,615	5.6%
Latin America	3,751	5,855	(35.9)%
Europe & CIS	1,527	1,668	(8.5)%
Middle East, Türkiye & Africa	121	128	(5.5)%
Total	7,252	9,413	(23.0)%

SO_x emissions

t SOx	2025	2024	%N/N-1)
India	-	-	0.0%
China & East Asia	-	-	0.0%
North America	688	641	7.3%
Latin America	-	283	(100.0)%
Europe & CIS	-	-	0.0%
Middle East, Türkiye & Africa	-	-	0.0%
Total	688	924	(25.6)%

Other air pollutants emissions

t Other air pollutants	2025	2024	%N/N-1)
CO	3,627	4,098	(11.5)%
HFC	1	2	(50.0)%
Hg	-	0.01	(100.0)%
HCl	33	31	6.5%
Particulate Matter (PM10)	61	122	(50.0)%

Disclosure requirement E2-6 — Anticipated financial effects from pollution-related risks and opportunities

The Group omits information prescribed by ESRS E2-6 — except paragraph 40b.

During the reporting period, the Group did not incur any operating or capital expenditures in connection with major pollution-related incidents, as no such incidents occurred. Environmental deposits are only relevant in relation to potential soil pollution. As soil pollution is not material to the Group's activities, no significant deposits were recognized during the reporting period.

ESRS E3 Water and marine resources

ESRS 2 General disclosures

As part of its DMA, RHI Magnesita conducted a thorough evaluation of its operations, upstream and downstream value chain, and sector-specific context to identify water-related impacts, risks, and opportunities. This assessment was guided by RHI Magnesita's global sustainability team, alongside subject matter experts in health, safety, and environmental management.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Water usage in refractory manufacturing

The refractory industry primarily relies on raw materials, energy, and heat, with minimal water dependency. While certain processes such as mixing, forming, cooling, and dust suppression require water, overall consumption remains significantly lower than in water-intensive industries like agriculture or textiles.

Water consumption within RHI Magnesita's operations is primarily associated with process cooling, including applications in the Rotary Kiln, Venturi Scrubber, and Flotation systems. Additionally, water is utilised for laboratory and sanitation purposes, such as in toilets, showers, and water coolers. Another key area of water use is dust suppression, which helps control airborne particulates in mining and production activities, ensuring compliance with environmental standards and workplace safety regulations.

Assessment of water impact in RHI Magnesita's value chain

RHI Magnesita assessed the impact of its mining sites with highest water inflow (covering 90% of RHI Magnesita's water inflow) is based on criteria outlined in the EU Water Framework Directive. The assessment considered site-specific operational characteristics, and their potential impact on water quality and availability. Based on this evaluation, the impact on surface water availability is considered to be low as surface water is mainly used for cooling which is fed back to the source water stream. The impact on water quality is considered to be low as mining water does not cause acid mine drainage due to the chemical composition of the mines.

Marine resources were assessed as part of the double materiality analysis but were not identified as material, as the company's refractory production and supply chain do not involve marine resource extraction, marine ecosystems, or related environmental impacts. A river basin assessment was conducted using the WWF Water Risk Filter. The Group's operations do not rely on significant water consumption, and do not cause relevant discharges into surface or groundwater bodies.

To ensure compliance with local laws and to proactively conserve resources, RHI Magnesita has conducted a water scarcity risk assessment using the WWF Water Risk Filter, which helps identify and mitigate potential vulnerabilities.

Additionally, RHI Magnesita has an established water management approach, which includes internal measures to enhance sustainable water use, incorporating best practices for monitoring, conservation, recycling and responsible water discharge.

Water withdrawal is monitored through the installation of water meters at usage units, with monthly readings conducted to track consumption trends. Conservation measures include the implementation of water efficiency measures such regular inspections key consuming facilities and maintenance to prevent leaks and awareness campaigns to promote water-saving behaviours. To further optimize water use, RHI Magnesita implements recycling and reuse initiatives, including the utilisation of drained underground water for beneficiation processes and dust suppression, internal recycling in rotary kiln cooling and gas scrubbers, and rainwater harvesting from mine pits for storage and future use. Wastewater management practices involve the establishment of rainwater harvesting pits for groundwater recharge, connections to sewage treatment plants (STPs) and effluent treatment plants (ETPs) where applicable, and the use of soak pits in limited cases. These measures collectively contribute to the sustainable management of RHI Magnesita's water sources and consumption across its operations.

RHI Magnesita sources its water from multiple channels, including tap water purchased from municipal utilities, groundwater extracted from borewells and mine pits, and surface water supplied by industrial partners.

Water risk management in the supply chain

RHI Magnesita actively monitors water-related risks in its upstream supply chain, with a particular focus on raw material mining. Environmental compliance of suppliers is assessed through desk-based risk evaluations and on-site audits. To date, no significant water shortages or related risks have been identified in supplier operations.

Communities were not directly consulted in the identification of material impacts, risks, and opportunities, as RHI Magnesita maintains close relationships with key communities through dedicated personnel at various sites. This ongoing engagement provides a comprehensive understanding of community priorities, enabling the Group to effectively align its initiatives with local needs.

Conclusion

Given the refractory industry's low water dependency, RHI Magnesita has determined that water-related concerns do not constitute a material ESG issue. Following ERS methodology for scale, scope and remediability, the overall impact score at 4 – below the materiality threshold of 5 – confirming that water is a non-material ESG factor for RHI Magnesita. Comparative benchmarking with water-intensive industries reinforced this conclusion.

However, the Group remains committed to ongoing monitoring, compliance, and best practices in water management, ensuring that potential risks are minimised.

ESRS E4 Biodiversity and ecosystems

ESRS 2 General disclosures

As part of its DMA, RHI Magnesita has conducted an evaluation of its biodiversity-related impacts, dependencies, risks, and opportunities. The assessment included key mining sites located in Austria (3), China (1), USA (1), Brazil (1), and Türkiye (1). Mining activities, including land degradation, blasting, and land use, were assessed for their impact on biodiversity, while also considering potential positive contributions.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystems-related impacts, risks and opportunities

The identification and assessment of biodiversity-related impacts, risks and opportunities is conducted as part of the Group's double materiality assessment process. The process includes an initial screening of operations and value chain activities, followed by a site-level risk assessment using external tools such as the WWF Biodiversity Risk Filter in 2023 and internal environmental data. Identified impacts are assessed based on scale, scope and remediability, and reviewed to determine materiality. The process involves input from environmental and operational experts and is updated periodically to reflect significant changes in operations, regulatory requirements and environmental conditions. Since the initial assessment the company did not significantly change its biodiversity impact and exposure; therefore, a complete revision of the assessment was not conducted.

The assessment considers the location of operations, proximity to communities and sensitive ecosystems and the nature of mining and processing activities in order to identify potential impacts on ecosystem services and to assess whether such impacts can be avoided or minimised through existing operational and management practices.

Engagement with local communities is conducted through ongoing site-level interactions and stakeholder engagement processes. While no dedicated consultations were carried out specifically for biodiversity risk identification, local insights are considered through established communication channels and operational oversight.

Based on this assessment, biodiversity was not identified as a material topic for the Group. This conclusion reflects the limited physical footprint of the Group's mining activities, the predominance of long-established sites, and the absence of large-scale greenfield developments.

The materials extracted are non-hazardous, do not generate acid mine drainage and require limited processing, resulting in limited tailings or overburden. Changes in land use are minimal and managed in line with permitting requirements, with only minor annual variations and ongoing rehabilitation activities. In addition, recycling activities reduce the need for primary raw material extraction and thereby contribute to limiting pressures on ecosystems.

On this basis and considering the limited proximity of most sites to sensitive ecosystems or community-dependent biodiversity, biodiversity-related impacts, risks and opportunities were assessed as non-material at Group level.

Contribution to direct impact drivers on biodiversity loss

RHI Magnesita acknowledges that raw material extraction may contribute to biodiversity loss through land-use change and pollution. The following mitigating measures are in place:

The Group's mining operations occupy a small environmental footprint, with some sites utilising underground mining to reduce surface disruption. In 2025, land use increased by 1% from mining or storage of tailings, while in 2024, no additional land area was occupied by RHI Magnesita's mines, with rehabilitation efforts conducted in line with local regulations.

RHI Magnesita enforces stringent environmental controls to mitigate pollution from dust emissions and wastewater discharge. The raw materials extracted are non-hazardous and do not produce acid waste runoff or significant tailings.

The Group's activities do not introduce invasive alien species or exploit biodiversity beyond standard mineral extraction processes. Negative impacts on threatened species have not been identified.

Given the refractory industry's low water dependency, biodiversity risks associated with water use are deemed immaterial. Practices in water management are described in ESRS E3 IRO-1.

Impacts on species and ecosystems

RHI Magnesita's operations do not significantly affect species population size or global extinction risks. The RHI Magnesita's approach to mining, primarily in long-established sites, ensures that most biodiversity disturbances occurred at the initial development stage rather than through ongoing operations. Rehabilitation programmes further mitigate residual impacts.

As part of the assessment of biodiversity-related impacts, the Group evaluated whether specific biodiversity mitigation measures, including those under EU nature conservation legislation or equivalent international standards, were required. Based on this assessment and the characteristics of the Group's operations, no additional mitigation measures beyond existing regulatory and permitting requirements were identified as necessary. Where applicable, site activities are subject to environmental impact assessments and national permitting processes aligned with relevant EU or international standards.

Additionally, RHI Magnesita's operations do not heavily depend on ecosystem services such as pollination, water purification, or carbon sequestration. The primary dependency remains on raw mineral extraction.

Biodiversity materiality assessment approach

RHI Magnesita conducted a biodiversity risk screening using the WWF Biodiversity Risk Filter. This analysis identified four primary drivers of biodiversity loss relevant to RHI Magnesita's operations: climate change, pollution, land and water use change, and tree cover loss. The screening highlighted water scarcity and extreme heat as potential dependencies at certain locations but did not indicate direct exposure to systemic biodiversity risks.

While some mining sites are located near biodiversity-sensitive areas, the RHI Magnesita does not anticipate negative effects. This is supported by the fact that most mining sites do not have specific legal requirements related to protected areas within their operating licences. Additionally, RHI Magnesita consistently undertakes land rehabilitation initiatives across its mining operations to mitigate biodiversity-related risks. The company has not identified negative impacts on threatened species. Main mining sites of the company are:

- Brumado (Brazil)
- York (USA, Pennsylvania)
- Chizhou (China, Anhui province)
- Breitenau (Austria)
- Hochfilzen (Austria)
- Radenthein (Austria)
- Eskisehir (Türkiye)

RHI Magnesita recognises the interconnection between biodiversity risks and climate risks, particularly in the context of its mining and production operations. Through the physical climate risk assessments, conducted in a regular basis, the Group gathers valuable insights into the vulnerability of certain operational sites to chronic and acute climate hazards, such as temperature fluctuations, heat stress, soil erosion, and flooding. These climate-related factors can indirectly influence biodiversity by altering ecosystems, disrupting natural habitats, and impacting soil and water quality. However, the findings indicate that the Group's overall exposure to physical climate risks remains limited, primarily due to two key factors: the lack of immediate threats at most flagged sites and the Group's proactive risk management approach. For details, see E1 Climate Change — Climate-related physical risks.

In 2025, two small mining sites were acquired as part of the Resco acquisition. Despite their limited size and production capacity, both sites were assessed for biodiversity-related risks in line with the Group's due diligence processes.

In addition, the Group's main recycling sites underwent biodiversity risk screening as part of the EU Taxonomy assessment. The results indicated no material biodiversity risks.

Despite approximately 43% of raw materials being sourced from its own mines, RHI Magnesita's DMA found that the land-use change impact does not meet the materiality threshold. The assessment assigned a 'Scale' score of 5, a 'Scope' score of 3, and a 'Remediability' score of 5, resulting in an average score of 4.33, which falls below the threshold for materiality. Consequently, while land-use change is acknowledged as a contributing factor, it does not constitute a significant material impact within the RHI Magnesita's operational framework.

Biodiversity risk management in the supply chain

RHI Magnesita actively assesses biodiversity-related risks within its supply chain, particularly regarding raw material procurement. Supplier compliance is monitored through risk evaluations and on-site assessments. To date, only one supplier has been identified with a potential biodiversity-related concern which will be monitored during 2026. Newly acquired entities were also included in this assessment and did not give rise to any additional material biodiversity-related impacts or risks. Given RHI Magnesita's stringent supplier standards and the nature of procured materials, overall biodiversity risks are assessed as limited.

Stakeholder considerations and Management conclusion

External stakeholders indicated that biodiversity is a high priority for them, but RHI Magnesita's management determined that RHI Magnesita's operational footprint and biodiversity impact profile did not meet the materiality threshold compared to other sustainability impacts, risks and opportunities. Communities were not consulted for this specific analysis.

Management's conclusion is based on a thorough assessment of RHI Magnesita's mining activities, which demonstrate a limited and controlled nature of change in land-use annually. RHI Magnesita's mineral extraction operations are primarily confined to existing, long-established mining sites, with minimal expansion and a strong focus on land rehabilitation. Additionally, there are no inherent biodiversity risks beyond localised land-use effects, as the RHI Magnesita's mining processes do not involve hazardous materials, invasive species, or significant ecosystem dependencies. Furthermore, RHI Magnesita remains committed to mitigating environmental impacts through strict adherence to regulatory requirements and proactive rehabilitation measures. It has not been concluded whether biodiversity mitigation measures, as outlined in relevant EU directives or international standards, are necessary.

ESRS E5 Resource use and circular economy

ESRS 2 General disclosures

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As part of its double materiality assessment, RHI Magnesita identifies and evaluates material impacts, risks and opportunities related to resource use and the circular economy across its value chain, with a particular focus on resource inflows, resource outflows and waste. A key material topic identified is the efficient use of raw materials and resources, including the use of recycled materials, which is embedded in the Group's Integrated Management System (IMS) policy. This topic was assessed as material due to its relevance for environmental performance, cost efficiency and long-term resource security.

The assessment follows a structured, data-driven approach and considers material flows, recycling rates, waste generation and the potential for circular use of materials across upstream, own operations and downstream activities. Internal operational data, industry benchmarks and expert input are used to identify and assess impacts, risks and opportunities.

In addition to risk mitigation, the assessment identified opportunities related to downstream activities, in particular the recycling of non-refractory materials. These activities create new revenue streams, broaden market reach and support the transition towards a more circular business model.

The outcomes of this assessment inform strategic decision-making, including the prioritisation of recycling initiatives, the increased use of secondary raw materials and the development of circular solutions for customers. In this way, the management of resource use and circularity contributes both to reducing environmental impacts and to strengthening the Group's long-term business performance.

RHI Magnesita maintains its industry leadership in utilising recycled minerals and recycling has been the major reduction lever to achieve the Group's CO₂ emissions reductions target. The reuse of one tonne of recycled refractory material prevents approximately 1.6 tonnes of CO₂ emissions compared to virgin raw materials, making recycling the most effective short-term lever to achieve the Group's 2025 emissions intensity target. Beyond emissions reduction, recycling supports waste management and the circular economy for customers. While refractory recycling was historically limited by lower performance levels of reclaimed materials, RHI Magnesita has successfully demonstrated through innovative processes and operational examples that recycled materials can now be used without compromising performance.

In 2025, the company achieved a recycling rate of 15.9% for the full year, surpassing its established target of 15%. More than 400 kt of recycled materials were incorporated into the production of refractory finished products and metallurgical additives. The expanded use of secondary raw materials generated approximately €50 million in cost savings and avoided around 550 kt of CO₂ emissions, representing a substantial advance in resource efficiency and circularity.

Disclosure requirement E5-1 — Policies related to resource use and circular economy

Through its IMS policy, RHI Magnesita strives to increase the usage of recycled materials and promote and develop the circular economy wherever possible. This effort extends across its operations and applications at customer sites, aiming to mitigate potential negative impacts on the environment. This policy underscores the Group's dedication to reducing the environmental impact of its activities to the extent that is technically and economically feasible. The Group's IMS policy is globally applicable and does not specifically address or exclude stakeholder groups. The IMS policy does not explicitly address the use of renewable resources or sustainable sourcing of renewable materials. This reflects the nature of the refractory industry, which relies predominantly on mineral-based raw materials for which the availability and applicability of renewable alternatives are inherently limited.

The scope of the IMS policy encompasses RHI Magnesita's direct operations as well as activities at customer sites, but it does not extend to the upstream and other downstream stages of RHI Magnesita's value chain. The CTO holds the highest level of accountability for the policy's implementation within the organisation.

No third-party standards or initiatives are respected through implementation of the policy. For setting the policy, the Group did not consult with external stakeholders. The IMS policy is integrated into the governance framework of the Group's ISO-certified management systems and is publicly available on the RHI Magnesita website.

The Group has a global sourcing guideline for recycling, which aims to provide guidance on purchasing of spent refractories and indicates the recyclability of spent refractories of different industries. This guideline applies to all global regions and all the personnel involved in the purchasing process of spent refractories.

Disclosure requirement E5-2 — Actions and resources related to resource use and circular economy

The Group has taken substantial steps to enhance its use of circular raw materials, aligning with its commitment to resource efficiency and circular economy principles. In 2025, the Group invested approximately €1.9 million to expand processing, sorting, and storage capacities at recycling sites. These investments are aimed at increasing the integration of secondary raw materials into production processes. Additionally, €2.8 million was allocated to research and development (R&D) initiatives focused on improving recycling methods and product formulations to accommodate a higher share of circular materials. Future financial resources allocated to recycling CAPEX are projected to be ca. €2.9 million in 2026.

The Group anticipates maintaining similar levels of spending in the future to sustain its progress in this area. Key actions include advancing R&D to refine product recipes and investing in internal recycling operations to ensure efficient processing of circular raw materials. Since 2018, these efforts have enabled a consistent increase in the share of circular raw materials used, driven by the continuous development of recycling capacities, R&D advancements, and strategic sales initiatives.

Recycling

To strengthen our commitment to resource efficiency and circular economy principles, the Group prioritises recycling activities as a key component of its sustainability strategy. This involves implementing waste management systems, optimising the recovery of materials from production processes, and ensuring the reintegration of recycled content into new products. Furthermore, the Group actively collaborates with stakeholders across the value chain to drive resource efficiency, minimising landfill dependency, and advance cutting-edge recycling technologies. These efforts not only reduce our environmental footprint but also support regulatory compliance and deliver long-term operational cost efficiencies.

2025 highlights in recycling initiatives

In 2025, the Group advanced its recycling performance through a series of targeted technological and process improvements. Key achievements included the rollout of DGG recycling in Chizhou (China), the start-up of MU production in Vietnam, and the increased use of recycled materials in basic mixes across LATAM—while consistently maintaining product quality and expanding recycling in tundish mixes.

To accelerate progress toward the Group's ambition of achieving a 20% recycling rate by 2030, RHI Magnesita continues to pursue both organic growth and the establishment of regional recycling hubs as a key implementation lever to scale circular materials. As part of this strategy, the company is expanding its recycling footprint beyond Europe. In June 2025, it announced a strategic joint venture with BPI, Inc. to drive circular economy initiatives in North America. By combining RHI Magnesita's global refractory expertise with BPI's local infrastructure, sourcing capabilities, and technical processing know-how, the partnership is expected to enable higher regional recycling rates and strengthen long-term innovation in secondary raw material processing.

The Group also continued to set industry benchmarks in recycling technologies. Within the EU Horizon Research Project ReSoURCE, significant progress was made with the commissioning of the automated sorting system RAPTOR (Refractory Automated Precision Technology for Optimized Recovery) at RHIM Mireco's facility in Mitterdorf. Designed to efficiently process particles as small as 16 mm using advanced LIBS (Laser-Induced Breakdown Spectroscopy) and HSI (Hyperspectral Imaging) technologies, RAPTOR marks an important step forward in precision and sensor-based sorting of spent refractories.

Throughout 2025, RHI Magnesita's R&D and technology teams focused on optimizing the RAPTOR 1 pilot system following its installation in late 2024. Improvements were implemented across singulation, sensor calibration (3D, LIBS, HSI), scanner control, ejection timing, and maintainability, resulting in a stable performance level suitable for industrial deployment. In parallel, the engineering of a mobile conveyance system for automatic transport of sorted fractions into dedicated bins was completed, enabling flexible on-site operation. Enhanced data logging and quality assurance capabilities now ensure full traceability and compliance with future certification requirements. With a technically mature pilot setup and a defined mobile handling concept, RAPTOR 1 is ready to progress toward full industrial implementation.

Metrics and targets

Disclosure requirement E5-3 — Targets related to resource use and circular economy

RHI Magnesita has established ambitious targets to enhance resource efficiency and circular economy efforts, focusing on increasing recycling and reducing waste. The Group aims to increase the share of secondary raw materials in its products, targeting 15% by 2025 and 20% by 2030, reinforcing its commitment to integrating circular materials into production and minimising primary raw material use. This is a relative target.

These targets apply to refractory and metallurgical product operations, covering upstream and downstream value chains within relevant geographical boundaries. The focus on secondary raw materials directly supports the waste hierarchy's recycling layer.

The targets were set in 2018, when the recycling rate was below 4%. The 15% target for 2025 serves as an interim milestone toward 2030. Key considerations in setting the targets include recycling availability, market development, and supply chain integration. The targets are voluntary and not based on scientific thresholds, and stakeholders were not involved in the target-setting process. Nevertheless, they reflect RHI Magnesita's long-term vision to reducing environmental impacts, minimizing dependency on primary raw materials, and advancing circular economy practices. The target metric has remained unchanged since its introduction to ensure consistency in tracking progress over time.

Both targets contribute to reducing the depletion of primary raw material resources by substituting virgin inputs where technically feasible; however, the level of substitution is currently limited by technological constraints and product performance requirements, which restrict the use of recycled materials in certain applications.

Disclosure requirement E5-4 — Resource inflows

A substantial portion of the Group's inflow consists of purchased raw materials used in refractory production, which often involve energy- and CO₂-intensive processing. Therefore, increasing the use of circular raw materials is a critical focus for addressing the environmental impacts associated with resource inflows.

Refractories cannot be reused because they no longer meet functional performance requirements, but they can be recycled because their raw material value remains, therefore, overlapping categories of reuse and recycling are not applicable. Material inflow data is primarily sourced from direct measurements, ensuring accuracy. A small share of auxiliary materials is estimated where plants are not covered by the corporate ERP system.

The main material inflows include water, purchased raw materials, auxiliary materials, resale items and packaging. These are calculated based on direct measurements, with minor estimations applied only when necessary.

In 2025, the total resource inflow amounted to approximately 11.0 million tonnes. Of this, around 0.6% (65,000 tonnes) was biological material. Due to the low share of biological materials in the Group's overall resource inflow, sustainably sourced biological materials are not a significant component of the Group's material portfolio. All metrics are not validated by an external body.

A notable achievement in 2025 was the utilisation of 239,000 tonnes of externally sourced secondary raw materials in production, representing 2% of total material inflows. This demonstrates the Group's ongoing efforts to integrate circular raw materials into its operations, thereby reducing reliance on primary raw materials with higher environmental impacts.

The biggest share of inflow is water. In 2025 the inflow of water was around 8 million m³ resulting in around 77% of total material inflow. Of these the biggest share is water from its mining operations.

To ensure accurate tracking and reporting, material inflows are recorded in the Group's enterprise resource planning ERP system and in its environmental IT system. For production plants not covered by the central ERP system, material volumes are estimated based on finished goods production. The reported figures exclude inflows for capital expenditure projects and own-mined raw materials, while double counting is prevented by employing a distinct recycling classification within the ERP system.

Resource inflow

Assumptions and Methodology

The Group captures in its enterprise resource planning tool the actual material inflows. Water inflow is measured on plant level and reported via environmental IT system. Material inflow considers purchased raw materials, trading goods, packaging, spare parts, and auxiliary materials and water, excluding own-mined raw materials, and material inflow for capex projects. For plants not considered in the central enterprise resource planning tool, volumes are estimated based on finished goods production volumes. For the calculation of the share of sustainably sourced biological materials and the weight of externally sourced secondary reused or recycled materials, the denominator corresponds to the overall total weight of materials used during the reporting period. The reported weight reflects the material in its original state.

Resource inflow (E5-4 28/30/31/32)	2025	2024	%N/(N-1)
t materials	11.0	12.3	(10.6)%
Percentage biological materials	0.6%	0.5%	20.0%
Percentage secondary raw materials	2.2%	1.6%	37.5%

Financial resources (CapEx and OpEx)

Assumptions and Methodology

The Capex reported considers expenditures to increase the company's recycling rate (excluding acquisitions). The Opex reported considers R&D Opex aimed at increasing the company's recycling and excludes maintenance opex of recycling sites.

Financial resources	2025	2024	%N/(N-1)
Recycling Capex in EUR	1,858,000	3,900,000	(52.4)%
Recycling Opex in EUR	2,800,000	2,300,000	21.7%

Recycling rate	2025	2024	2023	2022	2021	2020	2019	2018	%N/(N-1)
Use of Secondary raw materials (%)	15.9%	14.2%	12.6%	10.5%	6.8%	5.0%	4.6%	3.8%	12.0%

The impact of acquisitions on the recycling rate has been assessed by taking into account the BPI acquisition (effective 21 August 2025) and the fact that Resco plants have historically not utilized recycled raw materials. For methodological consistency, the baseline raw material demand is derived from global supply chain planning data and excludes projects planned for 2026. Based on these assumptions and calculations, the recycling rate (RR) is estimated at 16.2%.

Assumptions and Methodology

The recycling rate represents the total usage of circular raw materials—such as external recycling, by-products, and obsolete inventory—in the production of refractory finished goods and metallurgical products.

The reported usage data reflect materials in their original physical state as recorded at the point of purchase or use. No further adjustments or conversions, such as recalculation to dry weight or normalised values, are applied.

Other Recycling KPIs	2025	2024	2023	2022	2021	2020	2019	2018	%N/(N-1)
Recycling quantity (tonnes)	416,000	364,000	271,000	226,000	166,000	91,000	42,000	36,000	14.3%
CO ₂ savings due to recycling (tonnes)	551,000	476,000	393,000	337,000	268,000	142,000	74,000	63,000	15.8%

Disclosure requirement E5-6 — Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

The Group omits information prescribed by ESRS E5-6.

Social information

ESRS S1 Own workforce

ESRS 2 General disclosures

RHI Magnesita has identified impacts, risks, and opportunities related to its own workforce through its Double Materiality Assessment (DMA). Health and safety, working conditions, and human rights have been assessed as material topics under both impact and financial materiality dimensions. The DMA integrates Impact, Risk and Opportunity (IRO) considerations across the value chain. Further details on the materiality assessment process are presented in ESRS 2 IRO-1 on pages 96–99.

Disclosure requirement related to ESRS 2 SBM-2 — Interests and views of stakeholders

RHI Magnesita is committed to creating sustainable and shared value for its stakeholders, including its own workforce. Engagement with employees and workforce representatives supports the understanding of workforce-related interests, expectations, and potential human rights impacts, and informs the Group's strategy and business model. Employee perspectives are gathered through regular dialogue, internal communication channels, and established employee representation structures, and are considered in decision-making related to operational practices, health and safety, working conditions, and talent development. Respect for human rights, including fair working conditions and occupational safety, forms an integral part of the Group's sustainability approach and contributes to long-term value creation. Further information on our stakeholders and stakeholder engagement is provided on pages 20–27 of the Annual Report.

Disclosure requirement related to ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

RHI Magnesita employs approximately 15,500 employees and engages around 5,500 contractors across its global production sites. The Group's own workforce therefore comprises both directly employed personnel and workers provided by third-party undertakings, particularly in operational, maintenance, and site-based roles.

Due to the asset-intensive and operationally demanding nature of its activities, these worker groups are exposed to material occupational health and safety risks. In addition, forced labour has been identified as a material potential impact, particularly in relation to contractor workforces, where the Group has comparatively less direct control over recruitment practices and working conditions.

Findings from the Double Materiality Assessment indicate that there is a potential impact of forced labour in certain regions, including parts of BRICS countries, Asia, Africa, and Middle and South America, where regulatory oversight and enforcement mechanisms may be less robust. While no systemic incidents have been identified within the Group's operations, the potential severity of such impacts on individuals' rights and wellbeing makes prevention and mitigation a strategic priority.

These potential impacts do not affect the entire workforce equally but primarily relate to contractors and site-based workers in specific regions, while the majority of directly employed staff are subject to more standardised employment conditions and internal controls.

Addressing these is essential to safeguarding employee welfare, ensuring operational continuity, and supporting the long-term resilience of the business model.

Impact, risk and opportunity management

Disclosure requirement S1-1 — Policies related to own workforce

Health and Safety

RHI Magnesita's Health and Safety Policy is aligned with ISO 45001 and applies to both its own workforce and contractors working on Company sites. The policy reflects the Group's commitment to preventing occupational health and safety risks and to continuously improving safety performance through structured management systems and controls, however, it is not aligned with ESRS requirements.

All hazardous activities are subject to formal risk assessments, and appropriate preventive and protective measures are implemented to minimise exposure to health and safety risks. Temporary and agency workers are fully covered by the Group's Health and Safety

Management System and are afforded the same level of protection as permanent employees. In addition, young and inexperienced workers are subject to specific work restrictions and enhanced supervision to ensure they are not exposed to high-risk activities without adequate training and oversight.

The Group applies consistent health and safety standards across all operations and monitors impacts on employees and contractors using the same policies, procedures, and performance indicators. This approach ensures a uniform level of protection and supports continuous improvement in safety outcomes.

Human Rights and Labour Standards

RHI Magnesita is firmly committed to respecting and promoting human rights across its operations, in line with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. These international standards form the foundation of the Group's approach to responsible business conduct.

The Group's Human Rights Policy and Code of Conduct set out clear expectations regarding fair labour practices, freedom of association, equal treatment, and the strict prohibition of child labour, forced labour, modern slavery, and human trafficking. These principles apply to all employees, irrespective of role or contract type, and are also reflected in expectations placed on business partners, contractors, and other third parties operating on behalf of the Group.

RHI Magnesita recognises that child labour and forced labour represent a significant human rights risk in certain parts of the world, particularly in regions where socio-economic challenges, weak enforcement of labour legislation, or governance limitations may exist. In contrast, operations in regions with strong regulatory frameworks and enforcement mechanisms, such as Europe, North America, Singapore, and South Korea, face significantly lower levels of risk. Given the Group's global footprint and reliance on contractors in operational activities, the potential for forced labour is treated as a material risk that requires continuous monitoring and mitigation.

To address these risks, the Group applies a risk-based approach to human rights due diligence, including supplier expectations, contractual requirements, internal controls, and monitoring processes. Progress and effectiveness are reported annually through the Group's Modern Slavery Act statement, which outlines actions taken and ongoing improvements.

Workforce engagement, Equality and Inclusion

RHI Magnesita promotes a respectful, inclusive, and safe working environment through a set of Group-wide policies designed to support workforce engagement, equal treatment, and responsible conduct across all operations. These policies are aligned with the Group's Human Rights commitments and reinforce a culture of integrity, dignity, and mutual respect.

The Group's Anti-Discrimination and Anti-Harassment Policy establishes a zero-tolerance approach to discrimination and harassment in the workplace. It sets out clear expectations for behaviour and provides multiple confidential channels for reporting concerns, including Human Resources, line management, and the whistleblowing system. These mechanisms are designed to ensure concerns can be raised safely, investigated appropriately, and addressed in a timely manner.

In addition, the Speak Up Policy enables employees and third parties to report suspected misconduct confidentially or anonymously through web-based platforms, dedicated telephone lines, or direct contact with the Internal Audit, Risk and Compliance function. This framework supports transparency, accountability, and protection against retaliation.

The Group's Global Gender Equality Policy further reinforces its commitment to fair and equal treatment in all aspects of employment and workplace practice. The policy prohibits discrimination on the grounds of age, gender or gender identity, marital or civil partnership status, pregnancy or maternity, family responsibilities, political opinion, colour, nationality or ethnic origin, religion or belief, disability, sexual orientation, social origin, or any other status protected under applicable European Union or national legislation.

The Group's Code of Conduct, Human Rights Policy, Global Gender Equality Policy and Anti-Harassment Policy define clear expectations for behaviour and apply to all individuals associated with RHI Magnesita. This includes directors, managers, employees, contractors, consultants, interns, candidates, and third parties working on behalf of or at RHI Magnesita premises. The Code of Conduct, which is signed by members of the Executive Management Team and Regional Presidents, together with the Human Rights Policy, establishes a consistent framework for responsible conduct and respect for human rights across the organisation.

Compliance with these policies is supported through a combination of policy commitments, internal controls, training activities, supplier due diligence processes, and ongoing monitoring. Transparency is further ensured through the annual Modern Slavery Act statement, which reports on the Group's approach, actions, and progress in addressing risks related to forced labour and human rights and is publicly available on the Group's website. All policies are developed with key stakeholder interests in mind and are aligned with the United Nations Guiding Principles on Business and Human Rights and other internationally recognised labour and human rights standards.

These policies apply across the Group's workforce, regardless of position or contract type. The Health and Safety Policy extends this scope further by covering both employees and contractors, ensuring a consistent level of protection across all operations.

All the aforementioned policies are available on the Group's website.

Governance

Governance of workforce-related matters sits at the highest level of the organisation. Overall accountability lies with the Chief Executive Officer and the Executive Management Team. Strategic priorities relating to workforce development, engagement, and inclusion are coordinated by the Executive Vice President for People, Projects, Integrations, and Recycling. The Human Rights Officer reports to the Executive Vice President for People, Projects, Integrations, and Recycling and is responsible for overseeing the implementation of the Group's human rights commitments across operations. Dedicated Health and Safety functions, reporting to the Chief Technology Officer, ensure the consistent application of health and safety standards across all regions. In addition, the Internal Audit, Risk and Compliance team oversees the Group's risk management framework, including risks related to working conditions, labour rights, and occupational health and safety.

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

RHI Magnesita is committed to cultivating a transparent, inclusive, and accountable workplace by actively engaging its workforce and workers' representatives on actual and potential impacts.

In RHI Magnesita, engagement takes place directly with employees and, where applicable, through workers' representatives, including Works Councils, ensuring representation at relevant organisational levels. These engagement mechanisms enable the Group to gather employee perspectives on working conditions, health and safety, and human rights, and to reflect these inputs in workforce-related policies, management practices, and improvement initiatives.

Engagement is conducted regularly through diverse channels, such as quarterly Works Council meetings, conferences for different functions and seniority levels and through corporate communications mobile application (Workvivo) and global campaigns including International Day for Persons with Disabilities and International Women's Day. Frequent global town hall meetings are held online, providing employees with the opportunity to raise questions and share concerns. Questions that cannot be addressed during the live session due to time constraints are subsequently answered on Workvivo. Regional leadership teams hold townhalls to address regional specific issues, e.g. local supply chain issues, employee health and safety initiatives.

The Global Engagement Team oversees the implementation of engagement processes, developing a global leadership framework while enabling localised adaptations to ensure inclusivity and relevance.

Commitments under the Stakeholder Dialogue Policy, Speak Up Policy and Human Rights Policy are upheld, ensuring workforce rights and perspectives are respected.

Focusing on vulnerable and marginalised groups

RHI Magnesita actively incorporates the perspectives of vulnerable and marginalised workforce members, such as women, migrants, and individuals with disabilities, through targeted initiatives:

- **Global Campaigns:** Awareness initiatives such as the International Day for Persons with Disabilities, Global Mental Health Day, Pride Month, and International Women's Day foster dialogue and learning across the organisation. Employees worldwide participate in online lectures to gain diverse perspectives.
- **Business Resource Groups:** Regional groups promote inclusivity, representation, and peer support within the workforce.
- **On-Ground Interventions:** Health and safety concerns can be escalated directly to senior leadership, with follow-up shop-floor discussions led by executive management or Board representatives.
- **NGO Collaborations:** Partnerships with NGOs support the placement of youth interns with disabilities and young people from challenging backgrounds.
- **Language Integration Support:** Weekly one-hour online German courses at all proficiency levels help integrate immigrant colleagues in Austria and Germany, while also supporting international employees more broadly.
- **SHE goes DIGITAL Initiative:** This programme empowers women pursuing careers in IT by offering introductory programming, training on sexual harassment prevention, negotiation skills workshops, gender-inclusive job ads, and leadership development opportunities.
- **Female-Only Youth Entrepreneurship Week:** Launched in 2025 and continuing in future years, this initiative strengthens the empowerment of young women and introduces them to the company.
- **Unconscious Bias Training:** New colleagues globally participate in unconscious bias workshops to support an inclusive and equitable workplace culture. **Balanced Trainee Recruitment:** A gender-balanced approach to trainee recruitment has resulted in 58% female participation since the programme's launch in 2020.

Employee engagement initiatives

To further strengthen its connection with employees, RHI Magnesita implements various initiatives:

- **Volunteering Programmes:** Empower employees to contribute to their communities.
- **Female Factor and DEI Campaigns:** Highlight diversity, equity, and inclusion priorities.

- Culture Champions: Advocate for RHI Magnesita's cultural values globally.
- Psychological safety and resilience initiatives kicked-off in 2025.

Evaluating Engagement Effectiveness

The effectiveness of engagement is assessed through feedback from Works Council meetings, whistleblowing channels, and employee participation in diversity and inclusion initiatives. Outcomes include improved workplace policies, targeted action plans, and more inclusive practices. The EVP for People, Projects, Integrations, and Recycling, supported by the Global Engagement Team, ensures that engagement outcomes inform strategy and shape workforce-related initiatives.

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

Channels for the Workforce to raise concerns

RHI Magnesita has established robust mechanisms to enable its workforce to report potential misconduct or workplace concerns. These mechanisms include the Whistleblowing Hotline, Works Councils, leadership access platforms such as Workvivo, and frequent town hall meetings that provide employees with the opportunity to raise questions and concerns directly with the Executive Management Team. Whistleblowing channels are accessible to employees, third parties, and external stakeholders, ensuring anonymity and confidentiality.

Whistleblowing, investigations and protection against retaliation

The Whistleblowing Hotline is a confidential platform available in more than 50 languages, designed to enable employees and external stakeholders to report suspected misconduct, including violations of human rights or ethical standards, at any time. Reports are handled in line with the Speak Up Policy, which sets out key investigative principles and explicitly prohibits retaliation against individuals who report concerns in good faith. Indications of serious misconduct are typically investigated by IARC, People and Culture, and other relevant functions. No complaints related to forced or compulsory labour or human trafficking were reported in 2025.

Proactive and structured approach to remedying negative impacts

RHI Magnesita employs a proactive and structured approach to remedying material negative impacts on its workforce. When material workforce-related impacts are identified, the Group takes immediate action to assess the situation, implement corrective measures, and prevent recurrence. Findings from investigations are escalated through internal governance mechanisms, and the effectiveness of actions is monitored through internal audits, employee surveys, whistleblower statistics, and other compliance reviews. Key performance indicators such as turnover rates, health and safety metrics, and the volume and nature of whistleblower reports are used to evaluate progress and inform continuous improvement.

Disclosure requirement S1-4 — Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Health and Safety

Health and safety remain a central pillar of our strategy, shaping concrete actions to protect our workforce and strengthen operational integrity. We broadened the application of our Life-Saving Rules, advanced Major Hazard Prevention programmes, and reinforced a learning-oriented safety culture supported by improved monitoring, data insights, and active leadership engagement.

Workplace risk assessments

RHI Magnesita's business includes high-risk activities for which hazard identification and risk assessments are carried out, documented, and shared. Following a continuous improvement approach, the Group performs risk assessments in multidisciplinary teams which include team leaders, workplace personnel, local health and safety experts and locally assigned occupational health or occupational physician representatives and worker representatives, depending on local legal requirements.

A "Hierarchy of Controls" approach is applied to the risk assessment process, including but not limited to:

- Assessing whether the risk can be eliminated, e.g. purchasing equipment which is not noisy.
- Implementation of engineered solutions to eliminate or reduce the risk, e.g. automated processes which reduce manual work.
- Organisational measures, such as training and auditing.
- Standard operating procedures and work instructions defined with the involvement of the team who performs the task, with illustrations and in local languages.
- Providing personal protective equipment according RHI Magnesita global minimum standard to employees.
- Corrective and preventive actions and further upgrades identified by the risk assessment are documented.

Incident management report

Incident management is a fundamental element of effective safety management systems, enabling the whole own workforce to proactively identify and address potential hazards before they escalate into accidents. Promoting a culture that encourages the reporting of all safety observations – especially near-misses and safety observations – ensures thorough investigation and the implementation of preventative actions.

Any observation, regardless of its severity or the personnel involved, must be reported immediately within RHI Magnesita. All employees and contractors are required to immediately report any "Safety observation" to supervisors so that corrective actions can be put in place to avert harm. Every report is flagged in RHI Magnesita's safety reporting system for further follow-up and analysis.

Global standardisation for health and safety excellence

Standardisation is an effective tool to improve health and safety performance. RHI Magnesita has a global Health & Safety Management System certified by Bureau Veritas. Regular internal audits ensure that the organisation complies with relevant regulations, standards and internal policies; it identifies potential risks, enabling proactive mitigation; provide insights and fosters a culture of ongoing improvement, as corrective actions and lessons learned are implemented organisation wide. RHI Magnesita holds an integrated management system covering health and safety, environmental, energy and quality. 70% of all sites including industrial footprint hold a certification for health and safety.

Due to the ongoing expansion of the Group's production network, the integration of other plants has also commenced. We seek to engage with local senior management and the workforce from the beginning to ensure that our values and standards are adopted.

Health & Safety Fund

RHI Magnesita HELP is a dedicated programme to provide financial support to individuals and their direct family members impacted by occupational work-related accidents or fatalities. This initiative extends beyond RHI Magnesita's obligations as an employer, reflecting the Group's commitment to supporting its employees, operating communities, and business partners—including suppliers, contractors, and customers.

The HELP initiative was launched in 2024 in which more than €810,000 was raised, which includes a €405,000 contribution by the Group and private donations from individuals worldwide, including RHI Magnesita employees in any location or role. In 2025, voluntary contributions amounted to approximately €84,000. These funds were matched by the Group in the beginning of 2026, resulting in a total of nearly €169,000. This initiative highlights the strong culture of care and solidarity shared by our workforce and stakeholders. We provided financial assistance through the HELP Fund in 2025 to support two families and two colleagues who sustained injuries.

The HELP Fund is financed through voluntary contributions from private individuals, RHI Magnesita colleagues, and members of the Executive Management Team (EMT). As expected, the highest contribution levels were recorded in the first year following the Fund's launch, reflecting the typical "launch effect" and strong initial engagement associated with new initiatives. In the second year, total contributions decreased compared to the inaugural period. This trend is consistent with standard fundraising dynamics, where initial peak participation stabilizes over time.

The effectiveness of actions taken is tracked in practice through the Group's health and safety KPIs, mentioned above. By regularly monitoring its health and safety performance the Group ensures that its own working practices are not causing harm to its workforce.

Safety Culture Transformation

Key actions taken in 2025 aiming to move from a compliance-based safety approach to a deeply embedded safety mindset across all levels of the Group included the full roll out of our Life-Saving Rules, advanced Major Hazard Prevention measures, and reinforced a learning-oriented culture supported by improved monitoring, data insights, and leadership engagement. This strategic initiative is dedicated to strengthening RHI Magnesita's safety culture, with a key focus on mitigating Serious Injuries and Fatalities potential (SIFp) risks across all operations.

To strengthen RHI Magnesita's safety culture and reduce serious injury and fatality risks, the Group is investing in leadership development at all levels through a comprehensive coaching programme to be implemented over the next two years. This initiative commenced with a design phase in the second half of 2024, focusing primarily on enhancing safety leadership across production and service sites. The program targets front-line leaders, providing them with structured coaching over several weeks. The coaching curriculum was developed in collaboration with dss+. In the initial phase, dss+ facilitated the coaching sessions and simultaneously trained internal RHIM coaches. In 2025, the internal coaches assumed responsibility for continuing the program. Out of a total of 25 planned internal coaches, 24 had been nominated by year-end 2025; of these, 14 had completed the 10-week training programme and remaining are in process of completing it.

The internal coaches are actively training front line leaders and globally more than 450 front-line leaders have participated in the coaching program. In parallel, additional safety performance indicators, specifically SIF and SIFp, were developed and successfully rolled out alongside standards targeting the company's identified top risks.

In 2025 the Group incurred €10 million in health and safety related capital expenditure. Over the period 2026–30 the Group expects to allocate a similar amount of capital each year to sustainability and health and safety related capital expenditure.

In 2026 the existing Health and Safety reporting system, AccStat, will be superseded by an SAP S4/HANA—based Safety Management System (SMS), providing improved capabilities for recording incidents and monitoring safety observations.

These actions are expected to lead to an improvement in the Group's health and safety performance metrics over the medium term.

Continuous Initiatives and Improvements

RHI Magnesita takes action to prevent the negative impact on its workforce from poor health and safety performance and to remedy the impact of any accidents that may occur. Preventative steps include establishing standardised safe operating procedures, the provision of personal protective equipment and safety training, designing out risks from work related tasks, carrying out risk assessments, encouraging every kind of report and conducting comprehensive incident investigations with detailed follow up actions. Individuals who may be injured as a result of a workplace incident (or their families) may receive financial assistance in the form of contractual payments, insurance awards or discretionary awards from the Group's HELP fund initiative. The main focus of remedial action is taking steps to ensure that the factors leading up to the incident are not repeated.

Health and safety performance is tracked very closely and is a fundamental KPI for individual sites and regional management teams, examined on a monthly basis. At Group level the EMT, CSC and Board regularly receive reports on safety performance which includes overall statistics as well as reports on major incidents and follow up actions if applicable. Improvement or deterioration in these metrics provides a clear indication of the effectiveness of the actions the Group is taking to improve its health and safety performance.

The process for identifying actions that the Group must take primarily relies on follow up actions to risk assessments, all reports and accident investigations. Accident investigations are usually undertaken by local authorities, but the Group also forms its own view of required remedial actions. Recommendations for changes to procedures to avoid future serious injuries or fatalities are ascribed the highest importance and applied across the Group's global operations.

Sales practices at RHI Magnesita include the provision of services by RHI Magnesita employees who perform their tasks whilst physically located at customer sites. In such circumstances the Group's employees are in the customer's-controlled location and exposed to safety risks. The Group seeks to ensure that this practice does not cause or contribute to negative impacts on its workforce by holding the customer to a high standard of safety, encouraging RHI Magnesita staff to report unsafe situations or incidents and investigating any at such sites.

An actual or potential negative health and safety impact on its own workforce would contribute to a decision by the Group to terminate a business relationship with a supplier or customer. For example, poor safety practices at a customer site where RHI Magnesita staff are working, or poor driving standards from freight contractors whilst on RHI Magnesita sites would not be tolerated.

Human Rights

RHI Magnesita is committed to upholding international human rights principles, ensuring that all employees work under fair, ethical, and safe conditions. A human rights risk assessment has been carried out in the Group's own operations and as part of supplier due diligence. Through the DMA, the Group has identified potential negative impacts related to forced labour, as well as risks of discrimination, harassment, and health and safety concerns within its workforce and upstream value chain.

The Group's policies, training initiatives, due diligence processes, and grievance mechanisms aim to prevent, identify, and address human rights issues, including potential incidents of forced labour. The IARC function oversees the Group's overall risk management process and ensures that incidents relating to working conditions, labour rights, and health and safety are reviewed and escalated as appropriate. Corrective actions may include enhanced monitoring, additional training, and direct engagement with affected employees.

Whistleblowing hotline

RHI Magnesita Whistleblowing Hotline is a confidential platform designed to enable employees and external stakeholders to report suspected misconduct, including violations of human rights or ethical standards, at any time. All compliance violations – therefore also suspicions regarding slavery, forced labour and human right violations (e.g. harassment and discrimination) – can be reported (also anonymously) both by employees and external parties in more than 50 languages via various communication channels. Indications of serious misbehaviour will typically be investigated by IARC, People and Culture and other appropriate departments in the organisation. There were no new reported complaints related to forced or compulsory labour or human trafficking in the year 2025. Additionally, Group's Speak Up policy provides the necessary information on how to report misconduct, unethical practice, or behaviour that goes against RHI Magnesita's Group values. It also outlines the key investigative principles when handling a report.

Whistleblowing channels are accessible to everyone, both internally and externally. Reported data confirm that these channels are widely recognised and trusted as official channels for reporting.

For an overview of our approach throughout the value chain, please refer to Chapter S2 — Workers in the value chain of this report and for our business conduct, please refer to Chapter G1 — Governance of this report.

Tracking, monitoring, and effectiveness evaluation

RHI Magnesita has implemented structured processes to track and monitor reported concerns, led by the IARC team and local committees.

Follow-ups and Timeliness: Regular follow-ups ensure issues are addressed promptly and resolutions are effective.

Stakeholder Involvement: Feedback from employees and other stakeholders is incorporated to review and enhance reporting systems.

Awareness and Trust: The Group promotes awareness of its reporting mechanisms through training and engagement campaigns, such as International Women's Day and Disability Days. Leadership visibility and consistent communication of the Speak Up Policy further foster trust in the system.

Protection against retaliation

RHI Magnesita's policies, including the Speak Up Policy, explicitly prohibit any form of retaliation against individuals who report concerns in good faith. This protection extends to workers' representatives and includes disciplinary actions against those who intentionally file false reports.

Actions towards preventing human rights issues, including potential incidents of forced labour

RHI Magnesita aligns with ILO principles and has adopted policies to combat forced labour and trafficking, and the Group is committed to identifying, addressing, and mitigating actual and potential negative impacts on its workforce through structured risk management, remediation efforts, and continuous improvement initiatives.

When material workforce-related impacts are identified, RHI Magnesita takes immediate action to assess, remediate, and prevent recurrence. The IARC department is responsible for overseeing the Group overall risk management process, ensuring that incidents related to working conditions, labour rights, and health and safety are reviewed. Findings are escalated through internal governance mechanisms, ensuring timely interventions and corrective measures. Corrective actions may include enhanced monitoring, and engagement with affected employees to provide appropriate remedies. For additional information, please refer to Chapter G1—Governance information (pages 161-166) and the Our Stakeholders section of the Annual Report (pages 20-27).

The Group continuously monitors and assesses the effectiveness of workforce-related actions through internal audits, employee surveys and compliance reviews. Key performance indicators (KPIs) such as turnover rates, health and safety metrics, and whistleblower reports are used to evaluate impact and drive improvements. For further information, see Internal Controls section of the Annual Report (pages 40-41).

Human Rights Training

A global e-learning module on business ethics—including key human rights components—was first introduced in 2020 and updated in 2023. This training became mandatory for all employees in 2025. In the past year, a dedicated course on the fundamentals of human rights was added to the training portfolio. In parallel, an ESG-focused training module for procurement employees was developed and rolled out in 2024, placing stronger emphasis on human rights in supply chain decision-making.

The integration of newly acquired entities into RHI Magnesita's ethics and compliance framework is an ongoing priority for the Group. As part of a continuous process, acquired organisations are assessed to understand their existing compliance cultures and progressively aligned with Group-wide standards. Through tailored training and upskilling programmes, employees across these entities are supported in meeting RHI Magnesita's expectations on ethics, compliance, and responsible business conduct. Strengthened due diligence processes and enhanced compliance monitoring further help mitigate labour-related risks and ensure consistent adherence to ethical employment standards across the expanded Group.

Since 2025 there is a new international travel emergency hotline. This provides immediate multilingual support in over 130 languages for situations such as: Accident, illness or any medical emergency, Natural disasters, Loss of documents or valuables, Communication issues, Delays in returning home, Onward Travel, Roadside Assistance. Through our partner Chubb-CEGA, all employees are covered by comprehensive international insurance during business travel and in case of accidents.

Metrics, Targets and Workforce Characteristics

Disclosure requirement S1-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Health and safety — Assumptions and methodologies

The recording of health and safety incidents was done via AccStat in 2025, this system will be replaced by a Group wide reporting system (Safety Management System) which will be available to all employees and contractors with intranet access starting in 2026. Any employee or contractor with access to the system can submit a report and they are required to do so by Group internal procedures.

Total Recordable Injury Frequency Rate (TRIFR) indicates the number of work-related injuries that require medical treatment, restricted work, or result in lost workdays per hours worked. It includes fatalities in our own workforce, lost time injuries, restricted work cases, and medical treatment cases, but excludes first aid cases and non-work-related incidents.

Lost Time Injury Frequency Rate (LTIFR) indicates the number of work-related injuries resulting in at least one lost workday per hours worked. It includes fatalities in our own workforce and lost time injuries and excludes restricted work cases, medical treatments without lost time, and non-work-related incidents.

Fatality is defined as death of a person resulting from a work-related accident, either immediately or within 30 days of the event. No lost days are recorded. In addition, every single fatality is investigated case by case, and the Group reserves the right to reclassify a case even after 30 days.

Worked hours are the total hours actually worked by all members of the own workforce – including permanent staff, apprentices, and long-term temporary workers under direct company supervision – excluding breaks, leave, and absences. The factor of 165 hours per FTE per month is used for the employee hours worked, and for non-employee/contractors, the worked hours are obtained from AccStat. Contractors are external service providers or long-term contractors under the site's operational control, excluding unsupervised off-site personnel.

RHI Magnesita is required to report Recordable work-related accidents in accordance with the ESRS requirements. A Recordable work related accident is a work-related injury or ill health that results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

RHI Magnesita Group does not have non-guaranteed hours employees.

Health and safety performance and targets

RHI Magnesita has established measurable health and safety targets to address the material risks associated with occupational injuries and fatalities identified through its double materiality assessment. These targets are aligned with the Group's long-term commitment to Zero Harm and are designed to drive continuous improvement in safety performance across all operations. In line with our commitment to transparency and accountability we have adopted a phased approach to develop entity-specific metrics. Our efforts aim to ensure a robust and tailored framework that reflects our operational realities while driving meaningful progress.

The Group's first formal health and safety target was introduced in 2019, following the merger, and focused on achieving a Lost Time Incident Frequency Rate (LTIFR) below 0.30 per 200,000 hours worked. This target was set to establish a consistent safety performance benchmark across the newly integrated organisation and to support the development of a common safety culture.

A comprehensive Health and Safety performance review, supported by dss+, formed the basis for defining the Group's 2030 HS targets. The targets were developed by internal experts, drawing on findings from dss+ site audits and recognized international standards. The assessment included on-site inspections and interviews across multiple organizational levels. The resulting targets apply to the entire workforce and reflect recent acquisitions as well as identified regional performance gaps.

The 2030 target has been revised from <1.2 to <2.0 per 1,000,000 following a reassessment of the underlying health and safety data in 2025. Due to a reclassification assessment, 2024 can no longer serve as the baseline year. Therefore, 2025 has been set as the new baseline, based on more robust and reliable data from a comprehensive review of case classifications.

The transition from an LTIFR-based target to a TRIFR-based target reflects a more comprehensive and internationally aligned approach to measuring safety performance, capturing a broader range of recordable incidents and enabling improved comparability and management oversight. The current TRIFR stands at 4.09.

Performance against health and safety targets is monitored through the Group's safety management systems. In 2025, the Lost Time Incident Frequency increased from 0.11 to 0.37, with (92) lost time injuries recorded compared to (28) in the prior year. The increase was primarily driven by incidents at Resco and service locations as well as deep dive on the reclassification of health and safety cases. As a result, performance remained above the LTIFR target of 0.30 per 200,000 hours worked.

The scope of the Group's health and safety targets is global and covers 100% of RHI Magnesita own workforce. Performance is monitored through the Group's internal safety systems. The newly implemented Safety Management System will replace the current incident reporting system AccStat. The new tool is expected to further enhance data quality, management control, and the continuous improvement of safety practices. Regional health and safety initiatives complement the global framework, allowing risks to be addressed in a locally appropriate manner while remaining aligned with Group-wide objectives.

Disclosure requirement S1-6 — Characteristics of RHI Magnesita employees

Characteristics of Own Workforce – Assumptions and Methodologies

Definition of headcount:

The headcount includes employees actively employed within the organisation, categorised into the following groups: employees, apprentices, trainees, and interns. Temporary workers, contractors, and consultants are explicitly excluded from this definition. Additionally, individuals on extended unpaid leave are not considered part of the active headcount. Headcount is the number of employees at the end of reporting period. RHI Magnesita's financial statements adhere to the IFRS framework, which mandates the disclosure of the average workforce to ensure standardized and consistent reporting. The information is available in Note 10 of the Consolidated Financial Statements 2025 (page 265).

Full-time equivalent (FTE) calculations:

FTE is used as a standardized metric for employee contributions, adjusted for part-time arrangements. Full-time employees are assigned an FTE value of one, while part-time employees are calculated as a fraction of one based on their actual working hours relative to the full-time schedule.

Inclusion criteria:

Only employees who hold a signed employment contract with the Group are included in the headcount. This ensures that the data reflects the organisation's contractual workforce accurately.

Contract type definitions

Permanent employees are individuals engaged under employment contracts with no predefined end date. These contracts provide ongoing employment subject to termination conditions defined by law, collective agreements, or internal policies.

Temporary employees are individuals engaged under employment contracts with a fixed duration or for a specific task or project, including fixed-term contracts and comparable arrangements. Employment ends automatically upon reaching the agreed end date or completion of the defined task.

Working time definitions

Full-time employees are individuals whose contractual working hours correspond to the standard full-time working hours defined by applicable national legislation, collective bargaining agreements, or internal company policy in the relevant jurisdiction.

Part-time employees are individuals whose contractual working hours are lower than the applicable full-time working hours, expressed either as a reduced number of weekly hours or as a percentage of a full-time equivalent (FTE).

Hires and turnovers:

Employees who join or leave during the reporting period are included in the headcount as active only if they have worked for at least one day within the period.

Turnovers by leave category:

Turnover data is segmented into specific leave categories, including death, dismissal, retirement, and voluntary departures. However, the group "Other," which encompasses contract expirations (this includes contracts that were chosen to be renewed) and employee transfers, is excluded to maintain clarity in turnover reporting.

Turnover rate:

"Employee turnover" is defined as the cumulative headcount of employees who have departed from the RHI Magnesita Group, whereas the "employee turnover rate" is defined as the proportion of employees who have left the Group expressed as a percentage. To determine the percentage of departing employees, the total is divided by the total number of employees at the end of the reporting period, which differs from the method in Note 10 to the Financial Statements, whereas the denominator takes into account the average number of employees during the reporting period.

Headcount is allocated to regions based on the primary legal entity location of the office where the employee is associated, irrespective of remote working arrangements. This approach aligns headcount data with organisational and legal structures.

These assumptions ensure clarity, consistency, and precision in calculating and reporting headcount-related KPIs, enabling accurate workforce analysis and strategic decision-making. These metrics have not been externally validated by any organisation other than the assurance provider.

Changes in regional structure - Impact on comparability

In 2025, the Group updated its regional set-up. Europe & CIS no longer includes Türkiye, which is now reported under Middle East, Türkiye & Africa. India is presented as a standalone region, whereas in 2024 it formed part of the broader India, West Asia & Africa region. Latin America replaces the former South America region, with Mexico now included in this new regional grouping. North America now comprises only the USA and Canada.

Due to revised regional boundaries and differing reporting periods, year-on-year changes in regional headcount between 2024 and 2025 are largely structural rather than operational. Accordingly, regional comparisons should be interpreted with caution, as most differences reflect reclassification of reporting regions rather than changes in workforce size or composition.

Table 1 below presents the composition of RHI Magnesita's workforce by gender for 2025 compared to the prior year. The data reflects total headcount at year-end and highlights year-on-year changes in workforce size. Overall employee numbers decreased slightly compared to 2024, with a marginal reduction in both male and female employees. The gender distribution remains broadly stable and reflects the operational and industrial nature of the Group's activities.

Table 1 — Employees by gender

Employees by gender	2025	2024	%N/(N-1)
Male	13,575	13,601	(0.2)%
Female	1,973	2,044	(3.5)%
Total Employees	15,548	15,645	(0.6)%

Table 2 below presents the geographical distribution of RHI Magnesita's workforce by country for 2025 compared with the previous year. It reflects headcount at year-end and highlights year-on-year changes across the Group's operating locations. Overall workforce numbers increased slightly in 2025, driven primarily by changes in selected countries, while headcounts in several locations remained stable or decreased. The significant changes are primarily driven by acquisitions in the United States (+55%), Canada (+18%) and United Kingdom (+13%) and in the United Arab Emirates (+73%), which now hosts the regional hub of the newly established META region. Other variations largely reflect operational developments, business activity levels, and organisational adjustments across regions, rather than structural changes to the Group's workforce strategy such as the headcount transferences from Hong Kong to South Korea and from Belgium to France.

Table 2 — Employees by country

Employee per country	2025	2024	%N/(N-1)
Argentina	152	166	(8.4)%
Austria	1,638	1,691	(3.1)%
Belgium	0	4	(100.0)%
Brazil	4,086	4,098	(0.3)%
Canada	105	89	18.0%
Chile	23	29	(20.7)%
China	1,979	2,106	(6.0)%
Colombia	92	95	(3.2)%
Czech Republic	620	626	(1.0)%
France	173	156	10.9%
Germany	1,270	1,508	(15.8)%
Hong Kong	0	3	(100.0)%
India	2,546	2,489	2.3%
Italy	21	24	(12.5)%
Mexico	443	470	(5.7)%
Netherlands	96	111	(13.5)%
Peru	33	31	6.5%
Romania	2	4	(50.0)%
Russian Fed.	54	58	(6.9)%
Singapore	34	37	(8.1)%
Slovenia	95	112	(15.2)%
South Africa	45	44	2.3%
South Korea	6	0	100.0%
Spain	94	98	(4.1)%
Sweden	40	42	(4.8)%
Switzerland	93	102	(8.8)%
Taiwan	11	10	10.0%
Türkiye	360	466	(22.7)%
Ukraine	6	9	(33.3)%
United Arab Emirates	38	22	72.7%
United Kingdom	137	121	13.2%
USA	1,225	789	55.3%
Vietnam	31	35	(11.4)%
Total Employees	15,548	15,645	(0.6)%

Table 3 below shows the composition of RHI Magnesita's workforce by gender and employment type for 2024 and 2025. The workforce remained largely stable year on year, with most employees engaged on a permanent and full-time basis, reflecting the Group's operational profile. No employees were reported under the categories "other" or "not reported".

Table 3 — Employees by type of contract and gender

2025	Female	Male	Other	Not reported	Total
Number of employees (Headcount)	1,973	13,575	0	0	15,548
Number of permanent employees (Headcount)	1,571	12,043	0	0	13,614
Number of temporary employees (Headcount)	402	1,532	0	0	1,934
Number of full-time employees (Headcount)	1,825	13,491	0	0	15,316
Number of part-time employees (Headcount)	148	84	0	0	232

2024	Female	Male	Other	Not reported	Total
Number of employees (Headcount)	2,044	13,601	0	0	15,645
Number of permanent employees (Headcount)	1,663	12,123	0	0	13,786
Number of temporary employees (Headcount)	381	1,478	0	0	1,859
Number of full-time employees (Headcount)	1,892	13,529	0	0	15,421
Number of part-time employees (Headcount)	152	72	0	0	224

Table 4 below presents the geographical distribution of RHI Magnesita's workforce by region for 2025, with comparative figures for 2024. It shows employee headcount by contract type and working time, reflecting the Group's global operational footprint. Overall workforce levels remained broadly stable year on year, with changes primarily driven by organisational and regional realignments rather than structural workforce reductions or expansions.

Table 4 — Employees by type of contract and region

2025	China & East Asia	Europe & CIS	India	North America	Latin America	Middle East, Türkiye & Africa	Total
Number of employees (Headcount)	2,061	4,339	2,546	1,330	4,829	443	15,548
Number of permanent employees (Headcount)	1,040	3,786	2,545	1,330	4,475	438	13,614
Number of temporary employees (Headcount)	1,021	553	1	0	354	5	1,934
Number of full-time employees (Headcount)	2,060	4,132	2,546	1,329	4,809	440	15,316
Number of part-time employees (Headcount)	1	207	0	1	20	3	232

2024	China & East Asia	Europe & CIS	India	North America	South America	Total
Number of employees (Headcount)	2,191	5,132	2,555	1,348	4,419	15,645
Number of permanent employees (Headcount)	1,081	4,577	2,551	1,250	4,327	13,786
Number of temporary employees (Headcount)	1,110	555	4	98	92	1,859
Number of full-time employees (Headcount)	2,191	4,920	2,555	1,340	4,415	15,421
Number of part-time employees (Headcount)	0	212	0	8	4	224

The headcount reported for Europe & CIS in 2025 (4,339 employees) is lower than in 2024 (5,132 employees) mainly due to the reassignment of Türkiye to a different regional structure. As part of this reorganisation, the region Middle East, Türkiye & Africa appears as a new reporting category in 2025, comprising 443 employees who were previously reported under Europe, CIS & Türkiye or under India, West Asia & Africa.

In addition, India is reported as an independent region in 2025, with a headcount of 2,546 employees. This reflects the creation of a new META regional structure and limits direct comparability with the composite regional reporting used in 2024. These changes in regional reporting structure should therefore be considered when interpreting year-on-year movements in headcount.

The table 5 below presents employee turnover by category for 2025, with comparative data for 2024. Turnover includes departures due to retirement, voluntary resignations, involuntary dismissals, and deaths. Overall employee turnover increased year on year, as result of organisational adjustments during the reporting period.

Table 5 — Number of employee turnover

Number of employee turnover (excluding seasonal staff)	2025	2024	%N/(N-1)
Death	25	21	19.0%
Dismissal (Involuntary)	1,240	889	39.5%
Retirement	139	141	(1.4)%
Voluntary	804	829	(3.0)%
Total Employees	2,208	1,880	17.4%

The turnover rate for 2025, calculated in line with ESRS requirements and including deaths, involuntary and voluntary departures, and retirements, was 14.20%, compared with 12.02% in 2024.

2025 was a challenging year for RHI Magnesita, marked by a difficult market environment and capacity adjustments across parts of the organization. In response, management implemented a range of cost-containment and efficiency measures aimed at optimizing the SG&A cost base. These measures included operational restructuring activities such as site rationalizations, the introduction of automation at selected production locations, and workforce adjustments in areas where production capacity was below planned utilization levels. In addition, voluntary workforce programs (e.g., early retirement, sabbaticals, and temporary leaves, where legally permissible) were offered. Collectively, these actions contributed to a higher level of employee turnover during the period.

Disclosure requirement S1-14 — Health and safety metrics

These metrics have not been externally validated by any organisation other than the assurance provider.

The table below presents key health and safety performance indicators for RHI Magnesita's own workforce for 2025, with comparative figures for 2024. It includes coverage of the health and safety management system, fatalities, recordable injuries, and injury frequency rates. All employees are covered by a health and safety management system aligned with legal requirements and recognised standards.

Health and safety metrics	2025	2024	%N/(N-1)
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%	0.0%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	1	1	0.0%
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	1	(100.0)%
Number of recordable work-related accidents for own workforce	204	98	108.2%
Rate of recordable work-related accidents for own workforce	4.09	1.90	115.3%
Total hours worked	49,938,226	51,611,558	(3.2)%

Health and safety targets	2025	2024	%N/(N-1)
LTIFR (Lost time injury frequency per 200,000 hours worked)	0.37	0.11	236.4%
TRIFR (Total Recordable Injury Frequency Rates per 1,000,000 hours worked)	4.09	1.90	115.3%

In 2025, one fatality resulting from the treatment of the work-related injury was recorded among employees and other workers at RHI Magnesita sites. This compares with two fatalities in the previous year—one involving a member of the Group's own workforce and one involving one contractor working at a RHI Magnesita site.

Injury frequency indicators increased year on year, primarily reflecting enhanced incident reporting, broader data capture, and site-specific operational factors. The ongoing Safety Culture Transformation has expanded engagement across the organisation and strengthened alignment with company safety standards and guidelines. Health and safety remain a priority for RHI Magnesita and training will be reinforced to ensure consistent incident classification and reporting.

Disclosure requirement S1-17 — Incidents, complaints and severe human rights impacts

This metric has not been externally validated by any organisation other than the assurance provider.

A discrimination incident is defined as direct or indirect discrimination on the basis of protected characteristics, which may include, but are not limited to gender or gender identity, sex, ethnicity, religion or culture, disability, sexuality, age. Indirect discrimination could be putting a criterion in place that may seem neutral, but that would practically be unfavourable for a person with a protected attribute.

A harassment incident is defined as unwanted conduct related to a protected characteristic that has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment. There were no fines, penalties or compensations for damages arising from incidents of discrimination, harassment, or severe human rights issues and incidents during the reporting period.

Incidents, complaints and severe human rights impacts	2025	2024	%N/(N-1)
Number of incidents of discrimination including harassment	9	25	(64.0)%
Number of complaints filed through channels for people in own workforce to raise concerns	0	0	0.0%
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0	0.0%
Number of severe human rights issues and incidents connected to own workforce	0	0	0.0%
Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0	0.0%

In 2025, reported incidents of discrimination and harassment declined by 64% compared to 2024, reflecting the impact of strengthened policies, awareness initiatives, and enhanced leadership accountability. At the same time, the Company improved its investigation and case-classification processes by introducing clearer assessment criteria and strengthened oversight to ensure consistent and transparent handling of cases. This has led to more accurate categorization and improved data quality. The combined effect of preventive measures and more robust case management demonstrates measurable progress toward fostering a more inclusive, respectful, and sustainable workplace culture.

ESRS S2 Workers in the value chain

ESRS 2 General disclosures

RHI Magnesita has identified impacts, risks, and opportunities related to its workers in the value chain through RHI Magnesita's risk management approach. Details of the double materiality assessment are described in detail under section ESRS 2 SBM-3 (pages 82-96) and ESRS IRO-1 (pages 96-99).

Strategy

Disclosure requirement related to ESRS 2 SBM-2 Interests and views of stakeholders

The Group considers the interests and views of its key stakeholders, including its own workforce, customers, suppliers (including the workers in the value chain) and local communities through structured engagement processes, and integrates these insights into strategic decision-making, risk management, and the management of sustainability impacts, risks and opportunities. Read more about our stakeholders and our stakeholder engagement on pages 20-27 of this Annual Report.

Disclosure requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

RHI Magnesita's diverse and global upstream supply chain presents a wide range of risks for supply chain workers. These risks vary based on factors such as workers' country of residence and employment, gender, age, and status as migrant workers. Industry-specific factors also play a critical role, with labour-intensive sectors like mining and manufacturing posing higher risks for occupational safety and forced labour.

The Group uses a risk-based approach to identify a broad range of risks within the value chain with the use of risk indicators and assessments and closely monitors suppliers at risk. To assess specific risks, such as forced labour and child labour, the Group conducted sector benchmarking and reviewed labour standards across regions. The Global Slavery Index was used to identify countries with high risks of forced labour by using its estimated prevalence of modern slavery per 1,000 population. Countries among the highest prevalence are North Korea, Eritrea and Saudi Arabia. Relevant value chain stakeholders for the Group are located in India and China which are not among the countries with the highest prevalence but which have a relatively high total estimated number of people in modern slavery due to their considerable population size⁷). The Global Slavery Index was used to identify countries with high risks of forced labour, such as India, North Korea, and Pakistan. Relevant value chain stakeholders for the Group are located in India. In the context of health and safety as well as child labour risks, a dual approach was taken addressing country-specific factors as well as industry- and commodity-specific considerations, particularly in labour-intensive industries. High risk areas with regards to child labour, as stated by UNICEF and the International Labour Organisation⁸, are Sub-Saharan Africa, Central and Southern Asia and Eastern and South-Eastern Asia. More than two-thirds of children in child labour work within the agriculture sector, followed by Services and Industry. The material streams and services required for RHI Magnesita have, due to the nature of the Group's industry, little interaction with the agriculture sector and its associated risks. Suppliers located within Asia are a relevant part of RHI Magnesita's value chain. Only a few value chain stakeholders are located in Sub-Saharan Africa.

Material impacts within the Group's value chain were primarily identified in relation to suppliers' employees, especially those working in mining and production units. Occupational safety was identified as material, alongside the potential for incidents of forced labour. Particularly vulnerable worker groups with regards to these material impacts are migrant workers, young workers and women.

The Group's assessment identified that a significant share of potential risks related to value chain workers, in particular forced labour and occupational health and safety risks, are concentrated in certain key sourcing regions that are critical to the Group's supply chain. These risks are closely linked to the Group's business model, which relies on a limited number of suppliers in labour-intensive industries and regions with varying labour standards and regulatory frameworks. As a result, these actual and potential impacts on value chain workers informs the Group's procurement strategy and supplier management approach. Risks, in particular related to forced labour and occupational health and safety, are considered when prioritising suppliers, defining due diligence activities, and allocating resources for risk mitigation. These insights support the ongoing development of the Group's business model by strengthening risk management practices, enhancing supply chain resilience, and reducing exposure to social and operational risks.

In response, RHI Magnesita has prioritised the assessment and monitoring of suppliers located in higher-risk regions and has established specific targets and due diligence measures for key suppliers operating in critical locations. As risk management maturity has increased for these suppliers, the scope of assessments has progressively expanded to include smaller suppliers across additional regions. Supplier due diligence is supported by risk-based evaluations, targeted audits, and ongoing monitoring, with oversight provided by the sustainable procurement and IARC function and regular reporting to senior management and the Board. This approach ensures that identified risks directly inform sourcing decisions, supplier engagement, and mitigation measures, while strengthening the resilience and integrity of the Group's value chain.

The Group acknowledges the complexity of ensuring transparency and compliance in a global value chain, especially in industries with varying labour standards and safety regulations. Addressing these risks requires continued collaboration, monitoring, and the integration of robust standards to protect workers' rights and well-being.

The Group seeks to gain insight into the perspectives of value chain workers in respect of their human rights, including the right to collective bargaining through alternative mechanisms, including supplier assessments, contractual requirements, and grievance mechanisms.

Read more about RHI Magnesita's strategy and business model at ESRS 2 SBM-1.

Systemic challenges

The risks identified are often systemic and widespread, particularly regarding forced labour, where limited transparency within certain business relationships exacerbates the challenge. Negative impacts may also arise from individual incidents, such as workplace accidents, affecting the health and safety of workers in the value chain. Workers conducting physical labour or operating heavy machinery in countries with lower safety regulations face heightened risks. Examples include insufficient safety mechanisms and inadequate training for machinery operation.

⁷ Walk Free 2023, Global Slavery Index 2023. Available from: <https://www.walkfree.org/global-slavery-index/>

⁸ International Labour Office and United Nations Children's Fund, Child Labour: Global estimates 2020, trends and the road forward, ILO and UNICEF, New York, 2021. Licence: CC BY 4.0.

Impact, risk and opportunity management**Disclosure requirement S2-1 — Policies related to value chain workers**

RHI Magnesita has established a comprehensive set of policies to ensure respect for human rights and ethical practices throughout its value chain. These include the Human Rights Policy, Supplier Code of Conduct, and Anti-Slavery Statement, which align with the requirements of the UK Modern Slavery Act and the California Transparency in Supply Chains Act. The Speak Up Policy prohibits retaliation against individuals who report concerns in good faith, including workers' representatives, and supports a culture of accountability and trust.

The Group adheres to internationally recognized human rights standards and expects its suppliers and contractors to uphold the same high standards. The Group's Human Rights Policy serves as a guiding framework, consistent with the principles outlined in the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and relevant local legislation. This policy underscores our commitment to respecting human and labour rights, prohibiting human trafficking and slavery as well as child labour and forced labor, and promoting safe and fair working conditions across our operations and supply chain.

The Supplier Code of Conduct mandates that suppliers respect human rights and strictly prohibits any form of precarious work such as human trafficking or slavery as well as child labour and forced labour. To ensure compliance, suppliers may be required to complete self-assessment questionnaires, respond to further inquiries, and, if necessary, undergo on-site assessments or full compliance evaluations. Non-compliance with the Supplier Code of Conduct may result in corrective action plans or, in severe cases, termination of the business relationship in accordance with applicable legal agreements.

As a participant in the UN Global Compact, RHI Magnesita is committed to integrating the principles of UN Guiding Principles of Business and Human Rights into its business strategy and operations. This commitment is explicitly outlined in the Code of Conduct, which prioritises compliance with human and civil rights, applicable labour laws, and social standards. Respectful treatment, equal opportunities, and fairness are core values demanded of all employees and business partners.

RHI Magnesita actively encourages transparency and ethical practices by providing a Whistleblowing hotline. Suppliers, employees, and stakeholders are encouraged to report any unethical or illegal behaviour, including suspicions of misconduct by employees or its suppliers. The helpline is accessible via <https://www.rhimagnesita.com/compliance-helpline/>.

By embedding internationally recognized human rights standards into its policies and operations, the Group ensures a robust framework to address risks related to forced labour, human trafficking, child labour and workplace safety. These measures not only demonstrate RHI Magnesita's commitment to ethical business practices but also promote transparency and accountability throughout its global supply chain.

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

Direct engagement with value chain workers forms an integral part of the Group's on-site sustainability supplier assessments, which are conducted annually with selected suppliers worldwide. These assessments are designed to identify actual or potential adverse impacts on value chain workers, including risks related to established minimum requirements.

Where negative findings or risks are identified, structured risk reduction and mitigation measures are agreed and implemented jointly with the supplier. Failure to remediate identified issues within the defined timeframe may affect future sourcing decisions and the continuation of the supplier relationship.

These processes are governed by the Group's internal supplier on-site assessment guideline, which sets out clear roles, responsibilities, and procedures for addressing and monitoring identified risks.

Direct engagement with value chain workers takes place during on-site sustainability supplier assessments. The scope and type of engagement vary depending on the focus of the assessment. Where assessments emphasize the social pillar, they include direct interviews with selected value chain workers to identify specific risks and challenges, particularly those who may be vulnerable to impacts and/or marginalized.

For suppliers identified as higher risk in relation to social aspects, the social pillar is automatically included as a mandatory component of the assessment.

Suppliers with concerning results are required to develop a time-bound action plan to mitigate identified issues. The implementation of these plans is monitored within a pre-defined timeframe, ensuring accountability and measurable improvements.

This structured approach ensures risks are identified, mitigated, and managed effectively, aligning with the Group's commitment to uphold ethical and sustainable practices across its value chain.

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

There are multiple processes on channels for value chain workers to raise concern. On an annual basis, suppliers are selected worldwide for our on-site sustainability assessments. Results from our on-site sustainability supplier assessments as well influence our future decisions. Our internal supplier on-site assessment guideline defines our processes in case of negative or risk attributed findings. Additionally, value chain workers can voice risks and issues using our whistleblowing hotline.

These cases are investigated according to our "Whistleblowing hotline Guideline" which is visible to the public on our website. When raising concern, parties can either disclose their identity or stay anonymous and there is no retaliation for those who report. All concerns reported on the web, the mobile application, by phone or by email will be passed on to responsible members of RHI Magnesita's Internal Audit, Risk & Compliance team, who will get back within seven days latest to acknowledge the receipt of your report. All complaints are processed objectively and with the same level of care and diligence by trained professionals of RHI Magnesita's Internal Audit, Risk & Compliance team. Their identity will be kept confidential throughout the process and all information pertinent to the investigation will only be shared on a need-to-know basis.

The effectiveness of actions is assessed through supplier assessments and on-site audits, which include checks on the existence, accessibility, and communication of grievance mechanisms. Where relevant, worker interviews are used to assess awareness and trust in these channels, and findings are used to define corrective actions.

The Group upholds the expectations outlined in the RHIM Code of Conduct, the Supplier Code of Conduct and the Anti-slavery statement, with a focus on workers' rights and well-being throughout the value chain.

Read more about RHI Magnesita's business conduct, mechanisms of investigation and supplier management in G1-1.

Disclosure requirement S2-4 — Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group has established robust mechanisms to identify and address human rights risks in its supply chain, with country-specific risk data internally accessible to the procurement department. This resource is integral to risk identification and forms the basis for targeted mitigation actions. Financial resources are allocated to managing the supply chain and material impacts and enable the supplier assessments with EcoVadis and the on-site supplier assessments. The strategic target for 2025 is to assess suppliers representing 66% of spend through EcoVadis sustainability assessments, which enhance transparency and aid in mitigating adverse impacts. These assessments provide valuable insights into suppliers' human rights policies and practices, enabling the Group to request improvements or conduct further validation through on-site assessments when necessary.

The internal on-site assessment guidelines define clear procedures for addressing risks, categorised by severity. Severe risks, such as child or forced labour, are part of our Supplier Code of Conduct and explicitly outlined in our on-site assessment guideline. Incidents of the highest severity activate a high-priority response process involving case creation, detailed investigation, and escalation to executive management for action planning. These processes are integrated into the company's overall risk management framework, ensuring that material risks related to value chain workers are systematically identified, assessed, and managed alongside other business risks.

The Supplier Code of Conduct requires suppliers to respect human rights and prohibits forced labour, child labour, and other forms of precarious work. Compliance is assessed through risk-based due diligence, including self-assessments and, where necessary, on-site reviews. Where non-compliance is identified, corrective actions are required, and in severe or unresolved cases, the business relationship may be terminated in accordance with contractual requirements.

In addition to EcoVadis assessments, RHI Magnesita conducts on-site sustainability assessments globally to verify compliance with the Group's standards. Identified risks or non-compliance issues are communicated to suppliers, who are given a defined timeframe for corrective action. Progress is monitored, and follow-up assessments ensure the effective implementation of improvements.

Supplier on-site assessments play a critical role in evaluating the alignment of supplier practices with Group standards. These assessments include reviews of operational processes and direct interviews with workers to ensure adherence to ethical and safety standards. The findings from our described supply chain due diligence mechanisms play an integral part of defining targets and define our focus areas. By integrating these evaluations, RHI Magnesita reinforces its commitment to fostering transparency, improving supplier performance, and upholding responsible sourcing practices across the value chain.

The Supplier Code of Conduct formalises the expectations of RHI Magnesita for ethical and sustainable practices throughout the value chain. Suppliers are contractually required to align with these standards, which include explicit protections for workers' rights. The detailed process on the Group's actions and processes on material impacts is described in section S2-2.

More than 1,000 suppliers were assessed by EcoVadis, representing 64.9% (2024:55%) of RHI Magnesita procurement spend. A supplier in EcoVadis is assessed on four key themes: Environment (energy use, emissions, waste management, and resource efficiency), Labour & Human Rights (working conditions, health & safety, diversity, and human rights policies), Ethics (anti-corruption, fair business practices,

and data protection), and Sustainable Procurement (supplier monitoring, responsible sourcing, and supply chain transparency). The assessment evaluates the supplier's policies, actions, and reporting practices to determine their sustainability performance. EcoVadis assessment commitment has been selectively made part of contracts to ensure transparency in areas with low coverage.

No severe human right issues and incidents were identified with EcoVadis Adverse Media Alerts in 2025.

Finally, RHI Magnesita's sustainable procurement team provides regular sustainability training for employees involved in procurement and dedicated due diligence training for suppliers. These programmes strengthen awareness of human rights, environmental, and legal requirements, including the German Supply Chain Due Diligence Act (LkSG), and support the identification and mitigation of negative impacts within the value chain.

Metrics and targets

The metrics used is based on the total spend of the Group.

For 2025, RHI Magnesita's goal is to achieve 66% of spend assessed by EcoVadis Sustainability Assessments.

For 2030, RHI Magnesita will enhance its supplier sustainability management to cover 80% Spend Coverage.

In line with our commitment to transparency and accountability we have adopted a phased approach to develop entity-specific metrics. Our efforts aim to ensure a robust and tailored framework that reflects our operational realities while driving meaningful progress.

Disclosure requirement S2-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To enhance supply chain transparency and manage material impacts and risks related to value chain workers, RHI Magnesita has established supplier assessment targets as part of its risk-based due diligence approach. The process for setting these targets considered the insights gained from previous assessments, risk indicators, and ongoing dialogue with suppliers, including engagement with their legitimate worker representatives where applicable.

Based on the results of the risk analysis, the Group has set quantitative targets, including assessing 66% of suppliers through EcoVadis by 2025 and screening 80% of procurement spend by 2030.

By the end of 2025, 64.9% of suppliers had been assessed through EcoVadis. In addition to this screening, 68 on-site supplier assessments were conducted during the reporting period, out of the planned 73 assessments, focusing on suppliers operating in higher-risk regions, labour-intensive industries, or strategic sourcing categories.

These targets aim to increase transparency across the supply chain at an individual supplier level, enabling the identification of actual and potential risks related to labour conditions, occupational health and safety, and human rights. The results of supplier assessments and related engagement activities, including input obtained through audits and worker-related reviews, are used to prioritise follow-up actions, define corrective measures, and support continuous improvement with suppliers.

Based on the findings from previous and current reporting periods, RHI Magnesita has refined its supplier engagement approach by strengthening follow-up mechanisms, improving the prioritisation of high-risk suppliers, and enhancing the focus on worker-related issues identified through audits.

Through this approach, RHI Magnesita strengthens its ability to mitigate material risks, reduce negative impacts on value chain workers, and support positive social outcomes, while also reinforcing supply chain resilience and the long-term sustainability of its business model.

Governance information

ESRS G1 Business conduct

ESRS 2 General disclosures

Governance

Disclosure requirement related to ESRS 2 GOV-1 — The role of the administrative, supervisory and management bodies

This section is incorporated by reference to the Corporate Governance Section of Annual Report, pages 178-205.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material impacts, risks and opportunities

As part of its materiality assessment, RHI Magnesita identifies and assesses material impacts, risks and opportunities related to business conduct through a structured risk assessment process. The assessment considers a range of criteria, including the geographic location of

operations, the nature of business activities, the sector in which the Group operates, and the structure of business transactions, including acquisitions and relationships with third parties.

Particular attention is given to operations and business relationships in geographies with an elevated inherent risk of corruption, as well as to activities involving public authorities, complex supply chains or the use of intermediaries. These factors are assessed across the Group's own operations and its upstream and downstream value chain.

Fraud and corruption risks are also evaluated in the context of the Group's growth strategy, particularly in relation to mergers and acquisitions and entry into new markets or product segments. Due diligence processes conducted prior to transactions and during post-acquisition integration are used to identify potential compliance risks and to assess alignment with the Group's ethical standards and policies.

The identification of risks is supported by ongoing risk assessments, internal controls and compliance monitoring. While the Group is not aware of any current investigations that could result in material financial impacts in the next reporting period, fraud and corruption risks are considered to remain relevant in the medium and long term due to the nature of the operating environment.

Based on this assessment, the Group has implemented measures to mitigate identified risks, including a Code of Conduct, compliance policies and procedures, mandatory training, whistleblowing mechanisms for employees and third parties, and targeted compliance reviews in connection with acquisitions and higher-risk activities.

For more details, read Our Risk management approach of Annual Report, pages 37–39.

Disclosure requirement G1-1— Business conduct policies and corporate culture

RHI Magnesita has adopted numerous policies that apply globally, covering the whole value chain, which are relevant to business conduct, as follows:

- Anti-Corruption Policy — mandatory policy with zero tolerance of bribery and corruption which prohibits employees from offering, promising or granting any advantage with the objective of obtaining unlawful consideration — implemented since 2020.
- Anti-trust and Fair Competition Policy — mandatory compliance with all anti-trust and competition laws in all relevant jurisdictions. Prohibits anti-competitive behaviour such as communicating with competitors concerning pricing or tenders or obtaining competitive knowledge through illegal means. Provides guidance for dealing with possible situations and how staff should react, including procedures for reporting potentially anti-competitive behaviour.
- Conflict of Interest Guideline — complements Code of Conduct and Anti-Corruption Policy, providing more detailed explanations for staff as to what practical scenarios may give rise to a conflict of interest. Sets out procedure for disclosing any potential conflict of interest for internal management.
- Gifts and Invitations Guideline — complements Code of Conduct and Anti-Corruption Policy, providing more detailed explanations for staff as to when gifts and invitations should be declared and/or refused so as not to give rise to a potential conflict of interest or perception of potentially corrupt behaviour.
- Code of Conduct — detailed document setting out standards of behaviour that are expected of employees, covering general principles and specific guidance in all areas of business conduct.
- Supplier Code of Conduct — declaration for signing by all suppliers committing to minimum standards of business conduct, aligned with the Group's own Code of Conduct.
- Global Gender Equality Policy — policy establishing RHI Magnesita's commitment to equality across all genders and how individuals are treated in the workplace irrespective of their personal characteristics.
- Sanctions, Export Controls and Business Partner Due Diligence Policy — policy establishing RHI Magnesita's commitment to complying with all applicable sanctions and export control laws, and mandates that third-party engagements are conducted only with professional, ethical, and compliant partners.
- Anti-Discrimination and Anti-Harassment Policy — policy affirming zero-tolerance stance against all forms of discrimination, harassment, and vilification. The policy underscores RHI Magnesita's commitment to maintaining a respectful workplace and our role as an equal opportunity employer.
- Data protection and privacy — established a comprehensive framework for data protection and privacy, including global policies, employee guidelines, and procedures for compliance, retention, and breach management. These measures ensure responsible handling of personal data and reinforce trust through transparency and accountability.
- Speak Up Policy — complements Code of Conduct, providing more detailed information on reporting and investigation processes for misconduct.
- Human Rights Policy — policy establishing a framework of core human rights principles that RHI Magnesita shall conform to when conducting its business. The principles are in line with the United Nations Universal Declaration of Human Rights, the principles of the United Nations Global Compact, and the requirements of relevant local laws, such as the UK Modern Slavery Act 2015, among others.
- Anti-slavery statement — RHI Magnesita's Anti-Slavery Statement is embedded as a formal policy within its governance framework. RHI Magnesita rejects and does not tolerate any form of slavery or human trafficking in any part of its business and expects full

compliance with these standards from its suppliers and contractors. The policy defines clear responsibilities and establishes due diligence and monitoring processes across operations and the value chain.

RHI Magnesita is committed to adhering to international standards and, as a participant in the UN Global Compact, has pledged to integrate its principles in the areas of human and labour rights into our business strategy and operations. Our Code of Conduct reflects this commitment, ensuring compliance with human and civil rights as well as applicable labour and social laws. Respect, fairness, and equal opportunity—ties are core values we demand from our employees and business partners alike. The CEO is the most senior executive responsible for policy implementation. All policies are publicly available on the Group's website in the Policy Library section.

How RHI Magnesita fosters its corporate culture

This section is incorporated by reference to the Corporate Governance Report, under the section "Culture and Purpose" (pages 196–198).

Mechanisms for identifying, reporting and investigating concerns

Potential concerns about ethical misconduct or any compliance matters can be reported by all stakeholders (both internal and external) to an independently operated, confidential, and anonymous whistleblowing hotline, available in areas where the Group operates as well as other locations, in several languages. Contact details are communicated throughout the business and are available externally on the Group's website. In addition to the hotline, whistleblowing reports can also be submitted via other channels, such as to a dedicated email address. All reports are overseen by the Internal Audit, Risk & Compliance team and then addressed on a case-by-case basis.

The Audit & Compliance Committee and Board reviews this process and the reports arising from it, ensuring there are arrangements in place for the appropriate investigation of these cases and that follow-up actions to address the root causes are completed.

We use digital registers, workflows and employee guidelines to address, document and monitor conflicts of interest declarations, gifts and invitations, and community investment approvals.

Business partners (e.g. customers, sales intermediaries and suppliers) and transactions such as mergers or acquisitions are subject to a separate due diligence process. All sales agents are certified by Ethixbase360 (formerly TRACE International), a leading international organisation specialised in third-party due diligence solutions.

Our focus on human rights and labour rights includes a programme of supplier audits. In 2025, we will continue to strengthen our human rights due diligence processes within the Group and in the supply chain.

In compliance with this legislation, a Human Rights Officer has been appointed. The Board approves an annual statement in accordance with the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act.

In 2025 particular attention continued to be given to the integration of acquired entities in respect of ethics and compliance standards. Extensive work was conducted as part of integration activities to understand the compliance culture of each new entity and work to harmonise their approach with Group practices.

Emphasis was placed on face-to-face interaction and discussion to jointly evolve Business Ethics approaches.

We encourage anyone with ethics or compliance concerns to report them to an independently operated hotline, which is confidential and can be used anonymously.

RHI Magnesita is firmly committed to whistleblower protection, adhering to the principle of non-retaliation and ensuring that all reports are investigated with appropriate follow-up actions. The Group is subject to various legal requirements for whistleblower protection, which vary based on national legislation. To ensure transparency and oversight, the Audit & Compliance Committee regularly reviews data on cases submitted via the hotline and other reporting channels, as well as the outcomes of investigations. This approach reinforces RHI Magnesita's commitment to ethical business practices and compliance with legal and regulatory standards.

Disclosure requirement G1-2 — Management of relationships with suppliers

RHI Magnesita's top 20 suppliers account for approximately 21% of our expenditure and the top 200 around 57%. Procurement extends to suppliers producing refractory raw materials, energy suppliers facilitating the conversion of raw materials to finished products, transport suppliers, and manufacturing suppliers. While contractual commitments generally do not exceed one year, the Group may enter into longer contracts on an exceptional basis for critical raw materials and energy. Our operational focus is on capital and energy intensive processes, especially in equipment for raw material and finished product production. Most specific raw materials are sourced from China, resulting in a lengthy supply chain. Procurement spending in our industry equates to about two-thirds of revenue, on average.

Despite a high reliance on Chinese raw materials in the broader refractory industry, RHI Magnesita's suppliers are predominantly situated in the regions where its production facilities operate. Europe leads in supplier concentration, followed by China, Brazil, the USA, and India. In our commitment to sustainable procurement, the Group aims to integrate sustainability priorities into its procurement processes. RHI

Magnesita has a global guidance that adheres to all legal requirements regarding payments and focus fair treatment of all suppliers, especially small and medium-sized enterprises (SMEs). Payment terms are clearly defined in contracts and purchase orders, and invoices are processed in a timely manner in accordance with established internal procedures. Payment performance is monitored on a regular basis, and corrective actions are taken where recurring delays are identified.

RHI Magnesita's sustainable supply chain guideline foresees the integration of social and environmental criteria into the tender and supplier selection process. While these criteria are not yet systematically applied across all tenders, they are included selectively and form part of Group ongoing improvement efforts.

Supply chain due diligence

Since 2022, RHI Magnesita has established a framework for supply chain due diligence, to ensure ethical and compliant practices across the Group's supplier network. A comprehensive Supplier Code of Conduct outlines the standards and expectations the Group holds for all partners in the supply chain. Supplier desktop evaluations and on-site assessments are also used to proactively identify and address any potential risks, fostering a sustainable and resilient supply chain.

The company's sustainable supply chain guideline foresees the integration of social and environmental criteria into the tender and supplier selection process. While these criteria are not yet systematically applied across all tenders, they are included selectively and form part of our ongoing improvement efforts.

For selected raw material suppliers, contractual clauses addressing environmental and/or social requirements are already in place.

Supplier code of conduct

The Supplier Code of Conduct requires suppliers to follow the same principles as set out in RHI Magnesita's own Code of Conduct. It is distributed to all suppliers who are required to confirm compliance.

Supplier assessments through EcoVadis

An assessment system developed with EcoVadis is used to rate potential suppliers for sustainability impacts such as energy use, CO₂ emissions and waste. The ratings resulting from this assessment form an important part of the Group's decision-making procurement process.

The initial phase of supplier assessments started in 2021 based on contract size and risk mapping. The process continued in 2025, now covering 64.9% of spend.

Supplier on-site assessments

The Group conducts on-site assessments to evaluate suppliers based on product quality, Health & Safety and ESG aspects. RHI Magnesita has increased the number of on-site assessments, covering 52 in 2024 and 68 in 2025. The assessments were conducted across all regions.

Supplier product carbon footprint

Since the contribution of raw material extraction and processing is the largest single source of CO₂ emissions in the refractory value chain, the Group is seeking to increase the accuracy of its supplier CO₂ emissions data. Since 2023 our specific focus is with selected raw material suppliers by raising their awareness of our data requirements and providing support on the required calculation methodology. Accurate information enables the Group to prioritise suppliers with lower emissions in order to minimise Scope 3 emissions. Engagement on the subject of emissions also demonstrates to potential suppliers that CO₂ reduction is a key priority for the Group, which is expected to drive long-term changes in supplier behaviour and energy use.

Supplier collaboration

RHI Magnesita is committed to shaping a more resilient and sustainable supply chain. Therefore, the Group seeks collaborations with strategic suppliers to create more sustainable goods and services, with lower environmental impact. Several collaborations in 2025 resulted in projects with positive impacts, such as emission reduction in dedicated transport lanes in Europe and a program in Latin America that provides our transport partners with trees grown in our own nurseries to be planted in proportion to their transport volumes.

Read more about our actions in chapter ESRS S2.

Disclosure requirement G1-3 — Prevention and detection of corruption or bribery

In 2025 we continued to embed and evolve our compliance policies and procedures. We take a zero-tolerance approach to incidents of fraud, bribery or corruption in our business. This approach is set out in our Code of Conduct, which was updated and re-launched in 2025, as well as our Supplier Code of Conduct. The reshaped Code of Conduct with an emphasis on simple, focused messaging for key areas, including business ethics, integrity, health and safety, anti-corruption, legal compliance, data privacy, sustainability, and conflict of interest avoidance has been well received across the Group. All 107 (2024:109) governance body members and employees have been informed of the Group's Anti-Corruption (AC) policies and procedures. As part of compliance measures, they have completed mandatory e-learning training.

Comprehensive online training is mandatory for key compliance areas, including business ethics, data privacy, sanctions, and export controls. Regular monitoring ensures completion across all office-based employees. Newly onboarded employees are required to complete these training sessions within the first three months of employment.

During 2025, ensuring the continuity of high standards for ethics and compliance continued to be prominent element of the transfer of staff to Capgemini. Capgemini staff, including both transferred and newly hired employees, were required to complete the mandatory compliance training, to ensure the continuity and ongoing quality of the ethics.

The anti-corruption and bribery training covers:

- definition and legal framework of bribery and corruption;
- consequences of non-compliance;
- identification of high-risk activities and locations;
- risks associated with cash transactions, gifts, and entertainment;
- preventative measures to mitigate bribery and corruption risks;
- proper maintenance of books and records;
- identification of politically exposed persons (PEPs); and
- adherence to Group policy on anti-corruption and bribery.

This structured approach reinforces compliance, mitigates legal and reputational risks, and strengthens ethical business practices across the organisation and value chain.

In 2025, the Region-wise breakdown indicates the following e-learning completion rates for white-collar staff: Europe & CIS at 95%, China & East Asia at 100%, North America at 94%, Latin America at 94%, and India at 95%, and Middle East, Türkiye and Africa at 91%.

The regional analysis of e-learning completion rates for white-collar employees in 2024 shows consistently high participation levels: Europe/CIS/TR reached 96%, China & East Asia achieved 100%, the Americas (North and South America) recorded 95%, and India & West Asia attained 96%.

In 2025, the Group reorganized its regional business units. A new "Middle East, Türkiye and Africa" (META) region was created; the former "India, West Asia and Africa" region was renamed "India" and is now focused solely on India; the "South America" region was renamed "Latin America"; and Mexico was reallocated from "North America" to "Latin America". The regional information presented above reflects the comparative data for 2024 based on the previous regional structure, while the 2025 data has been prepared in accordance with the new regional structure.

The e-learning completion rates for white-collar staff have been kept stable since 2024 due to the continued focus of senior leadership on the Code of Conduct and the related training.

During the integration activities for M&A, training is initiated as soon as employees are integrated into the Group HR system to ensure seamless compliance alignment.

Furthermore, all business partners have acknowledged and accepted the Group's standard contract terms, which mandate adherence to both RHI Magnesita's Code of Conduct and the Supplier Code of Conduct. These documents are readily accessible via the Group's website, ensuring transparency and broad dissemination among business partners.

During the financial year 2025, the Group provided training to its own at-risk workers. Training is mandatory for all white-collar roles classified as at-risk functions, but the Group also provides voluntary training to other of its own workers.

We regularly conduct compliance risk assessments, such as fraud risk assessments, with results presented to management and the Audit & Compliance Committee each year. The regular risk assessments conducted at Group, regional and plant level cover Compliance risks (including corruption risks). The plant risk assessment carried out in 2025 included 67 plants and mines, including newly acquired sites.

Read more about the RHI Magnesita's Risk Management Approach on pages 37-39.

Metrics and targets

Disclosure requirement G1-4 — Incidents of corruption or bribery

Assumptions and Methodologies

These metrics have not been externally validated by any organisation other than the assurance provider and they account with the number of cases reports to our compliance management system.

In 2025, the hotline and additional reporting channels generated 146 reports as of 31 Dec 2025 (versus 184 in 2024). 137 cases have been investigated and nine are classified as non-case reports. Out of these, five cases are classified under the category 'Bribery & Corruption' (2024:6). Submissions are classified as non-case reports where they cannot be processed as a case due to the absence of minimum information required for assessment or follow-up. This includes submissions with no factual description of an issue, no recorded content or supporting documentation, no identifiable concern or allegation, or submissions in which the communication line is mute or blank.

The investigation into all cases is overseen by IARC department and investigations are performed in collaboration with other departments and external legal support if necessary. For substantiated complaints, RHI Magnesita takes appropriate action to address the immediate risk and implement preventive actions.

There were no confirmed incidents of corruption or bribery during the reporting period, no public legal cases brought against the Company or its own workers and therefore no outcomes to report, no cases in which own workers were dismissed or disciplined, and no contracts with business partners that were terminated or not renewed due to corruption or bribery-related violations. Read more about RHI Magnesita's internal controls on pages 40–41.

TCFD Recommendations

Recommendation	Recommended Disclosure	Page
Governance	Describe the Management's role in assessing and managing climate-related risks and opportunities	73
	Describe the Board's oversight of climate-related risks and opportunities	76
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	110
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	111
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	111
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	111
	Describe the organisation's processes for managing climate-related risks	111-112
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	113-114
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities, in line with its strategy and risk management process	115-116
	Describe the targets used by the organisations to manage climate-related risks, opportunities, and performances against targets.	115-116
	Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks	130

ESRS 2 — IRO-2 — List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The following index shows the disclosure requirements that were followed in preparing the sustainability statement based on the results of the materiality assessment, including the page numbers that contain the corresponding disclosures in the sustainability statement.

In addition, we provide below information on data points in the ESRS 2 and the thematic ESRSs arising from other EU legislation (ESRS 2 Annex B) — as well as requirements under the thematic ESRSs that need to be taken into account when reporting on the ESRS 2 disclosure requirements (ESRS 2 Annex C).

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/Relevance
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 ⁵ , Annex II		73
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Indicator number 10 Table #3 of Annex 1				73
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 ⁶ Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		80
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 ⁷ , 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)	Not material

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/ Relevance
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		Not material
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		123
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				125
ESRS E1-5 Energy consumption and mix paragraph 37 ESRS	Indicator number 5 Table #1 of Annex 1				125
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 ESRS	Indicator number 6 Table #1 of Annex 1				127
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)		130
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)		130
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		134

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/ Relevance
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.			134
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					
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		134
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				135
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 m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 — SBM-3 — E4, paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2 — SBM-3 — E4, paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2 — SBM-3 — E4, paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
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

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/ Relevance
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Not material
ESRS 2-SBM3 — S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2-SBM3 — S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				145
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		145
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				145
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				145
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				147
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 I		Delegated Regulation (EU) 2020/1816, Annex II		156
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				156
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		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 I				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				157

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/ Relevance
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)		157
ESRS 2-SBM3 — S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				157
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				159
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				159
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)		159
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		159
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				160
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
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 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴	Page Reference/ Relevance
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		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				162
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				162
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		166
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				166

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 (OJ L 317, 9.12.2019, p. 1).
2. 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) (OJ L 176, 27.6.2013, p. 1).
3. 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).
4. 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).
5. Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are taken into account in each benchmark that is made available and published (OJ L 406, 3.12.2020, p. 1).
6. Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 with regard to the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1).
7. Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU climate transition benchmarks and for EU Paris-aligned benchmarks (OJ L 406, 3.12.2020, p. 17).

Sustainable Development Goals (SDG) index

3

GOOD HEALTH AND WELL-BEING



Ensuring safe working environments in its operations

Total Recordable Injury Frequency Rate <2.0 per 1,000,000 hours worked by 2030

Health and safety remain a core strategic priority, guiding actions to protect our workforce and strengthen operations through expanded Life-Saving Rules, enhanced major hazard prevention, and a learning-driven safety culture supported by stronger data and leadership engagement.

In 2025, the Group invested €10 million in health and safety. One work-related fatality was recorded and TRIFR closed the year at 4.09; the increase of KPI is due to improved reporting, expanded data capture, and site-specific operational factors.

4

QUALITY EDUCATION



Sponsoring Education and Youth Development CSR projects

RHI Magnesita supports Sustainable Development Goal 4 — Quality Education — by promoting inclusive, equitable, and life-long learning. We enable all employees, regardless of role or location, to develop current skills and build capabilities for the future.

In 2025, our contributions included providing broad access to the RHIM Learning Academy, LinkedIn Learning, and the UN Learning Academy, expanding access to qualified teachers for disadvantaged students, and training suppliers through dedicated learning content available on our [website](#).

5

GENDER EQUALITY



Committed to supporting gender equity in our workplace on all levels

Board gender diversity equal or above 33%
Women in senior leadership roles equal or above 33%

Diversity, Equity & Inclusion are embedded in our culture. By promoting gender equity and equal opportunities at all levels, we strengthen decision-making and support sustainable business performances.

Gender balance enables diverse perspectives, strengthens decision-making, and supports an inclusive, high-performing workplace. We are committed to pay equity, ensuring no gender based wage disparities for employees in comparable roles and responsibilities.

7

AFFORDABLE AND CLEAN ENERGY



Committed to continually improve the energy efficiency of its operations and the use of cleaner energy sources

5%energy consumption reduction per ton by 2025 versus 2018 levels
Reduce energy consumption by 1% annually through 2030 versus 2024 baseline

RHI Magnesita operates exclusively in high climate-impact sectors, with all revenue classified accordingly. Energy production comprises 1,000 MWh from non-renewable and 3,600 MWh from renewable sources. A 9%reduction in energy consumption per ton achieved against the 2018 baseline year.

8

DECENT WORK AND ECONOMIC GROWTH



Offering apprenticeship opportunities, investment on skill development programs

Each year, the company opens up applications for its globally structured Trainee program for hiring and developing graduates from around the world. Participants also get to take part in a rotation abroad to gain international experience

We offer apprenticeships and internships from age 16 and strengthened partnerships with educational institutions to support early career choices and encourage female participation.

9

INDUSTRY INNOVATION AND INFRASTRUCTURE



Developing R&D projects, setting key partnerships to enhance Recycling and Decarbonisation (e.g. ReSOURCE and CCUS — MCi Carbon)

Achieve 20% of recycling rate by 2030 versus 2024 levels

Reduction of 10% of Scope 1, 2, 3 emissions (raw materials) per ton by 2030 versus 2024 levels

RHI Magnesita's climate strategy balances decarbonisation ambition with the technical constraints of long-lived, energy-intensive refractory production.

Increasing the use of recycled and secondary raw materials is the Group's key near-term decarbonisation lever, reducing emissions and strengthening supply security. In parallel, RHI Magnesita is preparing for future technologies, including alternative fuels, electrification, hydrogen-based firing and carbon capture and utilisation.



Investing directly and indirectly to Education & Youth Development, Health & Medical care and Environment

1% of Group annual net profit to support Community Investments

To ensure focus and maximum benefit and be aligned with Group Sustainability Strategy, the contributions should target these focus areas: **Education & Youth Development, Health & Medical care and Environment.**

In 2025, RHI Magnesita spent over €1,5 million in community projects — Almost 80% of investments done in Education and Youth development.



Committed to increase the usage of recycled materials and promote and develop the circular economy wherever possible

Achieve 15% of recycling rate by 2025

Achieve 20% of recycling rate by 2030

Recycling is a cover lever of RHI Magnesita's decarbonisation transition plan. In 2025, recycling has evolved from a verticalized focus to a comprehensive business overview, forming a complete recycling platform solution that underscores its strategic importance as well as its environmental and commercial value.

In 2025, the Group advanced recycling through targeted process and technology improvements across regions, increasing the use of recycled materials while maintaining product quality.

Recycling reached 15.9%, supporting the 2030 target of 20% and delivering meaningful CO₂ reductions. Progress toward the 2030 recycling target is supported by organic growth, regional recycling hubs, and expanded partnerships, including a joint venture in North America.



Committed to minimize direct and indirect CO₂ and other greenhouse gas emissions

15% Reduction of Scope 1, 2, 3 emissions (raw materials by 2025 versus 2018 levels)

10% Reduction of Scope 1, 2, 3 emissions (raw materials by 2030 versus 2024 levels)

The Group achieved its 2025 target of a 15% reduction in CO₂ intensity per tonne of product, reaching a reduction of 15% compared to the 2018 base year. This improvement was primarily driven by increased use of secondary raw materials, operational efficiency measures, and lower short-term plant utilisation, which partially offset slower progress in fuel switching.

The Group progressed its decarbonisation roadmap through expanded recycling, energy efficiency measures, increased renewable energy use, and targeted investments in circular raw materials.

Additionally, the Group advanced key technology pathways and partnerships to address hard-to-abate emissions, including Green Minerals Initiative, which includes a pilot plant in Australia and preparation for commercial deployment in Austria from 2029. Overall, €4.5 million was invested in CO₂ reduction measures, reinforcing alignment with a low-carbon transition.



Committed to minimize any other emissions, pollution, during operation or at our customers sites which could adversely affect humans, or the environment

RHI Magnesita aims to minimise emissions, pollution and substance releases to protect people, nature and the environment

In 2025, several targeted initiatives were implemented to reduce air pollution across the Group's global core operations.

Actions completed during the reporting year focused on reducing dust emissions and occupational exposure, supporting the Group's commitment to health protection and environmental standards.

RHI Magnesita Policies Index

RHIM Policy	DR	Applies to	Key Commitments	Last Update	Pages
Anti-corruption policy	G1- Business Conduct	Group-wide– all directors, managers and employees, as well as third parties acting on behalf of the Group, who must formally commit prior to providing services.	Zero tolerance for bribery and corruption; prohibits any improper advantage and requires compliance with all applicable anti-corruption laws	2020	162
Anti-Discrimination and Anti-Harassment Policy	S1 – Own Workforce S2 – Workers in the value chain G1- Business Conduct	Group-wide	Zero tolerance for discrimination, harassment or abusive behaviour, with access to reporting and remediation mechanisms	2022	144, 157, 162
Consolidated Anti-slavery statement	S1 – Own Workforce S2 – Workers in the value chain G1- Business Conduct	RHI Magnesita N.V. and all Group companies (together referred to as “RHIM” or “RHI Magnesita”)	Zero tolerance for slavery and human trafficking across own operations and the supply chain, supported by human rights due diligence and dedicated oversight.	2025	144, 157, 162
Anti-trust and fair competition policy	G1- Business Conduct	Group-wide – all directors, employees and third parties acting on behalf of RHI Magnesita.	Full compliance with competition and anti-trust laws; prohibits anti-competitive behaviour and requires reporting of suspected violations	2021	162
Code of Conduct	G1- Business Conduct	Group-wide	Defines expected standards of ethical behaviour and requires compliance with applicable laws, internal policies and company values	2025	162
Conflict of interest guideline	G1- Business Conduct	Group-wide	Requires disclosure and management of actual or potential conflicts of interest to ensure decisions are taken in the best interest of the Group	2020	162
Data protection and privacy policy	G1- Business Conduct	Group-wide – all directors, managers and employees, and to third parties processing or influencing RHI Magnesita personal data	Ensures lawful, transparent and secure handling of personal data through global policies, procedures and breach management controls	2020	162
Gifts and invitation guideline	G1- Business Conduct	Group-wide	Sets clear rules for declaring or refusing gifts and invitations to prevent conflicts of interest and corrupt behaviour	2020	162

RHIM Policy	DR	Applies to	Key Commitments	Last Update	Pages
Global gender equality policy	S1 — Own Workforce	All employees	Commits to equal treatment and equal opportunities across all genders and promotes an inclusive, non-discriminatory workplace.	2023	144, 157, 162
	S2 — Workers in the value chain				
	G1- Business Conduct				
Human Rights	S1 — Own Workforce	Group-wide	Commits to respecting internationally recognised human rights and complying with applicable human rights and modern slavery laws	2023	144, 157, 162
	S2 — Workers in the value chain				
	G1- Business Conduct				
IMS — Integrated Management System — Health and Safety Policy	S1 — Own Workforce	RHI Magnesita N.V. and all Group companies (together referred to as "RHIM" or "RHI Magnesita") and employees	Commits to preventing occupational health and safety risks through continuous improvement, employee consultation, training, PPE, safe substance handling and effective emergency procedures	2025	144, 157
	S2 — Workers in the value chain				
IMS — Integrated Management System- Environment and Energy policies	E1 — Climate Change and Energy	RHIMagnesita N.V. and all Group companies (together referred to as "RHIM" or "RHI Magnesita") and employees	Commits to reducing greenhouse gas emissions, pollution, resource and water use, waste and biodiversity impacts, while improving energy efficiency and sustainable energy sourcing, including a targeted reduction of specific energy consumption by 1% per year	2025	121, 134, 141
	E2 — Pollution				
	E5 — Resource use and circular economy				
Sanctions, Export Controls and Business Partners due diligence policy	G1- Business Conduct	Group-wide	Ensures compliance with sanctions and export control laws and requires risk-based due diligence of business partners	2021	162
Speak up Policy	S1 — Own Workforce	All employees	Provides confidential channels for reporting misconduct and defines investigation and escalation processes	2024	144, 158, 162
	S2 — Workers in the value chain				
	G1- Business Conduct				
Stakeholder dialogue policy	S1 — Own Workforce	Group-wide	Commits to transparent stakeholder engagement, fair grievance handling and regular communication of outcomes	2023	144, 158
	S2 — Workers in the value chain				
Supplier Code of Conduct	S1 — Own Workforce	Suppliers	Requires suppliers to meet minimum ethical and legal standards, aligned with the Group's values and Code of Conduct	2025	144, 158, 162
	S2 — Workers in the value chain				
	G1- Business Conduct				

Policies available on RHI Magnesita [website](#).

Our Governance

GOVERNANCE

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In this section, you can read about RHI Magnesita's approach to governance. We prioritise pragmatism to engender innovation, sustainability and openness, whilst remaining focused on responsible business outcomes.

Driving positive change

Strategy

- At RHI Magnesita, we are not just adapting to a changing world, we are shaping the future
- We defined three pillars for the 2035 Strategy:
 1. Portfolio enhancement
 2. Performance excellence
 3. Planet engagement
- We continue to consolidate the refractory industry and expand sustainability capabilities



Read more about our Strategy
Pages 13 to 19

Purpose, culture and values

- Embedding the refreshed cultural values
- Culture is a key facilitator of successful strategic decisions and a zero-harm workplace
- Culture enables informed decision making facilitating successful outcomes to create stakeholder value
- Significant progress made in the safety culture transformation



Read more about Company Purpose, culture and values
Pages 196 to 198



Highlights in 2025

- Onboarded a new shareholder representative director, benefitting from his fresh perspectives and challenge to develop our management team
- Embedded the integration of the Resco Group in the United States of America
- Continued the journey towards H&S improvement and developing a more safety focused culture
- Oversight of business transformation projects
- Development of the risk management and internal controls framework to build the Board's oversight to deliver sustainable success

Priorities for 2026

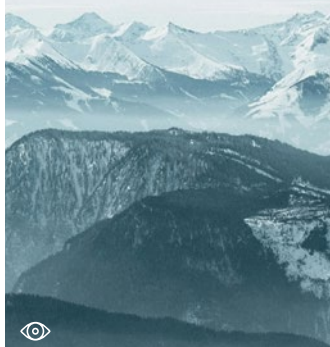
01

Progress on all self-help measures to sustainably improve business performance in a challenging market backdrop.

02

Progress in business development via M&A and transformational digitisation projects.

Sustainability & Innovation



Read more about Sustainability & Innovation
Page 181

- Leveraged Artificial Intelligence in areas of health & safety as well as building knowledge tools to support effective corporate decision making
- Strategic use of capital in order to innovate
- Successful CCUpScale project to make significant strides towards establishing the world's first carbon capture and utilisation (CCU) plant in the refractory industry
- Ongoing progress with decarbonisation through the development of technologies with our innovation partners

Health & Safety

- Continue to embed the safety culture with tone from the top and input from dss+, our safety consultants
- Shape the safety transformation with input from employees at all levels



Read more about Health & Safety
Page 180



In 2025, the Board has appreciated management's diligence in delivering self-help measures to realise a more disciplined cost performance, underpinning our financial performance, and the continuing development of our regional businesses.

Dear Shareholders,

On behalf of the Board, I present to you the corporate governance report for the year ended 31 December 2025. I have taken the opportunity to highlight some of the key points of this section below.

Strategy

In my Chair's statement on pages 2 to 4, I highlighted the unpredictable external environment seen in 2025. In this context, as a Board with extensive operational and industrial experience, we have been extremely pleased to see the continuing development of the solid foundations of our business and with the resilient business performance. We see this as the outcome of our focus with management, in recent years, to improve the operational foundations of the Company. A solid base has been established to take advantage of market and industry uplift.

Health & Safety and our culture

As we reported in previous years, our management team have been focused on effecting sustained cultural change to foster a reformed organisation which truly holds safety at its heart in order to achieve a zero-harm environment.

As a Board, we are dedicated to seeing real and long-lasting change in the organisation's safety culture and H&S performance. In early 2025, we as a Board took part in a visible felt leadership workshop delivered by dss+ (a leading consultancy, focusing on safety). In this workshop we could take the time, through various activities, to really appreciate and comprehend the importance of clear communication and the difference in comprehension and perception of tasks. This all built a more realisable understanding of safety to ensure we could lead with authenticity from the top of the organisation.

The executive team has been closely involved with the above-mentioned workshop. The team has worked with dss+ on the delivery of a structured programme which will be implemented throughout the organisation to improve safety practices.

The Corporate Sustainability Committee ("CSC") has been monitoring and supporting management in their progress, engaging with dss+ and reporting back to the Board. The CSC reviews the Health & Safety KPIs at each meeting, along with the root cause analysis and assessment of any serious incidents encouraging management to consider how to learn and build better risk mitigation for the future.

Colleagues and external advisors with in-depth experience regularly attend these meetings. The Directors can hear from them directly and affords them the opportunity to highlight areas of concerns. You can read more about the CSC's consideration of Health & Safety on page 210.

New region

In 2025 we decided to reorganise our existing regions and create a new region. This better reflects our end markets, assisting the efficiency of our supply chain and bringing us closer to our customers to align with their experience. The Middle East, Türkiye and Africa region was established on 1 April 2025. We have been pleased with its performance so far. You can read more about this on page 29.



We are committed to operational excellence for sustainable success.



Integration

In January 2025 the acquisition of the Resco Group was completed, and we were delighted to be able to welcome Resco Group into the Group. This was the largest acquisition since the merger in 2017 and management were able to be extremely well prepared and in January, on completion, immediately took steps to integrate this important and vital facet of our future business into the existing framework of RHIM. We have been delighted to learn from each other and together build a stronger business. With such a large M&A transaction, management were extremely focused on ensuring synergies could be quickly realised. The Board has received regular reports of M&A projects and updates from the Integration Management Office, reviewed the risks and opportunities available for our wider Group, as well as consideration of the available capital and the expected returns. This has helped to ensure that the management team was well positioned to plan effectively to deliver a successful integration of the Resco Group. You can read more about the benefits of this acquisition on page 29.

Sustainability & innovation

We continue to see sustainability as central to our future success. Management has identified and generated opportunities to leverage our competitive advantage in this area. We also see the creativity in our digital teams and heard of their initiatives to develop Artificial Intelligence (AI) tools which will deliver knowledge management and create efficiencies for our sales and operations teams.

We are cognisant of the balance when considering how best to allocate capital in the Group. This will manage the Company sustainably for its shareholders, recognising that in our industry, it will take technological innovation for us to be able to decarbonise. Our Audit & Compliance Committee considered the inaugural AI policy and the ongoing risks presented in the cyber security space as part of its annual programme of matters.

The CSC supports the Board with its deliberations on sustainable initiatives and investments. It works with the Remuneration Committee on the development and implementation of sustainability metrics in the Company's incentive schemes.

Sustainable development continues to be key for our strategic success. Management is focusing on building a resilient and responsible business foundation, creating value for all stakeholders, particularly shareholders.

Stakeholders

The Board was given the opportunity during throughout the year to hear directly from stakeholders, particularly employees. We were delighted to meet with employee cultural champions on the relaunch of the Group's cultural values. The employee mentoring programme was extended to widen its scope beyond diversity. Directors volunteered to mentor members of the senior management team. This has broadened the Directors' interaction and understanding of the business, even for those who have been on the Board for some time, as well as helping to give more insight on the culture of the business.

Our Executive Directors met regularly with shareholders during the year. All shareholders are invited to join us for our Annual General Meeting, and, of course, we heard from those shareholders represented on our Board.

You can read more about our stakeholder engagement, and how our understanding of stakeholder expectations feeds into our decision making processes, on pages 20 to 26.

The Board in 2025

Franz-Ferdinand Buerstedde was proposed by Rhône Capital as the representative of Ignite Holdings on the Board of RHI Magnesita. He was appointed at the AGM in May 2025 and has helped to bring a strong and unstinting focus on the efficient use of capital.

Upon his appointment, he received briefings from the Company Secretary on his duties as a Director, and his induction comprised briefings with a number of senior management on topics from strategy to use of secondary raw materials, and the Group's people and culture programmes. Franz-Ferdinand experience of the refractory industry from his time as alternate director and observer on the Magnesita board from 2010 to 2017.

You can read more about our induction process for new directors on page 200.

We said goodbye to Karin Garcia and Michael Schwarz in 2025 as their four-year terms as Employee Representative Directors came to an end in December 2025. We sincerely thank them for their contributions and insights.

I welcomed Yasmin-Sarah Solmazer to the Board in January 2026 as our new Employee Representative Director from Germany. Martin Kowatsch was re-elected by his peers in November 2025 to serve a second four-year term.

The Nomination & Governance Committee has reviewed the Board's profile of skills and experience and its diversity. We remain open to feedback from our shareholders on the composition of the Board, as agents of their capital.

Governance

The report of our compliance in respect of each of the UK Corporate Governance Code 2024 (the UKCGC), which applied to the year under review, and the Dutch Corporate Governance Code 2025 (the DCGC), (together the Codes) can be found on page 203.

The Audit & Compliance Committee have has focused on compliance with Provision 29 of the UKCGC (applicable from 1 January 2026) and the Group's progress in order to comply with the material internal controls statement required in our 2026 report. It has also ensured compliance with Principle 1.4 of the DCGC on risk management.

I would like to conclude this introduction to our Governance report by thanking my Board colleagues for their continuing dedication and support to RHI Magnesita. I value their expert contributions, observations and guidance. We are able to see the value of our guidance to the Executive Management Team and how it manifests in generating a solid business.

I am confident that the Board is well-placed to provide the right leadership and guidance to enable the whole RHI Magnesita team to respond effectively to the challenges and opportunities in the year ahead.

Herbert Cordt

Chair of the Board of Directors

- Key to committees**
- N Nomination & Governance Committee
 - A Audit & Compliance Committee
 - S Corporate Sustainability Committee
 - R Remuneration Committee
 - Chair of Committee

Board of Directors



Herbert Cordt
Chair

Nationality: Austrian
Gender: Male
Year of birth: 1947
Date of appointment: 20 June 2017

Herbert brings a wealth of experience to his role as Chair, including corporate financing, international business and industrial company management. He is well-versed and attentive to matters of geopolitics and their impact on a global business, ensuring that RHI Magnesita is prepared and alert to the risks and opportunities which arise. He was initially appointed as Vice-Chair of the Supervisory Board of RHI AG in 2007, going on to be Chair from 2010.

Current external appointments
Watermill Group Boston (Advisor), Cooper & Turner Group (Advisory Board Member), CORDT & PARTNER Management- und Finanzierungsconsulting GesmbH (Managing Partner).



John Ramsay
Senior Independent Director and Deputy Chair

Nationality: British
Gender: Male
Year of birth: 1957
Date of appointment: 6 October 2017

John is an experienced non-executive in listed companies, bringing to the Board his knowledge and awareness of shareholder interests and market practice. He has held senior financial executive roles across the world and his knowledge in accounting and finance provides valuable practical experience to help management navigate the risks and analyse business performance effectively.

Current external appointments
DSM-Firmenich AG (Non-Executive Director), DSM BV (Director) and Babcock International plc (Non-Executive Director).



Stefan Borgas
Chief Executive Officer

Nationality: German
Gender: Male
Year of birth: 1964
Date of appointment: 20 June 2017

Stefan's career has focused on business transformations, with a track record of leading positive change in process industries from chemicals, plastics and biotech to mining, minerals and fertilisers. He continues to drive for change in the refractory industry as CEO of RHI Magnesita with his charismatic leadership that motivates and challenges his management team to perform to their utmost. His broad experience worldwide brings extensive knowledge in business management in an environment of constant change, while empowering people to achieve exceptional, sustainable results.

Current external appointments
Afyren SAS (Chair) and borgas advisory GmbH (owner).

Your Board, with the vision and experience to deliver sustainable success.

For more information, such as education, please see the Company's website.

Directors serving part of the year

Karin Garcia
Employee Representative Director

Nationality: Spanish
Date of appointment: 9 December 2021

Karin stepped down from the Board on 9 December 2025.

Michael Schwarz
Employee Representative Director

Nationality: German
Date of appointment: 8 December 2017

Michael stepped down from the Board on 9 December 2025, and was replaced by Yasmin-Sarah Solmazer, who joined the Board on 1 January 2026.

Key to committees

- N** Nomination & Governance Committee
A Audit & Compliance Committee
S Corporate Sustainability Committee
R Remuneration Committee
 Chair of Committee



Ian Botha
Chief Financial Officer

Nationality: British/South African

Gender: Male

Year of birth: 1971

Date of appointment:
6 June 2019

Ian has extensive financial and commercial leadership experience with multinational mining, metals and industrial businesses. He has a track record of driving financial and business performance improvement and broad experience in strategy, M&A, investor relations and governance. Ian enjoyed a successful career with FTSE listed Anglo American plc for over 20 years, including as Finance Director of Anglo American Platinum.

Current external appointments
None.



Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg
Non-Independent
Non-Executive Director

Nationality: German

Gender: Male

Year of birth: 1965

Date of appointment:
6 October 2017

Stanislaus has deployed industrial knowledge, combined with financial detail, throughout his career, and with his experience as a senior executive in the energy industry, has brought first-hand understanding of sustainability matters in an industrial setting as well as process design experience in the context of large IT projects. Outside of RHI Magnesita, he focuses on private equity work in a German mid-cap environment and also engages in a broad range of asset management activities in a family office environment. He was a member of the Supervisory Board at RHI AG from 2001 and served as a member of its Audit Committee from 2007.

Current external appointments
STUV Steinbach & Vollmann Holding GmbH (CEO).



David Schlaff
Non-Independent
Non-Executive Director

Nationality: Austrian

Gender: Male

Year of birth: 1978

Date of appointment:
6 October 2017

David has key management and supervisory experience in international financial and industrial institutions. He brings a full appreciation of the Group's stakeholders to the Board and is keen to ensure that the Group meets its social responsibilities. A longstanding board member (he was a member of the Supervisory Board at RHI AG from 2010), he has a deep understanding of the refractory industry, its customers and market participants, and consequently the operations of RHI Magnesita.

Current external appointments
M-Tel Holding GmbH (Chief Investment Officer and Joint Managing Director).



Franz-Ferdinand Buerstedde
Non-Independent
Non-Executive Director

Nationality: German

Gender: Male

Year of birth: 1975

Date of appointment:
7 May 2025

Franz-Ferdinand joined Rhône Capital in 2004 and became a Managing Director in 2011. During his tenure at Rhône, he has been active in the sourcing, execution, and monitoring of investments in the business services, consumer, energy and general industrial sectors. Funds sponsored by Rhône Capital have indicated a current holding of approximately 24% of the Company's capital. Before joining Rhône, Franz-Ferdinand worked in the mergers and acquisitions department of Citigroup.

Current external appointments
Rhône Group LLC (member of Board of Managers), Rhône Capital LLC (member of Board of Managers), Rexair LLC (Non-Executive Director), Saks Global (Non-Executive Director) and Sweet Oak Holdings LP (Non-Executive Director).

Key to committees

- N** Nomination & Governance Committee
A Audit & Compliance Committee
S Corporate Sustainability Committee
R Remuneration Committee
 Chair of Committee

**Wolfgang Ruttenstorfer**

Non-Independent
Non-Executive Director

Nationality: Austrian

Gender: Male

Year of birth: 1950

Date of appointment:
20 June 2017

Wolfgang started his professional career in oil and gas at OMV, where he became CEO and then Chairman of the Management Board. He has held numerous supervisory board roles, including as Chairman, in industries such as telecommunications, real estate, healthcare and insurance. Wolfgang also served as Secretary of State in the Austrian Federal Ministry of Finance. His varied career brings a wide range of strategic and business management experience. Wolfgang was a member of the Supervisory Board of RHI AG from 2012 to 2017.

Current external appointments

Erne Group GmbH
(Supervisory Board member).

**Janet Ashdown**

Independent Non-Executive
Director

Nationality: British

Gender: Female

Year of birth: 1959

Date of appointment:
6 June 2019

Janet's distinguished career in the energy sector has provided her with significant skills across a business' value chain, in general management, and in environmental and sustainability matters. Her training as an engineer allows her to fully appreciate the challenges of operating an industrial business. Janet also has a wide range of board and committee experience as a non-executive director in both public bodies and listed entities, and has over ten years' experience of chairing remuneration committees.

Current external appointments

Synthomer plc (Non-Executive Director, Chair-elect of Remuneration), Victrex plc (Non-Executive Director, Chair of Remuneration) and Stolt-Nielsen Limited (Non-Executive Director).

**Janice "Jann" Brown**

Independent Non-Executive
Director

Nationality: British

Gender: Female

Year of birth: 1955

Date of appointment:
10 June 2021

Jann is an experienced financial professional who has primarily focused her career in the energy sector but also in engineering services, manufacturing and investment management. As a result of these roles, Jann has extensive international business experience, particularly in India and the Middle East. Her listed company board experience, both as an executive and a non-executive, brings an awareness of the importance of governance, culture and strong ethics.

Current external appointments

BlueNord ASA (Non-Executive Director), ICAS Foundation (Trustee).

**Karl Sevelde**

Independent Non-Executive
Director

Nationality: Austrian

Gender: Male

Year of birth: 1950

Date of appointment:
6 October 2017

Karl progressed to CEO of Raiffeisen Bank International AG after being Deputy CEO and undertaking management roles in the Raiffeisen Bank where he was responsible for corporate customers and corporate, trade and export finance worldwide. Prior to this, he held several senior management positions in Creditanstalt-Bankverein where he focused on corporate and export finance. Additionally, he has held the position of Secretary to the Federal Minister for Trade and Industry of Austria.

Current external appointments

Liechtensteinische Landesbank AG (Non-Executive Director), and Custos Privatstiftung (Chair).

Key to committees

- N** Nomination & Governance Committee
A Audit & Compliance Committee
S Corporate Sustainability Committee
R Remuneration Committee
 Chair of Committee



Marie-Hélène Ametsreiter **S**
 Independent Non-Executive Director

Nationality: Austrian

Gender: Female

Year of birth: 1970

Date of appointment:
 10 June 2021

Marie-Hélène has extensive skills and experience in sustainability, digitisation and automation, particularly across Europe's industrial sector, supporting key areas of RHI Magnesita's strategy. Through her role in venture capital, she brings knowledge on the latest trends in climate and industrial technology, as well as of how to create high-functioning, innovating teams.

Current external appointments

Greyparrot.ai Ltd (Non-Executive Director), Speedinvest Deutschland GmbH (Managing Director), Erste Bank der österreichischen Sparkassen AG (Supervisory Board member).



Anna Katarina Lindström
 Independent Non-Executive Director

Nationality: Swedish

Gender: Female

Year of birth: 1965

Date of appointment:
 2 May 2024

Katarina has a broad global industrial experience at executive level, with a foundation in operations and, over her extensive international career, has led the transformation of operations and the value chain at executive and board level, always structuring organisations in a lean and efficient manner. She relishes pragmatic and proactive problem solving with focus on continuous improvements both structurally and incrementally. She had a long international career at Volvo Group, Munters AB in Sweden and Hempel A/S in Denmark.

Current external appointments

Swedish Royal Engineering Academy (Elected member).



Yasmin-Sarah Solmazer
 Employee Representative Director

Nationality: German

Gender: Female

Year of birth: 1989

Date of appointment:
 1 January 2026

Yasmin studied Business Administration at the VWA Hochschule in Koblenz and joined the Group in 2010 as a student apprentice. She has worked in the sales department since 2014 as a Customer Service Representative Steel, and has worked on numerous projects in Europe and Asia. She has been part of the Works Council at the Urmitz plant and a member of the Group's Work Council of Germany since 2019, and since 2022 has been an employee representative of the German Supervisory Board of RHIM Deutschland AG.

Current external appointments

None.



Martin Kowatsch
 Employee Representative Director

Nationality: Austrian

Gender: Male

Year of birth: 1972

Date of appointment:
 14 December 2021

Martin has been with the Group since 1987 and is Chair of the Group Works Council, as well as the Chair of the Works Council at the Flagship Digital Plant in Radenthein. He is a trained industrial electrician, and completed a one-year training course at the Chamber of Labour/Trade Union. He successfully completed a Master's degree programme in Education and Group Dynamics and a doctorate in History. Martin was appointed as an Employee Representative Director by the Austrian Works Council.

Current external appointments

None.

A stable Board for long-term performance

Board composition

At the time of this report, the Board is composed of 15 Directors, which includes the Non-Executive Chair, two Executive Directors, two ERDs and nine NEDs.

Name	Position	Expiry/ reappointment date ³
Herbert Cordt	Chair ¹	2026 AGM
John Ramsay	Deputy Chair and Senior Independent Director	2026 AGM
Stefan Borgas	Executive Director (CEO)	2026 AGM
Ian Botha	Executive Director (CFO)	2026 AGM
Janet Ashdown	Independent Non-Executive Director	2026 AGM
David Schlaff	Non-Independent Non-Executive Director	2026 AGM
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	Non-Independent Non-Executive Director	2026 AGM
Franz-Ferdinand Buerstedde	Non-Independent Non-Executive Director	2026 AGM
Jann Brown	Independent Non-Executive Director	2026 AGM
Karl Sevelda	Independent Non-Executive Director	2026 AGM
Marie-Hélène Ametsreiter	Independent Non-Executive Director	2026 AGM
Wolfgang Rutenstorfer	Non-Independent Non-Executive Director ²	2026 AGM
Katarina Lindström	Independent Non-Executive Director	2026 AGM
Martin Kowatsch	Employee Representative Director ⁴	31 October 2029
Yasmin-Sarah Solmazer	Employee Representative Director ⁴	31 December 2029

- Herbert Cordt is considered Independent under the DCGC but is not deemed to be independent on appointment under the criteria of the UKCGC on the grounds of his length of service (including time served on the Supervisory Board of RHI AG) prior to his appointment as Chair of RHI Magnesita N.V.
- Wolfgang Rutenstorfer is considered Independent under the DCGC and Non-Independent under the criteria of the UKCGC.
- Non-Executive Directors are reappointed at each AGM. Their letters of appointment cover an appointment term of three years.
- Employee Representative Directors are employees of the Group and not considered independent under either of the UKCGC or DCGC. They are appointed by the workforce for a term of four years, as per the Articles of Association.

Board attendance

Board attendance 2025	Total attended ⁴	Total meetings ¹
Herbert Cordt	11	11
John Ramsay	11	11
Stefan Borgas	11	11
Ian Botha	11	11
Janet Ashdown	11	11
David Schlaff	11	11
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	11	11
Franz-Ferdinand Buerstedde ²	9	9
Jann Brown	11	11
Karl Sevelda	11	11
Marie-Hélène Ametsreiter	11	11
Katarina Lindström	11	11
Wolfgang Rutenstorfer	11	11
Karin Garcia ³	10	10
Martin Kowatsch	11	11
Michael Schwarz ³	10	10

- In the year, 12 Board sub-committees were held to approve matters specifically delegated by the Board in accordance with Article 17.5 of the Company's Articles of Association. These are not included in the table above.
- Franz-Ferdinand Buerstedde joined on 7 April 2025 as an observer and until his formal appointment at the 2025 AGM attended Board meetings as a Board Nominated Non-Executive Director.
- Karin Garcia and Michael Schwarz are included in this table as they were Directors until 9 December 2025.
- As outlined on page 191, Dutch law allows for proxies to be appointed where Directors are unable to attend.

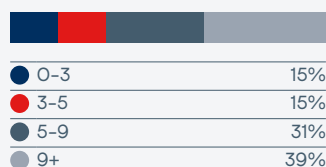
Committee membership and meeting attendance

Member	Attendance in 2025 ¹	Member since
Nomination & Governance Committee		
Herbert Cordt (Chair)	3/3	October 2017
John Ramsay	3/3	October 2020
Karl Sevelda	3/3	June 2021
Corporate Sustainability Committee		
Janet Ashdown (Chair)	3/3	June 2019
Marie-Hélène Ametsreiter	3/3	June 2021
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	3/3	November 2022
Audit & Compliance Committee		
John Ramsay (Chair)	6/6	October 2017
Jann Brown	6/6	June 2021
Wolfgang Rutenstorfer	6/6	October 2017
Remuneration Committee		
Janet Ashdown (Chair)	3/3	October 2020
Karl Sevelda	3/3	October 2017
Jann Brown	3/3	December 2022

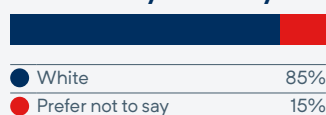
- The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2025, in addition to the above meetings.

These statistics are as at the date of this report and do not include the Employee Representative Directors.

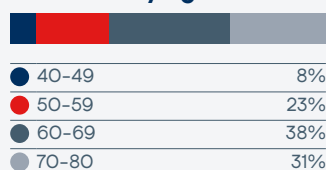
Directors by length of tenure



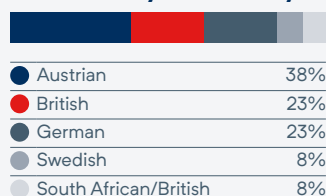
Directors by ethnicity



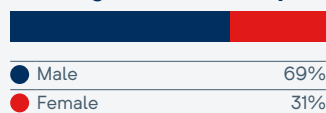
Directors by age



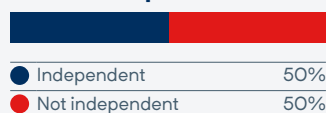
Directors by nationality



Board gender diversity



Board independence¹



1. As calculated by reference to the UK Corporate Governance Code, at the date of this report. Does not include Employee Representative Directors.

Independence

When assessing independence under the UKCGC, the Board has included time served by that Director on the board of RHI AG prior to the merger with Magnesita in 2017. On this basis, Wolfgang Rutenstorfer exceeds nine years of service. None of the other criteria in Provision 10 of the UKCGC apply to him, and the Board remains comfortable that he provides strong, independent challenge to management, particularly on financial business cases, balance sheet management and risk assessments.

Franz-Ferdinand Buerstedde, being a representative of Rhône Capital/Ignite Holdings, who hold c.24% of the Company, is a Non-Independent Non-Executive Director.

Given their longstanding service and also their connections to major shareholders, David Schlaff and Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg are also considered to be Non-Independent Non-Executive Directors.

Additionally, per previous reports, as European corporate law requires that a significant portion of the Board be ERDs, the Board feels it is appropriate to follow the process of calculating independence as it is undertaken in the relevant jurisdiction. Which is to say that only Directors who can be appointed by shareholders are counted in the calculations on this page and ERDs are excluded.

Accordingly, the Board has six out of 12 eligible Directors, who are deemed independent (as set out in the table on the previous page), thereby constituting a Board that is composed of at least half NEDs (excluding the Chair) considered by the Board to be independent for the purposes of the UKCGC. Under the criteria of the DCGC, the current Board can be considered as 62% independent.

The Board has considered the independence of the NEDs, including any potential conflicts of interest. Each of these Directors has also confirmed that there is no reason why they should not continue to be considered independent. In the opinion of the Board, the DCGC independence requirements referred to in the best practice provisions 2.1.7 to 2.1.9 have been fulfilled. You can find the details of which Directors are deemed to be independent or non-independent in the table on page 186.

Skills and experience

The Nomination & Governance Committee seeks to ensure the right balance of skills, knowledge and experience on the Board, taking account of the business model, long-term strategy and the sectors and geographic locations in which the Group operates. The Board is structured so that the following experience and capabilities are adequately represented across the Board:

- knowledge and understanding of the business and products of the Company and its subsidiaries, the markets and geographies in which the Company and its subsidiaries operate, in particular the trends and future developments of these markets and geographies;
- an international background and geopolitical exposure;
- broad Board experience, including knowledge of corporate governance issues at main Board level as appropriate for the Company with reference to its size and international spread of activities;
- understanding of ESG, corporate social responsibility and sustainability matters, particularly decarbonisation and other areas of focus as per the Company's commitment to the UN Sustainable Development Goals (SDGs);
- practical experience in, and relating to, financing and accounting and/or experience in relation to IFRS, as well as in the areas of risk management and internal controls;
- understanding of the markets where the Company is active, in particular emerging markets;
- expertise in science, technology and innovation, as well as practical experience in operations, manufacturing and logistics;
- experience and understanding of human resources and remuneration-related matters; and
- personal qualities such as impartiality, integrity, tolerance of other points of view, ability to challenge constructively and act critically and independently.

The Nomination & Governance Committee considers that all of these aspects are well represented across the Board, whilst continuing to keep Board composition under review. The Board is committed to encouraging diversity to deliver long-term sustainable success for the Company and will continue to pursue its programme in this regard. You can read about Board diversity in the Nomination & Governance Committee report on pages 207 to 209. Our policy on Board Diversity is available on the [website](#).

Executives responsible for strategic execution

The EMT combines broad experience and complementary skill sets.



Stefan Borgas
Chief Executive Officer

Biography available
on page 182.



Ian Botha
Chief Financial Officer

Biography available
on page 183.



Gustavo Franco
Chief Customer Officer

Gustavo joined Magnesita in 2001. During the first years of his career, he progressed through various technical and sales managerial roles in South and North America, resulting in an extensive understanding of the refractory industry and the market forces within it. He has deep familiarity with customers of RHI Magnesita and brings a tactical as well as strategic view to his executive role. In 2017 he led the go to market integration of RHI and Magnesita. He was appointed Chief Sales Officer in 2019 and since 2022 the Regional Presidents, responsible for the regional P&Ls, along with Procurement & Supply Chain organisation, have reported to him in his role as Chief Customer Officer.



Rajah Jayendran
Chief Technology Officer

Rajah has worked in senior operational and strategic development roles at multinational companies across China, Singapore and Switzerland, where he gained deep operational management and industrial knowledge, as well as extensive M&A experience. Over his executive career he has also developed skills pertaining to renewable solutions and operational performance improvement. In 2018, Rajah became a key team member at RHI Magnesita, and in October 2021, he joined the EMT. Rajah brings a detailed knowledge of the Company's global operations and expertise in production efficiencies to his role.



Simone Oremovic
Executive Vice President,
People, Projects, Integrations
& Recycling

Simone joined the Group in an executive capacity in November 2017. She started her career at General Electric where her main focus was on leadership and talent management, and has held leading roles in telecommunications, pharmaceutical and technology firms. She has 25 years of experience developing people and culture across global industries which she has brought to her role, and is a certified Six Sigma Master Black Belt, which she deploys to drive dynamic transformation at RHI Magnesita.



Ticiana Kobel
Executive Vice President,
Legal & Digital Transformation

Ticiana has extensive legal experience in a wide range of global businesses, such as SR Technics Group and Bühler Group, leading legal departments in manufacturing, aviation, technology, the service sector and engineering industries. In these roles she was in charge of crucial projects, such as complex strategic procurement, spin-offs, sales and acquisitions, IT matters, and corporate governance issues. She has also assisted with the design and implementation of compliance functions, mergers and acquisitions, and partnerships.

Governance supporting responsible growth



Board powers, responsibilities and representation

The Board is collectively responsible for the leadership and management of the Company and its business. Its role is to establish the strategy, purpose and values to ensure the Group's long-term and sustainable success. The Board assesses the strategic risks it is willing to take in pursuit of this strategy, ensures sufficient resources, and measures the performance of the management team against agreed objectives, aligned with the strategy. The Board ensures that appropriate controls and systems are in place to manage risk and considers the Company culture and practices, reviewing alignment with the purpose, values and strategy.

The Board Rules and Matters Reserved to the Board, which are available on the **Company's website**, set out those matters that are reserved for the Board to consider, including, among other items, overall responsibility for strategy and management, major acquisitions and investments,

structure and capital, financial reporting and controls, and corporate governance. You can read more about the matters considered by the Board in 2025 on pages 192 to 194.

The Board has delegated certain responsibilities to Committees of the Board, which are outlined in the respective Committee Terms of Reference, available on the **Company's website**, and summarised in their individual reports on pages 206 to 222. The Committee Chairs provide reports to the subsequent Board meeting on the matters discussed and resolved upon in the Committee meetings.

Each Board Committee has considered the required matters from the respective Terms of Reference in 2025 and has met the requisite number of times. The composition of the Committees, the number of meetings, attendance at those meetings and key items discussed can be found in each Committee Report on pages 206 to 222.

Pursuant to the Articles of Association, the Board may, if it elects to do so, assign duties and powers to individual Directors and/or committees that are composed of two or more Directors, with the day-to-day management of the Company entrusted to the Executive Directors. Both Executive Directors and NEDs must perform such duties as are assigned to them pursuant to the Articles of Association and the Board Rules or a resolution of the Board. Each Director has a duty towards the Company to properly perform the duties assigned to them. Tasks that have not been specifically allocated to a specific Director fall within the power of the Board as a whole. The Directors share responsibility for all decisions and acts of the Board, and for the acts of each individual member of the Board, regardless of the allocation of tasks. Furthermore, each Director has a duty to act in the corporate interests of the Company and its business. Under Dutch law, corporate interest extends to the interests of all stakeholders of the Company, such as shareholders, creditors, employees and other stakeholders. You can read more about our stakeholder engagement on pages 20 to 26.

The Board as a whole is entitled to represent the Company. Additionally, (i) the CEO and the Chair, (ii) the Senior Independent Director (SID) and Deputy Chair¹ and the Chair and (iii) two Executive Directors, acting jointly, are also authorised to represent the Company. Pursuant to the Articles of Association, the Board may appoint officers who are authorised to represent the Company within the limits of the specific powers delegated to them. You can find our Articles of Association and the role profiles of the above roles on the **Company's website**.

The Board has delegated responsibility for day-to-day management of the Company to the CEO and the EMT. There is a clear separation of responsibilities between the Board and the EMT, and the main responsibilities of the EMT are to assist the Board with its oversight of strategy, which involves making strategic recommendations to the Board, being accountable for implementing the Board's decisions, and being responsible for directing and overseeing the Company's operations, investments, resources, and delivering the Company's purpose and value to stakeholders.

Individual roles
Roles of Chair, SID and Deputy Chair, and CEO

The roles of Chair, SID and Deputy Chair¹, and CEO have been formally recorded by the Board. All of these documents can be found on the **Company's website**. The composition of the Board has been structured such that no one individual can dominate the decision-making processes of the Board.

Non-Executive roles

The Employee Representative Directors, Non-Independent Non-Executive Directors and Independent Non-Executive Directors engage with the business of the Board from different perspectives, enabling multifaceted scrutiny to be applied to the Board's decision making, ensuring that the viewpoints of the Company's key stakeholders are represented. All Directors are required to exercise their independent judgement and act in the best interests of the Company, taking into account the interests of its stakeholders, in their decision making.

Non-Independent Non-Executive Director roles

Herbert Cordt, Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, David Schlaff, Wolfgang Ruttenstorfer and Franz-Ferdinand Buerstedde are not considered independent under the UKCGC, for a combination of reasons including length of service (including time served with RHI AG prior to the merger in 2017 with Magnesita) and connections to significant shareholdings of the Company. However, because of that experience, they contribute strongly to the Board's culture and character, adding valuable insight gained through experience of the markets in which the Group operates and corporate memory. They can constructively challenge the Executive Directors and scrutinise the performance of management in meeting their objectives with the benefit of historical experience of the operations and industry of the business. Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, David Schlaff and Franz-Ferdinand Buerstedde can provide an investor perspective to the management team and challenge them accordingly. The detail of all the Directors' independence and the detail of compliance with the criteria of each Code can be found above and on page 187.

The Chair's other significant commitments are set out in the following table:

Name of company	Function
CORDT & PARTNER Management- und Finanzierungs consulting GesmbH.	Managing Partner
Watermill Group Boston	Advisory Board member
Cooper & Turner Group	Advisory Board member

Executive Directors

In accordance with Dutch law, an Executive Director may not be allocated the tasks of: (i) serving as Chair; (ii) participating in the adoption of resolutions (including any deliberations in respect of such resolutions) related to the remuneration of Executive Directors or instructing an auditor to audit the Company's annual accounts if the General Meeting fails to do so; or (iii) nominating Directors for appointment.

The role of an Executive Director is, amongst other things, to bring commercial and internal perspectives to the boardroom. The Executive Directors, being the CEO and CFO, are responsible for the leadership and management of the Company according to the strategic direction set by the Board.

Company Secretary

Sally Caswell resigned as Company Secretary, leaving the Company in October 2025. Julia Crane was appointed by the Board in November 2025 and took up her role from January 2026. All Directors have access to the advice and services of the Company Secretary, whose responsibilities include ensuring that Board procedures are followed, assisting the Chair in relation to corporate governance matters and, in conjunction with the EVP Legal, ensuring the compliance of the Company with legal and regulatory requirements.

Board and Committee structure

The Company has a one-tier board structure, with a Board consisting of both Executive Directors and NEDs (collectively the "Directors" or the "Board"). As at the date of this Annual Report, the provisions of Dutch law that are commonly referred to as the "large company regime" (structuurregime) do not apply to the Company.

The Board has four Committees to ensure a strong governance framework for decision making and assessment of performance against the Company's strategy: the Audit & Compliance Committee, the Remuneration Committee, the Corporate Sustainability Committee, and the Nomination & Governance Committee. Each Committee receives support from the Company Secretary. The Terms of Reference of these Committees can be found on our **website** and the reports of each Committee, including membership and attendance at meetings in 2025, can be found on pages 206 to 223.

1. A dual role held by one individual, John Ramsay.

EMT and delegation of authority

The Board has documented the matters reserved for its approval, including approvals of major expenditure, investments, and key policies. This provides clarity to the Board, and the organisation as a whole, to enable effective delegation of authority. The EMT then work within this delegation of authority, as approved by the Board, and set out parameters for the rest of the organisation to work within.

The EMT comprises senior managers reporting to the CEO who are accountable for the key functions in the business. The CFO and CEO are part of the EMT. There are meetings held, on a minimum of a monthly basis, to discuss key business performance indicators, to drive operational performance and to agree strategic initiatives to be proposed to the Board. The EMT members attend each Board meeting, giving reports on both standing items and ad hoc initiatives. Individual EMT members are responsible for inputs to the Board Committees and leading the organisation in meeting objectives as set out by the Executive Directors and NEDs of the Board. As part of this, they meet and discuss matters one on one with the Chairs of the Board Committees.

Board operation

The Board meets regularly throughout the year at Board and Committee sessions, which are usually spread over two days, in person in Vienna. Board meetings can also be convened as deemed necessary by the Chair or the SID and Deputy Chair.

In the meetings, the Chair takes care to ensure that each Director has opportunity to comment and be heard, whilst enabling an orderly flow and healthy discussion.

At the end of each Board meeting, the NEDs meet, without the Executive Directors and management, to facilitate an open and frank exchange of views. Additionally, in 2025, the SID held a meeting with the other independent NEDs. Further details on the Board performance review are available on page 199.

The NEDs, particularly the Chair, hold regular informal, individual, meetings with the Executive Directors and other senior managers in the business, providing the opportunity to raise questions and cover points of interest, which contributes to the development of both the NEDs and the management.

Board papers are circulated in advance of meetings, using a secure web-based portal, to allow Directors sufficient time to consider the content prior to the meeting. The Chair is assisted in this responsibility by the Company Secretary and CEO. The management team continues to take feedback from the Board via the review process on how papers and presentations can be improved to assist the flow of the meeting, as well as direct feedback either in the meeting or in an informal way outside of meetings. An information room within the portal provides access to useful information, including corporate governance reference materials, analyst reports, and Company finance, treasury, and strategy information.

The Board takes the views of its key stakeholder groups into account when challenging management, and in its discussions and decision making. Inputs to this process include the Company's Net Promoter Score, the ERDs' views, regular Investor Relations reports, analyst coverage and views of the three Non-Independent NEDs who represent shareholders.

The Board recognises the importance of balancing stakeholder views, whilst acting in the best interests of the Company. In the event of a decision which has a potentially negative impact on a specific stakeholder group, efforts are made to mitigate the negative impacts through plans for assistance and open and transparent communications.

Board attendance

Six Board meetings were scheduled in 2025 (2024: six). An additional five ad hoc meetings were required in the year for time-critical decisions. These ad hoc meetings took place in a hybrid or entirely virtual setting and were naturally shorter meetings, given their focused agendas.

Where meetings are called on short notice, it is not always possible for them to be at a time suitable for all Directors to attend. In accordance with Dutch law and the Board Rules, Directors can nominate, in writing, a proxy, and prior to the meeting the Director will have the opportunity to provide any comments to their proxy or the Chair of the meeting. They will generally receive a briefing following the meeting on key points discussed and the outcome of any votes taken.

Only in exceptional circumstances would Directors not attend the scheduled Board and Committee meetings. The attendance level of our NEDs is consistently high and all of our NEDs are comfortable they have the availability to fulfil their duties. The Nomination & Governance Committee considered the time required of NEDs as part of its regular programme.



For further information
See page 186



Key areas of Board focus and activity in 2025

Amongst other matters, the Board focused on the following areas in the year:

Group strategy and long-term sustainable value creation/preservation

- Conducted the annual two-day strategy meeting session with members of the EMT and senior management team to assess the current strategy and ensure it was fit for purpose.
- Management presented its Strategy Implementation report, using KPIs to illustrate how the strategy was being implemented. The Non-Executive Directors provided challenge to management about the direction and emphasis of the strategy and suggested areas for focus and refinement based on their experience from being executives themselves and their experience from their other appointments.
- The Board approved the 2030 strategic goals; the CSC also reviews and assesses the sustainability strategic goals at each meeting and the Remuneration Committee considers how to incentivise behaviours to reach the strategic outcomes which requires detail on the current achievement.
- Discussed risks aligned with the strategic opportunities, how the Group was benchmarked against its peers, alerting management to potential pitfalls and agreeing changes to risk appetite.
- Received reports throughout the year outlining potential business development opportunities as they arose, including strategic M&A.
- Approved the acquisition of BPI Inc in order to further the recycling efforts in North America. As part of this transaction, considered the interplay with existing integrations and key corporate projects, particularly in respect of resource management.
- Discussed the post-integration position of a number of assets, with reference to the original business plan, the returns on investment and the impact of the acquired assets on the Group's footprint and supply chains.
- Considered geopolitical and macroeconomic trends and factors, particularly those impacting employees, costs of production, delivery to customers and the implementation of the strategy.
- Discussed the Company's raw materials strategy, the regional specificity of the position of raw materials, and how to approach to secondary raw materials.



See pages 13 to 19 for more detail on our Strategy and our progress

People, succession and leadership

- Board composition, diversity, and the skills and experience desired to guide and challenge the EMT.
- Considered the capability and capacity of various EMT and senior management members.
- Considered the 2024 Board performance review and the actions relating to the review, including progress against the actions identified in the year.
- Agreed the scope and approach of the 2025 Board review.
- Reviewed and approved the bonus for 2024 performance and the remuneration of the Chair, Executive Directors and EMT.
- Approved the LTIP 2022 award vesting, the conditions of the LTIP 2025 and its grant to participants, and the Annual Bonus 2025 targets.
- Discussed resourcing levels, employee engagement, morale and wellbeing, particularly in the context of various significant internal projects.
- Considered various deep dive reports from Regional Presidents on the current position of their regions and the priorities for employees there.
- Took part in a Culture workshop to more fully understand the Company's initiatives to develop its culture across multiple regions.

Financial performance

- Approved the annual budget for 2025, focusing on the priorities for the business and the relevant stakeholder expectations.
- Reviewed and approved the Group's full-year 2024 and half-year 2025 results, as well as the 2024 Annual Report, including ensuring that it was fair, balanced and understandable, and confirming that the Group was a going concern. As part of this, the Board considered the external auditor's reports and the key matters raised.
- Approved the quarterly interim trading statements on recommendation from the Audit & Compliance Committee.
- Received regular financial updates covering revenue, gearing, working capital, margins, costs, performance year-to-date and outlook on a monthly basis.
- Reviewed the Group's debt, capital, and funding arrangements, particularly in respect of ensuring the ability to take advantage of any opportunities as they arise, such as acquisitions and decarbonisation initiatives.
- Approved entry into a loan to service the Group's debt profile and the provision of parental guarantees to subsidiaries.
- Reviewed liquidity, cash flow and scenario planning, particularly with reference to macro factors such as inflation and labour costs.
- Considered analysis of capital allocation and payment of dividends, including the approval of the interim dividend at H1 2025 and recommendation of the full year 2024 dividend to shareholders, and how to drive more value for shareholders from the asset base.
- Considered disclosures to the market and noted the work of the Disclosure Committee to continually monitor matters at hand.

Operational performance & Risk management

- Received updates at each meeting on operational performance, reported against regular and consistent KPIs, including any impacts to customers, and current Health & Safety levels.
- Considered reviews of completed projects, which included lessons learned by management for application in future projects and risk assessments.
- Considered regional performance, as appropriate, and, with reference to the Company's strategy, noted capacity and flexibility of production at certain plants and the consequent actions required.
- Approved the closure of the Wetro plant in Germany, and the associated social plan and employee engagement.
- Appraised the principal risks, mitigating actions and controls around operational performance.
- Approved changes in Group risk appetite.
- Approved entry into contracts of magnitude, both with customers and suppliers, as required under the Delegation of Authority.
- Continued to receive regular updates of the management's project to install a new Enterprise Resource Planning (ERP) system, hearing from third-party consultants, and as part of their oversight, Directors shared their experiences of such change projects, particularly around managing third parties and their service levels.



See pages 37 to 41 for more details on risk management and internal control framework

Legal and compliance matters

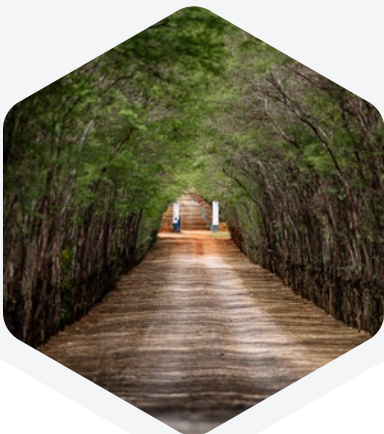
- Received regular updates on whistleblowing, including an annual review of the process, which enabled the Board to assess it as being effective.
- Considered how the Group could comply with CSRD whilst ensuring it did not expend excessive resources.
- Approved the refreshed share dealing policy on recommendation from the Disclosure Committee.
- Received updates on cyber security programmes and initiatives to strengthen the Group's defences.
- Considered trade sanctions and the management of their impact on the business by the Compliance team.
- Approved the appointment of the new Company Secretary, Julia Crane, and noted the resignation of Sally Caswell.
- Approved the changes in proxies authorised to represent the Company.



Technical innovation and sustainability

- Received updates on the partnership with MCI Carbon and the time-horizon for the development of the low-carbon products.
- Considered the potential outputs of this MCI initiative and possible end-market customers.
- Received reports on the business's approach to recycling, where efforts are focused to increase supply and provide opportunities for improvement.
- Heard about digital initiatives designed to meet customer expectations and develop the Company's offering.
- Considered future strategy, partnerships with external parties, and processes to encourage innovation.

See the Sustainability Statement for more details on our decarbonisation initiatives.



Markets and sales

- Received presentations at every Board meeting from the Chief Customer Officer, hearing about key customer developments and initiatives from the pricing and sales teams.
- The Strategy team, along with EMT, presented on developments in key markets in each region, structural trends and their analysis of the demand profile.
- Received updates at each meeting on sales performance, market share and progress against sales initiatives, particularly with reference to customers.
- Heard from management about the progress of 4PRO, a holistic approach to high-performance refractory applications, based on closer collaboration with customers and enabling pursuit of sustainability objectives and circular economy initiatives.



Stakeholder engagement and governance

- Approved the Notice and business of the AGM, including the appointment of the external auditor.
- Received input from the ERDs with their views on various proposals and initiatives presented by management.
- Considered the Company culture and its influence across a variety of topics.
- Received reports on investor engagement and ensured market expectations and investor views were considered when resolving upon the dividends.
- Approved the annual statement for the Modern Slavery Act and California Transparency in Supply Chains Act.
- Received reports on customer satisfaction levels, including Net Promoter Scores.
- Considered governmental policies in countries of operation and how best to leverage an advantage for the Group where available.
- Remuneration Committee considered the workforce remuneration and operation of various bonus schemes in the organisation designed to incentivise good behaviours.



See our Stakeholder Report for more details on pages 20 to 26



Board engagement with the regions



One Board session per annum, typically over a week in April, is held at a location other than the Vienna headquarters. In 2025, the Board decided that the management needed to focus on their integration of Resco, the second biggest M&A transaction since the merger in 2017, and the decision was taken to cancel the scheduled trip to the China region.

Whilst the Board were of course disappointed not to be able to visit Chinese operations and meet the management there (the previously planned trip in 2020 was also cancelled) the other benefit of cancelling this trip was saving SG&A costs. Not only did Directors contribute to the organisation's initiatives to save costs, they led with tone from the top to underline its importance.

Directors made efforts to understand the region in a variety of ways. The CSC heard directly from the Chinese Regional President on the actions taken to improve their Health & Safety practices after the fatality of a contractor in 2024. Different Board meetings throughout 2025, and particularly the strategy session considered the region's market

forces and geopolitical dynamics. The Chair and the CEO both made trips to China in 2025 and reported back to the Board on the key points and engagements with the organisation and local authorities.

This Board's visit to China will now take place in April 2026.

Other site visits by certain Directors took place throughout 2025 and reports were provided to the rest of the Board at the following Board meetings to share learnings and perspectives from the experiences:

- The Deputy Chair and SID travelled to North America and heard from the regional president on the Integration work and the recycling initiatives.
- The Chair visited India to speak at the Leaders Conference, giving our senior leaders his points of view on macroeconomic matters and his priorities for the business, providing valuable steer and direct insights.
- NEDs with specific experience in digital initiatives and ERP implementation projects took time to directly discuss with management, suggesting useful perspectives and routes for progress to deliver outcomes for employees and customers.

Culture and purpose

Cultural values support the Company purpose, setting the framework to engage with the Company’s stakeholders, validating the Group’s place within our wider environment and society.

As reported last year, the EMT delivered refreshed cultural values, rolling these out across the organisation in 2025. The Board reviewed the proposed values in late 2024, giving their feedback, particularly around underpinning the values with safety.

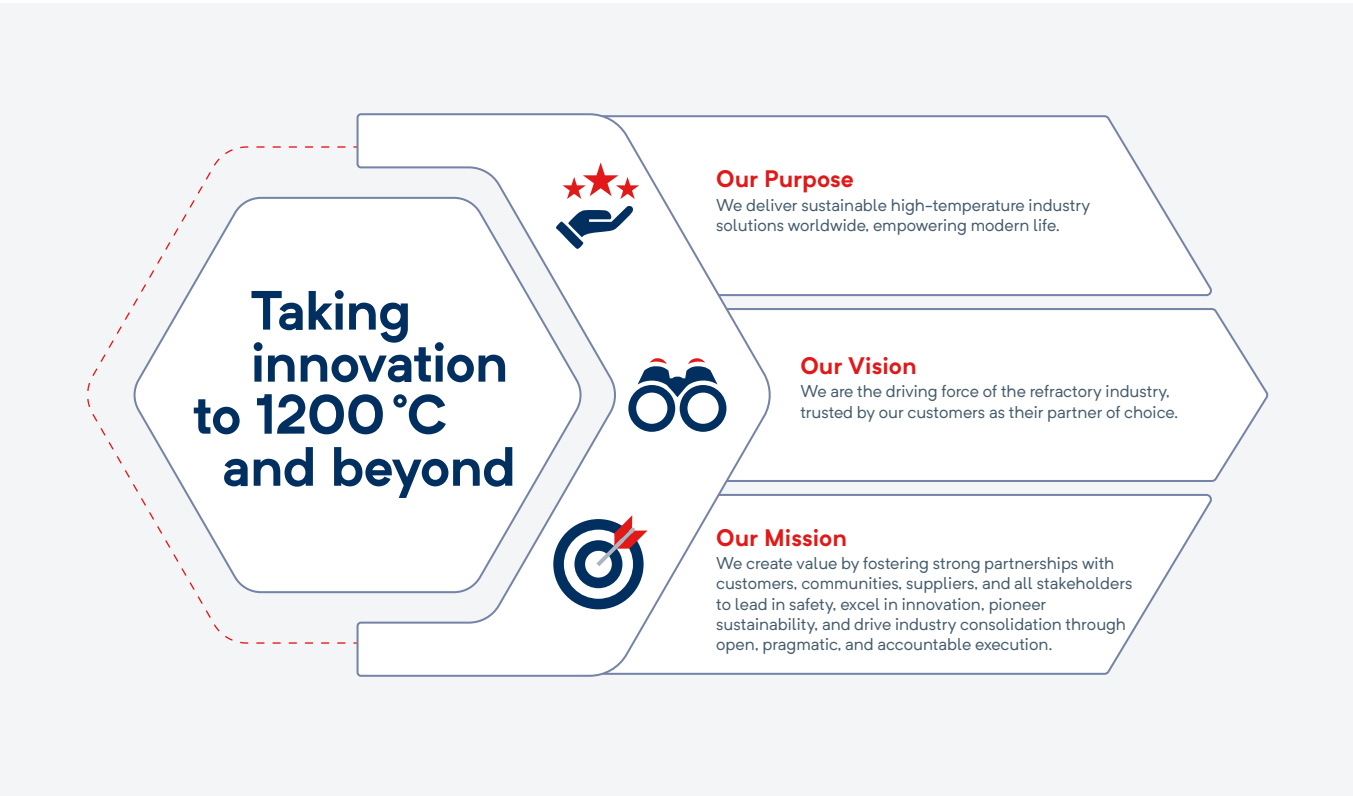
As part of the Company’s relaunch of its culture, the Board participated in a culture workshop, led by the People & Culture team. Following the Erin Meyer’s Culture Map thesis, they completed self-assessments about their own cultures and then learned how these interacted with other cultures, largely based on nationalities. This exercise had been completed with senior leaders in the business to bring about insights and assist in developing how the defined and desired culture could be effectively embedded throughout the many different regions and countries in which the Group and its customers operate.

The Board took all available opportunities in 2025 to engage with colleagues in the business in order to observe and understand the culture within the Company. The Directors use the tools and inputs described in this section to assess culture and monitor progress and outcomes towards the stated desired culture.

Culture remains an integral element of Board discussions and assessment of successful outcomes, and the Board and its Committees use many sources to assess culture. Given that culture can arguably best be described as “the way we do things around here”, it is difficult to use quantitative metrics that accurately communicate the culture to the Board.

Inputs used by the Directors to measure culture include whistleblowing reports, Code of Conduct compliance reports, talent assessment, Health & Safety reports, responses to Internal Audit reports and the corresponding outstanding actions, and workforce remuneration. Policies reserved for Board approval include the Code of Conduct and the whistleblowing policy, being foundational tools through which to deliver the desired culture.

Directors engage regularly and directly with senior management, which enables their assessment of management culture, being that which sets the tone from the top of the organisation.



When receiving presentations in meetings, the Board uses these opportunities to seek input from management, asking direct questions, particularly of those at the levels below EMT, focusing on how a team operated or a region approached problems to broaden their understanding. Observations of the relationship and interaction between the EMT and their reports can also inform the understanding of cultural tone from the top. Directors' private meetings with individual employees, the mentoring sessions with identified talents and inputs from third parties, for example when talking to the external auditors, will also assist with their perception of the organisation's culture and whether it is the intended and desired culture (as outlined below).

The Matters Reserved to the Board include monitoring Group culture and workforce policies and practices to ensure these are aligned with the purpose, values and strategy of the Group, and seeking assurance that management have taken corrective action where this is not the case.

Within the different board committees, culture is a factor across multiple discussions. For the Audit & Compliance Committee organisational culture is a key factor in achieving compliant behaviours which protect the business and its employees from potential harm in areas such as cyber security and fraud. At the CSC, culture is clearly identified as a vector through which to improve health and safety. The right culture will improve awareness of unsafe situations, create an environment in which workers feel psychologically safe to speak up and challenge, and to look out for others as well as oneself.

Given the significant transformational projects and ongoing safety transformation work, the Board continues to remind management of the value of culture in Group.

The CSC specifically considers behaviour and culture, given as they are key tools to successfully deliver Health & Safety campaigns and continues to guide management in recognising the behaviours which contribute to unsafe situations. On business-critical projects, the EMT ensured the Board met with colleagues working directly on key matters



who could communicate and demonstrate the culture of the Company, as well as how this facilitated relationships with external parties such as key consultancy partners.

Culture continues to be part of employee performance evaluations. Given the multiple global locations of operations, local culture is also discussed by the Board when considering the impact and likely success of initiatives, particularly when planning the integration of newly acquired businesses. In the most serious of cases, breaches of the Code of Conduct and failure to abide by the cultural values has led to dismissal.

When considering key strategic topics, such as the integration with Resco Group, the Board steered the management to continue to consider the cultural success factor underpinning any business combination to deliver long-term sustainable outcomes for the benefit of the business. When assessing the risks of the strategic decision in question, management report on culture and leadership style as part of the execution factors and decide on mitigating actions accordingly. The cultural fit, combined with the additional mitigating actions, supports the Board's decisions to proceed and has set management up to deliver successful outcomes.

The Board continues to consider RHI Magnesita's culture, the actions by the executive to set the tone from the top of the organisation, and what themes can be drawn from observable trends such as voluntary attrition, and the data collected from those exiting the business.

The Board has considered the cultural values and noted their relaunch in 2025 with an underpinning safety commitment. Directors play a role in the mentoring programme which helps them in assessing whether the desired culture is being lived in the organisation as well as other interactions and assessments outlined above.

As this has been the year where culture has been relaunched in the organisation, it is expected to take some time for the desired culture to be reflected across our 20,000 employees and sites across four continents. The Board will continue to monitor this implementation and assess culture.



Whistleblowing

Potential concerns about ethical misconduct or any compliance matters can be reported by all stakeholders (both internal and external) to an independently operated, confidential, and anonymous whistleblowing hotline, available in areas where the Company operates as well as other locations, in several languages. Contact details are advertised and are available externally on the **Company's website**. In addition to the hotline, whistleblowing reports can also be submitted via other channels, such as to a dedicated email address. All reports are assessed by the Internal Audit, Risk & Compliance team and then addressed on a case-by-case basis.

The Audit & Compliance Committee and Board reviews the whistleblowing processes and the reports arising from it, ensuring there are arrangements in place for the appropriate and independent investigation of these cases and that follow-up actions are completed to address

the root causes. The Directors remain comfortable that this process has worked effectively throughout 2025.

Board workforce engagement

RHI Magnesita's governance structure has always included ERDs, being a requirement from the merger between RHI AG and Magnesita in 2017 and reflects the approach in continental Europe, particularly the DACH region. The ERDs, currently Yasmin-Sarah Solmazer and Martin Kowatsch, have been appointed by their respective works councils in line with the Company's Articles of Association, and, with experience of the frontline of operations, seek to directly represent the views of the workforce at the highest level of the Company. The Board welcomed Yasmin-Sarah Solmazer in January 2025 following Michael's retirement. As noted at the AGM in 2025, the Board bade farewell to Karin Garcia in December 2025, as the Spanish works council is no longer eligible to nominate a director.

The Board welcomes the different viewpoints the ERDs provide, bringing increased opportunity for challenge of the executive management, and holding them to account from a different perspective, being that of the workforce who are on the ground. The ERDs can attest to the impact of the executives' actions within the business and contribute to the Board accordingly, as happened in 2025 with points highlighted by an ERD over works council agreements, with the opportunity taken to give direct feedback to the CEO on how accountability was witnessed to have been taken within the People & Culture teams. Not only do the ERDs have the ability to challenge management, but they can also contribute to the NEDs' view of management and understanding of the Company culture, strengthening the independence the NEDs have, through providing a broader knowledge of the Company.

In 2025 they have been part of important discussions on the plant network as the business has considered how to make this fit for the future to meet the uncertainty and cyclical nature of our industry. They were part of discussions with the members of management leading the project to consider the closure of the Wetro plant, ahead of the Board decisions, to give their input to ensure good and fair outcomes to those employees affected by the decisions. The information and discussions at Board meetings helps the ERDs' support of the workforce and provides a mutually beneficial link between colleagues and the Board.



You can read more about our stakeholder engagement on pages 20 to 26

Board effectiveness

Board performance review

The findings of the 2024 Board review were that the Board continued to operate effectively and identified areas for improvement which can be found on page 207 in the Nomination & Governance Committee report.

The 2025 review will be undertaken in Q1 2026 and will be reported on in our 2026 Annual Report. The details of the review and the outcome of 2024's review can be found on page 207 in the Nomination & Governance Committee report.

Time commitment

On appointment, and each subsequent year, NEDs are asked to assess if they have sufficient time to devote to the Company's affairs. The Nomination & Governance Committee considers, and, where thought fit, approves, any additional external commitments, and the Board is advised of any changes.

During the year, Jann Brown was appointed to the Board of BlueNord ASA as a Non-Executive Director. The proposed appointment was considered and it was concluded there were no conflicts and that Jann would still have sufficient time to devote to the Company.

You can read more about the process to consider and approve external appointments on page 207.

The Board is satisfied that, having considered the demands of the external appointments of each NED and the time requirements from the Company, all NEDs standing for re-election at the upcoming AGM are contributing effectively to the operation of the Board.

Information and support for Directors

There is an established procedure for Directors to seek independent professional advice in the furtherance of their duties if they consider this necessary.

The Company maintains Directors' and Officers' liability insurance, which provides appropriate cover for legal action brought against its Directors. In line with Dutch best practice and corporate law, at each AGM there is a resolution to release the Directors from liability for the exercise of their respective duties during the financial year.

Training sessions were delivered to the Board Directors throughout 2025 on topics such as IFRS 18, particularly how it would change presentation of the financial statements. This prompted further analysis

on the measurement of incentives, the transition actions required and how such changes impact on the business and investors' comprehension of performance.

As mentioned elsewhere in this report, the Board participated in culture and health & safety workshops in the year which, through active learning, supported their understanding of these topics to be more effective in their oversight of RHI Magnesita.

In order to build and increase the NEDs' appreciation and understanding of the Group's people, businesses and markets, senior managers meet throughout the year with NEDs, individually or as a group, to brief them and answer questions they may have on certain points. Additional informal information-sharing sessions took place on areas such as the digital transformation work, pricing approaches, specific budget matters and M&A progress, which have helped NEDs to develop in knowledge and understanding to be able to assess the proposals by management.

Directors maintain their own individual training schedule based on their known needs and interests.



Recruitment and induction



Board appointment

Per the Articles of Association, Directors, excluding ERDs, are appointed by the General Meeting by majority vote, regardless of represented capital. The Board nominates candidates for these appointments. A Director may also be appointed by the General Meeting through a resolution that achieves an absolute majority of votes, representing over one-third of the Company's issued capital.

In 2025, the Board were approached by Rhône Capital to nominate a candidate to represent their shareholding on the board. This was part of discussions over their level of shareholdings, referencing the shareholders already represented on the Board. Following careful consideration, the Board was pleased to propose the appointment of Franz-Ferdinand Buerstedde as a Director to shareholders for election at the 2025 Annual General Meeting.

The NEDs (excluding ERDs) are nominated for a three-year term, subject to satisfactory performance and annual reappointment by the General Meeting. ERDs are appointed for a term not exceeding four years. Each Director's term (excluding ERDs) concludes at the AGM in the year following their appointment. Directors may be reappointed for unlimited terms, with the Board considering NEDs (excluding ERDs) for a third term based on Board independence, stakeholder views, and relevant Corporate Governance Code requirements.

The General Meeting may suspend or remove a Director at any time through a resolution, as outlined in the Articles of Association.

Induction

Upon joining the Board, new Directors are offered a comprehensive and tailored induction programme covering the value chain, with visits to key sites and meetings with senior managers and other colleagues or advisers as required. New members to Committees are provided with the opportunity for a full and detailed induction, even if they are existing members of the Board.

Following his formal appointment as a NED at the 2025 AGM, Franz-Ferdinand undertook an induction programme which covered the Company's strategy, the details of the products it makes and where, key market factors, the details of the Operations department, supply chain processes, recent M&A and strategic considerations, finance, and balance sheet management. He was fully briefed by each EMT member about their area, the priorities and challenges and key team members. Prior to his appointment he had met with the Company Secretary to discuss duties of a Director of a dual-listed company, Board processes and procedures, disclosure requirements and corporate governance matters pertinent to the Company as well as himself as a shareholder representative.

Yasmin-Sarah joined the Board in January 2026 as an ERD and is covering a similar induction plan to her predecessor ERDs. As employees they require less knowledge-building about RHIM's products and the organisation, but do require more support on their legal duties, listed company governance, and the role they play on the Board.

Conflicts of interest

Dutch law prohibits a director from participating in Board discussions and decisions if they have a direct or indirect personal interest conflicting with the Company's interests. Pursuant to the Articles of Association and Board Rules, the Board mandates that each Director declares any personal conflict of interest to the other Directors. At the start of each Board meeting, Directors are reminded to declare any potential conflicts. There are no transactions to report under best practice provision 2.7.4 DCGC.

Share capital and shareholdings

Capital structure and rights of shareholders and depositary interest holders

The Company has one class of shares: ordinary shares. As of 31 December 2025, the issued capital comprised 49,477,705 ordinary shares, each carrying one vote. The shares held in Treasury carry no voting rights. Depositary interests, issued with the Company's cooperation, are settled electronically through CREST, with beneficial ownership held by the depositary interest holders and legal title by Euroclear Nederland.

General Meetings are announced on the **Company's website** and via regulatory news service (RNS), with registered shareholders and depositary interest holders notified 42 days in advance. All shareholders and depositary interest holders can attend General Meetings; they must register to exercise their meeting rights and can attend in person, vote by proxy, or grant a power of attorney.

Resolutions require an absolute majority of votes to succeed, without a quorum unless specified otherwise. Shareholders or depositary interest holders representing at least 3% of the issued capital can propose agenda items, within legal boundaries. The General Meeting can resolve to amend the Articles of Association upon the Board's proposal.

Dutch law sets the record date for voting rights and shareholder meeting participation 28 days before the meeting. Shareholders and depositary interest holders registered on this date can exercise their rights, even if they sell their shares afterwards.

There are no restrictions on voting and profit rights, no securities with special control rights, and no restrictions on the transfer of shares or depositary receipts.

Major shareholdings

The Dutch Financial Supervision Act mandates that institutions and individuals with a (potential) capital and/or voting interest of 3% or more in the Company disclose their interests to the Dutch Authority for the Financial Markets ("AFM"). Filings must be updated only if interests cross the 3% or subsequent 5% thresholds.

These disclosures are processed by the AFM and made publicly available at www.afm.nl. The table of shareholdings includes interests registered with the AFM as of 26 February 2026 or the most recent

information provided directly by shareholders. The percentages exclude the Company's treasury shares.

The stated interests may not reflect current holdings, as they are based on the number of shares owned at the time of notification and are not adjusted for any subsequent transactions.

In May 2023, Rhône Capital, through Ignite Luxembourg Holdings S.à r.l., initiated a Partial Offer for Shares and became a major shareholder of the Company on 13 December 2023, holding just under 20% of the Company's shares. Since then they notified of an increase to their shareholding in summer 2024 and are next required to update authorities when the threshold of 25% is reached. As part of the nomination process of Franz-Ferdinand Buerstedde, Rhône Capital advised that Ignite Luxembourg Holdings S.à r.l. held c.24% of the Company's Issued Share Capital.

Shareholder ^a	Number of shares	Total % of issued and outstanding capital ¹
MSP Stiftung ²	13,333,340	28.25%
Rhône Capital L.L.C. ³	9,900,868	20.98%
FMR LLC ⁴	2,737,126	5.80%
E. Prinzessin zu Sayn-Wittgenstein-Berleburg ⁵	2,214,537	4.69%
K.A. Winterstein ⁶	2,088,461	4.42%
FEWI Beteiligungsgesellschaft mbH ⁷	1,891,292	4.01%

- These percentages have been calculated using the number of shares notified by the relevant shareholder to the AFM or the Company and the current issued and outstanding share capital of the Company (and therefore excluding treasury shares). It is noted that for purposes of the Dutch Financial Supervision Act, the calculation must be made on the basis of the issued share capital, and therefore including treasury shares, and hence the AFM's register will refer to other percentages.
- Per the AFM register these shares are held directly by MSP Stiftung. MSP Stiftung is a foundation under Liechtenstein law, whose founder is Mag. Martin Schlaff, a related party connected to David Schlaff.
- Per the AFM register, these shares are held via Ignite Luxembourg Holdings S.à r.l.
- Per the AFM register, 2,542,126 shares are held via Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management Trust Company, and FMR Investment Management (UK) Limited, and 195,000 shares are held via Fidelity Management & Research Company LLC.
- Ms. E. Prinzessin zu Sayn-Wittgenstein-Berleburg, is a related party to the Company as the spouse of Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, a Non-Executive Director. According to the AFM register, 2,088,461 of these shares are held indirectly via Chestnut Beteiligungsgesellschaft mbH (Chestnut). According to information received by the Company, the additional shares were acquired after the AFM filing was made and did not require further notification. Ms. E. Sayn-Wittgenstein made an agreement with Mr. K. A. Winterstein which allows Chestnut to exercise the voting rights of Silver Beteiligungsgesellschaft mbH (Silver) in the Company. Ms. Sayn-Wittgenstein and Mr. K.A. Winterstein share a family relationship.
- According to the AFM register, the shares are held indirectly via Silver. The Company has been informed that Mr. Winterstein and Ms. Sayn-Wittgenstein made an agreement which allows Chestnut to exercise the voting rights of Silver in the Company. Ms. Sayn-Wittgenstein and Mr. Winterstein share a family relationship.
- The Company has been informed that FEWI Beteiligungsgesellschaft mbH is owned by Ms. Sayn-Wittgenstein and Mr Winterstein in equal proportions.
- The Company currently holds 2,280,436 (4.61%) of its own shares in Treasury as a result of the buybacks undertaken during the period 2019 to 2021. Shares held in Treasury cannot be voted.

Transactions with majority shareholders

There have been no transactions between the Company and MSP Stiftung, or between the Company and Rhône Capital within the meaning of best practice provision 2.7.5 of the DCGC. Since there are no other legal or natural persons who hold at least 10% of the shares in the capital of the Company, no declaration in accordance with best practice provision 2.7.5 of the DCGC has to be published.

Share authorities

Shares may be issued by the General Meeting or the Board if designated by the General Meeting, as outlined in the Articles of Association. The Company must report each share issuance to the Dutch Trade Register on a quarterly basis.

The Board generally seeks approval for issuing and repurchasing shares at each AGM, with resolutions available on the **Company's website**. The last share buybacks occurred in 2021 and the 2025 AGM authority remains at 10% of issued capital, excluding shares held in Treasury.

As of 31 December 2025, the Company held 2,173,178 ordinary shares in Treasury, representing 4.59% of issued share capital. The Company updates when there are changes to this number by way of a Total Voting Rights RNS, made available on the **Company's website** and by updates to the AFM in Netherlands when the Company's holding crosses the regulatory thresholds. These shares may be used for Long-Term Incentive Plan (LTIP) awards or cancelled, subject to shareholder approval. More details are available in the Remuneration Report.

The Board regularly reviews the Company's capital allocation, including analysis of historic share buybacks and the allocation of capital to dividends. Whilst there have been no buybacks since 2021, the Board continues to keep under review share buyback programmes and/or tender offers to enhance shareholder returns, considering market conditions and capital allocation priorities.

Shares may be issued by a General Meeting or the Board if designated by the General Meeting, as outlined in the Articles of Association. The Company must report each share issuance to the Dutch Trade Register on a quarterly basis.

Stock Exchange Listings

The Company is listed within the Equity Shares (Commercial Companies) category (ESCC) of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index.

The Company has a secondary listing on the Vienna Stock Exchange (Wiener Börse) in the prime market sector. This has increased the Company's visibility and accessibility to its Austrian and European investor base and does not have an impact on the Company's listing in London. With the secondary listing on the Wiener Börse, Austria is the Company's sole host member state, and the Netherlands continues to be the Company's home member state.

The Company notifies disclosures, such as share dealing, to each of the three authorities in the UK, the Netherlands and Austria. It complies with the relevant corporate and listing regulations across all three jurisdictions. The Company's governance structure continues to be primarily derived from its primary listing status in the UK, although there are minor areas in which regulations in other jurisdictions take precedence.

As the Company already declares compliance with a Corporate Governance Code in an EU Member State, the DCGC, it is not required to report compliance with the Austrian Corporate Governance Code. The Company's compliance with the ongoing obligations of the Wiener Börse can be found on the **Company's website** and within this report.

Outline of anti-takeover measures

No anti-takeover measures have been implemented.

Code compliance

Compliance with the Dutch Corporate Governance Code 2025 (“DCGC”) and the UK Corporate Governance Code 2024 (“UKCGC”)

The Board has applied the principles of, complies with and intends to continue to comply with the provisions of both the DCGC and the UKCGC, save in respect of the exceptions outlined below accompanied by our explanations.

The Company does not comply with Provisions 9, 19 and 24, and reports partial compliance with Provisions 15, 40 and 41 of the UKCGC. The Company does not comply with best practice provision 2.2.2 of the DCGC but is comfortable it is in compliance with the remainder of the DCGC. Provision 29 of the UKCGC did not apply to the Company during the year under review. The Company will, in accordance with the UKCGC, report on its application of Provision 29 in next year's annual report

You can find the DCGC at www.mccg.nl and the UKCGC at www.frc.org.uk.

Deviations from the UK Corporate Governance Code in 2025

Provision 9 and 19

Provision 9 states that the Chair of the Board should be independent on appointment. The Chair was not considered independent on appointment, having served for more than nine years (including time on the Board of RHI AG prior to the merger with Magnesita) by the time he became Chair. The Chair's length of service also means the Company is not compliant with Provision 19. The Board continues to see the value that Herbert Cordt brings to the Company, being most notably continuity of corporate memory, which contextualises, and drives focus on, operational performance improvements through detailed organisational and business knowledge.

Provision 15

Provision 15 states that the Board should give prior approval to additional external appointments. Given the size of the Board and schedule of meetings, the Board has delegated authority to the Nomination & Governance Committee to approve the additional external appointments of its Directors. The Nomination & Governance Committee considers proposed appointments, with the support of the Company Secretary, to assess for conflicts of interest and overboarding. The Board is comfortable this provides oversight and governance, whilst providing a flexible and responsive approach for our Directors.

Provision 24

Provision 24 envisages that all members of an Audit Committee will be independent Non-Executive Directors. Wolfgang Rutenstorfer is not deemed to be independent under the criteria outlined in the UKCGC, as a result of his time on the Board, which includes his role on the RHI AG Supervisory Board from 2012. However, the Board considers that Wolfgang is independent in character and judgement and that it continues to benefit greatly from his financial experience, the continuity he provides, his challenge to management using experience from the past, his detailed consideration of business cases, and ingrained understanding of the refractory business. He contributes diligently and wisely to the Audit & Compliance Committee, and as such, Wolfgang will continue to be a member of the Committee.

Provisions 40 and 41

The Company has taken steps in order to be able to report compliance with the principles and provisions relating to remuneration. Following the publication of FRC guidance in 2021 titled, “Improving the quality of ‘comply or explain’ reporting”, we report partial compliance with Provisions 40 and 41, giving explanation in the following paragraphs.

The Company benefits from employee representation on the Board, and the Board annually approves executive remuneration on the recommendation of the Remuneration Committee. This provides a mechanism for our Employee Representative Directors (“ERDs”) to understand and engage on behalf of the workforce regarding the alignment of executive remuneration with wider Company pay policy and to provide feedback. As part of their induction, the ERDs met with the Chair of the Remuneration Committee, which gave background to executive remuneration and outlined the key matters the Board are required to decide upon in respect of remuneration.

Our remuneration policies and practices, including our approach to salary increases and annual bonus structure, are aligned throughout the business. Given this alignment, and the extant mechanism for engagement with the ERDs, the Board is comfortable with the existing approach and does not consider it necessary to provide any additional forms of engagement with the workforce to explain how executive remuneration aligns with wider Company pay policy. The Remuneration Committee will continue to keep this under review.

Deviations from the Dutch Corporate Governance Code in 2025

Best practice provision 2.2.2 of the DCGC recommends that, on a one-tier board, a Non-Executive Director should be appointed for a period of four years. The appointment of the NEDs (other than ERDs) has been made on the basis of nominations for three-year terms, subject to performance and annual re-election at the AGM, which is consistent with UK listed company practice. The Board feels that it does not compromise the spirit of the DCGC provision.

Corporate governance declaration

In complying with the requirements of the DCGC, the Company publishes this corporate governance statement including information relating to its compliance with the DCGC, including a further explanation of the Company's Board Diversity Policy and the way in which it is implemented in practice. The information required to be included in this statement (which also fulfils UK reporting requirements) can be found in the following sections and pages of this Annual Report and are deemed to be included and repeated in this statement:

- the information concerning compliance with the DCGC can be found on page 203;
- the information concerning the main features of the Company's internal risk management and control systems relating to the financial reporting process can be found on pages 40 and 41;
- the information regarding the functioning of the General Meeting and its main authorities, and the rights of the Company's shareholders and holders of depository interests in respect of shares in the Company and how they can be exercised can be found on pages 201, 202 and 317;
- the information regarding the composition and functioning of the Board and its Committees can be found on pages 186 to 187;
- the Board Diversity Policy with regard to the composition of the Board and its Committees, can be found on page 207;
- the information concerning the disclosure of the following items, where they exist, may be found on pages 189 to 205:
 - participations in the Company for which a disclosure obligation exists;
 - special control rights attached to shares and the name of the person entitled to such rights;
- any limitation of voting rights, deadlines for exercising voting rights and the issue of depository interests for shares with the cooperation of the Company;
- the regulations in respect of the appointment and dismissal of Executive Directors and NEDs and amendments to the Articles of Association;
- the powers of the Board, in particular to issue shares and to acquire own shares by the Company; and
- the number of shares without voting rights and the number of shares that do not give any, or only a limited, right to share in the profits or reserves of the Company, with an indication of the powers which they confer.

UK Listing Rules and Disclosure & Transparency information

Certain information is required to be published by the UK Listing Rule, LR 6.6.1 R, and UK DTR 4.1.11 and this information can be found in the Annual Report & Accounts as set out in the table (below):

Item	Location in this Annual Report
1. Interest capitalised	Refer to Note 18
2. Publication of unaudited financial information	N/A
3. Details of long-term incentive schemes	Pages 219–236
4. Waiver of emoluments by a Director	N/A
5. Waiver of future emoluments by a Director	N/A
6. Non pre-emptive issues of equity for cash	N/A
7. Item (6) in relation to major subsidiary undertakings	N/A
8. Parent participation in a placing by a listed subsidiary	N/A
9. Contracts of significance	N/A
10. Provision of services by a controlling shareholder	N/A
11. Shareholder waiver of dividends	N/A
12. Shareholder waiver of future dividends	N/A
13. Agreements with controlling shareholders	N/A
14. Information on any branches of the issuer	Pages 310–312
15. Own shares	N/A
16. Financial instruments per 4.1.11 DTR	Refer to Note 36

Statement of Directors' responsibilities

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises, among others, the Strategic Report, the Governance Report, and the Consolidated and Company Financial Statements. The information reported in the Strategic Report, the Sustainability Statement and the Governance Report together represent the Directors' Report ('Bestuurverslag') within the meaning of article 2:391 of the Dutch Civil Code. The Directors are responsible for preparing the Annual Report for each financial year in accordance with applicable law and regulations, including in accordance with IFRS Accounting Standards as adopted in the European Union and the provisions of Book 9 of Part 2 of the Dutch Civil Code. The Directors must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Company and its consolidated Group companies, and of the profit or loss of the Group for that period. In preparing the Annual Report, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and accounting estimates that are reasonable and prudent;
- c) state whether applicable IFRS Accounting Standards as adopted by the European Union and the relevant provisions of the Dutch Civil Code have been followed, subject to any material departures disclosed and explained in the Annual Report; and
- d) prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group, and enable them to ensure that the Annual Report complies with applicable law and, as regards the Consolidated Financial Statements, the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on pages 182 to 185 confirm that, to the best of their knowledge:

- the Company's Financial Statements and the Consolidated Financial Statements, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and the relevant provisions of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Company's Sustainability Statement, which has been correctly prepared in compliance with the Corporate Sustainability Reporting Directive (CSRD), article 29(a) of EU Directive 2013/34/EU, including compliance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation, Article 8 of EU Regulation 2020/852;

- the Annual Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company and its consolidated Group companies and includes a description of the principal risks and uncertainties that they face; and having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

After conducting a review of management's analysis, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for the period of at least twelve months from the date of approval of the financial statements. For this reason, the Directors consider it appropriate to adopt the going concern basis in preparing the Company's Financial Statements and the Consolidated Financial Statements. Directors are also required to provide a broader assessment of viability over a longer period which can be found on page 42 (the Viability statement) of the integrated report and accounts.

After consideration of the above matters, the Board approved and signed on 1 March 2026 as follows:

The Company Financial Statements on pages 306 to 307, and the Consolidated Financial Statements on page 238 to 243.

There are no special events that should be taken into account for these Company Financial Statements and Consolidated Financial Statements.



Herbert Cordt
Chair of the Committee

“Through rigorous oversight of Board composition, succession planning, independence, and diversity, we ensure the Board can effectively support strategy execution, meet evolving governance standards, and serve all stakeholders.”



Committee members and meeting attendance

Member	Attendance in 2025	Member since
Herbert Cordt (Chair)	3/3	October 2017
John Ramsay	3/3	October 2020
Karl Sevelde	3/3	June 2021

Effective consideration of the required governance, knowledge, skills and attributes

Committee purpose, roles and responsibilities

The Committee's purpose is to oversee the Company's corporate governance arrangements and ensure that the Company has the competencies and depth of skills within the Board and senior executives to meet the demands and aspirations of a global business, supporting the development of the Group's strategy, whilst paying particular attention to independence and diversity. The Company Secretary acts as Secretary to the Committee.

The Committee considers and keeps under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees, recommending any changes to the Board. Any recruitment of new Directors is led by the Committee (other than for ERDs). Succession planning, involving discussions with Board members, is a key part of identifying the character and timing of future roles on the Board. The Committee reviews the time dedicated by the NEDs in the course of a year and on behalf of the Board, considers any proposed external appointments, ensuring that sufficient time is given by the NEDs to RHI Magnesita. The Committee reviews the corporate governance of the Company and its compliance level with the UK and Dutch Corporate Governance Codes.

More detail on the duties of the Committee can be found in its Terms of Reference on the corporate governance section of the **Company's website**.

Activities in 2025

The Committee considered the following matters in 2025:

Board composition

In June 2023, Rhône Capital published their partial cash offer for shares in RHI Magnesita. In this offer document they noted their intention to seek Board representation. With the conclusion of their purchase earlier in 2025, where they reached just over 20% of the intended 29.9% of the Company, they approached the Chair to nominate Board representation accordingly.

The Committee considered the resume of Franz-Ferdinand Buerstedde, who had previous experience on the Board of Magnesita Refratarios SA, and is astute and adept in the matters of corporate finance and capital allocation. He was recommended to shareholders by the Board for appointment at the AGM in May 2025. It has been a delight to welcome Franz-Ferdinand as a director. The Board has benefitted from the insight and structure he brings from his private equity background with other entities.

A relationship agreement with Rhône Capital was signed in January 2026 to provide additional protections to the Board and comply with best practice on director representation by private equity type shareholders.

No relationship agreements or other governance relationship arrangements are in place for the other shareholder representative directors (David Schlaff and Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg). The Board does not foresee need for any formalisation of these relationships which have been productive and mutually beneficial, as has been the status quo for many years.

Governance

The Company reports against two corporate governance codes, in the Netherlands and the UK. Both Codes were re-issued recently; the UK in 2024 and the Dutch in 2025, with both taking effect in 2025 (except for Provision 29 of the UK Code as explained below). As such there are an increasing number of matters for consideration in respect of corporate governance. The Committee continues to review the details of the Company's compliance with the Codes and may revisit aspects as it deems necessary to improve disclosure.

In recent years, the Committee and the Board have been preparing for the implementation of the 2024 UK Corporate Governance Code. Whilst the most impactful aspect is Provision 29 in respect of internal controls and material risk management, the Committee has a role to play in respect of the desired business culture and, with the Board, providing guidance to the management to bring about this culture and set the tone from the top. The changes to the Dutch Code were made at shorter notice, however they focused on very similar areas as the UK, around the effectiveness of internal controls, so the preparation of the business in respect of Provision 29 has served RHI Magnesita well.

External appointments

The Committee reviews external appointments held or proposed to be held by Directors, referencing the views of shareholders about the number and type of appointments which can feasibly be held by a Director and any potential for conflicts of interest. The Committee approves external appointments on behalf of the Board.

In 2025, when approving external appointments, the Committee took into account the individual Director's attendance levels, the potential impact on their time available for RHI Magnesita, and their intended plans in respect of their existing external appointments to manage their workload.

As part of the process, the Committee also checked on potential conflicts with the Company's interests and considered where there could be development of the Director through such an external appointment to the benefit of the Company.

Board performance review

In respect of 2024, in Q1 2025 the Board undertook an internal review led by the Senior Independent Director. John Ramsay scheduled interviews with each of the Directors, including the CEO and CFO, to cover topics from meeting management, to Board dynamics, as well as strategic priorities for the business.

The review found that the Board was operating effectively, with sufficient consideration of key topics and preparation of management for the challenges facing them. In terms of areas for focus, it was felt there needed to be more strategic focus on Board topics and discussions and actions were agreed to see more feedback on strategic planning and the results of management's strategic activity. The review was undertaken in the first quarter of 2025 and there was a strong desire to see the expected positive results of the Resco acquisition and for management to focus on successfully integrating that valuable asset.

In terms of relationships, the findings showed good levels of trust and strong dynamics between the Board and EMT. Relations between Board members were felt to be constructive, with opinions treated respectfully and the share of voice in a large board by each member.

The most recent external performance review was in 2022; the Committee is considering the timing of the Board's next external review and whether it would leverage sufficient benefit, given the Company's focus on reducing costs.

The Committee considered, as it does annually, the time required from the NEDs to fulfil their duties satisfactorily, which covers meetings, required preparation time and any additional time spent outside of meetings in discussion with management. No NED has raised significant concerns in respect of their time required and the Committee is happy that none of them are compromised in the time they can dedicate to the Company. Accordingly the Committee was satisfied it could recommend to the Board that all NEDs could be recommended to the shareholders for re-election in the 2026 AGM.

Board diversity

The focus has, and continues to be, on gender diversity at the Board. Any future appointments to the Board will identify candidates by referring to the primary factors of the skill and experience needed by the Company at the time, the expectations of shareholders, and the benefits of diversity. In recent discussions with those parties who wish for representation on the Board, such as the EU works councils and Rhône Capital, the Board has made every effort to ensure that a diverse range of candidates are considered by these parties to take into account the overall Board composition.

The Board Diversity Policy (available on the **Company's website**) outlines an aspiration of 45% female representation within the Board, and also takes account of diversity represented through an individual's background and ethnicity. This policy is being implemented, when there are opportunities arising from vacancies amongst Non-Executives, by tasking executive search firms to ensure diverse candidates are found and ensuring strong female representation on shortlists.

Of the collective Board Committee positions, 42% are held by women and two of the Board's Committees have a female chair, Janet Ashdown. Committee composition is considered carefully by the Committee and extant Company commitments, experience and skills are considered when making changes.

Organisational diversity

Achieving the desired female representation within senior management (being EMT and their direct reports) in a sustained manner has been challenging. However, as of 31 December 2025, the female representation in this group was at 33%, thereby reaching the Group's current strategic goal. The CSC considers organisational diversity as part of its scope, and mid-way through 2025 heard from the responsible People & Culture leader on the action plan to reach the goal and the challenge expected to achieve it. There have been various successful initiatives ongoing in the organisation such as executive-sponsored female mentoring schemes and an increase in female representation in the trainee intake.

The Committee considers the increase from 12% in 2018 to 33% in 2025 to be an impressive increase, especially when one considers the locations RHI Magnesita operates in, as well as the inherent nature of a large majority of the labour which is required in heavy industries.

The Committee and the Board will continue to support the Company's approach in facilitating people development, ensuring that talent, regardless of, amongst other diversity characteristics, age, gender and background, enjoys career progression within the Group. Diversity of nationality, culture and ethnicity are all important factors to engender diversity of thought. The Group operates in c.50 countries and, at the time of writing, nine nationalities are represented in the senior management team. Decisions are made in the Group by groups of people who come from truly different backgrounds and bring diverse perspectives to the table. We are proud that our regionalised structure is a natural facilitator and foundation for diversity.

The Committee believes that the diversity of nationalities and culture represented amongst the Board, EMT and senior management provides a diverse and global perspective.

Diversity Reporting

The Company has reported its diversity data, namely on gender and ethnic diversity in senior leadership, as follows in 2025:

- to the Sociaal-Economische Raad, as required by Dutch law. As at 31 December 2025, there was 33% female leadership, in a population of 51 of which 17 were women and 34 were men;
- to the UK's Parker Review whereby the Company has continued to report the data it holds on the EMT and the Board of Directors to the Parker Review. The Parker Review has confirmed that its focus is on senior management working in the UK. The Group does not have any employees in this category in the UK so has not reported any targets or data accordingly; and

- UK's FTSE Women Leaders Review and against the UK's Listing Rules on Diversity, 6.6.6R(9) to (11). In respect of both of these data submissions, the Company's reported data (below and right) shows the position as at our reference date of 31 October 2025. This position was unchanged as at 31 December 2025. The two male Executive Directors are included under the Board reporting.

As discussed in the Governance report, the ERDs are appointed by the workforce, and neither the Board nor shareholders play any role in these appointments. Therefore, the Board's view is that it is inappropriate to include the ERDs in any calculation of Board diversity, unless stipulated by law.

UK Listing Rule target	Company's position	Comment
At least 40% of the board are women.	33% (Target not yet met)	Our aspiration is to achieve 45% female representation, recognising that it requires a careful and measured approach to accommodate Board attrition, whilst maintaining the existing profile of desired skills and experience. The majority of appointments to the Board since listing has been of a female candidate, reflecting the commitment of the Company to finding suitably diverse candidates. After a peak of 38% in 2022, resignations from the Board, as well as the engagement with Rhône Capital about their desired representation, has meant this number has fallen and the Committee will continue to focus on the benefits of diversity when the next vacancy arises in order to reach the 45% aspiration.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman.	0 (Target not yet met)	This is an area that, currently, would require sudden and significant change and cannot be immediately implemented without disruption to the organisation. The intention is to take this into consideration as part of succession planning. We note that Janet Ashdown holds a position of particular seniority and responsibility, as Chair of both the Corporate Sustainability Committee and the Remuneration Committee.
At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the UK Office for National Statistics).	0 (Target not yet met)	The Board continues to take ethnic diversity into account when considering appointments, as per its Diversity Policy, whilst noting it will continue to consider diversity of the Board and the Company as a whole, based on our global footprint and operations, in a way which is best aligned with our growth agenda. Being an international company, we naturally reflect many different nationalities in the Board and senior management. This is a valuable input to ensure different cultures are represented within decision makers, warding against groupthink. The Company has reported to the UK Government's Parker Review in 2025.

Table 1: Reporting table on sex/gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	10	67%	4	2	50%
Women	5	33%	0	2	50%
Not specified/prefer not to say					

Table 2: Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority — white groups)	13	87%	4	3	75%
Mixed/Multiple Ethnic Groups					
Asian/Asian British				1	25%
Black/African/Caribbean/Black British					
Other ethnic groups					
Not specified/Prefer not to say	2	13%			

Notes on data collection and the tables:

1. Data collection of the Board and the EMT was undertaken in 2022 and is subsequently collected on new joiners.
2. The Board and EMT were provided with the categories above and asked to advise how they identified. This personal data has been collected once and it will be up to the individuals to advise of any changes.
3. The two Executive Directors are included in the Board figures and not in the executive management column.

Succession planning**Organisational succession planning**

The Board Directors monitor the development of the EMT and Regional Presidents to ensure that there is a diverse supply of senior executives and potential future Executive Directors with appropriate skills and experience. Individual Committees play their role in this, for example the Audit & Compliance Committee receives a report on the Global Finance talent profile which considers succession planning, and informal interaction between Directors and senior management aids the identification of development focus areas. This planning means that the changes in Global Finance management in 2025 have been smooth transitions without disruption in such a key Company department.

With management, the Directors also considered candidates for the replacement of the Company Secretary, Sally Caswell, who left the Company after six years in October 2025. They were delighted to find a strong and experienced candidate in Julia Crane and welcomed her in early 2026.

Part of succession planning involves assessing the skills and experience in the organisation with an indication of individuals' expected time to develop to the next level, and requirements in order to achieve that progression, such as experience of a different business function or additional training. Diversity and cultural fit is an established part of succession planning, and management are encouraged to incorporate measures to further generate a diverse pipeline as well as develop the desired culture.

Board succession planning and composition

The Committee considers succession planning for key roles on an ongoing basis, by way of immediate and orderly succession. The development of internal candidates for executive roles is considered by the Committee and the Board, along with the wider assessment of talent and resources to enable consideration of succession planning in the organisation. Mapping of the skills and experience needed for the roles is used to consider the profile of candidates, their level of readiness and areas for progression. This is discussed with the EVP of People & Culture to ensure the individuals receive support and development accordingly.

On an ongoing basis, the Committee considers the tenure of Directors with reference to the retirement and resignation profile, which can be found on the **Company's website**. In thinking about future recruitment to the Board, the Committee continues to monitor Directors' skills and experiences, as well as diversity, to engender constructive debate and a varied mix of ideas. The Board profile is published on the **Company's website**.

The membership of Board Committees can be found on page 186. In 2025, there have been no changes to Board Committee composition. The Committee, in conjunction with the Committee Chairs, continues to keep the composition of the Committees under review with reference to the skills and expertise needed to reflect the challenges that the Company faces.

Herbert Cordt

Chair of the Nomination & Governance Committee



Janet Ashdown
Chair of the Committee



The Committee oversees the areas of sustainability within the Group, in order to deliver better business outcomes.



Committee members and meeting attendance

Member	Attendance in 2025 ¹	Member since
Janet Ashdown (Chair)	3/3	June 2019
Marie-Hélène Ametsreiter	3/3	June 2021
Stanislaus Prinz zu Sayn-Wittgenstein	3/3	October 2022

1. The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2025 in addition to the above meetings.

Oversight and Delivery of 2025 Sustainability Targets

Committee purpose, roles and responsibilities

The Committee supports and advises the Board, aiming to ensure the long-term sustainability of the business and its positive impact on communities where the Group operates. The Committee promotes a culture of sustainability within the Group, in order to deliver better performance and sustained success. It oversees risk management related to Environmental, Social and Governance (ESG) topics including but not limited to health and safety, environment, and socio-economic development on behalf of the Board, striving to minimise the Company's negative impacts on people and the environment and to deliver benefits for its various stakeholders.

More detail can be found in the Committee's Terms of Reference available [here](#).

The Committee and executive management together play a key role in steering organisational initiatives towards sustainable practices. The Chief Executive Officer (CEO) assumes a central role, owning the ESG agenda. The CEO has responsibility for the implementation and execution of the Company's sustainability strategy and is supported in this by the Chief Technology Officer (CTO).

Completion of the First Sustainability Target Cycle (2018–2025)

The current reporting cycle concludes the Group's first sustainability target period and marks an important milestone. Since the initial targets were set in 2019, the Group has made strong progress, including improvements in workplace safety, the expansion of recycling into a core part of the business, and a 15% reduction in CO₂ emissions per tonne, equivalent to around two million tonnes of avoided emissions. Sustainability considerations have also been further embedded across the supply chain. These results give the Committee confidence that the Group's approach to setting and monitoring sustainability

targets is effective and provide a solid basis for the next phase of ambition toward the 2030 targets, which were adopted by the Board of Directors in February 2025.

Activities in 2025

Health & Safety

Reviewed the root causes of the Serious Incidents (SIFs) in 2025 and the outcomes of the investigations and actions of management to improve safety.

Reviewed progress after one year of the dss+ Safety Culture Transformation, focusing on key enablers and issues for further focus.

Considered the dss+ recommendations for improvements, setting a high priority action for management to engage and integrate site management into the transformation programme, in order to improve health and safety throughout the organisation.

Discussed with management the implementation of the new Safety Management System, focusing on its accessibility for an employee population which is geographically and linguistically diverse.

Monitored RHI Magnesita's Health & Safety KPIs for employees and contractors against baseline and prior year performance.

Reviewed the circumstances surrounding the work-related fatality, including internal control enhancements.

Reassessed the 2030 Health & Safety targets with management in light of recent acquisitions; a revised target was approved in February 2026.

Climate and Environment

Reviewed progress against Sustainability targets, including the CO₂ emissions intensity reduction targets.

Received reports on the Group's investment in, and cooperation with, MCi Carbon, a technology provider specialising

in the mineralisation of CO₂ emissions. Received update on the Group's long-term CO₂ hedging programme along with the impact of EU policy developments.

Recycling and circular economy

Regularly reviewed progress in the Group's use of secondary raw materials, including the status of recycling KPI's.

Received reports on innovative processing techniques to enhance quality and recovery in order to continue progress and achieve the 2030 20% target.

The Committee noted CAPEX roadmap, acquisitions, and regional fulfillment performance. With a strategic lens, the Committee discussed with management the efficient use of capex to further commercial value from recycling initiatives.

Growth opportunities by region, their value stream and strategic value for the Group in its raw materials approach, were discussed, along with key challenges and opportunities as the business develops.

Communities

The Committee received an overview of community relations investments across regions and related local engagement activities.

Observed the intended areas of future spend, as well as updates on local partnerships.

Recommended to the Board to commit to allocating 1% of net profit over an average of the prior three years to support our communities.

Diversity, Equity & Inclusion

Received an overview of the status of gender diversity within the organisation and management's actions to reach the goal of 33% women in leadership positions by 2025.

Received a report on the strategy for Diversity, Equity & Inclusion in the organisation and the initiatives to achieve greater representation.

Sustainable Procurement

Received an overview of RHI Magnesita supply chain due diligence that includes the country-specific risk assessment tool, EcoVadis supplier assessments, and on-site supplier ESG audits and risk mitigation efforts.

Reviewed the EcoVadis Supplier Assessment spend coverage, product carbon footprint (PCF) data and the planned approach in 2026.

Reviewed the supply chain transparency process and approved management's approach for 2026, including the selection of a new technology provider.

Governance

Confirmed the refreshed Double Materiality Assessment (DMA) in light of the acquisitions completed in 2025 and the insights gathered through recent stakeholder engagement and feedback. See page 96 for more details on the DMA.

Received details on the new organisational set up and approach for management of ESG topics within RHI Magnesita, notably the separation of the Head of Sustainability from the Head of Investor Relations role, giving greater focus and prominence in the Group.

Interacted with the Audit & Compliance Committee, following the Group's assurance process in early 2025, to engage with the auditors of RHI Magnesita to deliver improved process for the assurance of the financial year 2025 and manage the impact of non-financial assurance on the overall annual report & accounts.

Continued to consider ESG regulatory updates and various reporting frameworks such as the EU Omnibus, EU Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy, Corporate Sustainability Due Diligence Directive (CSDDD), especially noting the relevant actions of management to manage the Group's compliance in an effective and efficient manner.

Approved the Consolidated Sustainability Statement produced by management in accordance with the European Sustainability Reporting Standards (ESRS).

The CSC plans that a constructive feedback process can be carried out in 2026 to make improvements to the new reporting standards, as indicated by the European Commission's 'Competitiveness Compass' and proposed Omnibus Directive. The CSC supports management's intention to actively consult with the EU on these topics and in the course of 2025, the CEO reported on his engagement with the AFM following their open invite for feedback on the implementation of the CSRD in the Netherlands.

Interacted regularly with the CEO, CTO, Head of Sustainability and other members of senior management outside of formal meetings to engage on matters arising, steer and guide activity and ensure relevant topics were considered.

Approved policies such as the Quality, Health & Safety, Environment and Energy Policy on behalf of the Board.

Noted the newly appointed Company's Human rights officer and reviewed, endorsed and recommended for the Board's approval, the Modern Slavery and California Transparency in Supply Chains Act statement.

Considered the Committee's performance reflecting on the current relevant topics within its scope and areas of concern for focus in the year ahead with management.

Joint Committee meetings

As in prior years, the Committee held a joint meeting with the Audit & Compliance Committee to consider matters of overlap in scope (the Joint Committee). The Joint Committee was provided with an update on risks and the materiality assessment per the EU's CSRD, as well as a regulatory update covering key areas of ESG legislation which would affect disclosure requirements and sustainability data collection and analysis.

The Joint Committee approved management's recommendation to appoint PricewaterhouseCoopers Accountants N.V. for a limited assurance engagement of the Group's Sustainability Statement in 2025 and proposed to the non-executive directors of the Board for adoption.

External ESG ratings

The Committee acknowledged RHI Magnesita's strong ESG ratings provided by independent analysts.

CDP: A-
EcoVadis: Gold
MSCI: AA
Sustainalytics: medium-risk exposure

Janet Ashdown

Chair of the Committee



John Ramsay
Chair of the Committee

“
Guidance and oversight to help management develop more robust internal controls.
”

Committee members and meeting attendance

Member	Attendance in 2025 ¹	Member since
John Ramsay (Chair)	6/6	October 2017
Jann Brown	6/6	June 2021
Wolfgang Rutenstorfer	6/6	October 2017

1. The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2025, in addition to the above meetings.

Effectively managing risk and compliance for long-term success

Committee purpose, roles and key responsibilities

The Committee monitors the effectiveness of the Group's corporate reporting, systems of internal control and risk management and the integrity and quality of the Group's external and internal audit processes.

The Committee's key responsibilities include but are not limited to:

- monitoring the integrity of the financial statements of the Company and Group, and reviewing and reporting to the Board on significant financial reporting issues and judgements;
- reviewing statements relating to financial performance and narrative reporting, including any climate-related financial disclosures;
- reviewing the Company's internal control and risk management systems and advising the Board on its effectiveness;
- annually assessing Internal Audit, Risk and Compliance's performance and effectiveness;
- advising the Board on the appointment, reappointment and removal of the external auditor, agreeing their terms of engagement, monitoring their independence and objectivity and conducting competitive tenders when necessary;
- reviewing the effectiveness of the external audit process; and
- developing and implementing the policy on the engagement of the external auditor to supply non-audit services.

Activities during the year Audit tender process

PricewaterhouseCoopers Accountants N.V. (PwC) have been the Group's external auditor since 2017 and as per the EU Audit Regulation are required to retire after a 10 year period. During the year, the Committee completed a competitive tender, where both large audit and challenger audit firms were invited to participate. The tender was conducted in accordance with the FRC's External Audit Minimum Standard.

Following a careful and considered process, and considering the digital transformation activities expected in 2026, the Committee recommended to the Board the appointment of KPMG as the Group's external auditor from the 2026 financial year, subject to shareholder approval at the 2026 Annual General Meeting.

Financial reporting Financial disclosures

The Committee reviewed the half-year and annual financial statements and particularly challenged management in relation to:

- integrity of the Group's financial reporting process;
- compliance with the relevant legal and financial reporting standards;
- application of significant judgements and estimates; and
- balance and clarity of disclosures.

As part of its review, the Committee received regular updates from management and the external auditor in relation to accounting judgements and estimates, including those relating to recoverability of asset carrying values, provisions and uncertain tax treatments. This enabled the Committee to challenge the outcomes and ensure management had duly considered the relevant aspects.

Furthermore, the Committee received training on the expected impact of IFRS 18 *Presentation and Disclosure of Financial Statements*.

Fair, balanced and understandable

The Group's Annual Report and Accounts should be fair, balanced, understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee and the Board are satisfied that the 2025 Annual Report and Accounts meets this requirement, with appropriate weight having been applied to both positive and negative developments throughout the year.

To arrive at this conclusion, the Committee critically assessed drafts of the 2025 Annual Report and financial statements and sought insight from management on their drafting process in order to agree that it was appropriate and ensured that the relevant requirements were met. This process included starting from a well-established base, engaging multiple and varied experts across the business, obtaining feedback from a number of different external providers who could give an independent and critical assessment and improvements from prior year including the application of new segmental reporting disclosures and presentation of upcoming changes in IFRS.

The Committee gave detailed and helpful input, bringing the perspective of stakeholders and readers of this report. They reviewed the consistency of the narrative disclosures with the financial statements, as well as reviewing the adequacy and appropriateness of the independent assurances received on the accuracy of the information, both financial and non-financial.

Alternative Performance Measures

The Committee reviewed the treatment of specific adjusting items. These included the treatment and presentation of costs related to acquisition and restructuring activities relating to plant optimisation. The adjusting items are closely monitored by the Committee to understand, review and challenge management's classification. The Committee considered the views of the External Auditor and concluded that the disclosures made by management were supported and the classifications were appropriate in each case.

Compliance

Compliance programme

The Committee reviewed the annual compliance programme, seeking to ensure that it remained effective and fit for purpose, as well as challenging management to ensure that adequate resources, capabilities and training are applied to the Compliance Programme.

In 2025 the Committee discussed investigations of cases involving alleged ethics and compliance breaches. The Committee challenged management's findings in such cases to satisfy itself that a rigorous process had been followed, and that appropriate disciplinary action had been taken where necessary and management had embedded learnings into RHI Magnesita's systems and controls.

Whistleblowing programme

The whistleblowing programme, which is monitored by the Committee and overseen by the Board of Directors, is designed to enable employees, customers, suppliers, managers, or other stakeholders to raise concerns on a confidential basis where conduct is deemed to be in violation of our Code of Conduct or contrary to the Group's values.

The Committee made enquiries of management in relation to the reports received through the whistleblowing channels in order to conclude its effectiveness during 2025. They discussed with management specifics of whistleblower reports received and noted the significant decrease in reported cases in the year. The Committee enquired into the root causes for this decrease, which was understood to be due to the outsourcing of defined transactional services and enhanced leadership training, including soft skills management, for new and future leaders. For the cases with broader relevance the Committee sought clarity on the root causes, the links to Group culture and ensured appropriate actions by management to address the root causes.

Examples of how accounting judgements and estimates were considered and addressed

Significant financial judgements and areas of estimation	How the Committee addressed these judgements and areas of estimation
Determination of operating and reportable segments	The Committee was presented with management's updated assessment of the operating segments which was revised in connection with the completion of the Resco acquisition and the internal reorganisation of regions and internal reporting during the year. It noted that changing operating segments led to a change in the Group's cash generating units (CGUs) and how goodwill was allocated to CGUs. In the view of management, performance and allocation of resources are mostly driven by the 'local for local' strategy, which has been driven by the acquisition of Resco, the creation of a new region of the Middle East, Türkiye and Africa (META) and a change in internal reporting and management steering. Consequently, management considers that the regions form the basis for operating segments and in review, management expanded the reportable segments to seven reportable segments in 2025. The Committee challenged management's determination of the new operating segments, the determination of the CGS and the level of aggregation and considered how it assisted the business in its monitoring. Conclusion: The Committee was satisfied with management's explanations and agreed with the new reportable segments and operating segments.
Re-assessment of cash generating units (CGUs) and goodwill impairment	Management presented its determination of the new CGUs as a result of the change in the operating segments. This was because the previous CGUs, following the change in operating segments, were no longer consistent with the regional profit generating segments. The determination of the new CGUs at regional level involved significant judgement because several production plants were combined into single CGUs per region. In addition, goodwill had to be reallocated to the new regional CGU. Management provided the Committee with an update on the goodwill impairment review that is performed annually. This year included the performance of two impairment tests, under the old CGU structure and the new CGU structure as required by IFRS accounting standards. Management makes use of various estimates and assumptions in determining the cash flow forecasts used in the impairment testing for goodwill, including terminal value, inflation and discount rates. The Committee challenged the allocation of goodwill using relative value in use and sought clarification of the methodology applied. The Committee also enquired on the consistency of the assumptions used in the two impairment tests. Conclusion: The Committee concurred with management's assessment and ensured there was adequate disclosure of this significant judgement in the Annual Report and Accounts.
Resco purchase price allocation (PPA)	Management provided the summary of the final purchase price allocation (PPA) of the acquired Resco group. The Resco PPA involved significant estimates relating to the calculation of fair values of acquired assets, liabilities and contingent liabilities which are required within the context of business combinations. In particular, the identification of significant intangible assets like customer relationships and trade names were valued by the estimation of fair values by means of discounted cash flows, including the duration, amount of future cash flows, and discount rate. Fair values of physical assets were also estimated with reference to comparable assets in the market. The Committee sought clarification on the engagement of the different valuation experts overseen by management. Conclusion: The Committee concurred with management's estimation and discussed the adequacy of the disclosure in this estimate in this year's Annual Report and Accounts.
Control over BPI RHIM LLC	Management presented the judgement involved in considering the full consolidation of the BPI RHIM LLC joint venture, which is supported by RHIM having the ability to direct the key business activities such as raising funding or approving the business budget. Consequently, RHI Magnesita can exercise the control of the joint venture and therefore consolidate its results. The Committee challenged which activities of BPI RHIM LLC that affect the returns could be unilaterally directed by RHIM and which other activities required unanimous consent. Conclusion: The Committee concurred with management's conclusion and discussed the adequacy of the disclosure of this significant judgement in the Annual Report and Accounts.

Risk management

How risk management was assessed

The Internal Audit, Risk & Compliance team provides key assurance to the Committee on the Group's governance, risk management and internal controls. Throughout the year, the Committee discussed reports on risk management and challenged management on whether risks had been sufficiently considered and whether appropriate risk mitigation measures had been implemented. Management took onboard the comments and adjusted assessments as necessary. The Committee also considered the Fraud Risk Assessment 2025, taking into account the UK Economic Crime and Corporate Transparency Act.

The Committee also received reports providing an overview of compliance activities and management's assessment of the effectiveness of the programme to manage risks relating to ethics and regulatory compliance in the Group's business activities. The Committee also discussed findings from investigations of cases where ethics and compliance concerns were highlighted. The Committee discussed management's findings in such cases to satisfy itself that a rigorous process had been followed, that appropriate disciplinary action had been taken, where necessary, and that management had taken forward the learnings to embed into RHI Magnesita's systems and controls.

Internal control

Our internal controls programme continues to make progress to comply with both the UK and Dutch Corporate Governance codes, and has focused on establishing the definition of material controls and the identification of material controls across management's defined nine areas of material internal control pillars. These nine areas are based on company strategy, corporate risk profile and emerging issues.

In order to monitor the effectiveness of the procedures for internal control over financial reporting, compliance and operational activities, the Committee reviews reports on risks and controls, including the annual assessment of the system of risk management and internal control, which comprised a number of inputs from ISO certification, information security monitoring and supplier audits, assisted by external providers as well as functional self-certification that is reviewed and challenged by internal audit. It also included the outcomes from the Group management representation letter process, which involves each EMT member and Regional President and their direct reports conducting a structured internal assessment of compliance with internal controls, legal and ethical requirements.

The Committee discussed a number of areas where further strengthening of internal control can be achieved, and you can read more about these on pages 40 to 41.

Internal audit

Reviewing the results of Internal Audit work and the 2025 plan

The Committee reviewed the effectiveness and resources of the Internal Audit department and concluded that the Internal Audit function is effective and has adequate resources. The Committee gave particular focus to the assessment of the independence of Internal Audit within the combined departmental model of Internal Audit, Risk & Compliance.

The Committee recognised the range of findings from Internal Audit work, which demonstrated the required level of Internal Audit independence, and the overall high quality of the audit work performed.

The Committee satisfied itself that the 2025 internal audit plan was on track and discussed areas where control improvement opportunities had been identified, particularly enquiring into the root causes and the embedding of internal control improvements. The Committee also reviewed progress in completion of agreed management actions recommended in Internal Audit Reports.

The Committee reviewed the proposed 2026 Internal Audit plan. The Committee raised a series of challenges to the plan, focusing on any impact to Internal Audit quality and independence and, after receiving appropriate assurances and supplementary information including the scope of the work in relation to Group risks, the Committee approved the 2026 Internal Audit plan.

External audit

PricewaterhouseCoopers Accountants N.V. (PwC) have been the External Auditor since 2017 when RHI Magnesita N.V. was incorporated in the Netherlands following the merger of RHI with Magnesita. In accordance with the EU Audit Regulation the Company undertook a competitive tender process, led by the Audit & Compliance Committee. The Committee was mindful of best practice and ensured that the tender was conducted in accordance with the FRC's External Audit Minimum Standard. Following a comprehensive process, the Committee recommended to the Board the appointment of KPMG as the Group's external auditor, subject to shareholder approval at the 2026 Annual General Meeting. The Committee agreed to adopt KPMG as the external auditor a year earlier than originally planned, which allows for the earlier involvement of the new auditor in major change projects, and therefore continuity of the auditor as these major projects are implemented.

How the Committee assessed audit risk and audit effectiveness

PwC set out its audit plan for 2025, identifying significant audit risks to be addressed during the course of the audit. These included the risks:

- that assumptions used to estimate the impairment of goodwill are not reasonable;
- that assumptions used to estimate the fair value of consideration transferred in a business combination are not appropriate/reasonable;
- management override of controls;
- management override of controls including incentives for intentional misstatement in sustainability reporting; and
- risk of fraud in revenue recognition.

The Committee reviewed and discussed the external audit plan and evaluated whether the planned materiality levels, considering the challenging market conditions, and proposed resources to execute the audit plan were consistent with the scope of the audit.

As part of its oversight of the external auditor, the Committee considered the reports from PwC together with feedback from key members of the finance teams across the Group. The assessment noted that PwC had demonstrated strong investigative, analytical and judgemental competence in addition to providing a good degree of challenge to management. In the course of 2025, the external auditor gave transparent and proactive updates on the changes in operating segments and CGU determination, the purchase price allocation pertaining to the acquisition of Resco and the judgements involved in the Goodwill impairment test.

After each year end teams who have engaged with the auditor are asked to give feedback on the audit process to improve the effectiveness of both management and the external auditor. The Committee receives a summary of recommendations for improvement to financial reporting processes or internal controls, management's response to those recommendations and progress made against prior year recommendations.

In the course of the Committee meetings throughout the year, the Committee is able to observe relationships between management and the external auditor and can gain a sense of the working environment and culture of the teams. The Committee considers the approach and mindset of the external audit team through observing how they challenge aspects of the Group's internal controls, and how they respond to queries and feedback from the Committee, Directors and management themselves. The Committee also considers, as part of the discussions both in meetings and around topics outside of formal meeting engagement, the depth of knowledge of the external auditors and their understanding of the business of RHI Magnesita, as well as the read across and broader knowledge they can bring from their depth and breadth of experience with industrial manufacturing companies.

The Committee observed challenge by the external auditor of management on matters relating to treatment of carbon offsets, impairment of non-current assets, segregation of duties, and goodwill. In each case the challenge was considered, and a resolution on the approach was found which, the Committee feels, improved the standard of reporting to the Company's stakeholders and will be taken forward to improve management's processes. The actions suggested by the external auditor are tracked by the Internal Audit function and progressed with leadership from the EMT.

How the Committee assessed the audit fees

The Committee reviews the fee structure, resourcing, and terms of engagement for the external auditor once a year. In addition, it reviews the non-audit services that the auditor provides to the Group half-yearly. As part of this review, the Committee considers the size of the Group, the number and location of subsidiaries, the complexity of the businesses being audited with respect to products, customers and regulation, and their own experience of auditor fees at different companies.

How the auditor's independence and objectivity were assessed

The Committee considers the reappointment of the external auditor each year in order to make a recommendation to the Board. The Committee assesses the independence and objectivity of the external auditor on an ongoing basis, taking into account various aspects such as the assurances provided by the external auditor and the level of non-audit fees, input from the management on their perception of the working relationship, private meetings with the external auditor, as well as regular check-ins between the Chair of the Committee and the lead audit partner.

Furthermore, the external auditor is required to rotate the lead partner every five years and other senior staff every five to seven years. The lead partner, Antoine Westerman, was appointed to the audit in 2022.

The Committee reviews updates to the Company's external auditor independence policy as they arise from related standards and regulatory requirements. A report of compliance is provided annually.

Other matters: Information security risks

The Committee continued to focus on information security risks, particularly as specified in the DCGC. Cyber and information security risk is included as one of the Group's principal risks as explained on pages 39 and 50. The Committee received presentations on the emerging risks and the associated internal controls. The Committee focused attention on the changes in the security controls. The Committee was also informed of RHI Magnesita's approach to assess and mitigate emerging risks from the usage of Artificial Intelligence, alongside the ongoing activities to further increase cyber security awareness in the Group to implement cyber secure behaviour.

Treasury and Pensions

The Committee receives regular overview of the Group's capital structure and liquidity planning, as well as the Group's risk management and hedging strategies for interest rates, foreign exchange, and commodities exposures. The Committee reviewed the treasury impacts on the financial statements resulting from the current Treasury Policy and concluded that the policy remains appropriate with suitable delegation of authority levels. The Committee was also presented with the annual Insurance and Pensions performance review and strategy outlook. The Committee noted that the Group's captive insurance company continued to perform as expected and deliver significant financial benefit. The Committee also noted that management had undertaken an updated analysis of legacy Defined Benefit Pension liabilities, including funding status and options for further external transfer of liabilities, and reported findings back to the Committee during 2025.

Regulatory & Governance developments

Following the publication of the UK Corporate Governance Code 2024, management have been regularly updating the Committee on the progress and timeline to address the material internal control effectiveness review under Provision 29 and the Committee has given guidance on what they expect to see, with respect to the business's main areas of risk and based on their engagement with the FRC on the new Code.

The Committee continued to consider legal obligations and various reporting frameworks in particular the Corporate Sustainability Reporting Directive (CSRD), especially noting the status of adoption in various EU member states, and the relevant actions of management to manage the Group's compliance in an effective and efficient manner. The Committee challenge management on the number and materiality of data points to establish a streamlined reporting process for future periods.

Disclosure Committee

The Disclosure Committee, chaired by the CFO, ensures compliance with the EU Market Abuse Regime. It shares the minutes and matters considered with the Committee on an ongoing basis to provide transparency of matters considered by the management to keep the Company compliant with its disclosure requirements.

Committee performance

As part of the overall Board performance review of 2024, it was noted that the Committee performed strongly, through substantial discussions, debates and challenges. It had worked well and effectively, supporting the Board in its oversight with a focused remit and excellent quality of discussion. For the future, it was considered that the Committee could focus its oversight on the risks of the ongoing key strategic transformational projects and on strengthening interactions with the Corporate Sustainability Committee particularly in respect of the supervision and reporting of non-financial metrics. As outlined on page 199 the 2025 review is ongoing at the time of publication of this report and will be reported on in full next year.

Joint Committee meetings

As in prior years, the Committee held a joint meeting with the CSC (the Joint Committee) to consider shared scope matters. The Joint Committee was provided with an update on risks and the materiality assessment per the EU's Corporate Sustainability Reporting Directive, as well as a regulatory update covering key areas of ESG legislation which would affect disclosure requirements and sustainability data collection and analysis.

The Joint Committee approved management's recommendation to appoint PwC to perform the limited assurance engagement of the Group's Sustainability Statement in 2025.

John Ramsay

Chair, Audit & Compliance Committee



Janet Ashdown
Chair of the Committee

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In a challenging year, RHI Magnesita streamlined the business and laid strong foundations for future growth.
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Committee members and meeting attendance

Member	Attendance in 2025	Member since
Janet Ashdown (Chair)	3/3	October 2020
Karl Sevelde	3/3	October 2017
Jann Brown	3/3	December 2022

Remuneration Committee report

Current Committee membership and operation

All members of the Committee are Independent Non-Executive Directors, as defined by the UK and Dutch Corporate Governance Codes. The Company Secretary acts as Secretary to the Committee. Other individuals — including the Chair of the Board, the Chief Financial Officer, the Executive Management Team member responsible for People, and external professional advisers — may be invited to attend meetings where appropriate, ensuring that no individual participates in discussions relating to their own remuneration. The Committee meets at least three times a year, and additionally as required by the Committee Chair or as directed by the Board.

Committee purpose, roles and responsibilities

The Committee is responsible for determining and recommending to the Board the remuneration policy, and for setting the remuneration of the Chair, Executive Directors, and members of the Leadership Team. In developing the policy, the Committee considers a range of factors, including wider workforce remuneration structures and the alignment of reward with performance, in order to support the long-term success of the Company.

The Committee also reviews workforce remuneration and related policies, and satisfies itself that incentive arrangements and reward outcomes are aligned with RHI Magnesita's strategy, goals, and culture.

The Committee's Terms of Reference are available on the **Company's website**.

Activities in 2025

The Committee met three times in 2025, and its activities included:

- Consideration and approval of the outturn of the 2024 Annual Bonus.
- Consideration and approval of the vesting of the 2022 Long-Term Incentive Plan (LTIP).
- Oversight of Company performance against the targets of in-flight LTIP awards.
- Review and determination of the 2025 Annual Bonus and LTIP performance measures and targets.
- Review of the remuneration of Executive Directors, the Executive Management Team (EMT), and senior management, taking into account workforce remuneration, role responsibilities, Company and individual performance, and external market benchmarks.
- Review of the fee for the Chair of the Board.
- Oversight of Directors' shareholdings and monitoring of compliance with share ownership guidelines.
- Consideration of changes to Committee governance arising from the revised UK and Dutch Corporate Governance Codes.
- Review of market practice and new proxy agency remuneration guidelines and assessment of their applicability to RHI Magnesita.
- Oversight of the Group's wider workforce remuneration and incentivisation, ensuring alignment with Company strategy.

Dear Shareholders,

On behalf of the Board, I am pleased to present the 2025 Directors' Remuneration Report. This report comprises my letter to shareholders and the Annual Report on Remuneration for the financial year ended 31 December 2025.

RHI Magnesita's performance during 2025

RHI Magnesita has navigated an exceptionally challenging operating environment, with decisive actions initiated earlier in the year that began to take full effect, resulting in a clear and sustained improvement in performance.

This turnaround has been driven by a deliberate strengthening of RHI Magnesita's operational foundations. Management took difficult but necessary decisions, including structural cost reductions, carefully calibrated pricing actions, and selective footprint adjustments, alongside a strong focus on restoring operational stability and consistency.

Looking ahead, RHI Magnesita's differentiated local-for-local operating model, combining locally embedded production with the strength of a globally integrated network, enhances flexibility and resilience. This model is already delivering proven reliability, speed and security of supply for customers and improved financial performance underpins the Board's confidence in the sustainability of the performance improvements achieved in 2025 and the Group's readiness to accelerate as macroeconomic conditions stabilise.

Despite the difficult trading environment the Group recorded an Adjusted EBITA of €373 million, revenues of €3,365 million and Adjusted operating cash flows of €391 million for FY 2025. These financial results have enabled the proposal for a full-year dividend payment of €1.80 per share in respect of FY 2025.

Executive Directors' remuneration 2025

An overview of remuneration for 2025 is set out below, with further details provided in the Annual Report on Remuneration.

Salary and benefits

The Executive Directors' base salary is reviewed on an annual basis, informed by a holistic assessment of internal and external reference points. This includes alignment with salary movements across the wider Group, prevailing market conditions in relevant peer and talent markets, and the experience of shareholders and other key stakeholders.

In applying this framework, the Committee seeks to strike an appropriate balance between pay restraint and the need to maintain competitive positioning for critical executive roles within RHI Magnesita's core talent markets. Following careful consideration of these factors, the Committee approved a 3% increase in base salary for both the CEO and CFO, effective in 2025 which was below the wider Austrian workforce of an average 7%.

Annual bonus plan

Our Executive Directors' maximum annual bonus opportunity remained at 150% of salary with performance assessed against Adjusted EBITA (40%), Adjusted operating cash flow ("OCF") (25%) and Strategic Initiatives (35%).

In line with the Company's remuneration framework, variable compensation for management and employees is designed to reflect both the financial outcomes of the year and progress made against our strategic priorities, including safety and other key operational initiatives. During the year, the organisation made meaningful progress in advancing its safety agenda and in delivering on a number of strategic initiatives, reflecting the strong commitment and efforts of our employees across the Group.

Although some targets in relation to operating cash flow and strategic initiatives were met in part, due to the challenging business environment key bonus objectives were not met in full and the EMT recommended that the Remuneration Committee apply downward discretion and reduce bonus funding to zero for Executive Directors and the broader employee population for FY2025.

The Committee was mindful that prioritising balance sheet strength, disciplined cost management, and the capacity to respond to market challenges in 2026 and beyond are in the best long-term interests of shareholders and other stakeholders. The Committee also believes it is appropriate for Executive Directors and other senior employees to demonstrate leadership and alignment with shareholder interests. For these reasons, the Committee exercised downwards discretion and agreed a bonus outcome of zero for all employees.

In doing so, the Committee was mindful of the potential impact on employee retention and engagement but considered that outstanding long-term incentive plan awards, which are projected to vest, will contribute positively to retention of key talent and incentivise sustained value creation for our shareholders.

The Remuneration Committee will continue to review the design and calibration of the incentive framework to ensure it remains competitive, clearly linked to performance, and aligned with the Company's strategic priorities. We expect to return to positive bonus outcomes from 2026 onwards as ongoing strategy execution and operational efficiency programmes are expected to drive improved business performance.

Further details of the performance against the 2025 targets can be found on page 229.

Long-Term Incentive Plan (LTIP)

The 2022 LTIP Award vested on 17 March 2025 at 71% of maximum. The metrics were Adjusted EPS (50%), absolute TSR (25%) and the reduction of CO₂ emissions against 2018 baseline (CO₂) (25%).

In respect of EPS performance, the Group achieved € 15.21 p/s against a target of €16.50 p/s and thus 23% of this portion vested. The Group achieved a significant reduction in CO₂ emissions per tonne against the 2018 baseline and thus this portion vested at 100% of maximum.

The actual TSR performance was 25.3% against a target of 22%.

1. The 2024 Remuneration Report provided indicative vesting.

The 2023 LTIP Award will vest to the extent that the EPS (50%), TSR (25%) and the reduction of CO₂ emissions against 2018 baseline (CO₂) (25%) are met. The EPS and CO₂ targets were assessed against performance to 31 December 2025.

In respect of EPS performance, the Group achieved € 14.55 p/s against a target of €13.40 p/s and therefore 100% vest. The Group also reported a significant reduction in CO₂ emissions per tonne against 2018 baseline and thus this portion vested at 100% maximum.

The TSR element will be tested on 6 March 2026. The actual TSR vesting level will be provided in the 2026 Directors' Remuneration Report. More details are available on page 229.

The Committee carefully reviewed the overall formulaic vesting outcome of both the 2022 and 2023 LTIP awards in the context of the Group's underlying financial performance and the experience of shareholders, including share price and TSR performance. The Committee was also mindful of our commitment to take into account the potential for 'windfall gains' in relation to the final vesting outcome.

The Committee is satisfied that the LTIP outcomes were appropriate in the context of overarching business performance and the wider stakeholder experience and made no adjustment to the formulaic vesting outcome and the Policy operated as intended during the year and that no deviations from the Policy or the established decision-making process were required, including in respect of any exceptional circumstances.

Implementation of the Remuneration Policy for 2026

Base salaries 2026

The base salaries of the CEO and CFO will be increased by 2% with effect from 1 January 2026. This is below the average employee salary increase in Austria of 2.1%.

Annual Bonus 2026

The maximum bonus opportunity for 2026 is unchanged at 150% of salary for Executive Directors. The targets for the Annual Bonus are set out on page 223 to the extent they are not commercially sensitive.

New for 2026, is the introduction of an efficiency scorecard, comprising of financial measures. The annual performance measures are Adjusted EBITA before Bonus (25%), OCF (25%) Efficiency Scorecard (30%) and Strategic project DigIT (20%).

The performance measures balance short-term operational discipline with long-term value creation. The Efficiency Scorecard represents financially driven measures, reinforcing cost discipline and overhead control, drives tighter working-capital management and operational planning, while Strategic Projects/DigIT ensures continued focus on critical transformation initiatives that underpin future performance, even where financial benefits are not yet fully reflected.

The Committee continues to regard adjusted EBITA as a core measure of the Group's underlying profitability and operational performance, which is essential to the delivery of the Group's strategy. Adjusted operating cash flow remains a key performance measure, reflecting the importance of disciplined cash generation to support dividends, maintain financial resilience, and fund ongoing investment in efficiency, transformation and growth initiatives.

The Efficiency scorecard of the Annual Bonus in 2026 is focused on operational efficiency and disciplined execution, reflecting the Committee's emphasis on strengthening cost control and working capital management. The Efficiency Scorecard incentivises adherence to the budget and embedding operational rigor across the Group. Given the progress made in recent years and the integration of prior initiatives into day-to-day processes, the Committee has adjusted weightings to place greater emphasis on execution and value realisation, while maintaining a dedicated Strategic Projects/DigIT component to ensure continued delivery of key transformation initiatives that underpin the Group's future performance.

2026 LTIP

The CEO and CFO's LTIP awards for 2026 remain unchanged at 200% and 150% of salary, respectively. The performance conditions for the LTIP awards are set out on page 223.

In setting the 2026 LTIP performance targets, the Committee has retained the same performance measures as in the prior year to ensure continuity and consistency in the assessment of long-term performance, while recalibrating target levels where appropriate to reflect the Group's updated strategic outlook and value creation priorities.

The LTIP framework for the 2026 award retains a strong focus on long-term value creation through profitability, capital efficiency and sustainability, while reflecting an evolution in strategic priorities and performance calibration. The weighting on ROIC has increased to reinforce disciplined capital allocation and returns above the cost of capital, with performance targets aligned to the Group's updated strategic outlook.

Adjusted EPS remains the primary value creation metric, measured on a cumulative basis over three years, with recalibrated vesting ranges reflecting updated business plans and earnings visibility. The sustainability component continues to incentivise decarbonisation; however, the baseline year has been updated to reflect more recent operational performance, ensuring the targets remain stretching, relevant and aligned with the Group's current emissions reduction trajectory.

Investors should note that the Committee has the discretion to adjust the formulaic outcome of incentives and that, as part of its considerations, in determining whether it should exercise discretion, the Committee will have regard, among other matters, to the Group's TSR over the performance period of these awards.

How our remuneration practices and performance measures support our strategy

Metrics	Strategic Pillar — Market Leadership	Strategic Pillar — Enhance Business Model	Strategic Pillar — Execute Cost Reductions	Explanation of measurement or location in this Annual Report of the explanation
Financial driven elements of reward: Bonus				
Profit				See page 36 for Adjusted EBITA. This metric is currently used.
Adjusted Operating Cash Flow				Adjusted operating cash flow is calculated by taking adjusted EBITDA plus changes in working capital and in other assets/liabilities minus capex spend. This metric is currently used.
Use of Secondary Raw Materias				See page 33. This metric is currently used.
Strategic initiatives				This metric is currently used and comprises various initiatives which change over time and currently covers digitalisation.

Element of reward: LTIP				
Earnings Per Share				See page 35. This metric is currently used.
Total Shareholder Return				A measure of share price appreciation plus dividends. This is calculated by the change in the Net Return Index for a company (as calculated by reference to Datastream or such other independent financial information provider) expressed as a percentage over the Performance Period calculated by reference to an agreed formula based on a two month average at the commencement and end of the three-year performance period. This metric is currently used.
ROIC				See page 36. For the LTIP 2025 performance condition, as outlined above, this will be taken as an average of 2026 and 2027. This metric is currently used.
Reduction of CO ₂ emissions				See page 55. This metric is currently used.



Read more about our strategy
Pages 13 to 18

Assurance of non-financial metrics

The Committee is satisfied that the non-financial performance measures in both the LTIP and the Annual Bonus are material, stretching and closely aligned with the Group's strategy, supporting long-term value creation through improved operational efficiency, disciplined resource management and continued progress on sustainability.

In setting the targets, the Committee considers historical performance, progress achieved to date and the expected development required to deliver the Group's strategic objectives over the medium to long term. Oversight and alignment of sustainability-related performance is supported by the close coordination between the Remuneration Committee and the Corporate Sustainability Committee, ensuring consistent governance and accountability. The targets are clearly defined and quantifiable, based on regularly reported operational and management information, with CO₂ emissions intensity within the target scope subject to independent third-party assurance. In line with regulatory requirements, limited assurance has been provided by our auditor PwC on the Group's sustainability disclosures, providing the Committee with confidence in the robustness, integrity and strategic alignment of these performance measures.

Engagement with the workforce

The Board keeps up to date with the current views of our workforce through a combination of engagement methods across multiple channels at different levels of our organisation. These include townhalls, webcasts and direct engagement as part of site visits, meetings and attending conferences. The Directors continually engage with employees across the Company on a number of topics relevant to our strategy and business operations.

Two appointed ERDs are part of the Board. By constructively challenging management and sharing insights from across the organisation they enhance the independence and judgement of Non-Executive Directors (NEDs) by providing a more rounded, first-hand perspective beyond formal management reporting. Board discussions informed by ERD input support meaningful engagement with the workforce and create a two-way, mutually beneficial link between employees and the Board, ensuring workforce views are considered in Board deliberations and decision-making.

The Board also met with the incoming trainees and enjoyed the opportunity to hear about their motivations and aspirations for joining the Group. The Directors continued its in RHI Magnesita's global mentoring programme to develop female talent in the organisation.



You can read more about employee engagement on page 25

Basis of presentation

This Remuneration Report reflects RHI Magnesita's compliance obligations across three key regulatory jurisdictions: the UK, the Netherlands, and Austria. In line with our commitment to transparency, it also includes certain voluntary disclosures aligned with UK market practice, where practicable. Further details on our compliance with the UK and Dutch Corporate Governance Codes are available on pages 203 to 204. This letter (pages 219 to 222 and the Annual Report on Remuneration (pages 226 to 236) will be presented for an advisory vote at the 2026 AGM.

Our conversations with our shareholders

Ahead of the 2025 AGM, I engaged with our largest shareholders to understand their views on the Company's remuneration structure.

As outlined in the Corporate Governance Report on pages 203 to 204, we are reporting partial compliance with Provisions 40 and 41 of the UK Corporate Governance Code on Remuneration. The reasons for this are explained in the Corporate Governance Report, and we will continue to review our practices in relation to these provisions. Shareholders will also note that compliance with Provision 36 has been addressed through our Policy review and the introduction of a post-employment shareholding policy.

I hope you find this report both transparent and informative. The Committee remains open to constructive dialogue with shareholders on remuneration matters. At the 2026 AGM, shareholders will be invited to vote on the Directors' Remuneration Report, and I trust the Committee will have your continued support. On behalf of the Committee, I would like to thank shareholders for their engagement and valuable input throughout the year, and we welcome any feedback you may have on this report.

Janet Ashdown

Chair, Remuneration Committee

Operation of policy

At a glance: Operation of Remuneration Policy for the financial year ending 31 December 2025

Policy element	Implementation
Annual Base salary from 1 January 2025	CEO — €1,247,500 CFO — €729,200
% increase from prior year	3% ¹
Retirement allowance	Allowance of 15% of base salary
Annual bonus	Up to 150% of base salary
Annual bonus metrics	Adjusted EBITA (40%), Adjusted operating cash flow (25%), strategic initiatives (35%) the strategic initiatives 20% account for strategic projects and the use of SRM (10%).
Amount paid for threshold performance	25% of maximum annual bonus
Amount paid for target performance	50% of maximum annual bonus
Actual bonus result for 2025 performance	60% of maximum (€0 for the CEO and € 0 for the CFO) ² .
Payment of bonus in shares	50% of annual bonus in excess of target after tax is used by the Executive Directors to acquire shares that are held for a minimum of three years.
LTIP award	CEO — 200% of salary CFO — 150% of salary
LTIP metrics	50% of the award: Adjusted Earnings Per Share (cumulative EPS for 2025, 2026 and 2027) 25% of the award: ROIC (Two Year Average (post-tax) 2026 — 2027) 25% of the award: Reduce CO ₂ emissions per tonne (against actual 2024)
Payment for threshold performance	25%
2022 LTIP vesting	75% of maximum vesting ³
Performance and post-vesting holding periods	3 years and 2 years respectively
Malus and clawback	Malus applies to the period prior to vesting for LTIP awards and payment of the annual bonus. Clawback applies to cash bonus and LTIP awards for a period of three years following the date of vesting and three years following any cash payment.
Dividends on vested awards	Participants are eligible for dividend equivalents on performance shares awarded under the LTIP.
Shareholding requirement	200% of base salary to be met within five years
Shareholding as % of salary at 2025 year-end	CEO — 343% CFO — 229%

1. Salary increases are 3% rounded down to the nearest 100.

2. Although some targets in relation to operating cash flow and strategic initiatives were met in part, due to the challenging business environment key bonus objectives were not met in full and the EMT recommended that the Remuneration Committee apply downward discretion and reduce bonus outcome from 60% of maximum to zero.

3. The performance period for the TSR element of the award was not complete at the time of writing and so the level of vesting provided is estimated. The actual vesting level will be provided in the 2026 Directors' Remuneration Report.

Directors' Remuneration Policy

RHI Magnesita's Directors' Remuneration Policy was approved by shareholders at the May 2024 AGM, with 97.22% of votes in favour. The Policy took effect on 1 January 2024 and will remain in place for three years, until 1 January 2027. It is available on our [website](#). No changes have been made to the Policy since its approval.

Decision making process for determination, review and implementation of the Policy

The Committee follows the process outlined below when reviewing the Policy and its operation:

- **Alignment with Strategy:** The Committee reviews the Policy and its operation in the context of the business and remuneration strategy to ensure

continued alignment and support. It also assesses whether any changes are required.

- **Market and Governance Developments:** The Committee takes into account relevant market trends and governance developments, including the UK and Dutch Corporate Governance Codes, regulatory changes, and broader pay context such as pay ratios and Group-wide reward arrangements.
- **Investor and Shareholder Perspectives:** The Committee considers the guidelines and expectations of shareholder representative bodies, proxy agencies, and investors.
- **Stakeholder Consultation:** The Committee consults with shareholders and takes into consideration their feedback, as well as insights from the workforce through our Employee Representative Directors.

Alignment of the Policy to RHI Magnesita's values, mission, and long-term value creation

The Policy is aligned to and supports our cultural values which are set out below:

RHI Magnesita positions itself as the driving force of the refractory industry — taking innovation to 1,200°C and beyond.

Achieving this mission depends on a high-performing senior management team. The Remuneration Policy is therefore designed to attract, motivate, and retain leaders who consistently deliver strong performance and meet ambitious goals.

The remuneration arrangements for the Executive Directors support sustainable, long-term value creation by:

- **Ensuring fair and balanced pay:** Providing a fair and appropriate level of fixed remuneration that avoids overreliance on variable pay and discourages undue risk-taking, thereby promoting a focus on sustainable, long-term performance.
- **Balancing short- and long-term incentives:** Combining incentives that reward achievement of near-term objectives with those that drive delivery of the Company's long-term strategic goals.



- **Aligning interests with shareholders:** Requiring executives to acquire and retain shares in the Company and delivering long-term incentives in shares, thereby aligning executives with shareholder interests and long-term Company performance.
- **Promoting long-term accountability:** Applying performance measures over extended periods and requiring shares received under long-term incentives to be held for an additional two years post-vesting.
- **Embedding value-driven metrics:** Including performance metrics focused on long-term shareholder value, such as return on invested capital and the reduction of carbon emissions, both within our operations and for our customers, through the increased use of secondary raw materials.

Remuneration scenarios for Executive Directors

The Policy ensures that a significant portion of remuneration is linked to Group performance. The graph to the right illustrates how total pay opportunities vary under four performance scenarios: minimum, target, maximum, and maximum assuming a 50% share price appreciation for the LTIP award over the performance period.

Assumptions

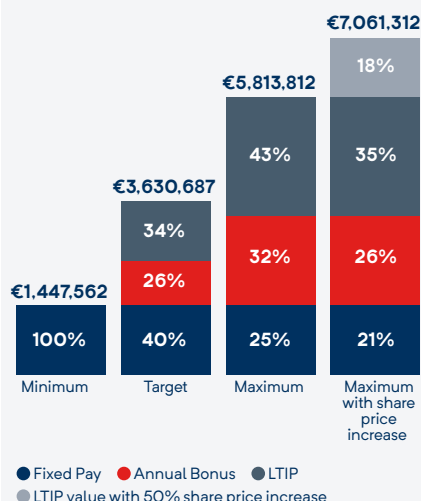
Minimum: Fixed pay only (base salary, pension and benefits, excluding relocation benefits).

Target: Fixed pay plus 50% of 2025 maximum annual bonus opportunity for the CEO and CFO with 50% vesting of the 2025 LTIP award.

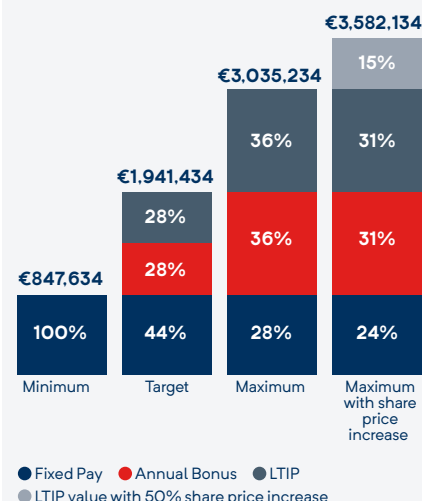
Maximum: Fixed pay plus maximum annual bonus opportunity and 100% vesting of 2025 LTIP award.

Maximum with share price increase: Fixed pay plus maximum annual bonus opportunity and 100% vesting of 2025 LTIP award with an assumed share price appreciation of 50% for the LTIP award during the performance period.

Stefan Borgas
(CEO)



Ian Botha
(CFO)



As required under the Dutch Corporate Governance Code, scenario analysis is carried out as part of the formulation of the Policy and to establish that the Policy results in appropriate and fair levels of remuneration, including that the level and ratio of fixed to variable pay does not encourage inappropriate risk-taking or over-reliance on variable pay while ensuring there is sufficient alignment to investors, the long-term performance of the Company and development of the market value of the shares of the Company.

Malus & Clawback

The Committee may, at any time within three years from the vesting of LTIP awards or the payment of annual bonuses, determine that malus or clawback provisions should apply.

Malus allows the Committee to reduce or cancel bonus or share awards before they vest. Clawback allows the Committee to recover shares acquired from vested awards and/or bonuses already paid, including the cash value of shares and any dividends received.

The Committee may also exercise clawback by reducing, including to nil, any other unvested awards or unpaid bonuses held by the individual. These provisions may be applied in the following circumstances:

- Material misstatement of the Company's financial results;
- Error in the calculation of the level of grant, vesting, or payment;
- Failure of risk management, including any event leading to the liquidation of the Group; or
- Fraud, gross misconduct, or actions that bring the Company into disrepute.

The above provisions do not limit the application of Article 2:135 of the Dutch Civil Code. In 2025, no malus or clawback provisions were applied to the Executive Directors.

Annual Report on Remuneration

The following section sets out details of how the Company's Directors were remunerated during the financial year ended 31 December 2025.

As a Dutch-incorporated company with dual listings in the UK and Austria, RHI Magnesita complies with the relevant disclosure and reporting requirements of all three jurisdictions, including the UK and Dutch Corporate Governance Codes. Accordingly, this Remuneration Report has been prepared on that basis.

In line with our commitment to transparency and best practice, the Committee and the Board have also chosen to include certain voluntary disclosures. These follow the UK Directors' Remuneration Reporting Regulations and reflect investor expectations for UK-listed companies. Where practicable, RHI Magnesita aligns its reporting with prevailing UK market practice.

Details of the Remuneration Committee's composition, activities and meetings during the year, including its purpose, roles and responsibilities, are provided on page 218 and incorporated into this section by reference.

Single total figure table (audited)

The following table presents the single total figure of remuneration for each Executive and Non-Executive Director of the Company in respect of qualifying services for the financial year ended 31 December 2025, together with comparative figures for 2024.

Director ¹	Salary/fees		Taxable benefits ²		Bonus	
	2025	2024	2025	2024	2025	2024 ³
Executive Directors						
Stefan Borgas	€1,247,500	€1,211,200	€12,937	€15,183	€0	€1,122,945
Ian Botha	€729,200	€708,000	€9,054	€12,003	€0	€656,411
Non-Executive Directors						
Herbert Cordt	£325,000	£318,458	-	-	-	-
John Ramsay	£236,000	£232,673	-	-	-	-
Janet Ashdown	£135,000	£132,043	-	-	-	-
David Schlaff	£85,000	£83,073	-	-	-	-
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	£95,000	£92,513	-	-	-	-
Franz-Ferdinand Buerstedde ⁶	£62,097	-	-	-	-	-
Jann Brown	£105,000	£102,633	-	-	-	-
Karl Sevelde	£101,000	£98,708	-	-	-	-
Marie-Hélène Ametsreiter	£101,000	£98,782	-	-	-	-
Katarina Lindström	£85,000	£85,000	-	-	-	-
Wolfgang Ruttensdorfer	£95,000	£92,852	-	-	-	-
Michael Schwarz ⁷	-	-	-	-	-	-
Karin Garcia ⁷	-	-	-	-	-	-
Martin Kowatsch ⁷	-	-	-	-	-	-

- All amounts are disclosed in the currencies in which the relevant elements of pay are set. Actual payment may be made in the currency where the recipient resides using the exchange rate at the time of payment.
- Benefits in 2025 for Stefan Borgas comprise benefits of tax advice and private health insurance. The benefits for Ian Botha included a car benefit.
- Pension figures represent the 15% of salary cash allowance received by Executive Directors.
- Value of shares based on a three-month average share price of £23.34 to 31 December 2025 and the exchange rate of 0.87. Grant share price was £26.24 and vesting share price is estimated to be £23.34 (using a three-month average share price of to 31 December 2025). As the share price at the time of grant is higher than the estimated share price on vesting, none of the value is attributable to share price appreciation. Further details are set out on page 236.
- The 2022 Award vested on 17 March 2025 at the closing price of £34.05 (€40.94). The grant share price was £25.09 (€31.23) and so there was an increase in share price between grant and vesting of £8.96. As a result the value attributable to share price is £367,350 (€485,150) for Stefan Borgas and £178,517 (€212,687) for Ian Botha. Further details are set out on page 229.
- Franz-Ferdinand Buerstedde was nominated by the Board as a Non-Executive Director to be proposed to shareholders at the AGM 2025. He was nominated with effect from 7 April 2025 and received a pro-rated fee for 2025 from that date.
- Employee Representative Directors do not receive additional remuneration for this role as they are remunerated as employees of the Group.
- 2% of the 2024 bonus outcome was forgone by the CEO and CFO and paid into a Health & Safety fund, therefore the amount shown reflects the amount paid to the CEO and CFO.

No loans, advances, or guarantees were made to or on behalf of any Director.

LTIP		Pension ³		Total remuneration		Total fixed remuneration		Total variable remuneration	
2025 ⁴	2024 ⁵	2025	2024	2025	2024	2025	2024	2025	2024
€1,807,815	€2,221,691	€187,124	€181,679	€3,255,377	€4,752,698	€1,447,562	€1,408,062	€1,807,815	€3,344,636
€792,602	€973,999	€109,380	€106,199	€1,640,236	€2,456,612	€847,634	€826,202	€792,602	€1,630,410
-	-	-	-	£325,000	£318,458	£325,000	£318,458	-	-
-	-	-	-	£236,000	£232,673	£236,000	£232,673	-	-
-	-	-	-	£135,000	£132,043	£135,000	£132,043	-	-
-	-	-	-	£85,000	£83,073	£85,000	£83,073	-	-
-	-	-	-	£95,000	£92,513	£95,000	£92,513	-	-
-	-	-	-	£ 62,097	-	£ 62,097	-	-	-
-	-	-	-	£ 105,000	£102,633	£105,000	£102,633	-	-
-	-	-	-	£101,000	£98,708	£101,000	£98,708	-	-
-	-	-	-	£101,000	£98,782	£101,000	£98,782	-	-
-	-	-	-	£85,000	£85,000	£85,000	£85,000	-	-
-	-	-	-	£95,000	£92,852	£95,000	£92,852	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

Other arrangements

No remuneration was granted or allocated by subsidiaries or other entities consolidated within RHI Magnesita, as all members of the Board are remunerated directly by RHI Magnesita N.V. No personal loans were granted to Board members, nor were any guarantees or similar arrangements made in their favour. In 2025, no severance payments were made to members of the Board, and no variable remuneration was subject to malus or clawback.

Statement of Directors' shareholding and share interests (audited)

Under the share ownership requirements set out in the Directors' Remuneration Policy, the Executive Directors are normally required to build and maintain over five years a shareholding equivalent to at least 200% of salary.

At the 2025 year-end, the Executive Directors each held shares in the Company as detailed below. Shares are valued using the Company's closing market share price on 31 December 2025 of £27.80 (converted to Euro using FX rate of 0.87 to = €31.86).

The table below shows how each Executive Director complies with the shareholding guidelines on 31 December 2025:

	Shares held at 31 December 2024 ²	Shares held at 31 December 2025 ²	Shares held by connected persons	Options ⁵			Exercised during the year ⁶	Shareholding requirement (% of salary)	Current shareholding (% of salary) ¹	Requirement met?
				Unvested and not subject to performance conditions	Unvested and subject to performance conditions ⁷	Vested but unexercised				
Executive Directors										
Stefan Borgas	108,125	134,432	1,150	–	195,941	–	58,579	200%	343%	Yes
Ian Botha	52,469	52,469	–	–	92,881	–	25,680	200%	229%	Yes
Non-Executive Directors										
Herbert Cordt	350,000	350,000	–	–	–	–	–	N/A	N/A	N/A
John Ramsay	4,890	4,890	–	–	–	–	–	N/A	N/A	N/A
Janet Ashdown	–	–	–	–	–	–	–	N/A	N/A	N/A
David Schlaff ³	–	–	–	–	–	–	–	N/A	N/A	N/A
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg ⁴	3,160,183	3,160,183	–	–	–	–	–	N/A	N/A	N/A
Franz-Ferdinand Buerstedde ⁸	–	–	–	–	–	–	–	N/A	N/A	N/A
Jann Brown	–	–	–	–	–	–	–	N/A	N/A	N/A
Karl Sevelde	2,000	2,000	–	–	–	–	–	N/A	N/A	N/A
Marie-Hélène Ametsreiter	–	–	–	–	–	–	–	N/A	N/A	N/A
Katarina Lindström	–	–	–	–	–	–	–	N/A	N/A	N/A
Wolfgang Ruttenstorfer	–	–	–	–	–	–	–	N/A	N/A	N/A
Karin Garcia	–	–	–	–	–	–	–	N/A	N/A	N/A
Martin Kowatsch	1,223	1,223	–	–	–	–	–	N/A	N/A	N/A
Michael Schwarz	–	–	–	–	–	–	–	N/A	N/A	N/A

1. Shareholding determined using an FX rate of 0.87 for £ to € on 31 December 2025. This is then used to assess whether the shareholding requirement has been met.

2. Includes shareholdings of connected persons.

3. According to the latest disclosures by the shareholder in the AFM register, 13,333,340 shares are held directly by MSP Stiftung. MSP Stiftung is a foundation under Liechtenstein law, whose founder is Mag. Martin Schlaff a related party connected to David Schlaff.

4. According to the AFM register, Ms. E. Prinzessin zu Sayn-Wittgenstein Berleburg, who is a related party and person connected to Stanislaus Prinz zu Sayn-Wittgenstein Berleburg, holds these shares indirectly via Chestnut Beteiligungsgesellschaft mbH ("Chestnut") and via partial ownership of FEWI Beteiligungsgesellschaft mbH ("FEWI"). She holds a further holding of 126,076 shares held directly which is included in the above number. Furthermore, per the disclosures on page 201, she has an agreement with Mr. K.A. Winterstein which allows Chestnut to exercise the voting rights of Silver Beteiligungsgesellschaft mbH ("Silver") in the Company.

5. There are no unvested scheme interests in the form of shares.

6. Value realised by Stefan Borgas in the year from exercising awards granted under the LTIP 2022 was £1,994,615 (€2,398,224) based on a share price at the exercise date of £34.05 (€40.49), which was higher than the share price at the grant date of £25.90 (€31.23). Similarly, Ian Botha realised £874,404 (€1,051,339) from exercising awards under the LTIP 2022, also based on a share price of £25.90 (€31.23) at the time of exercise.

7. Unvested options and subject to performance conditions includes the inflight LTIP awards.

8. According to the AFM register, 9,900,868 shares are held via Ignite Luxembourg Holdings S.à.r.l. who is a related party and person connected to Franz-Ferdinand Buerstedde of Rhône Capital L.L.C.

There were no changes in the Directors' shareholdings and share interests between the end of the year and 1 March 2026, being the latest possible date for the finalisation of this report.

Short-term incentives for Executive Directors

2025 Annual bonus performance against targets (audited)

The table below presents the annual bonus outcome for Executive Directors in respect of the year ended 31 December 2025. Although some targets in relation to operating cash flow and strategic initiatives were met in part, due to the challenging business environment key bonus objectives were not met in full and the EMT recommended that the Remuneration Committee apply downward discretion and reduce bonus funding to zero for Executive Directors and the broader employee population for FY2025. The Committee was mindful that prioritising balance sheet strength, disciplined cost management, and the capacity to respond to a market challenges in 2026 and beyond are in the best long-term interests of shareholders and other stakeholders. The Committee also believes it is appropriate for Executive Directors and other senior employees to demonstrate leadership and alignment with shareholder interests. For these reasons, the Committee exercised downwards discretion and agreed a bonus outcome of zero for all employees. The Board however recognises that the Executive Directors delivered strong individual performance throughout a challenging 2025.

Measure	Weighting	Threshold (25% of maximum)	Target (50% of maximum)	Max (100% of maximum)	Actual performance	Pay-out (% of max) ²	Pay-out (% of salary)	Pay-out	
								CEO	CFO
Adjusted EBITA ¹ €m	40%	384	408	431	373	0%	0%	€0	€0
Operating cash flow €m	25%	304	322	341	391	100%	37.5%	€0	€0
Strategic Initiatives	20%	75%	90%	100%	73%	0%	0%	€0	€0
Use of SRM	15%	14.2%	14.5%	14.8%	23%	100%	22.5%	€0	€0
Total	100%					40%	60%	€0	€0

1. Adjusted EBITA is presented on a constant currency basis to ensure bonus outcomes are measured against underlying performance, excluding the impact of foreign exchange fluctuations.

2. The maximum CEO and CFO annual bonus in 2025 was 150% of salary.

Pensions and benefits

In 2025, benefits for Stefan Borgas included tax advisory support, private health insurance, and car benefits. Benefits for Ian Botha comprised car and insurance benefits.

Pension figures represent a cash allowance equal to 15% of salary received by the Executive Directors.

Long Term Incentives of Executive Directors

LTIP 2022 award with vesting based on the performance periods ending 31 December 2024 (audited)

The satisfaction of the Company's LTIP awards to date have been completed using the shares the Company holds in treasury. You can find the details of these below.

Executive	Grant date	Vest date	Number of shares granted	Number of shares to vest	Number of dividend equivalents ¹	Total value ²
Stefan Borgas	8 March 2022	7 March 2025	70,372	49,964	4,906	€2,221,691
Ian Botha	8 March 2022	7 March 2025	30,852	21,904	2,151	€973,999

1. Dividend equivalents is based on the number of dividends earned to 14 March 2025.

2. The value is based on the closing share price of 17 March 2025 on this date (£34.05) converted to €40.49.

As disclosed in last year's report the performance period for the TSR element of the 2022 LTIP award ended on 7 March 2025 with the vesting outcome of the 2022 awards determined on 17 March 2025. The table below sets out the performance targets and final level of vesting. A two-year post vesting holding period applies.

Performance measure	Weighting	Threshold (25% vesting) ¹	Intermediate ¹ (75% of vesting) ¹	Maximum (100% vesting) ¹	Performance period ²	Performance	Vesting % of that element
TSR ¹	25%	15%	22%	27% and above	8 March 2022 to 7 March 2025	25.3%	23%
Adjusted EPS (cumulative for the three-year performance period) ²	50%	€14.25	€16.50	€19.25	1 January 2022 to 31 December 2024	€15.2	23%
Reduce CO ₂ emissions ²	25%	-11.5%	-12.5%	-13.0%		-14.4%	25%

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.

2. For TSR element performance was assessed for a period of three years to 17 March 2025, being 3 years from the date of grant.

LTIP 2023 award (with vesting based on the performance periods (substantially) ending during the financial year ending 31 December 2025 (audited))

Performance against targets and vesting of the LTIP awards granted on 6 March 2023 which are due to vest in 2026 is set out below:

Executive	Grant date	Vest date	Number of shares granted	Number of shares to vest	Estimated number of dividend equivalents ¹	Total estimated value ²
Stefan Borgas	6 March 2023	6 March 2026	76,929	57,696	10,114	€1,807,815
Ian Botha	6 March 2023	6 March 2026	33,728	25,296	4,434	€792,602

1. The number of dividend is based on the number of dividends earned to 31 December 2025.

2. Value of shares based on a three-month average share price of £23.34 to 31 December 2024 converted to €26.66 (based on the exchange rate of 0.87 end of December 2025).

Performance against targets and vesting of LTIP awards granted on 6 March 2023 which are due to vest in 2026 is set out below:

Performance measure	Weighting	Threshold (25% vesting) ³	Intermediate (75% of vesting) ³	Maximum (100% vesting) ³	Performance period ²	Performance	Vesting as a % of max
TSR ¹	25%	15%	22%	27% and above	6 March 2023 to 6 March 2026	11.8%	0%
Adjusted EPS (cumulative for the three-year performance period) ²	50%	€11.90	€12.65	€13.40	1 January 2023 to 31 December 2025	€14.64	50%
Reduce CO ₂ emissions against 2018 ²	25%	-11%	-11.5%	-12%		-16.9%	25%

1. Measured from the date of grant to third anniversary with a two-month average before each date.

2. Measured over the three financial years to 31 December 2025. A two-year post vesting holding period applies.

3. Awards vest on a straight-line basis between threshold, intermediate and maximum.

2024 LTIP awards performance targets

Performance measure	Weighting	Threshold (25% vesting) ¹	Intermediate (75% of vesting) ¹	Maximum (100% vesting) ¹	Performance period
ROIC	25%	10.2%	10.9%	12.0%	1 January 2024 to 31 December 2026 ²
Adjusted EPS (cumulative for the three-year performance period) ²	50%	€14.60	€15.10	€15.40	
Reduce CO ₂ emissions per tonne against 2018	25%	-15.2%	-15.5%	-15.8%	

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.

2. Two-year post-vesting holding period applies.

2025 LTIP awards performance targets

Performance measure	Weighting	Threshold (25% vesting) ¹	Intermediate (75% of vesting) ¹	Maximum (100% vesting) ¹	Performance period
ROIC	25%	10.2%	10.9%	12.0%	1 January 2025 to 31 December 2028 ²
Adjusted EPS (cumulative for the three-year performance period) ²	50%	€15.70	€16.40	€16.90	
Reduce CO ₂ emissions per (against actual 2024)	25%	-2.2%	-2.6%	-3%	

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.

2. Two-year post-vesting holding period applies.

2025 LTIP awards made during the financial year ending 31 December 2025 (audited)

During the year, the CEO and CFO received LTIP awards as set out below.

Executive	Scheme	Basis of award	Date of award	Percentage of salary award	Share price used € ¹	Face value €000	Percentage vesting at threshold performance	Number of shares	End of performance period ³
Stefan Borgas	LTIP	Annual award ²	6 March 2025	200%	40.89	2,494.9	25%	61,017	5 March 2028
Ian Botha	LTIP	Annual award ²	6 March 2025	150%	40.89	1,082.7	25%	26,479	5 March 2028

1. The face value of the awards was calculated using the average closing price for the five trading days prior to the award being granted being £33.88 converted to € (using average FX rate over the same five-day period of £0.8286 to €1 = €40.89).

2. Awards are structured as nil cost options.

3. In line with the Policy, a two-year holding period applies after the date of vesting.

Directors' interests in shares RHI Magnesita's LTIP

The table below details outstanding share awards, including the annual LTIP awards granted to the CEO and CFO during 2025

	Scheme	Award Date	Share price used to grant the award €	Share awards held at 1 January 2025	Awarded during the year	Vested during the year	Dividend equivalents awarded during the year	Exercised during the year	Lapsed during the year	Share awards held at 31 December 2025	Vesting date
Stefan Borgas	Performance shares	8 March 2022	31.23 ¹	70,372		49,964	6,911 ⁵	54,870	22,412	-	8 March 2025
	Performance shares	6 March 2023	29.71 ²	76,929						76,929	6 March 2026
	Performance shares	7 March 2024	41.77 ³	57,995						57,995	7 March 2027
	Performance shares	6 March 2025	40.89 ⁴		61,017					61,017	6 March 2028
Ian Botha	Performance shares	8 March 2022	31.23 ¹	30,852		21,904	3,030 ⁵	24,055	9,827	-	8 March 2025
	Performance shares	6 March 2023	29.71 ²	33,728						33,728	6 March 2026
	Performance shares	7 March 2024	41.77 ³	25,425						25,425	7 March 2027
	Performance shares	6 March 2025	40.89 ⁴		33,728					33,728	6 March 2028

1. Award levels were calculated using the average closing price for the five trading days prior to the award being granted being £25.90 converted to € (using average FX rate over the same five-day period of £0.83 to €1 = €31.23).
2. Award levels were calculated using the average closing price for the five trading days prior to the LTIP award being granted being £26.24 converted to € (using average FX rate over the same five days period of £0.86 to €1 = €29.71).
3. Award levels were calculated using the average closing price for the five trading days prior to the LTIP award being granted being £35.75 converted to € (using average FX rate over the same five days period of £0.86 to €1 = €41.77).
4. Award levels were calculated using the average closing price for the five trading days prior to the LTIP award being granted being £33.88 converted to € (using average FX rate over the same five days period of £0.83 to €1 = €40.89).
5. Dividend equivalents awarded during the year (see pages 229 to 230) for more details.

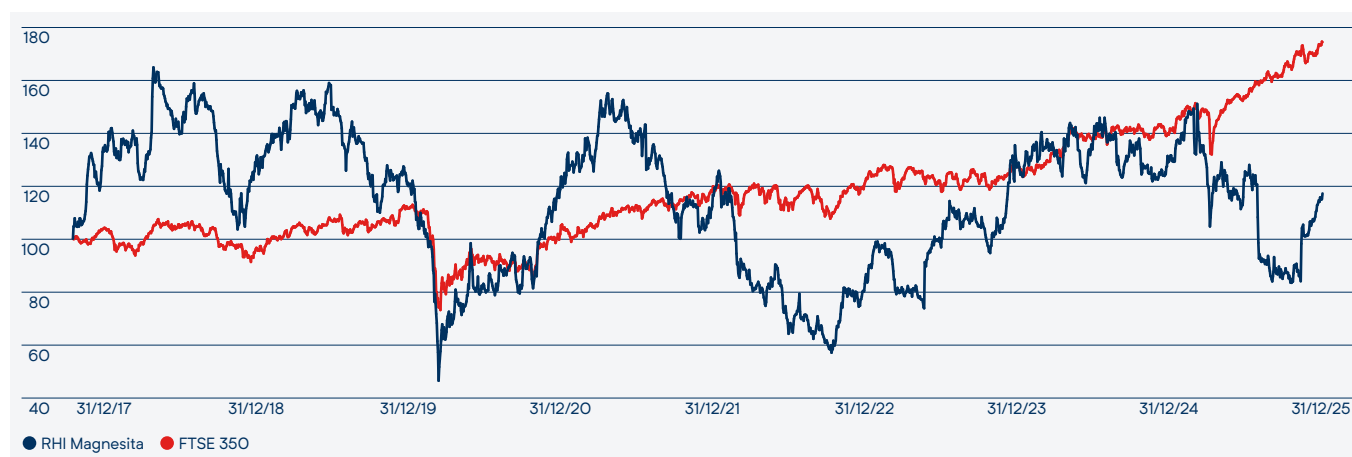
Review of past performance and CEO remuneration table

Share price performance

Shares are valued using the Company's closing market share price on 31 December 2025 of £27.80 (converted to Euro using FX rate of 0.87 to = €31.86). (2024: £32.60). During 2025, the shares traded in the range of £19.80 to £38.00.

RHI Magnesita total shareholder return

The graph below compares the Company's Total Shareholder Return (TSR) with that of the FTSE 350 Index from the date of Admission on 27 October 2017 to 31 December 2025. The FTSE 350 is considered an appropriate comparator as RHI Magnesita is a constituent of this index.



Remuneration of the CEO

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single figure of total remuneration¹									
Stefan Borgas	€476,981	€2,073,350	€1,490,427	€1,892,862	€1,584,758	€3,286,216	€4,190,969	€4,752,698	€3,255,377
Annual bonus payout as % of maximum^{2,3}									
Stefan Borgas	83.16%	88.04%	38.9%	50%	24%	42%	95% ⁵	61% ⁶	0% ⁷
Long-term incentive vesting rates as % of maximum⁴									
Stefan Borgas	N/A	N/A	N/A	0%	0%	50%	62%	71%	75%

1. The 2017 Single figure of Total Remuneration relates to the period 27 October 2017 to 31 December 2017.

2. The 2017 Annual bonus payout as a % of maximum relates to bonus targets set prior to the merger of the two companies that now form RHI Magnesita NV.

3. The percentage of maximum shown for the 2020 Annual bonus is the amount paid to the CEO. The formulaic bonus outcome was 100% of maximum. However, the bonus was capped at 50% of maximum due to the impact of the pandemic.

4. A long-term incentive plan was introduced when the Company was formed in October 2017. The first 2018 LTIP award was eligible to vest in 2021.

5. The formulaic outcome under the 2023 bonus was 100% of maximum. However, 5% of the bonus was paid to a Health & Safety fund with 95% of maximum paid to the CEO.

6. The formulaic outcome under the 2024 bonus was 63% of maximum. However, 2% of the bonus was paid to a Health & Safety fund with 61% of maximum paid to the CEO.

7. The EMT recommended a zero bonus outcome for Executive Directors and the broader employee population for FY 2025. You can read more about this on page 219.

Pay ratios

The Dutch Corporate Governance Code (applicable from the 2018 financial year) and the UK Directors' Reporting Regulations (effective from 2019) recommend and require, respectively, that the Committee report pay ratios and year-on-year changes as part of its assessment of executive remuneration and wider pay decisions. The total employee remuneration figures used in the ratios below include all employees across the Group, covering regions where average pay levels are significantly lower than in Europe and the United States.

RHI Magnesita employs approximately 150 people in the UK and therefore falls below the threshold for mandatory UK pay ratio reporting. As UK employees represent less than 1% of the Group's workforce, the Committee considers this Group-wide approach appropriate under the circumstances. A significant proportion of the Executive Directors' remuneration is performance-based, delivered through annual bonus and Long-Term Incentive Plan (LTIP) awards linked to Company performance and share price over the long term. Consequently, the pay ratio will vary from year to year depending on incentive outcomes.

The table below sets out the pay ratios for each year from 2018 to 2025:

Pay ratio	2025 ¹	2024 ²	2023 ³	2022 ⁴	2021 ⁵	2020 ⁶	2019	2018
CEO	67:1	95:1	85:1	70:1	21:1	41:1	34:1	49:1
CFO	34:1	49:1	46:1	47:1	13:1	25:1	16:1 ⁷	N/A

1. The pay ratio is lower than prior year due to no bonus payout for the year 2025.
2. The ratios for 2024 have been updated based on the value of the 2022 LTIP award at vesting (see page 229 for more details).
3. The pay ratio for CEO has increased in 2023, due to the incentive outturns in 2024. Executive Directors receive higher levels of variable pay opportunity than other employees to reflect their roles in the business.
4. The CEO and CFO pay ratio increased from 2022. This is predominantly due to the vesting of the LTIP and a higher bonus outturn.
5. Pay ratio is lower than prior year due to not achieving target bonus KPIs.
6. The pay ratio rose due to the increase to prior year in base salary for the CEO and CFO in 2020.
7. CFO pay ratio is lower as Ian Botha joined the Company on 1 April 2019; with the full salary and bonus, the ratio would be 21:1.

Relative importance of spend on pay

The following table sets out the change in distributions to shareholders by way of dividend and overall spend on pay in the financial year ended 31 December 2024 compared with the financial year ended 31 December 2025.

	2025 € million	2024 € million	Percentage change
Total gross employee pay	782.3	805.3	(2.86)%
Dividends	85	87.3	(2.63)%

Directors and employee remuneration over time

The table below shows the Directors' total remuneration year-on-year change (on a full-time equivalent basis) and includes comparators of Company performance and average FTE remuneration.

Year	Total Remuneration in FY 2025	Change % 2024 to 2025 ¹	Change % 2023 to 2024 ¹	Change % 2022 to 2023 ¹	Change % 2021 to 2022 ¹	Change % 2020 to 2021 ¹	Change % 2019 to 2020 ¹	Change % from 2018 to 2019 ¹
Executive Directors								
Stefan Borgas	€3,255,376	(31.5) ³	12.1%	27.50%	90.3% ²	(16.28)%	27%	(28.1)%
Ian Botha	€1,640,236	(33.2) ³	7.6%	0.031%	124.1% ²	(16.45)%	N/A ²	N/A ²
Non-Executive Directors								
Herbert Cordt	£325,000	2.1%	21.7%	3.97%	4.4%	6.09%	3.2%	-
John Ramsay	£236,000	1.4%	74.8%	3.82%	4.3%	31.92%	12.9%	6.4%
Janet Ashdown	£135,000	2.2%	11.6%	3.77%	9.1%	19.92%	N/A ²	N/A ²
David Schlaff	£85,000	2.3%	7.7%	3.91%	4.4%	5.98%	3.2%	-
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	£95,000	2.7%	11.6%	10.98%	5.1%	5.98%	3.2%	-
Franz-Ferdinand Buerstedde ⁴	£62,097	N/A ²	-					
Jann Brown	£105,000	2.3%	8.4%	3.49%	N/A ²	N/A ²	-	-
Karl Sevelde	£101,000	2.3%	7.6%	3.49%	7.6%	10.02%	3.2%	-
Marie-Hélène Ametsreiter	£101,000	2.2%	11.4%	5.09%	N/A ²	N/A ²	-	-
Katarina Lindström	£85,000	0%	N/A ²	N/A ²	-	-	-	-
Wolfgang Rutenstorfer	£95,000	2.3%	8.1%	3.87%	4.3%	5.99%	3.2%	-
Karin Garcia ⁵	-	-	-		-	-	-	-
Martin Kowatsch ⁵	-	-	-		-	-	-	-
Michael Schwarz ⁵	-	-	-		-	-	-	-
Company performance								
Adjusted EPS	€4.18	(21.4%)	6.8%	3.42%	6.6%	36.0%	(41.1)%	4.8%
Adjusted operating cash flow in € million	€391	(9.6%)	(6.9%)	167%	165.7%	(18.7)%	1.7%	(23.0)%
Average remuneration (on a full-time equivalent basis)								
Employees of the Company ⁶	€84,149	(8.8)%	(1.6)%	15.6%	8.7%	(3.4)%	7.7%	4.1%

1. For notes on the change from 2018 to 2019, please see the 2019 Annual Report, for the change from 2019 to 2020 the 2020 Annual Report, 2020 to 2021 the 2021 Annual Report, 2021 to 2022 the 2022 Annual Report, 2022 to 2023 the 2023 Annual Report, 2023 to 2024 the 2024 Annual Report and 2024 to 2025 the 2025 Annual Report.

2. Where the incumbent did not serve for the full year, the calculation has not been made as it is unrepresentative.

3. Total remuneration for Executive Directors reduced due to no bonus payment for FY 2025.

4. Franz-Ferdinand Buerstedde was nominated by the Board as an Independent Non-Executive Director with effect from 7 May 2025 and received a pro-rated fee from 7 April 2025 when he joined as an observer to the Board.

5. Employee Representative Directors do not receive remuneration for that role as they are remunerated as employees of the Group.

6. The group of RHI Magnesita's employees covers the Parent Company, namely all employees within the Austrian subsidiaries.

Payments for loss of office and to past directors (audited)

There were no payments to past directors or for loss of office.

2026 remuneration

Set out below is how the Directors' Remuneration Policy will be implemented during 2026.

Salaries and fees for 2026

Directors' salaries and fees (on a full-time equivalent basis)

The Executive Directors' salaries will be increased from 1 January 2026 by 2%. This compares to the increase to the wider workforce in Austria of an average of 2.1%.

	2026	2025	Change YoY
Executives			
Stefan Borgas	€1,272,400	€1,247,500	€24,900
Ian Botha	€743,700	€729,200	€14,500
Non-Executives			
Chair of the Board (inclusive of all Committee fees)	£331,500	£325,000	£6,500
Non-Executive Directors	£86,700	£85,000	£1,700
Deputy Chair & Senior Independent Director	£122,400	£120,000	£2,400
Chairs of Audit & Compliance, Remuneration, Nomination & Governance (unless held by the Chair of the Board) and Corporate Sustainability Committees	£25,500	£25,000	£500
Membership of the Audit & Compliance, Corporate Sustainability and Remuneration Committees	£10,200	£10,000	£200
Membership of the Nomination & Governance Committee	£6,120	£6,000	£120

The Company does not contribute to defined benefit pension schemes on behalf of Executive Directors or Non-Executive Directors. No Director has a prospective entitlement under a defined benefit scheme.

Annual bonus 2026

The maximum bonus opportunity for 2026 is unchanged at 150% of salary. New for 2026 is the inclusion of an Efficiency Scorecard comprising of financial measures focused on operational efficiency and disciplined execution, reflecting the Committee's emphasis on strengthening cost control and working capital management following periods of volatility. Adjusted EBITA will be measured on a pre-bonus basis. Both the CEO and the CFO are required to use 50% of any bonus earned in excess of target (net of tax) to acquire shares in the Company that will be held for a minimum of three years.

Performance criteria	2026	2025
Adjusted EBITA pre-bonus	25%	40%
Adjusted operating cash flow	25%	25%
Efficiency Scorecard	30%	-
Strategic projects/DigIT	20%	25%
Use of SRM	0%	10%

2026 LTIP awards

The CEO will receive an LTIP award over shares with a grant-date value equal to 200% of base salary, and the CFO will receive an LTIP award over shares with a grant-date value equal to 150% of base salary.

Set out below is a summary of the performance measures for the 2026–2028 LTIP. The three performance categories remain unchanged from the prior year, and there has been no change to the respective weightings. The 2026 LTIP will continue to be based on ROIC, EPS, and CO₂ emissions performance conditions. Details of the measures and corresponding targets are provided below.

Performance measure	Weighting	Threshold (25% vesting) ¹	Intermediate (75% of vesting) ¹	Maximum (100% vesting) ¹	Performance period
ROIC (post-tax)	35%	10.1%	11.7%	12.0%	1 January 2026 to 31 December 2029 ²
Adjusted EPS (cumulative for the three-year performance period) ²	45%	€11.40	€14.60	€16.20	
Reduce CO ₂ emissions per tonne (against actuals 2024)	20%	-2.2%	-3.0%	-3.4%	

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.

2. Two-year post vesting holding period applies.

Advisers

WTW advises the Committee on executive and senior management remuneration, providing insights into current market practices on incentivisation across multiple geographies to support the delivery of the corporate strategy. WTW also brings an informed, independent perspective to management's remuneration proposals and has reviewed and advised on this Remuneration Report.

In 2025, WTW's fees for advice to the Committee totalled £34,689, based on the time spent providing their services. The Committee is satisfied that WTW's established governance controls effectively mitigate any potential conflicts of interest. WTW provided no other services to RHI Magnesita during the 2025 financial year.

Statement of voting at AGM

The Committee considers a number of inputs from shareholders to guide its decisions on the review and implementation of Policy. This includes the outcomes of Remuneration resolutions put to shareholders shown as follows:

Resolutions	Votes for	% of votes cast	Votes against	% of votes cast	Total votes validly cast	Total votes cast as a % of the relevant shares in issue	Number of votes withheld
7 May 2025 AGM							
Advisory vote, the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the period ended 31 December 2024.	41,279,860	99.45	229,580	0.55	41,509,812	87.80	372
Binding vote on Directors Remuneration Policy from May 2024	36,838,330	97.22	1,052,351	2.78	37,891,031	80.38	350

The total voting rights of the Company on the day on which shareholders had to be on the register in order to be eligible to vote was 47,278,546.

A "Vote withheld" is not a vote in law and is not counted in the calculation of the % of shares voted "For" or "Against" a resolution.

This report was reviewed and approved by the Board on 1 March 2026 and signed on its behalf by order of the Board.

Janet Ashdown

Chair of the Remuneration Committee

Our Financial Statements

FINANCIAL STATEMENTS

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Consolidated Financial Statements 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

in € million	Note	2025	2024 ¹⁾
Revenue	(5)	3,366	3,487
Cost of sales ¹⁾	(5)	(2,594)	(2,628)
Gross profit¹⁾		772	859
Selling, general & administrative expenses ¹⁾	(9)	(360)	(408)
Research & development expenses ¹⁾	(9)	(39)	(45)
Amortisation of intangible assets ¹⁾	(18)	(52)	(39)
Restructuring	(6)	(44)	(24)
Other income	(7)	24	38
Other expenses	(8)	(78)	(139)
EBIT²⁾		223	242
Interest income	(11)	15	22
Interest expenses on borrowings		(61)	(61)
Net (expense)/income on foreign exchange effects	(12)	(16)	11
Other net financial expenses	(13)	(33)	(14)
Net finance costs		(95)	(42)
Profit before income tax		128	200
Income tax	(14)	(34)	(46)
Profit after income tax		94	154
RHI Magnesita N.V. shareholders		86	142
Non-controlling interests	(26)	8	12
in €			
Earnings per share – basic	(15)	1.82	3.01
Earnings per share – diluted	(15)	1.77	2.94

1) Restated due to an accounting policy change (see Note (1)).

2) EBIT is a non-IFRS measure and is defined in Note (37).

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

in € million	Note	2025	2024
Profit after income tax		94	154
Currency translation differences			
Unrealised results from currency translation		(195)	(94)
Deferred taxes thereon	(14)	0	17
Reclassification to profit or loss		1	(8)
Cash flow hedges and costs of hedging			
Unrealised fair value changes	(35)	(14)	27
Reclassification to profit or loss		(4)	(18)
Deferred taxes thereon	(14)	3	(2)
Remeasurement of investments in debt instruments			
Unrealised fair value changes		0	(5)
Reclassification to profit or loss		0	5
Items that may be reclassified to profit or loss in later periods		(209)	(78)
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans	(29)	13	24
Deferred taxes thereon	(14)	(2)	(8)
Items that are not reclassified to profit or loss in later periods		11	16
Other comprehensive (loss)/income after income tax		(198)	(62)
Total comprehensive income		(104)	92
RHI Magnesita N.V. shareholders		(84)	74
Non-controlling interests	(26)	(20)	18

Consolidated Statement of Financial Position

as at 31 December 2025

in € million	Note	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Goodwill	(17)	403	342
Intangible assets	(18)	540	417
Property, plant and equipment	(19)	1,246	1,285
Investments in joint ventures and associates		6	7
Other financial assets	(34)	36	42
Other assets	(20)	29	76
Deferred tax assets	(14)	163	152
		2,423	2,321
Current assets			
Inventories	(21)	932	962
Trade and other receivables	(22)	576	660
Income tax receivables	(14)	49	40
Other financial assets	(34)	9	17
Cash and cash equivalents	(23)	355	576
Assets held for sale	(19)	4	0
		1,925	2,255
		4,348	4,576
EQUITY AND LIABILITIES			
Equity			
Share capital	(24)	50	50
Group reserves	(25)	975	1,152
Equity attributable to shareholders of RHI Magnesita N.V.		1,025	1,202
Non-controlling interests	(26)	145	170
		1,170	1,372
Non-current liabilities			
Borrowings	(27)	1,362	1,474
Other financial liabilities	(28)	100	112
Deferred tax liabilities	(14)	91	64
Net employee defined benefit liabilities	(29)	232	257
Provisions	(30)	63	71
Other liabilities		7	8
		1,855	1,986
Current liabilities			
Borrowings	(27)	424	276
Other financial liabilities	(28)	33	27
Trade payables and other liabilities	(31)	757	843
Income tax liabilities	(14)	29	29
Provisions	(30)	80	43
		1,323	1,218
		4,348	4,576

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

in € million	Note	2025	2024
Cash generated from operations	(32)	433	502
Income tax paid less refunds		(54)	(69)
Net cash flow from operating activities		379	433
Investments in property, plant and equipment and intangible assets		(111)	(145)
Investments in subsidiaries net of cash acquired		(363)	(7)
Cash inflows from the sale of property, plant and equipment		24	16
(Cash outflows) from investments in financial assets		(2)	(27)
Cash inflows from the sale or settlement of financial assets		4	30
Cash inflow from matured derivative financial instruments		13	0
Dividends received from non-consolidated entities		1	1
Investment subsidies received		0	2
Prepayments related to the acquisition of Resco Group		0	(44)
Interest received		9	20
Net cash used in investing activities		(425)	(154)
Acquisition of non-controlling interests		(3)	(6)
Dividends paid to RHI Magnesita N.V. shareholders		(85)	(87)
Dividends paid to non-controlling interests		(2)	(3)
Proceeds from long-term financing		346	14
Repayments of long-term financing		(287)	(174)
Changes in current borrowings and financial liabilities to associates		(25)	(41)
Interest payments		(89)	(107)
Repayment of lease obligations		(17)	(20)
Interest payments from lease obligations		(3)	(3)
Cash inflow from matured derivative financial instruments		4	18
Net cash used in financing activities	(33)	(161)	(409)
Change in cash and cash equivalents		(207)	(130)
Cash and cash equivalents at beginning of period		576	704
Foreign exchange impact		(14)	2
Cash and cash equivalents at end of period	(23)	355	576

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

in € million	Group reserves									
	Accumulated other comprehensive income									Total equity
	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Cash flow hedges and costs of hedging	Defined benefit plans	Currency translation	Equity attributable to shareholders of RHI Magnesita N.V.	
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(26)	(26)
31.12.2024	50	(108)	361	289	938	12	(86)	(254)	1,202	1,372
Profit after income tax	-	-	-	-	86	-	-	-	86	94
Currency translation differences	-	-	-	-	-	-	-	(166)	(166)	(194)
Cash flow hedges and costs of hedging	-	-	-	-	-	(15)	-	-	(15)	(15)
Defined benefit plans	-	-	-	-	-	-	11	-	11	11
Other comprehensive income after income tax	-	-	-	-	-	(15)	11	(166)	(170)	(198)
Total comprehensive income	-	-	-	-	86	(15)	11	(166)	(84)	(104)
Dividends	-	-	-	-	(85)	-	-	-	(85)	(88)
Share transfer/vested LTIP	-	5	-	-	(5)	-	-	-	-	-
Other changes ¹⁾	-	-	-	-	(6)	-	-	-	(6)	(8)
Share-based payment expenses	-	-	-	-	4	-	-	-	4	4
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	4	-	-	4	4
Hedging gains and losses included in goodwill net of taxes	-	-	-	-	-	(10)	-	-	(10)	(10)
31.12.2025	50	(103)	361	289	932	(9)	(75)	(420)	1,025	1,170

1) This mainly relates to the recognition of the financial liability and derecognition of the non-controlling interest related to the acquisition of BPI RHIM LLC.

in € million	Group reserves								
	Accumulated other comprehensive income								Equity attributable to shareholders of RHI Magnesita N.V.
	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Cash flow hedges and costs of hedging	Defined benefit plans	Currency translation	
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(26)
31.12.2023	50	(111)	361	289	872	6	(102)	(163)	1,202
Profit after income tax	-	-	-	-	142	-	-	-	12
Currency translation differences	-	-	-	-	-	-	-	(91)	6
Cash flow hedges and costs of hedging	-	-	-	-	-	7	-	-	7
Defined benefit plans	-	-	-	-	-	-	16	-	16
Other comprehensive income after income tax	-	-	-	-	-	7	16	(91)	6
Total comprehensive income	-	-	-	-	142	7	16	(91)	18
Dividends	-	-	-	-	(87)	-	-	-	(3)
Share transfer/vested LTIP	-	3	-	-	(3)	-	-	-	-
Other changes ¹⁾	-	-	-	-	5	-	-	-	5
Share-based payment expenses	-	-	-	-	9	-	-	-	9
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	(1)	-	-	-
31.12.2024	50	(108)	361	289	938	12	(86)	(254)	1,202
									170
									1,372

1) This mainly comprises the effects of the acquisition of non-controlling interests of Seven Refractories Group and P-D-Refractories as well as the final adjustments to the purchase price allocations of Seven Refractories Group and P-D-Refractories, both completed in 2024.

Notes to the Consolidated Financial Statements 2025

1. Authorisation of Consolidated Financial Statements and Statement of Compliance with the IFRS Accounting Standards

The Consolidated Financial Statements of RHI Magnesita N.V. and its subsidiaries (collectively referred to as "RHI Magnesita" or "the Group") for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 1 March 2026 and will be submitted for adoption to the Annual General Meeting ("AGM") in May 2026. RHI Magnesita is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria. It is registered with the Dutch Trade Register under number 68991665 and listed on the London Stock Exchange, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

The Group is a global industrial group whose core activities include the development and production, sale, installation and maintenance of high-grade refractory products and systems used in industrial high-temperature processes exceeding 1,200°C.

Basis for preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. The Consolidated Financial Statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated. With the exception of specific items such as derivative financial instruments, plan assets for defined benefit obligations, financial assets measured at Fair Value through Profit or Loss or Other Comprehensive Income and financial liabilities measured at Fair Value through Profit or Loss, the Consolidated Financial Statements are prepared on a historical cost basis.

Certain comparative figures in the Consolidated Financial Statements and accompanying Notes have been revised to conform to the current year presentation as a result of changing the accounting policies with regards to the composition of certain line items in the Consolidated Statement of Profit or Loss. Management believes that the following changes provide more useful information since the revised presentation has been aligned with the internal presentation for performance monitoring purposes:

- Amortisation of intangible assets is presented in a separate line item in the Consolidated Statement of Profit or Loss. Previously, amortisation was included in three line items, being cost of sales, selling and marketing expenses as well as general and administrative expenses, based on the internal allocation of amortisation to the functional expense categories. As a result, gross profit for the comparative period increased by €11 million, while selling, general and administrative expenses and cost of sales for the comparative period decreased by €28 million, respectively €11 million, resulting in an amortisation of intangible assets of €39 million for the comparative period.
- Presentation of selling, general and administrative expenses as a new line item in the Consolidated Statement of Profit or Loss. This line item combines the previous line items selling and marketing expenses as well as general and administrative expenses.
- Research and development expenses are presented in a separate line item in the Consolidated Statement of Profit or Loss. Previously, they were included in the former line item general and administrative expenses.

In addition, the Group underwent a reassessment of its operating segments which also led to changes in the composition and number of RHIM's cash generating units for impairment testing of property, plant and equipment, intangible assets and goodwill. These changes are described in more detail in Notes (3), (5) and (17).

The financial year of RHI Magnesita N.V. and the Group corresponds to the calendar year. Subsidiaries with a financial year different to the Group, due to local legal requirements, provide financial information to allow consolidation consistent with the Group's financial year. The Consolidated Financial Statements are presented in Euros, and all values are rounded to the nearest € million, except where otherwise indicated. The Group has availed of the exemption provided by section 264 paragraph 3 HGB of the German Commercial Code for the following entities: RHI Magnesita Sales Germany GmbH (Wiesbaden), RHI Refractories Site Services GmbH (Wiesbaden), RHI Magnesita Deutschland AG (Wiesbaden), RHI Magnesita Wetro GmbH (Puschwitz) and RHI Magnesita Bochum GmbH (Bochum). According to this provision, the mentioned companies are exempt from preparing statutory financial statements, where required by the German Commercial Code, since they are included in the Consolidated Financial Statements of the Group. Furthermore, the exemption pursuant to section 264b HGB has been applied for RHI Urmitz AG & Co. KG (Mülheim-Kärlich).

Basis of consolidation

The Consolidated Financial Statements consolidate the Financial Statements of RHI Magnesita N.V. and its subsidiaries. Subsidiaries are consolidated from the date on which the Group obtains control, including when control is obtained via potential voting rights, and continue to be consolidated until the date that control ceases.

The financial information of subsidiaries is prepared for the same reporting year as the parent company, using consistent accounting policies. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the Consolidated Statement of Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently

accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This treatment may mean that amounts previously recognised in OCI are recycled through the Statement of Profit or Loss. Intercompany balances and transactions, including unrealised profits arising from intragroup transactions, are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the shareholders of RHI Magnesita N.V..

Please refer to the Company Financial Statements of RHI Magnesita N.V. for a list of the Company's subsidiaries, joint ventures and associates in which it holds more than 20%. Please refer to page 310 for more detail.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the Consolidated Financial Statements, the Directors have assessed the potential cash generation of the Group and considered downside scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment. This assessment covers at least 12 months from the date of approval of the Consolidated Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the debt covenant of the Group's principal borrowing facilities. Mitigating actions within management control which would be undertaken in the downside and reverse scenarios, include but not limited to: reduce fixed costs and selling, general and administrative expenses, reduction of working capital and capital expenditure, seeking a debt covenant waiver and reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity, available facilities and debt covenant coverage. As of 31 December 2025, the Consolidated Statement of Financial Position reflects cash and cash equivalents of €355 million (2024: €576 million). In addition, the Group has access to a €600 million (2024: €600 million) Revolving Credit Facility (RCF), which is currently undrawn and not relied upon for the purpose of the going concern assessment. In 2025 and the previous reporting period, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Notes (27) and (37)).

In the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the period ended 31 December 2025.

2. Impact of new financial reporting standards and interpretations

Management has assessed the impact of new or amended IFRS Accounting Standards as adopted by the European Union effective on or after 1 January 2025. Management assessed that the application of these has not had a material impact on the Consolidated Financial Statements for 2025.

Furthermore, management has assessed the impact of new or amended IFRS Accounting Standards issued by the IASB that have not yet become effective. No new or amended IFRS Accounting Standards have been adopted early. Except for IFRS 18, the potential impact of which is currently being assessed, management does not anticipate any significant impact on the Consolidated Financial Statements in the period of initial application after the adoption of these amendments.

IFRS 18 'Presentation and Disclosure of Financial Statements' was published in April 2024 with the aim to enhance comparability of financial statements. The key changes introduced by IFRS 18 relate to the structure of the Consolidated Statement of Profit or Loss, disclosures related to management-defined performance measures ("MPMs"), aggregation and disaggregation of items in the primary financial statements as well as information disclosed in the Notes and minor changes in the Consolidated Statement of Cash Flows. IFRS 18 will replace existing guidance in IAS 1 'Presentation of Financial Statements' and some of the guidance in IAS 7 'Statement of Cash Flows'. IFRS 18 becomes effective for financial years beginning on or after January 1, 2027. The European Commission has already endorsed IFRS 18 for use in the EU. Management does not intend to early adopt IFRS 18.

IFRS 18 introduces a defined structure for the Consolidated Statement of Profit or Loss including five categories, namely operating, investing, financing, income tax and discontinued operations. Entities are required to classify their expenses and income to these categories mainly based on the main business activities and additional guidance provided by IFRS 18. In addition, according to IFRS 18 two subtotals must be presented on the face of the Consolidated Statement of Profit or Loss after the first two categories (i.e. operating profit or loss and profit or loss before financing and income tax).

IFRS 18 stipulates new disclosure requirements related to alternative performance measures that meet the definition of MPMs according to IFRS 18. According to the new guidance, disclosures related to MPMs include, but are not limited to, a reconciliation from the MPMs to the

most directly comparable IFRS 18 specific subtotal or total presented in the Consolidated Statement of Profit or Loss and Consolidated Cash Flow Statement; these need to be disclosed in a single note within the Notes.

A review of the impact of IFRS 18 is being undertaken, and the impact of adopting the new IFRS accounting standard will be determined once this review has been completed. In particular, the classification of expenses and income to the five categories and the introduction of (new) subtotals requires an assessment at general ledger account level per legal entity. In addition, the impact of the MPM related disclosures requires an assessment of which of the Group's alternative performance measures meet the definition of MPMs according to IFRS 18 and how the information to be disclosed for both profit or loss as well as cash flow related MPMs can be obtained. Therefore, the impact of adopting IFRS 18 cannot be reliably estimated until this work is substantially complete.

3. Significant accounting policies, judgements and estimates

Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed, including any contingent consideration, are recognised at their fair values at the acquisition date. The amount of the purchase consideration and value of non-controlling interest on acquisition, if any, above the fair value of assets and liabilities is recognised as goodwill. A bargain purchase gain, if any, is recognised within other income immediately. Transaction costs related to a business combination are expensed as incurred. The acquisition of a non-controlling interest in a subsidiary and the sale of an interest are accounted for as transactions within equity unless they result in the loss of control. Sales of interests accounted for as equity transactions also include share issues in subsidiaries which dilute RHI Magnesita N.V.'s share in the subsidiary's net assets and where the dilution does not result in the loss of control. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings as a movement in equity attributable to the shareholders of RHI Magnesita N.V..

Where the Group acquires less than 100% of shares in a business combination, there is an accounting policy choice whereby non-controlling interest is either reflected at the proportionate share of the acquired identifiable net assets (excluding goodwill) or at fair value. This accounting policy choice can be exercised individually for each acquisition. If a non-wholly owned subsidiary of RHI Magnesita N.V. is the deemed acquirer in a business combination, goodwill is measured either as the excess of the full consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets or as the excess of RHI Magnesita N.V.'s share in the consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets. This accounting policy choice can be exercised individually for each acquisition too. For business combinations achieved in stages, the Group's previously held equity interest is remeasured to fair value at the acquisition date. Any gains and losses arising from such remeasurement are recognised in profit or loss.

Net assets of subsidiaries not attributable to the shareholders of RHI Magnesita N.V. are shown separately in equity as non-controlling interests.

As part of a business acquisition or subsequently, the Group may enter into agreements with non-controlling interests in the form of a call option, a put option or a forward contract to acquire the outstanding shares. A call option provides the Group with the right to acquire the outstanding shares not already owned, while a written put option allows the non-controlling interest to sell their shares to the Group. A forward contract creates a commitment for the Group to purchase and for the non-controlling interest to sell the outstanding shares at a later date. The option or forward price may be based on an earnings multiple such as EBITDA subject to contractual limits, if any, or may be fixed and exercisable at a future date. A financial liability is recognised on the written put option or forward contract at the present value of the estimated redemption amount. Where the option is assessed to result in the non-controlling interest transferring the risks and rewards of ownership to the Group, on acquisition, the financial liability forms part of the purchase consideration with no value assigned to non-controlling interests. For fixed price call and put options or fixed price forward contracts, the risks and rewards of ownership relating to the outstanding shares are assumed to have transferred to the Group. Whereas variable price call and put options or variable price forward contracts, for which the price equals fair value and where the legal owner of the outstanding shares retains voting and dividend rights, the risks and rewards of ownership are assumed to remain with the legal owner of the outstanding shares.

Where the risks and rewards of ownership under the option or forward contract are not transferred to the Group, the financial liability is not considered as part of the purchase consideration and a non-controlling interest is recognised on acquisition. The financial liability is initially recognised against equity attributable to shareholders of RHI Magnesita N.V.. Subsequently, the Group derecognises the non-controlling interest, to the extent that it is equal or less than the financial liability, against equity attributable to shareholders of RHI Magnesita N.V..

The subsequent measurement of the financial liability is conditional on the nature of the underlying cash consideration. If the option or forward contract will be settled at a fixed cash consideration, the financial liability is subsequently measured at amortised cost. If the option or forward contract will be settled at a variable cash consideration (e.g. EBITDA multiple or similar profit or loss measures) the financial liability is subsequently measured at Fair Value through Profit or Loss. Fair value changes resulting from the remeasurement of the financial liability are presented within other net financial expenses.

If a financial liability is recognised for an option or a forward contract over outstanding shares, dividends paid to non-controlling interest are presented as an expense within other net financial expenses unless there is a contractual right to reduce the financial liability. Dividend

payments to non-controlling interest without such a financial liability reduce the non-controlling interests presented in equity without impacting the Consolidated Statement of Profit or Loss.

Significant estimate: Measurement of assets acquired and liabilities assumed in business combinations

Estimates relating to the calculation of fair values of acquired assets, liabilities and contingent liabilities are required within the context of business combinations disclosed in Note (40). Where intangible assets are identified, estimates are necessary for the determination of fair values by means of discounted cash flows, including the duration, amount of future cash flows, and discount rate. Fair values of physical assets are estimated with reference to comparable assets in the market. When making estimates in the context of purchase price allocations on major acquisitions, the Group consults with independent experts who accompany the execution of the discretionary decisions and record this in appraisal documents. The Group has a period of one year from the date of control of the acquired businesses to update initial fair value estimates.

Significant judgement: Recognition of non-controlling interest of BPI RHIM LLC

The acquisition of BPI RHIM LLC includes a call and a put option over the outstanding shares (49%), see Note (40). The Group has concluded, based on the terms and pricing of the call and the put option, that the risks and rewards of ownership associated with the outstanding shares have not been transferred to the Group. Therefore, the financial liability was not considered as part of the purchase consideration, and a non-controlling interest was recognised on acquisition. The financial liability arising from the put option has been recognised in accordance with the Group's accounting policy related to fixed-term or puttable non-controlling interests. Being that the financial liability was initially recognised against equity attributable to shareholders of RHI Magnesita N.V., while the said non-controlling interests were derecognised to zero — also against equity attributable to shareholders of RHI Magnesita N.V..

Significant judgement: Control over Horn & Co Minerals Recovery and BPI RHIM LLC

At the end of the reporting period, the Group holds a 55.0% interest in Horn & Co Minerals Recovery ("Mireco") and a 51.0% interest in BPI RHIM LLC. The Group assessed its respective shareholding rights and power to control in terms of the purchase agreements, founding documents of both businesses and relevant corporate laws. Based on this assessment, the Group determined that it controls Mireco as well as BPI RHIM LLC and consolidated them from the respective date of control. The Group exercises control over Mireco and BPI RHIM LLC as it has the power to steer the relevant activities of the businesses and can use this power to affect the variable returns that it is exposed to. In determining that the Group controls both businesses, judgement is applied which takes into account the Group's voting rights, management representation, the governance structure of both businesses as well as the activities that can be unilaterally directed by RHIM without the consent of the non-controlling shareholders. Control is achieved above all through the Group's voting rights and the resulting influence on directing the relevant activities of these businesses.

Goodwill and intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill recognised as an asset is reviewed for impairment at least annually.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Mining rights

Mining rights arise from business acquisitions and are generally amortised based on the depletion of the related mines. Depletion is calculated based on the volume mined in the period in proportion to the total estimated economically viable volume. In exceptional cases, mining rights are amortised on a straight-line basis over their expected useful lives.

Customer relationships

Customer relationships arise from business acquisitions and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Trade names

Trade names arise from business acquisitions and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Internally generated intangible assets

Research costs are expensed in the year incurred and presented within research and development expenses. Development costs, including internally developed software controlled by the Group, are only capitalised as internally generated intangible assets if the costs can be measured reliably and are expected to result in future economic benefits either through use or sale. Capitalisation will also only arise when the product or process development can be clearly defined and is feasible in technical, economic and capacity terms. For internally developed software controlled by the Group, costs are capitalised when these can be directly and conclusively allocated to individual programmes and represent new software or a significant extension or improvement on existing software. All other internally developed software costs are expensed. Development costs are amortised on a straight-line basis over their expected useful lives of up to ten years, with internally developed software amortised over a period of up to four years. Amortisation is presented in a separate line item which includes amortisation of purchased intangible assets in addition to amortisation of internally generated intangible assets.

Other intangible assets

These mainly represent purchased third-party software controlled by the Group, land-use rights and patent fees and are recognised when future associated economic benefits are expected to accrue to the Group. These intangibles are initially measured at their acquisition cost and amortised over their expected useful lives.

Where the Group does not have control of cloud-based third-party software, the configuration and customisation costs as well as the recurring service subscription fee are typically expensed in the reporting period the services are received.

The useful lives of the Group's main classes of intangible assets are:

Customer relationships	6 to 20 years
Trade names	20 years
Internally generated intangible assets	4 to 10 years
Other intangible assets	3 to 65 years

The useful economic lives of intangible assets are reviewed regularly and adjusted if necessary.

The carrying values of intangible assets are assessed at each reporting period for indicators of impairments. See below for the accounting policy relating to impairment of non-current assets other than goodwill.

Property, plant and equipment

Property, plant and equipment is measured at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. These assets are depreciated on a straight-line basis over their expected useful life to their estimated residual values, if any, and from when they are available for use in the manner intended by management.

Construction costs of assets comprise direct costs as well as a proportionate share of capitalisable overhead costs and borrowing costs. If borrowed funds are directly attributable to an investment, borrowing costs are capitalised as a cost of the assets. If no direct connection between an investment and borrowed funds can be demonstrated, the weighted average rate on borrowed capital of the Group amounting to 3.31% (2024: 2.95%) is used as the capitalisation rate due to the central funding of the Group.

Expected demolition and disposal costs at the end of an asset's useful life are capitalised as part of its acquisition cost and recorded as a provision. The recognition criteria are: (i) a legal or constructive obligation towards a third-party and (ii) the ability to reliably estimate future cost.

Land and plant under construction are not depreciated. Depreciation of property, plant and equipment is based on the following useful lives:

Real estate and buildings	5 to 60 years
Technical equipment and machinery	3 to 63 years
Other plant, office equipment, furniture and fixtures	3 to 35 years

The carrying value of property, plant and equipment is assessed at each reporting period for indicators of impairments. See below for accounting policy relating to impairment of non-current assets other than goodwill.

The residual values and economic useful lives of property, plant and equipment, are reviewed regularly and adjusted if necessary.

When components of plant or equipment have to be replaced at regular intervals, the relevant replacement costs are capitalised when economic benefits are expected to arise for the Group. The carrying amount of the replaced components is derecognised. Regular maintenance and repair costs are expensed as incurred.

Gains or losses from the disposal of property, plant and equipment, which result from the difference between the net realisable value and the carrying amount, are recognised as income or expense in the Consolidated Statement of Profit or Loss.

Significant estimate: Useful lives of property, plant and equipment and intangible assets

Management uses its experience to estimate the remaining useful life of an asset. The actual useful life of an asset may be impacted by an unexpected event that may result in an adjustment to the carrying amount of the asset. No such events are expected to arise which would have a material impact on carrying values within 12 months from the reporting date.

Leases

A contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) is accounted for as a lease. Contracts are assessed to determine whether it is or contains, a lease at inception or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised. At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, except for low-value items or for lease terms of less than 12 months. The commencement date of a lease is the date on which the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance.

The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term and similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any pre-paid lease payment relating to the specific lease contract, less any lease incentives, and for any estimated restoration and removal costs. Right of use assets are depreciated on a straight-line basis over the useful life of the leased asset or, if this is shorter, over the lease term. The depreciation on right-of-use assets is recognised in the Consolidated Statement of Profit or Loss. Right-of-use assets are assessed for impairment indicators (see accounting policy on impairment of non-current assets).

Impairment of goodwill, property, plant and equipment and intangible assets

Goodwill

Goodwill is reviewed at least annually for impairment. Any impairment loss is recognised as an expense immediately. For the purpose of impairment testing, goodwill is allocated to the individual Cash-Generating Units (CGUs) expected to benefit from the business combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU (including goodwill) allocated to it, the resulting impairment loss is applied first to the allocated goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset. Reversals of impairment losses on goodwill are not permitted.

Property, plant and equipment and intangible assets

Property, plant and equipment, including right-of-use assets and intangible assets are tested for impairment if there is any indication that the value of these items may be impaired. An asset is considered to be impaired if its recoverable amount is less than its carrying amount. In the Group, individual assets do not generate cash inflows independent of one another, and assets are combined in CGUs, which largely generate independent cash inflows. In the reporting period, the composition and number of RHIM's CGUs changed due to the reassessment of its operating segments. The impact from transitioning from a customer industry-based CGU structure to a regional CGU structure is described in Note (17).

Significant judgement: Identification of impairment indicators related to individual items of property, plant and equipment or intangible assets

Management reviewed individual items of property, plant and equipment or intangible assets for indicators of impairment. These indicators included both external factors affecting the recoverable amounts, such as laws and regulations in specific countries and global and local economic conditions and internal factors, including but not limited to, useful lives of items of property, plant and equipment or intangible assets, major breakdowns or decisions to divest from certain businesses or abandon investment projects. Based on the impairment indicator review, certain impairment indicators were identified in the reporting period that led to immaterial impairment losses at the level of individual items of property, plant and equipment or intangible assets. Refer to Notes (6), (8), (18) and (19) for details.

Significant judgement: Determination of CGUs

Management determines its cash generating units at operating segment level whereby each CGU comprises a group of assets representing the capacity of multiple production plants needed to meet the customer demand of the respective operating segment. The combination of multiple production plants to a single CGU per operating segment is mainly based on the possibilities of producing similar types of refractory products in multiple production plants facilitating revenue substitution between production plants, the similarities in the production process of the different types of refractory products and the fact that the closure of individual production plants does not lead to customer 'leakage'.

The recoverable amount of a CGU is defined as the higher of its fair value less costs of disposal and its value in use (present value of future cash flows). For the purpose of testing CGUs for impairment the Group determines the recoverable amount of the CGUs solely on the basis of value in use. In assessing value in use, the estimated future cash flows of the CGU in its present condition are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks, including country, specific to the CGU.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2026 Budget, as approved by the Board, and the Long-Term Plan covering a subsequently following four-year period. The terminal value is based on a growth rate derived from the difference of the current and the possible degree of utilisation of the assets. To forecast the CGUs' cash flows, management predicts the growth rate using external sources for the development of the sales regions and expert assumptions, including forecasts about the regional growth of steel production and the output of Industrial clients. Growth rates are also influenced by the development of the specific refractory consumption patterns, including technological improvements.

If the carrying amount is higher than the recoverable amount, an impairment loss equivalent to the resulting difference is recognised in the Consolidated Statement of Profit or Loss. If the reason for an impairment loss recognised in the past for property, plant and equipment or for intangible assets ceases to exist, a reversal of the impairment is recognised in profit or loss. An impairment loss is reversed only to the extent that the CGUs' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Significant estimate: Determination of recoverable amounts of CGUs which include goodwill

Management makes use of various estimates and assumptions in determining the cash flow forecasts used to determine the value in use of CGUs to which goodwill is allocated for the annual impairment test. Key assumptions include discount rates used to discount cash flows, the perpetual annuity growth rate, projected revenue and projected EBIT margin of the associated CGU. Changes in these key assumptions may change the headroom or result in impairment losses. For further details on impairment tests for CGUs which include goodwill, refer to Note (17).

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In general, financial instruments can be classified to be measured subsequently at amortised cost, fair value through profit or loss or fair value through other comprehensive income. Classification of financial assets depends on the contractual terms of the cash flows as well as on the entity's business model for managing the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified as amortised cost if the contractual cash flows include solely payments of principal and interest and which are held in order to collect the contractual cash flows. If the contractual cash flows include solely payments of principal and interest, but are held to collect both the contractual cash flows and sell the financial asset, then they are classified as fair value through other comprehensive income. If the contractual cash flows do not solely include payments of principal and interest, then they are classified as fair value through profit or loss.

The Group initially recognises securities on the trading date when it becomes a party to the contractual provisions of the instruments. All other financial assets and financial liabilities are initially recognised on the date when they are originated. Financial instruments, except for trade receivables, are initially recognised at fair value. Financial assets are derecognised if the entity transfers substantially all the risks and rewards or if the entity neither transfers nor retains substantially all the risks and rewards and has not retained control. Financial liabilities are derecognised when the contractual obligations are settled, withdrawn or have expired.

Investments in debt securities are subsequently measured at fair value through profit and loss if the contractual terms of cash flows do not solely include payments of principal and interest. Otherwise, they are subsequently carried at amortised cost.

Investments in equity securities, including non-consolidated subsidiaries, are of minor importance and recognised and measured either at fair value through profit or loss, or at fair value through OCI, if the latter option was exercised.

Financial assets at amortised costs are measured by applying the effective interest method.

Trade and other current receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value and, depending on the business model, subsequently carried either at amortised cost minus any valuation allowances or at fair value through other comprehensive income minus any valuation allowances for expected or incurred credit losses. Irrespective of the measurement category, any impairment losses are recognised in the Consolidated Statement of Profit or Loss. Valuation allowances for expected credit losses are calculated in accordance with the simplified approach of the impairment model for financial instruments (see accounting policy on impairment of financial assets below).

The Group sells trade receivables to financial institutions in the scope of factoring arrangements on a recurring basis based on its liquidity needs. Prospectively, the extent and the specific trade receivables impacted by future sales cannot be identified. Therefore, trade receivables which qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose objective is collecting the contractual cash flows and selling them. These trade receivables are carried at fair value through other comprehensive income minus any valuation allowances. Whereas trade receivables which do not qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose only objective is to collect the contractual cash flows and are therefore carried at amortised cost minus any valuation allowances.

In factoring arrangements, trade receivables are derecognised where the Group transfers substantially all the risks and rewards associated with the financial assets. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques received, cash at banks and short-term cash deposits with an original term of up to three months. Moreover, investments in money market funds exposed to insignificant value fluctuations due to their high credit rating and investments in short-term money market instruments that can be converted to defined cash amounts within a few days at any time, are also reflected as cash equivalents.

Borrowings

Financial liabilities include liabilities to financial institutions and other lenders and are measured at fair value less directly attributable transaction costs at initial recognition. In subsequent periods, these liabilities are measured at amortised cost applying the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged (by payment or legal release), cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The difference in the respective carrying amounts is subsequently recognised in the Consolidated Statement of Profit or Loss, including any costs or fees.

Trade payables and other liabilities

These liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The Group enables selected suppliers to participate in a variety of supplier finance arrangements which include a forfaiting arrangement, an arrangement with a payment service provider and reverse factoring arrangements. The forfaiting and reverse factoring arrangements give suppliers the option to receive early payment by selling either bills of exchange referring to supplier invoices or trade receivables to a financial institution at a discount. The Group then settles the liability to the financial institution at a later date in accordance with the payment terms agreed with the financial institution. Under the arrangement with a payment service provider, invoices from suppliers are paid by the payment service provider on behalf of RHIM on the original due date. The Group then settles the liability to the payment service provider at a later date in accordance with the payment terms agreed with the payment service provider. The liabilities subject to all supplier finance arrangements continue to be presented within trade payables and other liabilities. The settlement of these liabilities is classified as cash outflow from operating activities, except for any interest paid, which is presented within the cash flow from financing activities. This accounting policy is based on an analysis of the terms and conditions of each supplier finance arrangement and an assessment of whether the following criteria are met: the payables subject to the respective supplier finance arrangement represent liabilities to pay for goods or services, are invoiced or formally agreed with the supplier and are part of the working capital used in the Group's normal operating cycle. Management has determined that these criteria are met for all supplier finance arrangements.

Significant judgement: Supplier finance arrangements

In assessing to what extent supplier finance arrangements can be presented within trade payables and other liabilities, the Group has to make certain judgements as to whether the payables subject to supplier finance arrangements are deemed to be part of the working capital used in the Group's normal operating cycle. Also, the Group has in this context to assess the impact of additional securities being provided and/or the significance of the differences in payment terms between the trade payables that are or are not part of the supplier finance arrangements within the Group.

Derivative financial instruments and hedging activities*Derivative financial instruments not designated as hedges*

Derivative contracts are used in the management of interest rate risk, commodity price risk and foreign currency risk. These derivative financial instruments, which are not designated in an effective hedging relationship, are recognised initially at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value with changes in fair value reflected in the Consolidated Statement of Profit or Loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments include forward exchange contracts and embedded derivatives in open orders denominated in a currency other than the functional currency of either contracting party, with the assessment made on a case-by-case basis at the respective forward rate on the reporting date. These forward rates are based on spot rates, including forward premiums and discounts. Unrealised valuation gains or losses and results from the realisation are recognised in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects.

Forward purchase or sale arrangements for the physical delivery of non-financial assets that are entered into in line with the Group's expected purchase, sale or usage requirements ('own use') and are normally entered into to hedge the associated price risk are not recognised or measured at fair value. These forward contracts are assessed to be off-balance-sheet executory contracts due to their own use features. If the own use exemption is not met, the forward contracts will be recognised at fair value, with fair value remeasurement recorded in the Consolidated Statement of Profit or Loss.

Due to the reduction of free CO₂ emission certificates and the expected increase in CO₂ market prices, the Group hedges the associated price risk by entering into forward purchase contracts for the delivery of CO₂ emission certificates. Derivative financial instruments also include these contracts, since the own use exemption is not applicable.

Significant judgement: Own use exemption on gas and power forward purchase contracts

The Group enters into fixed price and quantity forward gas and power contracts to secure the supply for its production process and reduce price volatility. The own use exemption does not require fair value recognition and measurement of the forward purchases and thus volatility in the Consolidated Statement of Profit or Loss can be avoided. The own use exemption requires contracts to be entered into and continued to be held for delivery and usage requirements of the Group. The Group settles most of these forward contracts through physical delivery and does not expect to sell any (unexpected) surplus quantities of either gas or power. Management have judged that these forward purchases based on current and expected future requirements satisfy the own use exemption and have not applied fair value recognition and measurement. However, if surplus quantities of either gas or power are expected to be sold, the corresponding forward contracts are accounted for as derivative financial instruments whose changes in fair value are recognised in the Consolidated Statement of Profit and Loss.

Derivative financial instruments designated as cash flow hedges

For derivative financial instruments which are designated as an effective cash flow hedge, hedge accounting is applied. The hedging instruments, used to hedge the underlying items, are measured at fair value with the effective part of the fair value changes recorded in OCI as an unrealised gain or loss. At the time of the realisation of the underlying transaction, the fair value changes of the hedging instrument recognised in OCI is recycled to the Consolidated Statement of Profit or Loss. Ineffective parts of the cash flow hedges are recognised immediately in the Consolidated Statement of Profit or Loss. Where the hedged item is a non-financial asset or liability, the amount accumulated in OCI is transferred to the initial carrying amount of the asset or liability. If the hedged transaction is no longer expected to take place, the accumulated amount recorded in OCI is reclassified to the Consolidated Statement of Profit or Loss. All relationships between hedging instruments and hedged items are documented, as well as risk management objectives and strategies for undertaking hedge transactions. The effectiveness of hedges is also continually assessed, and hedge accounting is discontinued when there is a change in the risk management strategy.

Impairment of financial assets

Impairment of certain financial assets is based on expected credit losses (ECL). ECL is defined as the difference between all contractual cash flows the entity is entitled under the contract and the cash flows expected to be received. The measurement of expected credit losses is generally a function of the probability of default, loss given default and the exposure at default.

Loss allowance is measured for expected credit losses on debt instruments, trade receivables and contract assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets by applying the simplified approach. The ECL on these financial assets are generally estimated using a provision matrix based on the Group's historical credit loss experience for customer groups located in different geographic regions. Forward-looking information is incorporated in the determination of the applicable loss rates for trade receivables. For the Group, the general economic development of the countries in which it sells its goods and services is relevant in determining if the adjustment of the historical loss rates is necessary.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group makes use of the practical expedient for financial instruments with an 'investment grade' rating which are assumed to be of low credit risk and have no significant increase in the credit risk. Under the practical expedient, the expected credit loss is calculated using the 12-month ECL. Among other factors, the Group considers a significant increase in credit risk to have taken place when contractual payments are more than 30 days past due.

The Group assumes that a default event has occurred when trade receivables are 180 days past due unless reasonable and supportable information confirms otherwise. For those financial instruments where objective evidence of default is present, an individual assessment of ECL takes place.

Generally, financial instruments are written off when there is no reasonable expectation of recovering amounts due.

Inventories including purchased emission rights

Inventories are stated at the lower of cost or net realisable value as of the reporting date. The determination of acquisition cost of purchased materials is based on the average cost. Finished goods and work in progress are valued at fixed and variable production cost. The net realisable value is the estimated selling price in the ordinary course of business minus any estimated cost to complete and to sell the goods. Impairments due to reduced recoverability are reflected in the calculation of the net realisable value.

Purchased emission certificates are presented as inventory and are initially recognised at cost and subsequently measured at the lower of cost and net realisable value. The consumption of the purchased emission certificates based on the tons of CO₂ emitted is recorded as expense in the cost of sales.

Those certificates that the Group received free of charge under the respective EU trading schemes are not recognised in the Consolidated Financial Statements.

To the extent that the CO₂ emissions emitted exceed the emission cap under the free of charge and purchased emission certificates, the Group recognises a provision calculated based on the deficit of emission certificates and measured at the market price of emission certificates prevailing at the reporting date.

Provisions

Provisions are recognised when the Group incurs a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to meet this obligation, and the amount of the obligation can be reliably estimated.

Provisions for warranties are created for individual contracts at the time of the sale of goods or after the service has been provided. The amounts of the provisions are based on the expected or actual warranty claims.

Provisions for restructuring are recognised once a detailed formal restructuring plan has been developed and announced prior to the reporting date or whose implementation was commenced prior to the reporting date.

The Group recognises provisions for demolition and disposal costs and environmental damages. The Group's facilities and its refractory, exploration and mining operations are subject to environmental and governmental laws and regulations in each of the jurisdictions in which it operates. These laws govern, among other things, reclamation or restoration of the environment in mined areas and the clean-up of contaminated properties. These provisions include the estimated demolition and disposal costs of plants and buildings as well as environmental restoration costs arising from mining activities, based on the present value of estimated cash flows of the expected costs. The estimated future costs of asset retirements are reviewed annually and adjusted, if appropriate.

A provision for an onerous or unfavourable contract is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Provisions are measured at the present value of the unavoidable costs of meeting the obligation under the contract which exceed the economic benefits expected to arise from that contract.

Provisions for labour and civil contingencies are recognised for all risks relating to legal proceedings that represent a probable loss. Assessment of the likelihood of loss includes an analysis of available evidence, including the opinion of internal and external legal advisors of the Group.

Provisions are measured at their discounted settlement value as of the reporting date if the discounting effect is material.

If maturities cannot be estimated, they are shown within current provisions.

Significant estimate: Measurement of other provisions

The recognition and measurement of other provisions disclosed in Note (30) are based on best estimates using the information available at the reporting date. The estimates take into account the underlying legal or constructive obligation and are performed by internal experts or, when appropriate, also by external experts. Despite the best possible assumptions and estimates, cash outflows expected at the reporting date may deviate from actual cash outflows. As soon as additional information is available, the estimates made are reviewed and provisions are also adjusted. The majority of other provisions refers to an unfavourable contract which was recognised in the course of acquiring the former Magnesita Group and is mainly based on an estimate of foregone profit margins compared to market conditions. Moreover, restructuring provisions and provisions related to the rehabilitation and restoration of the mining sites or for environmental damages are recorded within other provisions. These are subject to measurement uncertainties in terms of the estimated costs to settle the obligation, estimated term until rehabilitation and restoration, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions.

Net employee defined benefit liabilities*Provisions for post-employment benefits**Pension plans*

With respect to post-employment benefits relating to pensions, a differentiation is made between defined contribution and defined benefit plans.

Defined contribution plans limit the Group's obligation to the agreed contributions to earmarked pension schemes. The contributions are expensed as incurred.

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents.

Pension obligations are measured using the projected unit credit method and is netted against the fair value of the plan assets, if any. If the plan assets are not sufficient to cover the obligation, the net obligation is recognised as a liability. However, if the plan assets exceed the obligations, the net surplus recognised is limited to reductions of future contribution payments to the plan and is presented as other non-current assets in the Consolidated Statement of Financial Position. The Group restricts recognition of the net surplus by applying an asset recognition ceiling where the Group does not have an unconditional right to a refund, assuming full settlement of the liabilities. Changes in the asset ceiling are recorded in OCI.

The present value of defined benefit obligations is determined separately for each plan, annually, by independent qualified actuaries. The present value of future benefits is based on the length of service, expected wage/salary developments and pension adjustments.

The expense to be recognised in a period includes current and past service costs, settlement gains and losses, interest expenses from the interest accrued on obligations, interest income from plan assets and administration costs paid from plan assets. The net interest expense is shown separately in net finance costs. All other expenses related to defined benefit plans are allocated to the costs of the relevant functional areas.

Actuarial assumptions required to calculate these obligations include the discount rate, increases in wages/salaries and pensions, retirement starting age and probability of employee turnover and actual claims. The calculation is based on local demographic parameters.

Interest rates, which are based on high-quality corporate bonds issued with comparable maturities and currencies, are applied to determine the present value of pension obligations. In countries where there is not a sufficiently liquid market for high-quality corporate bonds, the returns on government bonds are used as a basis.

The rates of increase for wages/salaries are based on an average of past years, which is also considered to be realistic for the future, while the retirement age is based on the respective statutory provisions of the country concerned.

Remeasurement gains and losses are recorded net of deferred taxes under OCI in the period incurred.

Other post-employment benefits

Other post-employment benefits include provisions for termination benefits primarily related to obligations to employees whose employment is subject to Austrian law.

Employees who joined an Austrian company before 31 December 2002 receive a one-off lump-sum termination benefit as defined by the Austrian labour legislation if the employer terminates the employment or when the employee retires. It is regarded as a post-employment benefit and classified as a defined benefit plan. The termination payment depends on the relevant salary at the time of the termination as well as the number of years of service and ranges between two and 12 monthly salaries. These defined benefit obligations are measured using the projected unit credit method applying an accumulation period of 25 years. Remeasurement gains and losses are recorded directly in OCI after considering tax effects.

For employees who joined an Austrian company after 31 December 2002, employers are required to make regular contributions equal to 1.53% of the monthly wage/salary to a statutory termination benefit scheme. The Company has no further obligations. Claims by employees to termination benefits are filed with the statutory termination benefit scheme, while the continuous contributions are treated as defined contribution plans and included in the personnel expenses of the functional areas.

Significant estimate: Pension plans and other post-employment benefits classified as defined benefit plans

The measurement of defined benefit obligation and plan assets requires use of estimates such as discount rates, mortality rates, salary increases and inflation. These estimates are reviewed and updated when a valuation is performed by third-party experts. Further details of the estimates and assumptions together with sensitivities on changes to assumptions is reflected in Note (29). Changes in these assumptions may result in differences between cash outflows expected at the reporting date and actual cash outflows.

Other employee benefits

This includes service anniversary bonuses, payments to semi-retirees and lump-sum settlements.

Service anniversary bonuses are one-time special payments that are dependent on the employee's wage/salary and length of service. The employer is required by collective bargaining agreements or company agreements to make these payments after an employee has reached a certain number of years of uninterrupted service with the same company. Obligations are mainly related to service anniversary bonuses in Austrian and German group companies. Provisions for service anniversary bonuses are calculated based on the projected unit credit method. Remeasurement gains or losses are recorded in the personnel costs of the functional areas.

Local labour laws and other similar regulations require individual group companies to create provisions for semi-retirement obligations. The obligations are partially covered by qualified plan assets and are reported on a net basis in the Consolidated Statement of Financial Position.

Contingent liabilities

A contingent liability is disclosed, where material, if the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. A contingent liability is not disclosed if the likelihood of a material cash outflow is considered remote. The Group's contingent liabilities are reviewed on a regular basis.

Income taxes

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in OCI or directly in equity, including tax-related impacts.

Current tax is based on the taxable profit for the period and is determined in accordance with the rules applicable in the relevant jurisdictions and includes taxes relating to prior periods. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises on initial recognition of goodwill
- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future
- For financial instruments which were issued by subsidiaries to non-controlling interests, and which are classified as a financial liability in accordance with IFRS Accounting Standards

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these can be utilised, except where the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit and loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred taxes of the Group's Austrian subsidiaries are determined at the corporation tax rate which is expected to be applicable when the temporary differences reverse.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Where tax legislation may not be clear or result in uncertainty, the Group will determine its tax obligations and resulting income tax expense using an approach which it believes has a probable chance of being accepted by the tax authorities based on historical experience, legal advice and communication with the tax authorities, as appropriate. Where the Group adopts an approach to an uncertain tax position that it regards as having a less than probable chance of being accepted by the tax authorities, the income tax expense and resulting income and deferred tax balances are adjusted to reflect this uncertainty using either the most likely outcome method or the expected value method.

The global minimum top-up tax payable under the Pillar Two legislation is recognised as a current income tax expense when it is incurred. In accordance with the temporary exception, the Group does not recognise deferred taxes in respect of the top-up tax under the Pillar Two legislation.

Significant judgement: Uncertain tax positions

Management makes judgements in relation to the recognition of uncertain tax positions concerning current and deferred income taxes. In making judgements, management believes that the tax positions the Group adopts are in line with the applicable legislation and reflect the probable outcome. The tax obligations and receivables, upon audit by the tax authorities at a future date, may differ as a result of differing interpretations. These interpretations may impact the expected timing and quantum of taxes payable and recoverable.

Significant judgement: Utilisation of tax losses and recognition of other deferred tax assets

The Group operates in many countries and is subject to taxes in numerous jurisdictions. Management uses judgement to assess the recoverability of deferred tax assets such as whether there will be sufficient future taxable profits to utilise tax losses. Refer to Note (14) for details on recognised deferred tax assets.

Revenue, income and expenses

Revenue from contracts with customers

Revenue from the sale of goods and services is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled at inception and limits the recognition of revenue subject to the variability, until it is highly probable that a significant reversal of cumulative revenue recognised will not occur. The Group does not recognise the impact of financing for payment terms as the average credit terms is currently 60 days. At contract inception, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligation. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Revenue is recognised as control is transferred, either over time or at a point of time. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Unless refractory products are delivered under specific customer contracts, whose transaction price depends on the customer's production output, revenue from the delivery of refractory products is recognised at a point in time, i.e. at the time of transfer of control. Control of the refractory products is typically passed to the customer when physical possession has been transferred.

The transport service does not give rise to a separate performance obligation to which a part of revenue would have to be allocated, as this service is usually performed before control of the products is transferred to the customer.

In consignment arrangements, the Group retains control of the goods generally until a withdrawal of the products from the consignment occurs. Most of the products within consignment arrangements have a high stock turnover rate.

The Group provides services (e.g. supervision, installation) that are either sold separately or bundled together with the sale of products to a customer. Contracts for bundled sales of products and installation services usually comprise of two performance obligations being (i) the promise to transfer products and (ii) provide services which are capable of being distinct and separately identifiable in the context of the contract. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the product and service. Revenue from services is recognised over time using an input method to measure progress towards completion of the service as the customer simultaneously receives and consumes the benefits provided by the Group.

Contracts for bundled sales of refractory products and non-refractory products (e.g. machines) provided to the customer free of charge comprise two performance obligations that are separately identifiable. Consequently, the Group allocates the transaction price based on the relative stand-alone selling prices of these performance obligations and allocates revenue to the non-refractory product which is delivered free of charge.

Expected penalty fees from guaranteed durabilities on refractory products are considered as a variable consideration in the form of a contract or a refund liability. However, the estimation of the variable consideration is not subject to a constraint as the Group has significant experience with promising durabilities and as a consequence does not expect significant reversal of revenue recognised in prior periods. All other product warranties issued by the Group guarantee that the transferred products correspond to the contractually agreed specifications and are classified as assurance type warranties. Consequently, no separate distinct performance obligation to the customer exists.

If transfer of goods or services to a customer is performed before the customer pays consideration or before payment is due and is conditional on something other than the passage of time, a contract asset, excluding any amounts presented as a receivable, is recognised.

If a customer pays consideration before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made.

Contract costs, which are defined as the incremental costs of obtaining a contract, are recognised as an asset where the Group expects to recover those costs, except for those costs which are expected to be recovered within 12 months.

As the term of customer contracts is less than one year, the Group adopted the practical expedient not to disclose performance obligations for contracts with original expected duration of less than one year.

Significant judgement: Revenue recognition

For specific customer contracts with Steel customers with variable payment arrangements where the transaction price depends on the customer's production output, (e.g. quantity of steel produced) management has determined that the commitment to transfer each of the products and services to the customer is not separately identifiable from the other commitments in the context of such contracts. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one performance obligation, being the performance of a management refractory service, exists. Revenue from the delivery of management refractory services is recognised over time and, by applying the practical expedient, corresponds to the amounts that the Group is entitled to invoice to the customer on a regular basis according to the contract terms.

Cost of sales

Cost of sales comprises the production cost of goods sold as well as the purchase price of merchandise sold. In addition to direct material and production costs, it also includes overheads including depreciation of production equipment as well as impairment losses and reversals of impairment losses of inventories. Moreover, cost of sales also includes the costs of services provided by the Group or services received.

Selling, general and administrative expenses

This line item includes personnel expenses for the sales staff as well as depreciation and other operating expenses related to the market and sales processes. In addition, it includes personnel expenses for the administrative functions, legal, IT and other consulting costs.

Research and development expenses

This line item includes expenses for research and non-capitalisable development costs.

Amortisation of intangible assets

This line item includes amortisation of purchased and internally generated intangible assets.

Interest income and expenses

Interest income and expenses are recognised in accordance with the effective interest method.

Foreign currency translation and hyperinflation accounting**Functional currency and presentation currency**

The Consolidated Financial Statements are presented in Euro, which represents the functional and presentation currency of RHI Magnesita N.V..

Consolidated subsidiary financial information is based on the currency of the primary economic environment in which it operates (functional currency).

Hyperinflation accounting

Financial Statements of subsidiaries which operate in a country whose functional currency is considered hyperinflationary are restated for the changes in the general purchasing power before translation to the reporting currency of the Group and before consolidation in order to reflect the same value of money for all items. Currently only the Financial Statements of the subsidiary operating in Argentina, Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), are restated for hyperinflation effects.

The closing balances of the non-monetary items as well as all items of the Statement of Profit or Loss are restated for the changes in the general purchasing power of its functional currency as follows. All non-monetary items recognised in the Statement of Financial Position which are not measured at the measuring unit applicable on the reporting date are restated for the changes in the general price index from the later of the transaction date or the first-time application date to the reporting date. Non-monetary items include property, plant and equipment, intangible assets, inventories, and allocated goodwill. Monetary items are not restated. All items of the Statement of Profit or Loss are restated for the changes in the general price index from the date of initial recognition to the reporting date. Gains or losses resulting from the net monetary position are reported in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects. The Financial Statements of Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.) are therefore reported at the applicable measuring unit on the reporting date.

The price index, IPIM (Internal Index Wholesale Prices), published by the Argentinian National Institute of Statistics and Censuses is applied to determine the changes in the general purchasing power. The following table provides the level and changes of the price index for the current and the previous reporting period:

	31.12.2025	31.12.2024
Price level	10,067.71	7,694.01
Index movement (in %)	31	118

Foreign currency transactions and balances

In individual subsidiaries, joint ventures and associates, transactions in foreign currency are translated into the functional currency at the rate of exchange prevailing on the dates of the transaction. Gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies into the respective functional currency at the closing rate are recognised in the Consolidated Statement of Profit or Loss as net expense on foreign currency effects. In deviation from this, the Group designates certain intragroup monetary assets and liabilities denominated in foreign currencies such as non-current receivables or loans as part of a net investment in a foreign operation if the corresponding balances are not expected to be settled. In accordance with IFRS Accounting Standards, gains or losses from the translation of these intragroup monetary assets and liabilities into the respective functional currency are recognised in OCI. Non-monetary items, other than those measured at fair value, are carried at historical rates and not retranslated subsequent to initial recognition.

Group companies

Financial information of foreign subsidiaries with a functional currency different to the Euro are translated as follows:

Assets and liabilities of foreign subsidiaries outside the scope of hyperinflation accounting are translated at the closing rate on the reporting date, while monthly income and expenses as presented in the Statement of Profit or Loss are translated at the respective closing rates of the previous month. Differences resulting from this translation process and differences resulting from the translation of amounts carried forward from the prior year are recorded in OCI without impact on profit or loss. Monthly cash flows are translated at the respective closing rates of the previous month. Goodwill and adjustments to the fair value of assets and liabilities related to the purchase price allocations of a subsidiary outside the European currency area are treated as assets and liabilities of the respective subsidiary and translated at the closing rate.

Following the restatements in accordance with hyperinflation accounting, the assets and liabilities of foreign subsidiaries in the scope of hyperinflation accounting, as well as their income and expenses, are translated at the respective closing rate on the reporting date.

On disposal of a non-Euro functional currency subsidiary, joint venture or associate, the related accumulated foreign currency gains and losses recognised in equity are reclassified to the Consolidated Statement of Profit or Loss. In addition, when monetary items cease to form part of a net investment in a foreign operation or when the foreign operation is disposed, the currency translation differences previously recognised in OCI are reclassified to the Consolidated Statement of Profit or Loss.

The Euro exchange rates of the currencies of the Group's significant operations are shown in the following table:

Currencies	1 € =	Closing rate		Average rate ¹⁾	
		31.12.2025	31.12.2024	2025	2024
Brazilian Real	BRL	6.56	6.46	6.29	5.79
Canadian Dollar	CAD	1.61	1.50	1.57	1.48
Chinese Renminbi Yuan	CNY	8.24	7.61	8.06	7.79
Indian Rupee	INR	105.96	89.11	97.49	90.68
US Dollar	USD	1.18	1.04	1.12	1.09

1) Arithmetic mean of the monthly closing rates.

4. Climate change and energy transition

In 2025 the Group announced its commitment to reduce Scope 1, 2 and 3 (raw materials) CO₂ emissions intensity by 10% per ton of production by 2030, compared to a 2024 baseline. The Group has published a theoretical decarbonisation pathway which sets out a potential route to substantially remove all CO₂ emissions by 2060. The decarbonisation pathway is not aligned with a 1.5°C temperature goal of the Paris Agreement. Consequently, the Group does not currently have a climate transition plan for mitigation that is consistent with limiting global warming to 1.5°C. However, the Group has a climate transition plan for climate mitigation that is aligned with the Paris Agreement's objective of holding the increase in global average temperature to well below 2°C, based on feasible and available technologies. The below describes how the Group has considered climate related impacts in key areas of the Consolidated Financial Statements and how this translates into the valuation of its assets and measurement of liabilities.

Note (3) includes the significant accounting estimates, judgements and key sources of estimation uncertainties and how those uncertainties have the potential to have a material effect on the Consolidated Statement of Financial Position in the next 12 months. This note describes the key areas of climate impacts that may have longer-term effects on amounts recognised at 31 December 2025.

Financial planning assumptions

As disclosed in the Sustainability Statement, climate-related risks faced by the Group include physical and transitional risks. The most material transitional risk impact is expected to be higher operating costs due to an increase in the level or scope of carbon pricing. This risk is most prominent in Europe where the existing system of certificates is to be replaced by the Carbon Border Adjustment Mechanism ('CBAM'), with all free CO₂ emission certificates currently expected to be progressively phased out by 2034.

The Group is currently already subject to the first phase ('Transitional Period') of the CBAM. Currently, the Group fully complies with the CBAM regulation on imported consumables made from steel. Management is pursuing a number of strategies to accommodate the additional impact of CBAM to its EU assets, such as considering carbon pricing in our financial planning, actively managing a hedging program to fix future prices related to the forward purchase of emission rights, increasing the use of secondary raw materials, investing in fuel switching, renewable energy and focusing on energy efficiency.

The Group has also identified climate-related opportunities, such as increased demand for its products arising from the transition by its customers to lower-carbon emitting industrial processes and increased demand for refractory products that are produced with a lower-carbon footprint.

The Consolidated Financial Statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future. The Group has decided to use Paris-aligned Mitigation and Hot House World Limited mitigation scenarios to assess the potential impact of climate change on its Consolidated Financial Statements. The largest impact from higher carbon prices as contained in these scenarios is from 2026 onwards. The negative impacts are concentrated within the Group's assets located in Europe whilst opportunities are expected to be global in nature.

The Group is investing in the research and development of new technologies for the manufacturing of refractories which may enable it over the long term to avoid or capture its CO₂ emissions and thereby mitigate the impact of higher carbon prices.

Impairment of CGUs and goodwill

The nominal growth rate used in the value in use determination per CGU represents the long-term growth rate of the respective region.

The expected CO₂ emission costs are considered in the 2026 Budget and in the Long-Term Plan, insofar as CO₂ emissions are taxed in the respective jurisdictions, and at fixed prices, insofar as fixed price forward contracts to purchase emission rights have been contracted. In the terminal value, these CO₂ emission costs are recognised at the same level as assumed in the last year of the Long-Term Plan. Due to planning uncertainty inherent in the Group's climate transition phase which includes the extent to which CBAM will be relevant to the Group's operations, no additional carbon emission costs have been included in the terminal value; that is to say, the phasing out of the free CO₂ emission certificates is not included.

Management expects an adverse impact on the recoverability of the assets included in the Europe & CIS CGU as soon as the CBAM regulation becomes effective. This adverse impact comprises a production shift from Europe & CIS to other sales regions in addition to a corresponding shift of customer demand to other sales regions. As far as foreseeable, it is already considered in the Long-Term Plan and value in use of the Europe & CIS CGU.

The Sustainability Statement outlines the theoretical path to complete decarbonisation of the Group's business activities. To achieve this, the Group would need to make significant investments in property, plant and equipment that go far beyond the investments already considered in relation to the committed reduction in Scope 1, 2 and 3 emissions by 2030. At present, neither the investments needed to achieve complete decarbonisation, nor their potential positive effects have been included in the value in use determination since the Group has not committed to complete decarbonisation and alternatives to complete decarbonisation exist.

Useful lives of property, plant and equipment

Additionally, management has assessed the useful lives of property, plant and equipment and these continue to be appropriate due to the limited refractory and other product alternatives available and considering that the customer industries that the Group serves, continue to play a significant part in the transition towards sustainable output and the transition to a green economy.

Restoration provisions

Management recognises liabilities that are expected to be incurred in relation to rehabilitation and restoration of the mining sites. As of the reporting date, the Group's mines have an expected life between 8 and 100 years. The introduction of more stringent legislation could result in our mining operations becoming uneconomical earlier than anticipated, thus affecting the timing of our restoration liabilities. The discounting period used to determine the present value of measure asset restoration provisions is between 8–37 years, applying risk-free rates as discount rates.

Management does not expect any reasonably possible change in the expected timing of restoration of our mines to have a material effect on the Group total provisions, assuming cash flows remain unchanged.

ESG-linked loans

The Group has taken out loans from financial institutions based on terms which are linked to the Group's EcoVadis ESG rating performance. On the reporting date the carrying amount of such ESG-linked financial liabilities amounts to €1,102 million (31.12.2024: €1,383 million). The financing costs may increase or decrease depending on future changes in the Group's ESG rating. The ESG rating is determined by multiple criteria covering not only the climate-related aspects but also sustainability and governance related aspects. A downgrading of the Group's ESG rating below a certain target ESG rating would lead to higher financing costs. Such a downgrade is currently not foreseen due to sufficient headroom.

5. Segment reporting

The Group's business activities are organised by region based on its sales markets and the customer industries it serves. The regions comprise Europe & CIS, North America, Latin America, China & East Asia, India and Middle East, Türkiye and Africa (META). Customer industries are internally grouped into two categories: Steel and Industrial. The latter category aggregates multiple customer industries other than Steel, including Cement & Lime, Non-Ferrous Metals, and Process Industries which comprises several customer industries addressing industrial applications.

In 2025, RHIM reassessed its operating segments, driven by significant progress in its local-for-local production strategy, the integration of the acquired Resco Group and a comprehensive restructuring of profit centres. This acquisition is considered a milestone in the development of the local-for-local production strategy, resulting in the reassignment of certain sales markets to the regions and the associated establishment of the new META region. These events shifted the focus of internal reporting for the purpose of resource allocation and performance monitoring to the regions. Resource allocation decisions are taken both globally and at regional level but always concern the entire region. Financial budgets are prepared at regional level and budget variances are monitored at the same level. Each region has an assigned segment manager, i.e. regional president, responsible for managing the 'day-to-day' business, executing RHIM's strategy in the respective region and meeting the budgeted targets. The segmentation of the business activities by region reflects the internal control structure, the management structure and the internal performance reporting to the Chief Operating Decision Maker (CODM). Taking these

factors into account, the reassessment resulted in the establishment of the regions as RHIM's new operating segments. The six regional operating segments and the business activities subsumed into the organisational unit 'Minerals', which is designated as a reportable segment, result in seven reportable segments.

Each regional segment provides shaped refractory products, including bricks in various shapes and chemical compositions, as well as unshaped refractory products, including mixes, mortars and castables, and functional refractory products summarising specialised refractory products. Depending on the type of refractory product, some types are used for lining customer industry specific furnace types and aggregates, while other types are used in the final stages of the steel production process. In addition to refractory products, the Group provides services such as refractory engineering solutions (drawings or design of a linings concept), installation, supervision, maintenance and recycling. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is also offered to customers, including systems, sensors, machinery and digital products.

In addition, the Group sells internally produced raw materials, such as magnesite ore, dead-burned magnesia and fused magnesia to external customers to the extent that these are not utilised internally. These business activities are subsumed into the organisational unit 'Minerals', which is designated as a reportable segment.

The Chief Executive Officer is responsible for the allocation of resources and for evaluating the performance of each operating segment and is therefore the CODM at Group level. Revenue and Gross Profit are the key internal performance measures provided to and used by the CODM to evaluate performance on operating segment level and allocate resources. These measures are prepared using the same accounting policies as the Consolidated Financial Statements and are reported after elimination of any inter-segment transactions.

The reassessment of the operating segments resulted in a change of the Group's segment reporting structure from customer industry-based segments to regional segments. The comparative figures have been restated in accordance with IFRS 8 to reflect the new segment reporting structure.

The following tables present the financial information for the reportable segments for the year 2025 and the previous year:

in € million	Europe & CIS	North America	Latin America	China & East Asia	India	Middle East, Türkiye and Africa	Minerals	Group 2025
Revenue	727	863	536	377	441	342	80	3,366
Cost of sales	(576)	(614)	(389)	(302)	(377)	(264)	(72)	(2,594)
Gross profit	151	249	147	75	64	78	8	772
EBIT								223
Net finance costs								(95)
Profit before income tax								128

in € million	Europe & CIS	North America	Latin America	China & East Asia	India	Middle East, Türkiye and Africa	Minerals	Group 2024
Revenue	829	709	617	425	458	384	65	3,487
Cost of sales	(651)	(490)	(427)	(335)	(380)	(286)	(59)	(2,628)
Gross profit	178	219	190	90	78	98	6	859
EBIT								242
Net finance costs								(42)
Profit before income tax								200

The following table shows the depreciation of property, plant and equipment per reportable segment:

in € million	2025	2024
Europe & CIS	(32)	(33)
North America	(29)	(31)
Latin America	(29)	(33)
China & East Asia	(17)	(16)
India	(8)	(7)
Middle East, Türkiye and Africa	(12)	(12)
Minerals	(4)	(4)
Depreciation	(131)	(136)

The disaggregation of revenue by type of product or service is presented in the below table:

in € million	2025	2024
Shaped refractory products	1,551	1,708
Unshaped refractory products	847	822
Functional refractory products	521	515
Services	137	158
Other products	310	284
Revenue	3,366	3,487

The revenue by customer sites for the year 2025 and the previous year is classified as follows:

in € million	2025	2024
The Netherlands	10	15
USA	742	584
India	436	445
Brazil	328	353
China	229	260
Other countries	1,621	1,830
Revenue	3,366	3,487

No single customer contributed 10% or more to consolidated revenue in 2025 and in 2024. Companies that are known to be part of a group are treated as one customer.

The carrying amounts of goodwill, intangible assets and property, plant and equipment are classified based on the location of the Group companies, as follows:

in € million	31.12.2025	31.12.2024
USA	542	235
Brazil	386	407
Austria	329	343
India	324	392
Germany	199	205
China	162	188
Other countries	247	274
Goodwill, intangible assets and property, plant and equipment	2,189	2,044

6. Restructuring

The summary of net restructuring expenses recognised is as follows:

in € million	2025	2024
Restructuring (expenses)	(45)	(32)
Restructuring income	1	8
Restructuring (expenses) - net	(44)	(24)

2025

Restructuring expenses primarily relate to costs of €29 million associated with the closure of the Wetro plant in Germany. These costs include €26 million of severance expenses and €2 million of impairment losses on property, plant and equipment. In addition, €10 million relates to severance costs incurred in connection with the Group's permanent SG&A headcount reduction.

2024

Restructuring expenses mainly relate to the €25 million provision associated with the closure of the Mainzlar plant in Germany. This includes the provision of impairment losses on property, plant and equipment in the amount of €5 million. The recoverable amount of zero was based on fair value less costs of disposal.

The €8 million gains were recognised from the sale of property, plant and equipment, as well as other intangible assets, resulted from the plant closures in Kruft, Germany and Dashiqiao, China, which were announced in the previous years.

7. Other income

in € million	2025	2024
Net amortisation of Oberhausen provision	10	14
Gains from the disposal of non-current assets	0	6
Miscellaneous income	14	18
Other income	24	38

The net amortisation of the Oberhausen provision includes a utilisation of €9 million (2024: €10 million) for the performance against the onerous contract, and €1 million (2024: €4 million) arising from updated estimates. In 2025, miscellaneous income mainly includes €9 million related to a lawsuit settlement outcome in Brazil. In 2024, miscellaneous income mainly includes €9 million related to the disposal of the Dashiqiao plant in China and a cash inflow of €6 million related to receivables previously written down to zero.

8. Other expenses

in € million	2025	2024
Expenses for strategic projects	(73)	(75)
Impairment of property, plant and equipment and intangible assets	0	(37)
Losses from the disposal of non-current assets	(1)	(3)
Miscellaneous expenses	(4)	(24)
Other expenses	(78)	(139)

Expenses for strategic projects mainly comprise implementation costs of Software-as-a-Service (SaaS) projects, which are expensed as incurred, amounting to €41 million (2024: €45 million) and €3 million (2024: €6 million) of costs related to the development of an integrated supply chain planning solution. Additionally, this category includes €16 million (2024: €24 million) of legal and consulting fees associated with M&A activities and integration costs for newly acquired businesses.

In 2024, an impairment loss of €29 million corresponds to a full write-down of property, plant and equipment under construction of a project in Brazil which was abandoned following the Resco Group acquisition. Additionally, an impairment loss of €8 million was recognised for capitalised development costs recognised as intangible assets.

In 2024, miscellaneous expenses mainly consist of €12 million relating to investments in and losses on the disposal of special Argentinian government bonds and €4 million from pre-merger related litigation costs.

9. Expense categories

The presentation of the Consolidated Statement of Profit or Loss is based on the function of expenses. The following table shows a classification by expense category for 2025 and the previous year:

in € million	2025	2024
Cost of materials	(1,339)	(1,352)
Personnel costs	(791)	(806)
Energy costs	(215)	(225)
Freight expenses	(197)	(201)
Depreciation and amortisation	(183)	(175)
External services	(171)	(173)
Write-down expenses	(2)	(42)
Changes in inventories, own work capitalised	1	(11)
Other income and expenses	(246)	(260)
Total expenses	(3,143)	(3,245)

Cost of materials includes expenses for raw materials and supplies and purchased goods of €1,288 million (2024: €1,307 million) and expenses for services received amounting to €51 million (2024: €45 million). Research and development costs related to the development of new and improvement of existing products and technologies amounted to €43 million (2024: €51 million), of which €4 million (2024: €5 million) in development costs were capitalised. Amortisation and impairment of development costs recognised within cost of materials was €5 million (2024: €10 million).

Other income of €34 million (2024: €53 million) mainly comprises gains on disposal of non-current assets, income from research grants which amounted to €4 million (2024: €4 million), insurance reimbursements and amortisation of grants related to assets; it also includes €9 million associated with the resolution of a lawsuit in Brazil. Other expenses of €280 million (2024: €270 million) mainly consist of external consulting fees, IT costs, travel expenses and repairs and maintenance expenditure. Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets are recognised also as other expenses. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment, office furniture and other small items. Expenses for short-term, low-value and variable lease payments in 2025 amount to €14 million (2024: €7 million).

Selling and marketing expenses amounting to €113 million (2024: €131 million) primarily include distribution-related costs such as sales commissions, sales personnel, as well as advertising and marketing activities. General and administrative expenses amounting €246 million (2024: €278 million) comprise corporate overheads such as administrative personnel costs, professional fees, office expenses, and other general support functions.

10. Personnel costs

Personnel costs consist of the following components:

in € million	2025	2024
Wages and salaries	(604)	(634)
Social security contribution	(122)	(121)
Fringe benefits	(38)	(32)
Pension and other post-employment benefits		
Defined contribution plans	(12)	(12)
Defined benefit plans	(4)	(4)
Other expenses termination benefits	(11)	(3)
Personnel expenses (without interest expenses)	(791)	(806)

Average employee numbers

The average number of employees of the Group based on full time equivalents amounts to:

	2025	2024
Salaried employees	7,170	7,426
Waged workers	8,763	8,626
Number of employees on annual average	15,933	16,052

104 full time equivalents of salaried employees work in the Netherlands (2024: 108 employees).

In addition, the average number of employees is presented below by geographical region:

	2025	2024
Europe & CIS	4,569	5,000
North America	1,405	971
Latin America	4,795	5,054
China & East Asia	2,130	1,887
India	2,518	2,566
Middle East, Türkiye and Africa	516	575
Number of employees on annual average	15,933	16,052

11. Interest income

Includes interest income on cash at banks and similar income amounting to €15 million (2024: €22 million).

12. Net (expense)/income on foreign exchange effects

The net expense comprises the foreign exchange effects from translating foreign currency balances into the functional currency, the results from derivative financial instruments, such as forward exchange contracts and derivatives in open orders, as well as the gain on the net monetary position related to hyperinflation accounting (IAS 29) and can be detailed as follows:

in € million	2025	2024
Foreign exchange (losses)/gains	(35)	30
Gains/(Losses) on forward exchange contracts and derivatives in open orders	18	(18)
Gain/(Loss) on net monetary position	1	(1)
Net (expense)/income on foreign exchange effects	(16)	11

The foreign exchange losses in the current reporting period mainly result from the appreciation of the functional currencies of subsidiaries with a net asset foreign currency exposure against USD and the depreciation of the functional currencies of subsidiaries with a net liability foreign currency exposure against USD.

13. Other net financial expenses

Other net financial expenses consist of the following items:

in € million	2025	2024 ¹⁾
Net interest expense relating to net employee defined benefit liabilities	(11)	(12)
Costs related with the trade receivables factoring program	(11)	(10)
Unwinding of discount of provisions and payables	(6)	(7)
Interest (expense) on supplier finance arrangements and transaction costs	(5)	(1)
Interest (expense)/income on liabilities to fixed-term or puttable non-controlling interests	(2)	1
Interest expense on lease liabilities	(3)	(3)
Remeasurement gains on liabilities to fixed-term or puttable non-controlling interests	10	21
Other interest and similar income and expenses	(5)	(3)
Other net financial expenses	(33)	(14)

1) Restated.

14. Taxation**Income tax**

Income tax consists of the following items:

in € million	2025	2024
Current tax expense	(45)	(51)
Deferred tax (expense)/income relating to temporary differences	(6)	(4)
tax loss carryforwards	17	9
	11	5
Income tax	(34)	(46)

The current tax expense includes tax income for prior periods of €2 million (2024: €5 million net expense).

In recognising deferred tax assets, the Group has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects arising from economic volatility and (iii) the Group's latest forecasts and assumptions used for the goodwill impairment testing and the viability statement assessment. The Group's forecast period is four years, with the fifth year being the final year, consistent with the approach applied for the goodwill impairment testing. In Brazil, a longer forecast horizon is used due to the annual limitation for use of tax losses (30% of the taxable profits of the relevant year), which requires a longer-term prediction. Information on tax contingencies is provided under Note (38).

In addition to the income taxes recognised in the Consolidated Statement of Profit or Loss, a tax income of €1 million (2024: €7 million tax income) was recognised in OCI, mainly relating to currency translation, cash flow hedges and measurement gains and losses on post-employment employee benefits.

A reconciliation of the difference between the income tax expense, which would result from the application of the Austrian corporate tax rate of 23% on the profit before income tax (the Austrian tax rate being used as the holding company RHI Magnesita N.V. is tax resident in Austria), and the income tax reported is shown below:

in € million	2025	2024
Profit before income tax	128	200
Income tax expense calculated at 23% (2024: 23%)	29	46
Different foreign tax rates	12	8
Expenses not deductible and additions to tax base, non-creditable taxes	20	22
Non-taxable income and tax benefits	(24)	(30)
Tax losses and temporary differences of the financial year not recognised	4	5
Change in write-down of deferred tax assets	3	0
Utilisation of previously unrecognised loss carryforwards and temporary differences	0	(5)
Deferred tax expense due to tax rate changes	0	1
Deferred income tax relating to previous periods	(8)	4
Current income tax relating to prior periods	(2)	(5)
Recognised tax expense	34	46
Effective tax rate (in %)	26.6%	23.1%

Below is the summary of major effects on the effective tax rate reconciliation:

In 2025, expenses not deductible and additions to the tax base include: transfer pricing adjustments of €1 million (2024: transfer pricing adjustments mainly related to Argentina of €4 million); taxable income that was treated as part of the Goodwill of €3 million; non-creditable withholding taxes in Austria of €1 million (2024: €2 million) and non-deductible subsidiary-related expenses of €4 million (2024: €3 million).

In 2025, non-taxable income and tax benefits mainly include: tax incentives in Brazil of €6 million (2024: €2 million); additional tax depreciation in Austria of €7 million (2024: €7 million) relating to historical acquisitions; inflationary adjustments in South America of €1

million (2024: €6 million, including South America and Türkiye); gains on the measurement of liabilities related to fixed-term or puttable non-controlling interests of €4 million (2024: €6 million); income of €3 million related to the settlement of a lawsuit in South America.

Tax losses and temporary differences of the financial year for which no deferred tax assets have been recognised because sufficient taxable profits are not expected in the near future include a tax loss realised in China of €2 million (2024: €4 million). The change in write-down due to insufficient expectation of future taxable profits also relates to China in the amount of €3 million.

Deferred taxes expense relating to prior periods based on information obtained in the reporting period arises mainly from: a deferred tax income in Mexico of €5 million (2024: deferred tax expense of €2 million), a deferred tax income in Austria in the amount of €2 million (2024: deferred tax income of €1million) and a deferred tax income in Germany in the amount of €2 million (2024: deferred tax expense of €1 million).

The current tax income relating to prior periods mainly relates to Germany in an amount of €3 million, where tax loss carrybacks and return-to-provision reconciliations affected the prior year's taxes. In 2024, it related to Peru (€3 million) and Chile (€2 million) where there was a reversal of a tax risk provision due to a court case judgement, respectively a return-to-provision reconciliations.

Deferred taxes

Deferred taxes are related to the following significant balance sheet items and tax loss carryforwards:

in € million	31.12.2025		2025	31.12.2024		2024
	Deferred tax assets	Deferred tax liabilities	(Expense)/Income	Deferred tax assets	Deferred tax liabilities	(Expense)/Income
Property, plant and equipment, intangible assets	27	142	12	28	107	8
Inventories	28	8	3	26	10	4
Trade receivables, other assets	14	11	8	14	22	(10)
Net employee defined benefit liabilities	30	1	(3)	35	0	(1)
Other provisions	19	0	(4)	23	0	(2)
Trade payables, other liabilities	21	4	(22)	39	5	(3)
Tax loss carried forward	99	0	17	67	0	9
Offsetting	(75)	(75)	0	(80)	(80)	0
Deferred taxes	163	91	11	152	64	5

For temporary differences and tax loss carryforwards of subsidiaries that have generated tax losses either in the current or previous reporting period, deferred tax assets amounting to €121 million (2024: €101 million) have been recognised in the Consolidated Statement of Financial Position, as sufficient taxable income is expected to be generated in the future.

The total tax loss carryforwards of the Group amount to €517 million at 31 December 2025 (2024: €347 million). For tax loss carryforwards of €381 million (2024: €235 million), deferred tax assets are recognised; no deferred tax assets are recognised for the remaining amount of €136 million (2024: €112 million).

The following table shows the origin of tax loss carryforwards per country for which no deferred tax assets are recognised:

in € million	31.12.2025	31.12.2024
Country		
Brazil	51	51
China	52	37
UK	6	6
Dubai	3	4
Germany	19	6
France	5	5
Others	0	3
Total	136	112

The following table shows unrecognised tax loss carryforwards by year of expiry:

in € million	31.12.2025	31.12.2024
Year of expiry		
2025	0	1
2026	2	2
2027	9	10
2028	5	6
2029	27	19
2030 or later	9	0
Not subject to expiration	84	74
Total unrecognised tax losses	136	112

No deferred tax assets were recognised on temporary differences totalling €93 million (2024: €123 million), which are expected to reverse by 2034. These temporary differences mainly relate to Austria: €90 million (2024: €120 million).

Taxable temporary differences of €1,592 million (2024: €1,477 million) and temporary deductible differences of €104 million (2024: €96 million) were not recognised on shares in subsidiaries as the distributions of profit or the sale of the investments are controlled by the Group.

The Group is subject to the global minimum tax rules (i.e., OECD Pillar Two). The calculation following the OECD Pillar Two rules, as well as the newly enacted local legislation in Austria (where the ultimate parent company is resident), has led to a minor additional current tax expense of €0.5 million, related to the Group's operations in Guernsey and the UAE.

Income tax receivables

Income tax receivables amounting to €49 million (2024: €40 million) are mainly related to tax prepayments and deductible withholding taxes.

Income tax liabilities

Income tax liabilities amounting to €29 million (2024: €29 million) primarily include income taxes for the current year and previous years.

15. Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to the shareholders of the Group by the weighted average number of shares outstanding during the financial year.

	2025	2024
Profit after income tax attributable to RHI Magnesita N.V. shareholders (in € million)	86	142
Weighted average number of shares for basic EPS	47,271,556	47,170,570
Effects of dilution from share options	1,306,061	1,154,648
Weighted average number of shares for dilutive EPS	48,577,617	48,325,218
Earnings per share basic (in €)	1.82	3.01
Earnings per share diluted (in €)	1.77	2.94

The weighted average number of shares for basic and dilutive EPS considers the effect of changes in treasury shares during the reporting period.

16. Dividend payments and proposed dividend

The final proposed dividend is subject to the approval of the AGM in May 2026 and was not recognised as a liability in these Consolidated Financial Statements. The final proposed dividend for 2025 amounts to €1.20 per share (2024: €1.20 per share).

In line with the Group's dividend policy, the Board paid out an interim dividend in the second half of 2025 of €0.60 per share for the first half of 2025 amounting to €28 million. The total dividend for 2025, which includes the proposed final dividend, yet to be approved by shareholders, amounts to €1.80 per share (2024: €1.80 per share).

Based on a resolution adopted by the AGM in May 2025, the final dividend for 2024 amounted to €1.20 per share and was paid out in June 2025, amounting to €57 million. The total dividend for 2024 amounted to €1.80 per share.

17. Goodwill

in € million	2025	2024
Carrying amount at beginning of year	342	339
Business combinations (see Note (40))	103	3
Currency translation	(43)	(3)
Hyperinflation adjustment	1	3
Carrying amount at year-end	403	342

Impairment of CGUs with significant goodwill

In the reporting period, the composition and number of RHIM's CGUs changed due to the reassessment of its operating segments (see Notes (3) and (5)). The new regional CGUs are determined at operating segment level. The transition from a customer industry-based CGU structure to a regional CGU structure made it necessary to reallocate goodwill to the new regional CGUs. Except for goodwill arising from business combinations that were completed in the reporting period, goodwill was reallocated applying the relative value method. Under this method, the relative contribution of each regional CGU to the value in use of each former CGU determines the portion of goodwill of each former CGU that is reallocated to each regional CGU. Moreover, on the transition date two impairment tests were performed. The first one covered the former CGUs considering the previous goodwill allocation and the second one covered the new regional CGUs considering the results of goodwill reallocation. Neither of the two impairment tests indicated impairment losses at CGU level.

The impairment test is based on the value in use. This is determined using the discounted cash flow method and incorporates the terminal value. The Group is subject to environmental and other laws and regulations and has established environmental policies and procedures aimed at compliance with these laws. Impairment testing incorporated considerations for increased energy and raw material prices in its Budget and the Long-Term Plan and estimates the total increase in investments in research and development costs ranging from €42 to €45 million. Current technology used by the customer industries requiring advanced heat-resistant materials for their production depend on refractory materials and in our view will remain in use in the observable future.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2026 Budget, as approved by the Board, and the Long-Term Plan, covering a four-year period. The cash flows are geared to a steady-state business development, which balances out possible economic or other non-sustainable fluctuations in the detailed planning period and forms the basis for the calculation of the terminal value.

The key assumptions used in determining the value in use are:

- Revenue: projected sales were built up with reference to sales regions and product categories incorporating projections of developments in key markets.
- EBIT margin: projected margins reflect historical performance, our expectations for future cost inflation and the impact of all completed projects to improve operational efficiency.
- Discount rate before tax: a discount rate that is calculated taking into account the weighted average cost of capital of comparable companies; the corresponding parameters are derived from capital market information. In addition, country-specific risk premiums are considered in the weighted average cost of capital.
- Perpetual annuity growth rate: for the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity was applied immediately at the end of the fifth-year detailed planning period comprising the 2026 Budget and the subsequent four-year period covered by the Long-Term Plan. As in the previous year, the terminal value is based on a growth rate derived from the difference between the current and possible degree of asset capacity and utilisation.

Forecast EBIT has been projected using:

- Expected future sales are based on the strategic plan, which was constructed at a market level with input from regional commercial managers. An assessment of the market using external sources was undertaken to forecast regional customer demand considering regional growth rates of the steel production and output of Industrial clients in combination with the development of the specific refractory consumption including technological improvements.
- Current cost structure and production capacity, which include our expectations for future cost inflation. The assumptions were updated considering the latest economic developments, including energy, freight, and raw material prices. The forecasts include cash outflows from future investments related to capacity maintenance while expansion investments are excluded.

Working capital is included in the carrying amount of the CGUs; therefore, the value in use only takes into account changes in working capital.

The following table shows the allocated goodwill, perpetual annuity growth rates and discount rates before tax applied in the value in use determination per CGU to which significant goodwill is allocated. Due to the change of the CGU structure the tables are not comparable:

2025			
	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million
Europe & CIS	9.4%	0.5%	31
North America	10.0%	1.0%	240
Latin America	12.5%	0.0%	61
China & East Asia	9.8%	1.0%	8
India	10.5%	4.0%	29
Middle East, Türkiye and Africa	11.0%	1.0%	34

2024			
	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million
Steel – Linings	9.7%	0.9%	218
Steel – Flow Control	10.3%	0.9%	67
Industrial – Cement & Lime	10.7%	0.9%	56

As a sensitivity, the effect of the following downside scenarios to the key assumptions would, in isolation, not result in an impairment of the above CGUs to which significant goodwill is allocated:

- increase of the estimated discount rate by 10%
- decrease of the perpetual annuity growth rate by 50%
- decrease of EBIT margin by 10%
- decrease of revenue by 5%

18. Intangible assets

in € million	Mining rights	Customer relationships	Internally generated intangible assets	Trade names	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2024	145	285	90	1	157	16	694
Currency translation	(11)	(48)	0	(3)	(5)	(1)	(68)
Additions	0	0	4	0	3	0	7
Initial consolidation and PPA finalisation	12	183	0	23	7	0	225
Retirements and disposals	(10)	0	0	0	(2)	0	(12)
Reclassifications	0	0	2	0	11	(3)	10
Cost at 31.12.2025	136	420	96	21	171	12	856
Accumulated amortisation 31.12.2024	18	84	63	0	112	0	277
Currency translation	(1)	(8)	0	0	(2)	0	(11)
Amortisation	2	32	5	1	12	0	52
Retirements and disposals	0	0	0	0	(2)	0	(2)
Accumulated amortisation 31.12.2025	19	108	68	1	120	0	316
Carrying amounts at 31.12.2025	117	312	28	20	51	12	540

in € million	Mining rights	Customer relationships	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2023	152	284	87	170	22	715
Currency translation	(10)	3	(1)	0	0	(8)
Additions	0	0	5	1	0	6
Initial consolidation and PPA finalisation	0	(2)	0	0	0	(2)
Retirements and disposals	0	0	(1)	(16)	0	(17)
Reclassifications	3	0	0	3	(6)	0
Cost at 31.12.2024	145	285	90	158	16	694
Accumulated amortisation 31.12.2023	17	64	53	111	0	245
Currency translation	(1)	0	0	(1)	0	(2)
Amortisation	2	20	3	14	0	39
Impairment losses	0	0	7	0	0	7
Retirements and disposals	0	0	0	(12)	0	(12)
Accumulated amortisation 31.12.2024	18	84	63	112	0	277
Carrying amounts at 31.12.2024	127	201	27	46	16	417

Internally generated intangible assets comprise capitalised software and product development costs. Other intangible assets include primarily acquired patents, software and land-use rights.

The following table shows the individually material intangible assets acquired and their remaining useful lives:

in € million	Remaining useful life in years	31.12.2025 Net book value	31.12.2024 Net book value
Mining rights			
Brazil	48	61	63
US	45	54	61
Customer relationships			
Resco Group	10-12	149	0
RHI Magnesita India Refractories Ltd and RHI Magnesita Seven Refractories Ltd	7-17	70	91
Former Magnesita Group	3-7	39	48
Seven Refractories Group	13	19	21
RHI Magnesita India	17	17	21
Land use rights	10-52	18	20
Trade names	19	20	0

There are no restrictions on the sale of intangible assets.

19. Property, plant and equipment

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2024	751	1,277	407	136	147	2,718
Currency translation	(27)	(43)	(8)	(3)	(7)	(88)
Additions	8	8	6	78	8	108
Initial consolidation and PPA finalisation	31	37	0	2	1	71
Retirements and disposals	(31)	(51)	(16)	(7)	(26)	(131)
Reclassifications	6	48	22	(90)	0	(14)
Cost at 31.12.2025	738	1,276	411	116	123	2,664
Accumulated depreciation 31.12.2024	295	789	259	26	64	1,433
Currency translation	(5)	(22)	(5)	0	(1)	(33)
Depreciation	22	59	31	0	19	131
Impairment losses	0	1	0	0	0	1
Retirements and disposals	(25)	(47)	(15)	(2)	(25)	(114)
Accumulated depreciation 31.12.2025	287	780	270	24	57	1,418
Carrying amounts at 31.12.2025	451	496	141	92	66	1,246

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2023	758	1,231	417	267	134	2,807
Currency translation	(13)	(10)	(9)	(25)	(3)	(60)
Additions ¹⁾	6	49	9	68	29	161
Initial consolidation and PPA finalisation	5	(2)	0	(1)	0	2
Retirements and disposals	(31)	(97)	(42)	(6)	(13)	(189)
Reclassifications	26	106	32	(167)	0	(3)
Cost at 31.12.2024	751	1,277	407	136	147	2,718
Accumulated depreciation 31.12.2023	304	814	271	1	57	1,447
Currency translation	(1)	(2)	(3)	(1)	(3)	(10)
Depreciation	21	61	32	0	22	136
Impairment losses	0	9	0	26	0	35
Retirements and disposals	(29)	(93)	(41)	0	(12)	(175)
Accumulated depreciation 31.12.2024	295	789	259	26	64	1,433
Carrying amounts at 31.12.2024	456	488	148	110	83	1,285

1) Including €3 million capitalised borrowing costs.

Prepayments made and plant under construction include €87 million (2024: €106 million) mainly relating to the expansion and production optimisation of the plants in Brazil and the expansion of a production plant in Austria. The expenditure in 2025 mainly related to this Austrian plant and a magnesite plant in Brazil.

In September 2025, the decision was made to sell the assets of a production plant, based in the US (Huron), primarily comprising machinery and equipment, a building and land. The sale is expected to be completed in 2026. Due to this decision, the assets are classified as held for sale and presented separately within current assets. They are part of the North America reportable segment.

There are no restrictions on the sale of property, plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounts to €4 million (2024: €6 million).

The Right-of-use assets per category developed as follows as of 31 December 2025:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2024	102	26	19	147
Currency translation	(6)	(1)	0	(7)
Additions	4	1	3	8
Initial consolidation and PPA finalisation	0	0	1	1
Retirements and disposals	(8)	(14)	(4)	(26)
Cost at 31.12.2025	92	12	19	123
Accumulated depreciation 31.12.2024	37	18	9	64
Currency translation	(1)	0	0	(1)
Depreciation	11	3	5	19
Retirements and disposals	(8)	(14)	(3)	(25)
Accumulated depreciation 31.12.2025	39	7	11	57
Carrying amounts at 31.12.2025	53	5	8	66

The Right-of-use assets per category developed as follows as of 31 December 2024:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2023	91	30	13	134
Currency translation	(1)	(2)	0	(3)
Additions	17	3	9	29
Retirements and disposals	(5)	(5)	(3)	(13)
Cost at 31.12.2024	102	26	19	147
Accumulated depreciation 31.12.2023	30	20	7	57
Currency translation	0	(2)	(1)	(3)
Depreciation	12	5	5	22
Retirements and disposals	(5)	(5)	(2)	(12)
Accumulated depreciation 31.12.2024	37	18	9	64
Carrying amounts at 31.12.2024	65	8	10	83

The average lease term is twelve years for land and buildings, four years for technical equipment and machinery, and four years for other equipment, furniture and fixtures. Impacts resulting from extension and termination options, as well as residual value guarantees, are immaterial. Detail on lease liabilities is in Note (28).

20. Other assets

in € million	31.12.2025	31.12.2024
Prepayments related to the acquisition of Resco Group	0	46
Deferred mine stripping costs	12	13
Tax receivables	10	11
Other non-current assets	7	6
Other assets	29	76

21. Inventories

in € million	31.12.2025	31.12.2024
Raw materials and supplies	255	264
Work in progress	208	215
Finished products and goods	460	464
Prepayments made	8	14
Emission rights	1	5
Inventories	932	962

Net write-down expenses amount to €1 million (2024: €0 million).

22. Trade and other receivables

in € million	31.12.2025	31.12.2024
Trade receivables	445	530
Contract assets	6	3
Other tax receivables	85	87
Prepaid expenses	11	9
Other current receivables	29	31
Trade and other current receivables	576	660
thereof financial assets	451	533
thereof non-financial assets	125	127

The Group enters into factoring agreements and sells trade receivables to financial institutions. Trade receivables sold at the end of the year was €254 million (2024: €237 million). These have been derecognised as substantially all risks and rewards as well as control have been transferred. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Other tax receivables include primarily VAT, as well as receivables from energy tax refunds, and tax research subsidies.

Other current receivables mainly relate to advances for insurance, IT services as well as custom and import-related services and costs.

23. Cash and cash equivalents

in € million	31.12.2025	31.12.2024
Cash at banks and in hand	288	530
Money market funds	67	46
Cash and cash equivalents	355	576

Cash and cash equivalents include amounts not available for use by the Group totalling €9 million at 31 December 2025 (2024: €3 million). Cash not available for use by the Group is mainly comprised of deposits for credit lines and bank guarantees.

24. Share capital

At 31 December 2025, the authorised share capital of RHI Magnesita N.V. amounts to €100,000,000 divided into 100,000,000 ordinary shares and remained unchanged compared to prior year. Thereof 47,304,527 (2024: 47,195,936) fully paid-in ordinary shares are issued. In addition, there are 2,173,178 (2024: 2,281,769) treasury shares held by the Company. All issued RHI Magnesita shares grant the same rights. The shareholders are entitled to dividends and have one voting right per share at the AGM. There are no shares with special control rights.

25. Group reserves**Treasury shares**

At 31 December 2025, RHI Magnesita treasury shares amount to 2,173,178 (2024: 2,281,769). Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's treasury shares.

Additional paid-in capital

At 31 December 2025, as well as at 31 December 2024, additional paid-in capital comprised premiums on the issue of shares less issue costs by RHI Magnesita N.V.

Mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231, which was created in connection with the merger between the former RHI Group and the former Magnesita Group in 2017. No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Retained earnings

Retained earnings include the result of the financial year, as well as results earned by consolidated companies during prior periods, but which were not distributed.

Accumulated other comprehensive income

Cash flow hedge reserves include gains and losses from the effective part of cash flow hedges net of tax effects. The accumulated gain or loss from the hedge allocated to reserves is only reclassified to the Consolidate Statement of Profit or Loss if the hedged transaction also influences the result or is terminated.

Reserves for defined benefit plans include the gains and losses from the remeasurement of defined benefit pension and termination benefit plans, taking into account related tax effects. These amounts will not be reclassified to the Consolidated Statement of Profit or Loss in future periods.

Currency translation reserves include the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries, as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes.

26. Non-controlling interests**Subsidiaries with material non-controlling interests**

RHI Magnesita India Ltd., based in New Delhi, India, is a listed company on the BSE Limited and NSE Limited. RHI Magnesita India Ltd. is the (direct or ultimate) parent company of RHI Magnesita India Refractories Ltd., RHI Magnesita Seven Refractories Ltd., Intermetal Engineers (India) Private Ltd and Ashwath Technologies Private Limited, which together form the Subgroup India. Ashwath Technologies Private Limited is an inconsiderable refractory business which was acquired in 2025. The Subgroup India is included in the India reportable segment of the Group, and the share of the non-controlling interests amounts to 43.9% (2024: 43.9%). Aggregated financial information of the Subgroup India is provided below:

in € million	31.12.2025	31.12.2024
Non-current assets	359	432
Current assets	248	260
Non-current liabilities	(22)	(24)
Current liabilities	(114)	(123)
Net assets before intragroup eliminations	471	545
Intragroup eliminations	0	(1)
Net assets	471	544
Carrying amount of non-controlling interests	139	162

The aggregated Statement of Profit or Loss and Statement of Comprehensive Income of the Subgroup India are shown below:

in € million	2025	2024
Revenue	454	430
Operating expenses, net finance costs and income tax	(437)	(406)
Profit after income tax before intragroup eliminations	17	24
Intragroup eliminations	1	1
Profit after income tax	18	25
thereof attributable to non-controlling interests	8	11

in € million	2025	2024
Profit after income tax	18	24
Other comprehensive (expense)/income	(117)	26
Total comprehensive income	(99)	50
thereof attributable to non-controlling interests	(43)	22

The following table shows the summarised Statement of Cash Flows of the Subgroup India:

in € million	2025	2024
Net cash flow from operating activities	43	38
Net cash flow from investing activities	(13)	(13)
Net cash flow from financing activities	(8)	(26)
Total cash flow	22	(1)

Net cash flow from financing activities includes dividend payments to non-controlling interests amounting to €2 million (2024: €2 million).

Change of non-controlling interests without a change of control

In June 2025, the Group acquired the remaining shares held by the non-controlling shareholders in RHI Magnesita Czech Republic a.s. for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

27. Borrowings

Borrowings include all interest-bearing liabilities due to financial institutions and other lenders.

In March 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. This syndicated term loan was fully utilised in January 2025 to fund the acquisition of the Resco Group.

In April and May 2025, the Group successfully completed the refinancing of a €150 million bilateral term loan maturing in May 2025 and a €50 million bilateral term loan maturing in 2026 with a €100 million bilateral term loan maturing in 2029 and a \$50 million bilateral term loan maturing in 2030 respectively, with €50 million being repaid with excess cash to optimise the Group's capital structure and liquidity levels. These transactions strengthen the Group's funding structure and maturity profile ahead of upcoming maturities in 2026.

The Group intends to refinance its 2026 maturities in the second quarter of 2026 making use of the same type of funding instruments, with the objective of maintaining a balanced maturity profile and prudent liquidity position.

RHI Magnesita continues to align parts of its funding structure with sustainability objectives, including the use of ESG-linked loan instruments. The Group's EcoVadis sustainability rating was updated in June 2025, achieving an overall score of 79 out of 100, placing the Group in the 97th percentile of all companies rated globally. At the reporting date, the Group's ESG-linked drawn and undrawn borrowing facilities amounted to €1,702 million (31.12.2024: €1,983 million).

The principal borrowing facilities, including the Syndicated & Term Loan as well as the Bonded Loans ("Schuldscheindarlehen"), are subject to a debt covenant, being the leverage ratio of net debt excluding lease liabilities to Pro Forma Adjusted EBITDA of a maximum of 3.5 times. Compliance with the debt covenant is measured on a semi-annual basis and its calculation is shown in Note (37). If the debt covenant of the Syndicated & Term Loans is breached, the lenders have the right to immediate loan repayment. If repayment of the Syndicated & Term Loans is demanded, the Bonded Loans will also become due. If the Syndicated & Term Loans' debt covenant is breached but the full repayment is waived, the Bonded Loans interest margin payable will increase. The Group complied with the debt covenant in 2025 and

2024. There are no indications that the Group will have difficulties complying with the debt covenant in the 12 months following the reporting date.

The breakdown of borrowings is presented in the following table:

in € million	Total		
	31.12.2025	Current	Non-current
Syndicated & Term Loan	1,034	113	921
Bonded loans ("Schuldscheindarlehen")	721	285	436
Other credit lines and other loans	27	26	1
Total liabilities to financial institutions	1,782	424	1,358
Other financial liabilities	6	1	5
Capitalised transaction costs	(2)	(1)	(1)
Borrowings	1,786	424	1,362

in € million	Total		
	31.12.2024	Current	Non-current
Syndicated & Term Loan	976	233	743
Bonded loans ("Schuldscheindarlehen")	720	0	720
Other credit lines and other loans	44	42	2
Total liabilities to financial institutions	1,740	275	1,465
Other financial liabilities	11	1	10
Capitalised transaction costs	(1)	0	(1)
Borrowings	1,750	276	1,474

Considering the impact of floating-to-fixed interest rate swaps, 70% (2024: 73%) of the liabilities to financial institutions carry fixed interest and 30 % (2024: 27%) carry variable interest.

The following table shows the fixed interest terms and conditions, including interest rate swaps, without liabilities from deferred interest:

Interest terms fixed until	Effective annual interest rate	Currency	31.12.2025 Carrying amount in € million	Interest terms fixed until	Effective annual interest rate	Currency	31.12.2024 Carrying amount in € million
2026	EURIBOR + margin	EUR	485	2025	EURIBOR + margin	EUR	444
	4.02%	EUR	264		0.50%	EUR	150
	Various - Variable rate	Various	67		Various - Variable rate	Various	35
2027	2.82%	EUR	634	2026	3.61%	EUR	264
2028	1.87%	EUR	119	2027	2.41%	EUR	715
2029	3.86%	EUR	208	2028	1.87%	EUR	119
2031	1.25%	EUR	5	2029	1.52%	EUR	8
				2031	1.25%	EUR	5
			1,782				1,740

The table above shows how long the interest rates are fixed for, rather than the maturity of the underlying instruments.

Shares of Jinan New Emei Industries Co Ltd. in the amount of €10 million have been pledged as security for a local loan in China.

28. Other financial liabilities

Other financial liabilities include the negative fair value of derivative financial instruments as well as lease liabilities and fixed-term and puttable non-controlling interests payable in Group companies. Additional explanation on derivative financial instruments is provided under Note (35).

in € million	31.12.2025			31.12.2024		
	Current	Non-current	Total	Current	Non-current	Total
Forward exchange contracts	1	0	1	1	0	1
Interest rate derivatives	0	2	2	0	4	4
Commodity swaps	10	6	16	2	3	5
Derivatives in open orders	1	0	1	0	0	0
Derivative financial liabilities	12	8	20	3	7	10
Lease liabilities	16	49	65	17	60	77
Fixed-term or puttable non-controlling interests	5	43	48	7	45	52
Other financial liabilities	33	100	133	27	112	139

In line with the Group's accounting policy, the carrying amount of non-controlling interest is reduced to nil and replaced with a financial liability where the Group has provided a written put option (usually together with a call option) or has entered into a forward contract to acquire the shares not controlled by the Group. The carrying amount of the financial liabilities represents the discounted value of the expected settlement for the following non-controlling interest:

in € million	Ownership interest held by NCI	31.12.2025	31.12.2024
Horn & Co. Minerals Recovery GmbH & Co.KG	45.00%	4	4
RHI Magnesita Czech Republic a.s.	0.00%	0	1
RHI Magnesita (Chongqing) Refractory Materials Co., Ltd.	49.00%	10	11
Jinan New Emei Industries Co. Ltd.	35.00%	4	21
Liaoning RHI Jinding Magnesita Co., Ltd.	16.67%	0	4
RHI Refractories Liaoning Co., Ltd.	34.00%	10	11
BPI RHIM LLC	49.00%	20	0
Liabilities to fixed-term or puttable non-controlling interests		48	52

The following table shows the reconciliation from the opening balances to the closing balances of the liabilities to the fixed-term or puttable non-controlling interests:

in € million	31.12.2025	31.12.2024
Liabilities at beginning of the year	52	87
Currency translation ¹⁾	(4)	2
Interest accrued ²⁾	2	(1)
Remeasurement gains ²⁾	(10)	(21)
Dividends paid	(4)	(6)
Additions	0	1
Additions from initial consolidation	20	0
Working capital adjustment related to Jinan New Emei Industries Co. Ltd. ³⁾	(6)	0
Other changes	(2)	(10)
Liabilities at year-end	48	52

1) Recognised in OCI.

2) Recognised in profit or loss as other net financial expenses.

3) The liability to the fixed-term or puttable non-controlling interest in Jinan New Emei Industries Co. Ltd. is expected to be settled in 2026.

In August 2025, the Group recognised a financial liability related to fixed-term or puttable non-controlling interests to acquire the remaining shares in BPI RHIM LLC held by other shareholders (see Note (40)), amounting to €20 million. The fair value is mainly based on the present value of BPI's average EBITDA performance over a three-year period and the principal valuation parameters are deemed to be non-observable (Level 3).

Sensitivities in respect of the significant non-observable inputs used to measure the fair value of the financial liabilities related to fixed-term or puttable non-controlling interests are presented below. These sensitivities show the hypothetical impact of a change in each of the listed inputs in isolation.

in € million	Financial liabilities increase by	Financial liabilities decrease by
Profit measure increases by 15%	7	
Profit measure decreases by 15%		7

29. Net employee benefit liabilities

Pension provisions

The net liability from pension obligations in the Consolidated Statement of Financial Position is as follows:

in € million	31.12.2025	31.12.2024
Present value of pension obligations	318	377
Fair value of plan assets	(147)	(182)
Deficit of funded plans	171	195
Asset ceiling and funding obligations	9	5
Net liability from pension obligations	180	200
Overfunded pension plans	(1)	(1)
Other pension plans	181	201

The present value of pension obligations by beneficiary groups is as follows:

in € million	31.12.2025	31.12.2024
Active beneficiaries	60	62
Vested terminated beneficiaries	20	41
Retirees	238	274
Present value of pension obligations	318	377

The pension obligations are measured using the following actuarial assumptions for the key countries in which the Group operates:

in %	31.12.2025	31.12.2024
Interest rate		
Austria and Germany	4.0%	3.4%
Brazil	11.8%	12.2%
USA	5.3%	5.5%
Future salary increase		
Austria	2.1%	2.7%
Germany	2.5%	2.5%
Brazil	5.6%	5.8%
USA	3.3%	3.3%
Future pension increase		
Austria	2.5%	3.3%
Germany	2.0%	2.0%
Brazil	4.0%	4.3%
USA	2.0%	2.0%

These are average values which were weighted with the present value of the respective pension obligation.

The calculation of the actuarial interest rate for the Eurozone countries is based on a yield curve for returns of high-quality corporate bonds denominated in EUR with an average AA rating, which is derived from pooled index values. The calculation of the actuarial interest rate for the USD and GBP currency area is based on a yield curve for returns of high-quality corporate bonds denominated in USD and GBP with an average rating of AA, which is derived from pooled index values. Where there are very long-term maturities, the yield curve follows the performance of bonds without credit default risk. The interest rate is calculated annually at 31 December, taking into account the expected future cash flows which were determined based on the current personal and commitment data.

The calculation in Austria was based on the AVÖ 2018-P demographic calculation principles for salaried employees issued by the Actuarial Association of Austria. In Germany, the Heubeck Richttaffeln 2018 G actuarial tables were used as a basis. In the other countries, country-specific mortality tables were applied.

The main pension regulations are described below:

The Austrian group companies account for €57 million (2024: €68 million) of the present value of pension obligations and for €7 million (2024: €8 million) of the plan assets. The agreed benefits include pensions, invalidity benefits and benefits for surviving dependents. Commitments in the form of company or individual agreements depend on the length of service and the salary at the time of retirement. For the majority of commitments, the amount of the pension subsidy is limited to 75% of the final remuneration, including a pension pursuant to the General Social Insurance Act (ASVG). The Group has concluded pension reinsurance policies for part of the commitments. The pension claims of the beneficiaries are limited to the coverage capital required for these commitments. The pensions are predominantly paid in the form of annuities and are partially indexed. For employees joining the company after 1 January 1984, no defined benefits were granted. Instead, a defined contribution pension model is in place. In addition, there are commitments based on the deferred compensation principle, which are fully covered by pension reinsurance policies and commitments for preretirement benefits for employees in mining operations.

The pension plans of the German group companies account for €101 million (2024: €113 million) of the present value of pension obligations and for €1 million (2024: €1 million) of the plan assets. The benefits included in company agreements comprise pensions, invalidity benefits and benefits for surviving dependents. The amount of the pension depends on the length of service for the majority of the commitments and is calculated as a percentage of the average monthly wage/salary of the last 12 months prior to retirement. In some cases, commitments to fixed benefits per year of service have been made. The pensions are predominantly paid in the form of annuities and are adjusted in accordance with the development of the consumer price index for Germany. The pension plans are closed to new entrants, except one contribution-based plan. There is no defined contribution model on a voluntary basis. Individual commitments have been made, with major part of them being retired beneficiaries.

The pension plan of the US group company Magnesita Refractories Company, York, USA, accounts for €64 million (2024: €71 million) of the present value of pension obligations and for €64 million (2024: €69 million) of the plan assets. The pension plan is a non-contributory defined benefit plan covering a portion of the employees of the company. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective 21 June 1999, the company offered the participants the opportunity to elect to participate in a single enhanced defined contribution plan. Participants who made this election are no longer eligible for future accruals under this plan. All benefits accrued as of the date of transfer will be retained. Employees hired after 21 June 1999 and employees that did not meet the

plan's eligibility requirements as of 21 June 1999 are not eligible for this plan. The pensions are predominantly paid in the form of annuities and are adjusted annually based on the US consumer price index.

The pension plan of the UK group company Magnesita Refractories Ltd., Dinnington, United Kingdom, accounted for €34 million (2024: €37 million) of the present value of pension obligations and held €37 million (2024: €42 million) of assets prior to its settlement in 2025. No plan assets were recognised on the balance sheet in previous years due to the application of IFRIC 14 (asset ceiling). The company had sponsored a funded defined benefit pension plan for qualifying UK employees, administered by an independent Board of Trustees composed of employer, employee and independent representatives, who were responsible for the investment policy and the day-to-day administration of benefits. Under the plan, employees were entitled to annual pension benefits upon retirement at age 65. Following the buy-in arrangement concluded in 2022 — under which a third-party insurer in the United Kingdom assumed the plan's obligations and the plan assets were liquidated and transferred at a value of approximately €62 million — the plan was fully settled in 2025. The settlement extinguished all remaining legal and constructive obligations related to the defined benefit plan. On 1st December 2025, full responsibility for the payment of benefits was transferred to the insurer under the buy-out portion of the transaction, at which point, the Group legally ceased to have responsibility for the remaining liabilities. On 24th December 2025, the remaining assets surplus of €3 million was released by the Trustees back to the Group, net of 25% tax. Final administrative winding up of the Plan is expected during the first quarter of 2026.

The pension liabilities of the Brazilian group company Magnesita Refratários S.A. account for €37 million (2024: €35 million) of the present value of pension obligations and for €38 million (2024: €25 million) of the plan assets. These liabilities relate to a Defined Benefit (DB) plan, which was frozen in 2009. The obligations correspond to the accrued rights of the remaining plan participants. The agreed benefits include lifetime retirement pensions, disability benefits, and benefits for surviving dependents. Currently, the Brazilian group companies offer their employees a defined contribution plan as an optional benefit. Under this plan, employees contribute a percentage of their salary, and the company matches these contributions at a rate of 1.5 times the employee's contribution. Employees who leave the plan before retirement may be entitled to receive up to 75% of the company's final contribution, depending on their length of service. Upon retirement, employees may choose to receive a portion of the total contribution amount as a lump sum or in proportional monthly instalments, with various payout options available. The defined contribution plan is structured on a fully funded basis, ensuring that payouts are exclusively derived from accumulated contributions and their respective investment returns. This structure effectively eliminates the risk of deficits or the creation of long-term financial obligations. As of 31.12.2025, the Group is subject to a minimum funding requirement in respect to this plan amounting to €8 million (2024: €0 million).

The following table shows the development of net liability from pension obligations:

in € million	2025	2024
Net liability from pension obligations at beginning of year	200	240
Currency translation	0	(5)
Additions initial consolidation	1	0
Pension cost	11	12
Remeasurement (gains)	(10)	(25)
Benefits paid	(18)	(19)
Employers' contributions to external funds	(4)	(3)
Net liability from pension obligations at year-end	180	200

The present value of pension obligations developed as follows:

in € million	2025	2024
Present value of pension obligations at beginning of year	377	421
Currency translation	(10)	(5)
Additions initial consolidation	10	0
Current service cost	1	2
Interest cost	18	18
Remeasurement (gains)		
from changes in demographic assumptions	0	0
from changes in financial assumptions	(9)	(25)
due to experience adjustments	(2)	(3)
Benefits paid	(33)	(32)
Settlements	(34)	0
Employee contributions to external funds	1	1
Plan amendments	(1)	0
Present value of pension obligations at year-end	318	377

The movement in plan assets is shown in the table below:

in € million	2025	2024
Fair value of plan assets at beginning of year	182	186
Currency translation	(10)	0
Additions initial consolidation	9	0
Interest income	9	9
Administrative costs (paid from plan assets)	(1)	0
Gains/(losses) on plan assets less interest income	2	(3)
Benefits paid	(15)	(14)
Settlements	(34)	0
Employers' contributions to external funds	4	3
Employee contributions to external funds	1	1
Fair value of plan assets at year-end	147	182

The changes in the asset ceiling are shown below:

in € million	2025	2024
Asset ceiling and funding obligations at beginning of year	5	5
(Gains)/losses from changes in asset ceiling less interest expense	(4)	0
Additional liability arising from minimum funding requirement	8	0
Asset ceiling and funding obligations at year-end	9	5

At 31 December 2025, the weighted average duration of pension obligations amounts to 9.8 years (2024: 10.3 years).

The following amounts were recorded in the Consolidated Statement of Profit or Loss:

in € million	2025	2024
Current service cost	1	2
Interest cost	18	19
Interest income	(9)	(9)
Administrative costs (paid from plan assets)	1	0
Pension expense recognised in profit or loss	11	12

The remeasurement results recognised in OCI are shown in the table below:

in € million	2025	2024
Accumulated remeasurement losses at beginning of year	93	118
Remeasurement (gains) on present value of pension obligations	(11)	(28)
(Gains)/losses on plan assets less interest income	(2)	3
Losses from changes in asset ceiling and funding obligations less interest expense	4	0
Accumulated remeasurement losses at year-end	84	93

The present value of plan assets is distributed to the following classes of investments:

in € million	31.12.2025			31.12.2024		
	Active market	No active market	Total	Active market	No active market	Total
Insurances	5	37	42	0	73	73
Equity instruments	46	0	46	46	0	46
Debt instruments	40	2	42	41	1	42
Cash and cash equivalents	7	0	7	12	0	12
Other assets	7	3	10	9	0	9
Fair value of plan assets	105	42	147	108	74	182

The present value of the insurances to cover the Austrian pension plans corresponds to the coverage capital. Insurance companies predominantly invest in debt instruments and, to a low extent, in equity instruments and properties.

Plan assets do not include own financial instruments or assets utilised by the Group.

The Group works with professional fund managers for the investment of plan assets. They act on the basis of specific investment guidelines adopted by the pension fund committee of the respective pension plans. The committees consist of management staff of the finance department and other qualified executives. They meet regularly in order to approve the target portfolio with the support of independent actuarial experts and to review the risks and the performance of the investments. In addition, they approve the selection or the extension of contracts of external fund managers.

The largest portion of the other assets is invested in pension reinsurance, resulting in a low counterparty risk towards insurance companies. In addition, the Group is exposed to interest risks and longevity risks resulting from its defined benefit commitments.

The Group generally endows the pension funds with the amount necessary to meet the legal minimum allocation requirements of the country in which the fund is based. Moreover, the Group makes additional allocations at its discretion from time to time. In the financial year 2026, the Group expects employer contributions to external plan assets to amount to €5 million and direct payments to entitled beneficiaries to €16 million. Employer contributions of €4 million and direct pension payments of €18 million had been expected for the financial year 2025.

The following sensitivity analysis shows the change in present value of the pension and termination benefit obligations if one key parameter changes, while the other influences are maintained constant. In reality, it is rather unlikely that these influences do not correlate. The present value of the pension obligations for the sensitivities shown was calculated using the same method as for the actual present value of the pension obligations (projected unit credit method).

in € million	Change of assumption in percentage points or years	31.12.2025		31.12.2024	
		Pension plans	Termination benefits	Pension plans	Termination benefits
Present value of the obligations		318	33	377	39
Interest rate	+0.25	(7)	(1)	(9)	(1)
	(0.25)	8	1	10	1
Salary increase	+0.25	0	1	1	1
	(0.25)	0	(1)	(1)	(1)
Pension increase	+0.25	6		6	
	(0.25)	(5)		(7)	
Life expectancy	+ 1 year	11		6	
	(1) year	(10)		(5)	

These changes would have no immediate effect on the result of the period as remeasurement gains and losses are recorded in OCI without impact on profit or loss. The assumptions regarding the interest rate are reviewed semi-annually; all other assumptions are reviewed at the end of the year.

Other personnel provisions

in € million	31.12.2025	31.12.2024
Termination benefits	31	35
Service anniversary bonuses	18	20
Semi-retirements	3	4
Other personnel provisions	52	59

Provisions for termination benefits

The provision for termination benefits relates mainly to employees that joined an Austrian company before 1 January 2003 and are subject to a one-off lump-sum termination benefit under Austrian legislation. This is regarded as a post-employment benefit and accounted for consistently with pensions benefits described above.

Provisions for the Austrian termination benefits, which account for over 80.0% of the balance (2024: 83.0%) were based on the following measurement assumptions:

in %	31.12.2025	31.12.2024
Interest rate	4.0%	3.4%
Future salary increase	2.6%	3.4%

The interest rate for the measurement of termination benefit obligations in the Eurozone was determined taking into account the Company specific duration of the portfolio.

Provisions for termination benefits developed as follows:

in € million	2025	2024
Provisions for termination benefits at beginning of year	35	34
Current service cost	2	1
Interest cost	1	1
Remeasurement (gains)/losses	(4)	1
Benefits paid	(3)	(2)
Provisions for termination benefits at year-end	31	35

Payments for termination benefits are expected to amount to €1 million in the year 2026. In the previous year, the payments for termination benefits expected for 2025 amounted to €2 million.

The following remeasurement gains and losses were recognised in OCI:

in € million	2025	2024
Accumulated remeasurement losses at beginning of year	19	18
Remeasurement (gains)/losses	(4)	1
Accumulated remeasurement losses at year-end	15	19

At 31 December 2025 the average duration of termination benefit obligations amounted to 9.9 years (2024: 10.5 years).

Provisions for service anniversary bonuses

The measurement of provisions for service anniversary bonuses relating to employees in Austria and Germany is based on an interest rate of 4.0% (2024: 3.4%) in Austria and 4.0% (2024: 3.4%) in Germany and considers salary increases of 4.5% (2024: 5.1%) in Austria and 2.5% in Germany (2024: 2.5%).

Provisions for semi-retirement

The funded status of provisions for obligations to employees with semi-retirement contracts is shown in the table below:

in € million	31.12.2025	31.12.2024
Present value of semi-retirement obligations	4	5
Fair value of plan assets	(1)	(1)
Provisions for semi-retirement obligations	3	4

External plan assets are ring-fenced from all creditors and exclusively serve to meet semi-retirement obligations.

30. Provisions

The development of provisions is shown in the tables below for 2025 and 2024:

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Deficit of emission certificates	Other	Total
31.12.2024	46	8	33	20	0	7	114
Currency translation	0	0	(1)	0	0	0	(1)
Reversals	(2)	(2)	(7)	0	0	(1)	(12)
Additions	2	3	6	12	43	5	71
Unwinding of discount	4	1	1	0	0	0	6
Use	(11)	(3)	(1)	(16)	0	(4)	(35)
Reclassifications	0	0	0	0	0	0	0
31.12.2025	39	7	31	16	43	7	143
non-current	27	7	29	0	0	0	63
current	12	0	2	16	43	7	80

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Other	Total
31.12.2023	67	11	30	9	9	126
Currency translation	(9)	(2)	(1)	0	0	(12)
Reversals	(6)	(3)	(2)	0	(3)	(14)
Additions	2	3	6	16	3	30
Unwinding of discount	5	1	1	0	0	7
Use	(13)	(2)	(1)	(5)	(3)	(24)
Reclassifications	0	0	0	0	1	1
31.12.2024	46	8	33	20	7	114
non-current	35	8	28	0	0	71
current	11	0	5	20	7	43

In November 2017, the Group sold a plant located in Oberhausen, Germany, in order to satisfy the conditions imposed by the European Commission in their approval of the merger of RHI Refractories and Magnesita. Under the terms, the Group remains obligated to provide raw materials at cost and recognised a provision for unfavourable contracts as part of the purchase price allocation to reflect the foregone profit margin. The non-current portion of this contract obligation amounts to €24 million as of 31 December 2025 (2024: €32 million) and the current portion to €10 million (2024: €9 million). In addition, provisions for other unfavourable contracts amount to €5 million (2024: €5 million), mainly in Türkiye and Europe.

The provision for labour and civil contingencies primarily comprises labour and civil litigation amounting to €7 million (2024: €8 million) arising mainly in Brazil.

The provision for demolition and disposal costs and environmental damages primarily includes provisions for the estimated costs of mining site restoration of several mines in Brazil amounting to €5 million (2024: €7 million), various sites in Europe amounting to €12 million (2024: €15 million) and in the USA amounting to €8 million (2024: €7 million).

Provisions for restructuring costs amounting to €16 million at 31 December 2025 (2024: €20 million) primarily consist of estimated benefit obligations to employees due to termination of employment and dismantling costs. €8 million (2024: €0 million) relates to the remaining redundancy costs at Wetro, Germany; €3 million (2024: €3 million) relates to the plant closure in Trieben, Austria; €3 million (2024: €1 million) pertains to the termination of employment as a result of the Group's permanent SG&A headcount reduction; and €1 million (2024: €15 million) relates to the remaining redundancy costs at Mainzlar, Germany.

The provision for emission certificates includes the EUR equivalent of the expected deficit of emission certificates at the reporting date. The provision is measured based on the spot price of the emission certificates at the reporting date.

Other consists mainly of provisions for claims arising from warranties and other similar obligations from the sale of refractory products.

31. Trade payables and other liabilities

in € million	31.12.2025	31.12.2024
Trade payables	440	455
Payables subject to supplier finance arrangements	137	117
Contract liabilities	36	59
Liabilities to employees	57	111
Taxes other than income tax	30	31
Capital expenditure payable	18	22
Payables from commissions	7	10
Other current liabilities	32	38
Trade payables and other current liabilities	757	843
thereof financial liabilities	615	619
thereof non-financial liabilities	142	224

Payables subject to supplier finance arrangements comprise a forfeiting liability of €38 million (31.12.2024: €53 million), a liability owed to a payment service provider of €45 million and a liability related to reverse factoring arrangements of €54 million (31.12.2024: €64 million). The payment terms of the forfeiting liability amount to 360 days, as agreed with the financial institution from the outset of the arrangement. Comparable payment terms of trade payables without a forfeiting arrangement are not available since the use of forfeiting arrangements is limited to sourcing raw materials in a specific region and the Group generally procures these raw materials by entering into forfeiting arrangements. The payment terms of payables subject to supplier finance arrangements other than the forfeiting arrangement lie within a range of 60 to 150 days while for comparable trade payables without supplier finance arrangements the payment terms lie within a range of 30 to 120 days. The carrying amount of payables subject to supplier finance arrangements of which suppliers have received payment from financial institutions or the payment service provider amounts to €120 million (31.12.2024: €98 million). Interest expenses of €1 million related to supplier finance arrangements were incurred in the reporting period which are presented within other net financial expenses. For certain supplier finance arrangements, the Group provides corporate parental guarantees as security to third parties from which the suppliers receive payment. These are disclosed as part of the Group's contingent liabilities (see Note 38)).

Contract liabilities mainly consist of prepayments received on orders. In 2025 €59 million (2024: €65 million) revenue was recognised that was included in the contract liability balance at the beginning of the period.

The item liabilities to employees primarily consists of obligations for wages and salaries, payroll taxes and employee-related duties, performance bonuses, unused vacation and flexitime credits. The decrease in liabilities to employees is primarily driven by the reduction in bonuses and vacation accruals.

32. Cash generated from operations

in € million	2025	2024
Profit after income tax	94	154
Adjustments for		
income tax	34	46
depreciation	131	136
amortisation	52	39
impairment of property, plant and equipment and intangible assets	2	42
expense from financial assets excluding trade and other receivables	0	3
gains from the disposal of property, plant and equipment	0	(5)
losses/(gains) from the disposal of subsidiaries / foreign operations	1	(8)
net interest expense, interest rate derivatives and remeasurement of liabilities to fixed-term or puttable non-controlling interest	70	43
other non-cash changes	26	(10)
Changes in working capital		
inventories	24	25
trade receivables	74	2
trade payables	7	83
contract liabilities	(22)	(5)
Changes in other assets and liabilities		
other receivables and assets	3	7
provisions	(3)	(28)
other liabilities	(60)	(22)
Cash generated from operations	433	502
Income tax paid less refunds	(54)	(69)
Net cash flow from operating activities	379	433

Other non-cash changes include share-based payments of €3 million (2024: €9 million), net interest expenses for defined benefit obligations amounting to €11 million (2024: €12 million) and the unrealised portion of the net expense on foreign exchange effects amounting to €13 million (2024: the unrealised portion of the net income on foreign exchange effects of €31 million). Refer to Note (12) for details on the compositions of the net income or expense on foreign exchange effects.

33. Net cash flow from financing activities

The reconciliation of movements of financial liabilities and assets to cash flows arising from financing activities for the current and the prior year is shown in the tables below:

in € million	31.12.2024	Cash changes	Non-cash changes					31.12.2025
			Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)	
Borrowings	(1,750)	(34)	5	1	0	(8)	0	(1,786)
Lease liabilities	(77)	17	4	0	0	0	(8)	(64)
Cash and cash equivalents ¹⁾	576	(213)	(14)	0	0	6	0	355
Net debt	(1,251)	(230)	(5)	1	0	(2)	(8)	(1,495)
Liabilities to fixed-term or puttable non-controlling interests ²⁾	(52)	4	4	9	7	(20)	0	(48)

1) The column Cash changes excludes cash acquired in business combinations, which is presented in column Additions from initial consolidation.

2) Refer to Note (28) for details.

in € million	31.12.2023	Cash changes	Non-cash changes					31.12.2024
			Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)	
Borrowings	(1,949)	201	(1)	(1)	0	0	0	(1,750)
Lease liabilities	(70)	20	2	0	0	0	(29)	(77)
Cash and cash equivalents	704	(130)	2	0	0	0	0	576
Marketable securities	11	(10)	(1)	0	0	0	0	0
Net debt	(1,304)	81	2	(1)	0	0	(29)	(1,251)
Liabilities to fixed-term or puttable non-controlling interests ¹⁾	(87)	6	(2)	22	9	0	0	(52)

1) Refer to Note (28) for details.

34. Additional disclosures on financial instruments

The following tables show the carrying amounts and fair values per class of financial assets and liabilities as well as the allocation of the carrying amounts to the relevant measurement category.

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2025	Fair value as of 31.12.2025
Financial assets							
Trade and other receivables	0	0	20	431	125	576	576
Cash and cash equivalents	0	0	0	355	0	355	355
Other financial assets	7	26	8	4	0	45	45
	7	26	28	790	125	976	976
Financial liabilities							
Trade payables and other liabilities	0	0	0	615	142	757	757
Borrowings	0	0	0	1,786	0	1,786	1,778
Lease liabilities	0	0	0	65	0	65	65
Other financial liabilities (excl. lease liabilities)	18	40	0	10	0	68	68
	18	40	0	2,476	142	2,676	2,668

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2024	Fair value as of 31.12.2024
Financial assets							
Trade and other receivables	0	0	46	487	127	660	660
Cash and cash equivalents	0	0	0	576	0	576	576
Other financial assets	25	19	7	8	0	59	59
	25	19	53	1,071	127	1,295	1,295
Financial liabilities							
Trade payables and other liabilities	0	0	0	619	224	843	843
Borrowings	0	0	0	1,750	0	1,750	1,737
Lease liabilities	0	0	0	77	0	77	77
Other financial liabilities (excl. lease liabilities)	9	38	0	15	0	62	62
	9	38	0	2,461	224	2,732	2,719

Other financial assets comprise marketable securities, derivative financial assets, shares and other interests. Marketable securities, derivative financial assets and shares are recognised at fair value.

Borrowings and lease liabilities are carried at amortised cost. Other financial liabilities (excl. lease liabilities) comprise derivative financial liabilities and liabilities to fixed-term or puttable non-controlling interests. Derivative financial liabilities are recognised at fair value. Liabilities to fixed-term or puttable non-controlling interests based on a fixed consideration are recognised at amortised cost whereas those liabilities based on a variable consideration are recognised at fair value.

The carrying amount of lease liabilities and other financial liabilities (excl. lease liabilities) recognised at amortised cost approximate their fair value at the reporting date. Trade and other receivables, trade payables and other liabilities as well as cash and cash equivalents are predominantly short-term. Therefore, the carrying amounts of these items approximate their fair value at the reporting date. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between market participants in an arm's length transaction on the day of measurement. When the fair value is determined it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either in the main market for the asset or liability, or in the most favourable market if there is no main market. The Group considers the characteristics of the asset or liability to be measured which a market participant would consider in pricing. It is assumed that market participants act in their best economic interest.

The Group takes into account the availability of observable market prices in an active market and uses the following hierarchy to determine fair value:

Level 1:	Prices quoted in active markets for identical financial instruments.
Level 2:	Measurement techniques in which all important data used are based on observable market data.
Level 3:	Measurement techniques in which at least one significant parameter is based on non-observable market data.

The table below analyses the fair value of financial instruments held by the Group by measurement technique:

in € million	31.12.2025				31.12.2024 ¹⁾			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	12	19	0	31	12	28	0	40
Liabilities								
Borrowings	0	1,778	0	1,778	0	1,737	0	1,737
Other financial liabilities (excl. lease liabilities)	0	20	48	68	0	10	52	62

1) Restated.

The fair value of securities and shares is based on price quotations at the reporting date (Level 1), where such quotations exist. In other cases, a valuation model (Level 3) would be used for such instruments with an exception if such instruments are immaterial to the Group, in which case cost serves as an approximation of fair value.

The fair value of interest derivatives in a hedging relationship (interest rate swaps) is determined by calculating the present value of future cash flows based on current yield curves taking into account the corresponding terms (Level 2).

The fair value of foreign currency derivative contracts corresponds to the market value of the forward exchange contracts and the embedded derivatives in open orders denominated in a currency other than the functional currency. These derivatives are measured using quoted forward rates that are currently observable (Level 2).

The fair value of commodity swaps for natural gas reflects the difference between the fixed contract price and the closing quotation of the natural gas price (EEX Base) as of the respective due date of the transaction. The closing price on the stock exchange is used as the input (Level 2).

The fair value of liabilities related to fixed-term or puttable non-controlling interests based on a variable consideration is measured at the present value of the expected redemption amount based on the relevant earnings measure and the current business plan of the respective company which is not observable (Level 3). The fair value of borrowings is only disclosed and corresponds to the present value of the discounted future cash flows using yield curves that are currently observable (Level 2).

No contractual netting agreement of financial assets and liabilities were in place as at 31 December 2025 and 31 December 2024.

Net results by measurement category in accordance with IFRS 9

The effect of financial instruments on the income and expenses recognised in 2025 and 2024 is shown in the following table, classified according to the measurement categories defined in IFRS 9:

in € million	2025	2024
Net gain from financial assets and liabilities measured at fair value through profit or loss	29	5
Net (loss) from financial assets and liabilities measured at amortised cost	0	(1)

The net gain from financial assets and liabilities measured at fair value through profit or loss includes income from securities and shares, income from the disposal of securities and shares, impairment losses and income from reversals of impairment losses, fair value gains and losses on the measurement of liabilities to fixed-term or puttable non-controlling interests, fair value gains and losses and realised results of derivative financial instruments outside the scope of hedge accounting.

The net loss from financial assets and liabilities measured at amortised cost includes changes in valuation allowances and losses incurred on the derecognition of financial assets.

Interest income resulting from financial assets measured at amortised cost amounts to €15 million (2024: €22 million) and interest expenses incurred on financial liabilities measured at amortised cost amounts to €87 million (2024: €76 million).

Other financial assets

Other financial assets consist of the following items:

in € million	31.12.2025			31.12.2024		
	Current	Non-current	Total	Current	Non-current	Total
Marketable securities and shares	0	21	21	0	20	20
Derivative financial assets	9	9	18	17	12	29
Restricted cash	0	4	4	0	8	8
Other interests	0	2	2	0	2	2
Other financial assets	9	36	45	17	42	59

The marketable securities and shares include €8 million (2024: €7 million) investment representing a minority stake in MCi Carbon Pty Ltd..

35. Derivative financial instruments**Interest rate derivatives**

The Group has concluded interest rate swaps and one interest rate collar to hedge the cash flow risk associated with financial liabilities carrying variable interest rates. The combination of the interest rate swaps, and the underlying variable interest debt instruments creates synthetic fixed interest debt instruments without exposure to variability in cash flows due to changes of interest rates. The combination of the interest rate collar and the underlying variable interest debt instruments limits the variability of the debt instruments' cash flows due to changes of interest rates to a predetermined range. The Group has designated all interest rate swaps and the interest rate collar as hedging instruments with the variable interest cash flows of the underlying debt instruments as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedging instrument and the hedged item is determined by comparing the critical terms (nominal value, currency, interest payment date, interest reset dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and hedged items. Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all interest rate derivatives was €3 million at the reporting date (2024: €6 million) and is shown in other non-current financial assets (liabilities) in the Consolidated Statement of Financial Position. For the reporting period of 2025, €2 million gain (2024: €6 million gain) has been recognised in OCI as fair value movements of the hedging instrument and €4 million (2024: €18 million) has been reclassified from OCI to profit or loss and recognised within other net financial expenses reflecting the settlement of the hedging instrument when interest on the underlying debt instrument is paid. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged item and the hedging instrument for the year 2025 and 2024 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
		Other non-current		
2025	3	financial assets (liabilities)	2	EUR 1,172 million
		Other non-current		
2024	6	financial assets (liabilities)	6	EUR 1,052 million

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2025	3	3
2024	6	5

Commodity swaps

In order to hedge the cash flow risk associated with commodity price of gas and oil, the Group has entered into financial commodity swaps. The Group has designated all commodity swaps as hedging instruments with expected purchases of commodities used in production as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedged item and the hedging instrument is deemed upfront based on the expectations that the values of the hedged item and the hedging instrument will typically move in opposite directions in response to the hedged risk determined by comparing the critical terms (nominal value, currency, commodity purchase date, commodity swaps settlement dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and the hedged items. For oil hedges a source of potential ineffectiveness is different but similar underlying (crude oil vs fuel oil). Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all commodity swaps was negative €15 million at the reporting date and is shown in other non-current and current financial assets (liabilities) in the Consolidated Statement of Financial Position. For the reporting period of 2025, a €16 million loss has been recognised in OCI as fair value movements of the hedging instrument and €4 million has been removed from cash flow hedge reserve and included directly in the carrying amount of the inventory reflecting the net settlement of the hedging instrument when the underlying inventory is purchased. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged items and the hedging instruments for the year 2025 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
		Other current and non-current financial assets (liabilities)		Gas 2,242 GWh Oil 447,930 bbl Power 192 GWh
2025	(15)	Other current and non-current financial assets (liabilities)	(16)	Gas 1,141 GWh Oil 700,297 bbl Power 30 GWh
2024	(3)	financial assets (liabilities)	8	

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2025	(15)	(11)
2024	(3)	(2)

The average commodity prices hedged by the commodity swaps derivatives are as follows:

		31.12.2025	
Hedging instrument		up to 1 year	1 to 5 years
Commodity swaps – gas	Notional amount (Gwh)	530	1,712
	Average hedged price per MWh	41.66	28.35
Commodity swaps – oil	Notional amount (bbl)	296,431	151,499
	Average hedged price per bbl	73.07	65.81
Commodity swaps – power	Notional amount (Gwh)	73	119
	Average hedged price per MWh	85.23	68.64

		31.12.2024	
Hedging instrument		up to 1 year	1 to 5 years
Commodity swaps – gas	Notional amount (Gwh)	214	1,322
	Average hedged price per MWh	53.15	34.93
Commodity swaps – oil	Notional amount (bbl)	346,342	277,691
	Average hedged price per bbl	75.14	73.47
Commodity swaps – power	Notional amount (Gwh)		117
	Average hedged price per MWh		72.10

CO₂ certificate forward purchase contracts

CO₂ certificate forward purchase contracts are entered into to reduce the Group's cash flow exposure to fluctuations in price of CO₂ certificates. They are accounted for as financial derivatives, as the requirements for the own-use exemption were not met. Hedge accounting is not applied to these economic hedges.

As of 31 December 2025, the nominal volume of CO₂ certificate forward purchase contracts amounts to 874 thousand EUAs, with a positive fair value of €11 million, which is presented in other non-current and current financial assets in the Consolidated Statement of Financial Position.

Forward exchange contracts

Foreign exchange forward contracts are entered into to reduce the Group's cash flow exposure to currency movements based on the internal risk assessment and analysis conducted. Hedge accounting is not applied to these economic hedges.

The nominal value and fair value of forward exchange contracts as of 31 December 2025 are shown in the table below:

31.12.2025				
Purchase	Sale	Nominal in	Nominal value in million	Fair value in € million
BRL	EUR	EUR	8	0
CLP	USD	USD	27	0
USD	INR	USD	14	0
USD	VND	USD	18	0
GBP	EUR	GBP	21	0
MXN	USD	USD	15	0
CAD	USD	CAD	29	0
EUR	ZAR	EUR	10	0
CNY	USD	USD	22	0
EUR	INR	EUR	23	0
CZK	EUR	EUR	4	(1)
Forward exchange contracts				(1)

The nominal value and fair value of forward exchange contracts as of 31 December 2024 are shown in the table below:

31.12.2024				
Purchase	Sale	Nominal in	Nominal value in million	Fair value in € million
MXN	USD	MXN	420	0
EUR	USD	USD	75	0
USD	INR	USD	15	0
EUR	ZAR	ZAR	175	0
USD	BRL	USD	7	0
CLP	USD	USD	17	0
EUR	INR	EUR	26	0
CZK	EUR	EUR	11	(1)
Forward exchange contracts				(1)

At the time of signing the share purchase agreement for the acquisition of the Resco Group, RHI Magnesita entered into a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of \$360 million to hedge the EUR equivalent of the USD cash outflow related to this acquisition against potential variability due to changes in the USD/EUR exchange rate. The related hedge was accounted for as a cash flow hedge. In terms of its structure, the deal contingent forward is a 'plain vanilla' forward exchange contract buying USD and selling EUR at a fixed exchange rate, whose settlement is conditional on the successful closing of the acquisition, providing protection against USD/EUR exchange rate movements until the acquisition closed. When the business combination was closed, the forward exchange contract was settled as it would usually be on the closing date of the acquisition, by applying an off market forward exchange rate at the closing date. However, had closing failed, the rights and obligations associated with the forward exchange contract would have disappeared at no cost and there would have been no obligation for the Group and the counterparty to settle it, which would have allowed the Group to exit the forward contract at zero cost. The disappearance of the forward exchange contract's rights and obligations in a scenario where closing would have failed is referred to as a 'knock-out' feature.

The method for assessing hedge effectiveness applied for commodity hedges is applied analogously to this hedging relationship. The main source of hedge ineffectiveness is the 'knock-out' feature embedded in the deal contingent forward, which does not exist in the hedged item.

The settlement of the deal contingent forward exchange contract at the acquisition date resulted in a realised gain of €13 million (refer to Note (40) for details).

36. Financial risk management

Financial risks are incorporated in the Group's corporate risk management framework and are centrally controlled by Corporate Treasury.

None of the following risks have a significant influence on the going concern premise of the Group.

Credit risks

The maximum credit risk from recognised financial assets amounts to €851 million (2024: €1,168 million) and is primarily related to investments with banks and receivables due from customers.

The credit risk with banks related to investments (especially cash and cash equivalents) is reduced as business transactions are only carried out with prime financial institutions with a good credit rating. Individual counterpart exposures limits are assigned to each financial institution based on a matrix composed of the credit rating (S&P or Moody's) and balance sheet assets.

Trade receivables are hedged as far as possible through credit insurance and collateral arranged through banks (guarantees, letters of credit) in order to mitigate credit and default risk. Credit and default risks are monitored continuously, and valuation allowance are recognised for risks that have occurred and are identifiable.

The credit exposure from trade receivables and contract assets, which is partially hedged by existing credit insurance and letters of credit, is shown in the following table:

in € million	31.12.2025	31.12.2024
Trade receivables and contract assets – gross	451	533
Credit insurance and letters of credit	(196)	(258)
Trade receivables and contract assets – net	255	275

The movement in the valuation allowance in respect of trade receivables and contract assets during the year and the previous year was as follows:

in € million	2025		2024	
	Individually assessed – credit impaired	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Collectively assessed – not credit impaired
Accumulated valuation allowance at beginning of year	47	1	52	1
Currency translation	(1)	0	(2)	0
Additions initial consolidation	0	0	0	0
Addition	1	0	3	0
Use	(3)	0	(2)	0
Reversal	(2)	0	(4)	0
Accumulated valuation allowance at year-end	42	1	47	1

For trade receivables and contract assets, for which no objective evidence of impairment exists, lifetime expected credit losses have been calculated using a provision matrix as shown below. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

in € million

Trade receivables and contract assets

31.12.2025	not past due	less than 30 days	more than 31 days	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Total
Expected credit loss rate in %	0.03 – 0.47%	0.08–1.07%	0.57 – 85.33%			
Gross carrying amount invoiced	305	19	9	333	106	439
Lifetime expected credit loss	(1)	0	0	(1)		(1)
Valuation allowance – credit impaired					(42)	(42)
Carrying amount with either expected credit loss or incurred loss allowance						396
Carrying amount without expected credit loss or incurred loss allowance						55
Total trade receivables and contract assets						451

in € million

Trade receivables and contract assets

31.12.2024	not past due	less than 30 days	more than 31 days	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Total
Expected credit loss rate in %	0.03 – 0.54%	0.09–1.24%	0.77 – 85.52%			
Gross carrying amount invoiced	372	25	19	416	122	538
Lifetime expected credit loss	(1)	0	0	(1)		(1)
Valuation allowance – credit impaired					(47)	(47)
Carrying amount with either expected credit loss or incurred loss allowance						490
Carrying amount without expected credit loss or incurred loss allowance						43
Total trade receivables and contract assets						533

Liquidity risk

Liquidity risk refers to the risk that financial obligations cannot be met when due. The Group's financial policy is based on long-term financial planning and is centrally controlled and monitored continuously at the Group. The liquidity requirements resulting from budget and medium-term planning are secured by concluding appropriate financing agreements. As of 31 December 2025, the Group has a committed RCF of €600 million, which was unutilised (2024: committed RCF was €600 million and was also unutilised). The RCF is a syndicated facility with multiple international banks and matures in 2028. The liquidity of the Group's subsidiaries is managed regionally but with central steering. Access to liquidity and optimised cash levels is ensured by Corporate Treasury, which supports business needs and lowers borrowing costs. Refer to Note (27) for a description of the consequences if debt covenants embedded in loan agreements are breached. Refer to Note (4) for a description of the potential impacts on the finance costs of ESG-linked loans if the Group's ESG rating gets downgraded.

Non-derivative financial liabilities

An analysis of the terms of non-derivative financial liabilities based on undiscounted cash flows including the related interest payments shows the following expected cash outflows:

in € million	Carrying amount 31.12.2025	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	249	272	75	191	6
variable interest	1,533	1,649	410	1,237	2
Other financial liabilities	6	6	1	5	0
Lease liabilities	64	77	17	38	22
Liabilities to fixed-term or puttable non-controlling interests	48	95	5	7	83
Trade payables and other liabilities	615	615	615	0	0
Non-derivative financial liabilities	2,515	2,714	1,123	1,478	113

in € million	Carrying amount 31.12.2024	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	403	417	157	252	8
variable interest	1,337	1,466	167	1,269	30
Other financial liabilities	10	10	1	9	0
Lease liabilities	77	87	19	41	27
Liabilities to fixed-term or puttable non-controlling interests	52	84	7	27	50
Trade payables and other liabilities	619	619	619	0	0
Non-derivative financial liabilities	2,498	2,683	970	1,598	115

Derivative financial instruments

The remaining terms of derivative financial instruments as of 31 December 2025 and 31 December 2024 are shown in the tables below:

			Remaining term	
in € million	Carrying amount 31.12.2025	Cash flows	up to 1 year	1 to 5 years
Receivables from derivatives with net settlement				
Interest rate swaps	6	6	3	3
Commodity swaps	1	1	0	1
CO ₂ certificate forward purchase contracts	11	11	8	3
Liabilities from derivatives with net settlement				
Commodity swaps	16	16	10	6
Derivatives in open orders	1	1	1	0
Interest rate derivatives	2	2	2	0
Forward exchange contracts	1	1	1	0

			Remaining term	
in € million	Carrying amount 31.12.2024	Cash flows	up to 1 year	1 to 5 years
Receivables from derivatives with net settlement				
Interest rate swaps	10	10	0	10
Commodity swaps	2	2	0	2
Forward exchange contracts	14	14	14	0
Derivatives in open orders	3	3	3	0
Liabilities from derivatives with net settlement				
Commodity swaps	5	5	2	3
Interest rate derivatives	4	4	0	4
Forward exchange contracts	1	1	1	0

Foreign currency risks

Foreign currency risks arise where business transactions (operating activities, investments, financing) are conducted in a currency other than the functional currency of a company. They are monitored at Group level and analysed with respect to hedging options. Usually, the net position of the Group in the respective currency serves as the basis for decisions regarding the use of hedging instruments.

Foreign currency risks arise in financial instruments which are denominated in a currency other than the functional currency and are monetary in nature. These include trade receivables and payables, cash and cash equivalents as well as financial liabilities as shown in the Consolidated Statement of Financial Position. Investments in equity instruments are not of a monetary nature, and therefore not linked to a foreign currency risk in accordance with IFRS 7 'Financial Instruments: Disclosures'.

The majority of foreign currency financial instruments in the Group result from operating activities and intragroup financing transactions.

The following table shows the foreign currency positions in the Group's major currencies as of 31 December 2025 and 31 December 2024:

31.12.2025 in € million	USD	EUR	TRY	ZAR	GBP	Other	Total
Financial assets	494	59	18	12	3	14	600
Financial liabilities	(463)	(44)	(5)	0	(29)	(9)	(550)
Net foreign currency position	31	15	13	12	(26)	5	50

31.12.2024 in € million	USD	EUR	ZAR	TRY	Other	Total
Financial assets	579	82	11	22	15	709
Financial liabilities	(426)	(44)	0	(6)	(20)	(496)
Net foreign currency position	153	38	11	16	(5)	213

The disclosures required by IFRS 7 for foreign exchange risks include a sensitivity analysis that shows the effects of hypothetical changes in the relevant risk variables on profit or loss and equity. The relevant risk variables are the financial assets and financial liabilities recognised on the reporting date that are denominated in a currency other than the functional currency of the respective reporting entity. The effects on a particular reporting period are determined by applying the hypothetical changes in these risk variables to the financial instruments held by the Group as of the reporting date. It is assumed that the positions on the reporting date are representative for the entire year. The sensitivity analysis does not include the foreign exchange differences that result from translating the net asset positions of the group companies with a functional currency other than Euro into the Group's reporting currency, the Euro.

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2025 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2025 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(3)	(2)	3	2
EUR	(1)	4	1	(4)
TRY	(1)	(1)	1	1
ZAR	(1)	(1)	(3)	(3)
GBP	2	2	1	1
Other currencies	(4)	1	5	(1)

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2024 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2024 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(14)	(14)	17	17
EUR	(3)	1	4	(1)
ZAR	(1)	(1)	1	1
TRY	(1)	(1)	2	2
Other currencies	0	0	(1)	(1)

The effect in equity also includes the foreign exchange effects related to certain intragroup monetary assets and liabilities recorded directly in OCI (refer to Note (3) for details).

Interest rate risks

The interest rate risk in the Group is primarily related to debt instruments carrying variable interest rates, which may lead to fluctuations in results and cash flows. At 31 December 2025, one interest rate collar with a nominal value of €180 million (2024: €180 million) and interest rate swaps with a nominal value of €992 million (2024: €872 million) existed with the interest rate swaps converting the variable interest rate of the hedged debt instrument into a fixed interest rate. Further information is provided in Note (35).

The exposure to interest rate risks is presented through sensitivity analysis in accordance with IFRS 7. This analysis shows the effects of changes in market interest rates on interest payments, interest income and interest expense and on equity.

The Group measures fixed interest financial assets and financial liabilities at amortised cost and did not use the fair value option – a hypothetical change in the market interest rates for these financial instruments at the reporting date would have had no effect on profit and loss or equity.

Changes in market interest rates on debt instruments designated as cash flow hedges to protect against interest rate-related payment fluctuations within the scope of hedge accounting have an effect on equity and are therefore included in the equity-related sensitivity analysis. If the market interest rate as of 31 December 2025 had been 25 basis points higher or lower, equity would have been €2 million (2024: €2 million) higher or lower considering tax effects.

Changes in market interest rates have an effect on the interest result of primary variable interest debt instruments whose interest payments are not designated as hedged items as a part of cash flow hedge relationships against interest rate risks and are therefore included in the calculation of the result-related sensitivities. If the market interest rate as of 31 December 2025 had been 25 basis points higher or lower, the interest result would have been €1 million (2024: €0 million) lower or higher.

Commodity price risk

The Group manages its exposure to commodity prices, namely gas and electricity purchases in Europe, by entering into forward fixed price take or pay contracts with various suppliers to mitigate and reduce the impact of price volatility and secure the energy supply for its production process. These contracts are mainly accounted for as executory contracts as the commodities purchases are for own use purposes. The Group's Energy Risk policy sets out thresholds for fixing quantities based on the expected usage which is usually over a five-year period with lower levels of forward purchases in the outer years.

In line with the above strategy, the Group may also enter into financial commodity swap contracts to fix prices for expected purchases not covered by the fixed price take or pay contracts within the overall defined thresholds. Further information is provided under Note (35).

Other market price risk

The Group holds certificates in an investment fund amounting to €12 million (2024: €12 million) in order to provide the legally required coverage of net employee defined benefit liabilities of its Austrian subsidiaries. The market value of these certificates is influenced by fluctuations of the worldwide volatile stock and bond markets.

37. Capital management

The objectives of the capital management strategy of the Group are to continue as a going concern and to provide a capital base from which to finance growth and investments, to service debt, and to increase shareholders value, including the payment of dividends to shareholders.

The Group manages its capital structure through careful monitoring and assessment of the overall economic framework conditions, credit, interest rate and foreign exchange risks and the requirements and risks related to operations and strategic projects.

	31.12.2025	31.12.2024 ¹⁾
Net debt excluding lease liabilities (in € million) ²⁾	1,431	1,174
Net gearing ratio (in %)	122.3%	85.6%
Net debt excluding lease liabilities to Pro Forma Adjusted EBITDA	2.81x	2.16x

1) Restated.

2) Further information is provided under Note (33).

Net debt, which reflects borrowings and lease liabilities net of cash and cash equivalents, and short-term marketable securities held for trading, is managed by Corporate Treasury. The main task of the Corporate Treasury department is to execute the capital management strategy, secure liquidity to support business operations on a sustainable basis, use banking and financial services efficiently and limit financial risks while at the same time optimising earnings and costs.

The net gearing ratio is the ratio of net debt excluding lease liabilities to total equity.

The calculation of the leverage ratios (including the debt covenant) is presented in the following table.

in € million	31.12.2025	31.12.2024 ¹⁾
EBIT	223	242
Amortisation	52	40
Depreciation	131	136
Restructuring expenses	44	24
Other income and expenses	54	101
Adjusted EBITDA	504	543
Pro forma full year contributions from business combinations	5	1
Pro Forma Adjusted EBITDA	509	544
Total debt	1,786	1,750
Lease liabilities	64	77
Less: Cash and cash equivalents	355	576
Net debt	1,495	1,251
Net debt excluding IFRS 16 lease liabilities	1,431	1,174
Net debt excluding lease liabilities to Pro Forma Adjusted EBITDA	2.81x	2.16x
Net debt to Pro Forma Adjusted EBITDA	2.94x	2.3x

1) Restated.

In both 2025 and the previous reporting period, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Note (27)). The Group has sufficient liquidity headroom within its committed debt facilities.

Alternative Performance Measures (APMs) are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. The APMs used in the Consolidated Financial Statements are Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITA. They are all derived from EBIT, a non-IFRS measure that is presented as a subtotal in the Consolidated Statement of Profit or Loss and consists of gross profit plus other income and less selling, general & administrative expenses, research & development expenses, amortisation of intangible assets, restructuring expenses and other expenses, as presented in the Consolidated Statement of Profit or Loss. The Executive Management Team and Directors use Adjusted EBITDA and Adjusted EBITA internally to assess the underlying performance of the Group. Adjusted EBITDA is defined as EBIT before amortisation of intangible assets, depreciation of property, plant and equipment, and excluded items. Excluded items are other income (see Note (7)), other expenses (see Note (8)) and restructuring expenses (see Note (6)) as reflected in the Consolidated Statement of Profit or Loss, which are non-recurring in nature and not reflective of the underlying operational performance of the business. Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets on the Group. Pro Forma Adjusted EBITDA is a key input for the measurement of the debt covenant of the Group's principal borrowing facilities and is determined consistently with Adjusted EBITDA but includes the contribution to Adjusted EBITDA of refractory businesses acquired in the twelve months period ended 31.12.2025 and 31.12.2024 before they were controlled by the Group. This contribution represents the part that completes the Adjusted EBITDA of the acquired business over twelve months.

38. Contingent liabilities

Contingent liabilities from warranties, performance guarantees and other guarantees amounted to €72 million as of 31 December 2025 (31.12.2024: €78 million) and have a remaining term of between one and five years.

Uncertain tax treatments

The calculation of income taxes is based on the tax laws applicable in the individual countries in which the Group operates. Due to their complexity, the local finance authorities may interpret tax cases differently than management. Different interpretations may affect the expected timing and amount of the tax related contingent liabilities disclosed below.

The Group is continually adapting its global presence to improve customer service and maintain its competitive advantage; accordingly, it leads to discussions with tax authorities about, e.g., transfer of functions and related profit between related parties and potentially exit taxation. In this regard, disputes may arise, in cases where management's understanding differs from the positions of the local authorities. In such cases, where an appeal is available, management's judgements are based on a likely outcome approach, taking into consideration advice from professional firms and previous experience when assessing the risks.

The Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €143 million (2024: €117 million) with a remaining term of at least five years. These tax proceedings are as follows:

Income Tax relating to historical corporate transactions

There are three proceedings in which Brazilian Federal Tax Authorities issued tax assessments which rejected the deduction of goodwill generated in two corporate transactions that were undertaken in 2007 and 2008, for Corporate Income Taxes. The tax authorities issued assessments arguing that such transactions cannot generate deductions as they do not fulfil the requirements provided by law. Those three proceedings ended in administrative courts in 2024. The Group is challenging the remaining amounts at the judicial courts level. The proceedings are expected to last at least five years. The tax cash exposure as of 31 December 2025 is €36 million (31.12.2024: €33 million). Such exposure is limited to the fiscal tax years up to 2018, at which stage all available goodwill tax deductions had been made.

Corporate income and other taxes

There are several tax assessments in Brazil mainly relating to: offsetting federal tax payables and receivables, social security contributions, and offsetting certain federal tax debts with corporate income tax credits. In addition, the Company is subject to an administrative review by the Brazilian Federal Revenue Service regarding the offsetting of PIS and COFINS (social security contributions) credits related to prior periods; the assessment of the maximum potential exposure is €16 million. The potential risks of these tax assessments amount to €78 million (31.12.2024: €57 million).

Royalties

The Group is party to 38 proceedings where the Brazilian Mining Authorities ("ANM") challenged the criteria used for calculating and paying the Financial Compensation for Exploration of Mineral Resources ("CFEM"), which are mining royalties payable by every mining company. The authorities disputed the basis of production costs estimates used in the determination of the royalties that are payable. The claims relate to fiscal years up to 2017, following which the legislation for royalties was changed. The Group continues to challenge ANM assessments. Most of the procedures are ongoing within the ANM administrative courts. Final decisions of the first cases are expected within four to five years. As of 31 December 2025, the potential risk amounts to €29 million including interest and penalties (2024: €28 million).

39. Independent Auditor's remuneration

in € million	2025	2024
Fees in respect of the audit of the Consolidated and Parent Company Financial Statements ¹⁾	(1)	(1)
Other audit fees, in respect of subsidiaries' audit, to PwC network firms	(2)	(2)
Total audit fees	(3)	(3)
Other non-audit services ¹⁾²⁾	(1)	(1)
Total fees	(4)	(4)

1) Total fees to PricewaterhouseCoopers Accountants N.V. totalled €2 million (2024: €1 million).

2) Other non-audit services mainly include Interim review fees of €0.3 million (2024: €0.3 million) and fees for limited assurance on Sustainability Statement of €0.5 million (2024: €0.3 million).

40. Business Combinations**Acquisition of the Resco Group**

In March 2024, the Group signed a share purchase agreement to acquire 100% of the shares of Balmoral Refractories Holdings, Inc., USA, and its six wholly owned subsidiaries, together "the Resco Group". The acquisition was closed on 28 January 2025, which is the acquisition date.

The Resco Group is a producer of shaped and unshaped refractories, including products for use in the petrochemical, cement, aluminium, and steel making industries. It operates seven plants and two raw material sites in the US and two plants in the United Kingdom and Canada.

The acquisition of the Resco Group aims to increase RHI Magnesita's local production in the US and Canada by transferring significant production volumes from non-US plants to the Resco Group's production facilities in the US, thereby improving supply chain security, reducing production lead times and stabilising working capital. In addition, this acquisition continues RHI Magnesita's strategic growth trajectory in alumina-based refractories by providing US customers with an enhanced product offering. Moreover, synergies are expected to be generated through supply chain improvements, production network optimisation, working capital reduction, logistics efficiencies, supply integration, technology transfer, increased recycling opportunities and procurement savings. The Resco Group mainly forms part of the North America reportable segment.

The cash consideration amounts to \$283 million (€271 million). Additionally, RHI Magnesita repaid borrowings and liabilities for acquisition-related costs totalling \$129 million (€122 million) on behalf of the Resco Group and acquired cash amounting to \$3 million (€3 million) on closing of the acquisition. Thus, the net cash outflow related to the acquisition amounts to \$409 million (€390 million). Of this amount, \$48 million (€44 million) was paid in 2024, and the remainder of \$361 million (€346 million) was paid in 2025.

At the time of signing the share purchase agreement, RHI Magnesita entered into a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of \$360 million to hedge the EUR equivalent of the USD cash outflow related to this acquisition against potential variability due to changes in the USD/EUR exchange rate. The related hedge was accounted for as a cash flow hedge. The settlement of the deal contingent forward exchange contract at the acquisition date resulted in a realised gain of €13 million which reduces the consideration transferred to the seller and thus goodwill, in accordance with the cash flow hedge accounting requirements.

The transaction costs incurred for this acquisition amounted to €16 million. Of this amount, €14 million were expensed in 2024 and the remainder was expensed in 2025.

The fair value adjustments of assets and liabilities based on the final purchase price allocation as a result of the acquisition are the following:

in € million	book value	fair value adjustments	(adjusted) value
Property, plant and equipment	64	(10)	54
Goodwill from previous acquisition	14	(14)	0
Intangible Assets: customer relationships	0	183	183
Intangible Assets: trade names	5	19	24
Intangible Assets: technology	1	5	6
Intangible Assets: mining rights	13	(1)	12
Inventories	48	(6)	42
Trade and other receivables	33	0	33
Cash and cash equivalents	3	0	3
Total assets acquired	181	176	357
Deferred tax liabilities	3	36	39
Borrowings	90	0	90
Other financial liabilities	4	(3)	1
Provisions and net defined benefit liabilities	4	3	7
Trade and other liabilities	60	1	61
Total liabilities assumed	161	37	198
Net identifiable assets acquired	20	139	159
Goodwill			99
Net consideration			258
Consideration transferred to seller			271
less: gain on deal contingent hedge			(13)
Net consideration			258

The customer relationships were measured using the multi-period excess earnings method. Under this method, the fair value of the customer relationships is calculated by determining the present value of earnings after tax attributable to the acquired companies' existing customers. The customer relationships attributable to Steel customers are amortised over the estimated useful life of 12 years, while the customer relationships attributable to Industrial customers are amortised over the estimated useful life of 10 years. The trade names were measured using the relief-from-royalty method. Under this method, the fair value of the trade names corresponds to the present value of the hypothetical royalty payments that a company would have to pay if it did not own the trade names. The trade names are amortised over the estimated average useful life of 20 years.

The negative fair value adjustment to property, plant and equipment shown in the table above includes a loss of €7 million incurred by RHI Magnesita on the sale of a plant of the Resco Group to a third-party at fair value shortly after the acquisition date. The loss represents the difference between the book value of the net assets attributable to this sold plant and the lower sale proceeds. This loss, net of tax, effectively increased goodwill and therefore did not affect profit after income tax of 2025.

The goodwill recognised as a result of this acquisition is attributable to the synergies mentioned above and is not expected to be deductible for tax purposes.

From the acquisition date to 31 December 2025, the Resco Group contributed €184 million of revenue, €25 million of Adjusted EBITA and €0.1 million of profit after income tax.

Acquisition of BPI RHIM LLC

In June 2025, the Group signed a share purchase agreement stipulating its acquisition of 51% of the shares of BPI RHIM LLC, USA. The acquisition was closed on 21 August 2025, which is the acquisition date.

BPI RHIM LLC is a US based company engaged in minerals processing recycling of refractory products respectively, including refractory raw materials and specialty products for steel, foundry, aluminum, cement, and other high-temperature industries. The acquisition is expected to contribute to reaching RHIM's target recycling rate of 20% by 2030. In addition, the acquisition will further strengthen the local presence of RHIM in the US with the expectation to unlock attractive potential synergies primarily through the internal use and sale of recycled raw materials. BPI RHIM LLC forms part of the North America reportable segment.

The preliminary cash consideration amounts to \$21 million (€18 million) subject to post-closing adjustments related to working capital and net debt. Considering the acquired cash amounting to \$3 million (€2 million) on closing of the acquisition, the net cash outflow related to the acquisition amounts to \$18 million (€16 million).

At the time the Consolidated Financial Statements were authorised for issue, the initial consolidation was incomplete because the measurement of assets and liabilities in accordance with IFRS Accounting Standards has not yet started.

The assets acquired and liabilities assumed, both measured at book value, as well as the preliminary purchase price allocation as a result of the acquisition are presented in the following table:

in € million	book value
Property, plant and equipment	16
Inventories	14
Trade and other receivables	5
Cash and cash equivalents	2
Total assets acquired	37
Borrowings	5
Trade and other liabilities	4
Total liabilities assumed	9
Net identifiable assets acquired	28
Less: Non-controlling interests	(14)
Goodwill	4
Consideration transferred	18

The amounts recognised for the acquired assets and liabilities on the closing date and the resulting goodwill are preliminary and subject to adjustment for a period of one year from the closing date as allowed under the accounting standards. On finalisation of the purchase price allocation, adjustments, including tax impacts, if any, will be reflected against goodwill. The initial accounting for this acquisition including the purchase price allocation is expected to be finalised in the first half of 2026.

The preliminary goodwill recognised as a result of this acquisition is attributable to the synergies mentioned above and is not expected to be deductible for tax purposes.

The Group recognises non-controlling interests for this acquisition measured at the present ownership instruments' proportionate share in the net assets of BPI RHIM LLC. These were derecognised to zero in line with the Group's accounting policy related to fixed-term or puttable non-controlling interests, see Note (3).

From the acquisition date to 31 December 2025, BPI RHIM LLC contributed €11 million of revenue, €1 million of Adjusted EBITA and €0.5 million of profit after income tax. Had BPI RHIM LLC been acquired on 1 January 2025, it would have contributed €26 million of additional revenue, €2 million of additional Adjusted EBITA and €1.3 million of additional profit after income tax.

According to the collaboration agreement signed by the shareholders of BPI RHIM LLC the Group has the right to purchase the remaining shares (49%) of BPI RHIM LLC at a later date by exercising a call option in exchange for payment of the redemption amount. Likewise, the minority shareholders have the right to sell the remaining shares (49%) of BPI RHIM LLC to the Group at a later date by exercising a put option in exchange for payment of the redemption amount. Either option may be exercised no earlier than ten years after the closing date, unless the shareholders mutually agree to the exercise of either option before the ten years have passed. The redemption amount of either option is calculated based on an agreed multiple of the average annual EBITDA delivered by BPI RHIM LLC over the most recent three-year period that precedes the exercise date of either option including certain adjustments related to working capital and net debt.

Due to the payment obligation resulting from the put option, the Group recognised a financial liability related to fixed-term or puttable non-controlling interests at the present value of the redemption amount of €20 million, which is subsequently measured at fair value through profit or loss. This financial liability was excluded from the purchase price allocation and preliminary goodwill measurement based on the conclusion that the risks and rewards of ownership associated with the remaining shares were not transferred to the Group prior to the exercise of either option (refer to Note (3)).

41. Transactions with related parties

Related companies include joint ventures and associates, as well as MSP Stiftung (Liechtenstein) and Rhône Capital L.L.C. (United States) which are shareholders of RHI Magnesita N.V., and are considered related parties because they exercise significant influence through

shareholdings exceeding 20%. The personnel welfare foundation of Stopinc AG, Switzerland, as well as Chestnut Beteiligungs GmbH, Germany and FEWI Beteiligungs GmbH, Germany (shareholders of the Group, which are related to a director) are also considered related companies.

Related persons are persons having authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel) and their close family members. Key management personnel comprise members of the Board of Directors of RHI Magnesita N.V. and the Executive Management Team (EMT).

Related companies

In 2025 and 2024, the Group conducted the following transaction with its related companies:

in € million	Joint ventures	
	2025	2024
Revenue from the sale of goods and services	0	2
Purchase of raw materials	5	6
Trade liabilities	1	0

In 2025 and 2024, no transactions were carried out between the Group and MSP Stiftung, FEWI Beteiligungs GmbH or Chestnut Beteiligungs GmbH or Rhône Capital L.L.C., with the exception of the dividend paid.

A service relationship with respect to the company pension scheme of the employees of Stopinc AG exists between the personnel welfare foundation of Stopinc AG and the fully consolidated subsidiary Stopinc AG. Stopinc AG makes contribution payments to the plan assets of the foundation to cover pension obligations. The pension plan is recognised as a defined benefit plan and is included in Note (29). In the past reporting period, employer contributions amounting to €1 million (2024: €1 million) were made to the personnel welfare foundation. At 31 December 2025, a net asset from overfunded pension plans of €1 million (2024: €1 million) is recognised.

Related persons

Remuneration of key management personnel of the Group comprises the remuneration of the Board of Directors and the EMT.

in € million	2025	2024
Executive Directors and EMT		
Short-term employee benefits	6	9
Share-based payments	3	4
Total	9	13
Non-Executive Directors ¹⁾	2	2

1) Compensation paid to Non-Executive Directors reflects fees for services as Directors.

Employee representatives acting as Non-Executive Directors do not receive additional compensation for these services and are not included in the above table.

Share dealing reports of persons discharging managerial responsibilities are published on the website of RHI Magnesita N.V. and announced via regulatory news services. The Group maintains Directors' & Officers' liability insurance for the Board of Directors and Company officers.

42. Material events after the reporting date

After the reporting date on 31 December 2025, there were no events of special significance which may have a material effect on the financial position and performance of the Group.

Company Financial Statements of RHI Magnesita N.V.

Company Balance Sheet as at 31 December 2025 (before appropriation of result)

in € million	Note	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Non-current financial assets	(A)	988	1,193
Securities		0	1
Deferred tax assets	(B)	32	11
Total non-current assets		1,020	1,205
Current assets			
Receivables from group companies		8	1
Other current receivables		4	4
Cash and cash equivalents	(C)	0	0
Total current assets		12	5
Total assets		1,032	1,210
EQUITY AND LIABILITIES			
Equity			
Share capital	(D)	50	50
Treasury shares	(E)	(103)	(108)
Additional paid-in capital	(F)	361	361
Legal and mandatory reserves	(G)	(140)	86
Other reserves		771	671
Result for the period	(K)	86	142
Shareholders' Equity		1,025	1,202
Current liabilities			
Current liabilities	(H)	7	8
Total liabilities		7	8
Total equity and liabilities		1,032	1,210

Company Statement of Profit or Loss for the period 1 January 2025 to 31 December 2025

in € million	Note	2025	2024
General and administrative expenses	(I)	(18)	(25)
Result before taxation		(18)	(25)
Income tax		5	3
Net result from investments	(J)	99	164
Net result for the period	(K)	86	142

Movements in Shareholders' Equity

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves			Other reserves	Net result	Equity attributable to shareholders
				Cash flow hedges	Currency translation	Mandatory reserve	Retained earnings		
31.12.2024	50	(108)	361	12	(254)	289	710	142	1,202
Appropriation of prior year result	-	-	-	-	-	-	142	(142)	-
Net result	-	-	-	-	-	-	-	86	86
Share transfer / Vested LTIP	-	5	-	-	-	-	(5)	-	-
Share-based expenses	-	-	-	-	-	-	4	-	4
Dividends	-	-	-	-	-	-	(85)	-	(85)
Net income / (expense) recognised directly in equity	-	-	-	(21)	(166)	-	5	-	(182)
31.12.2025	50	(103)	361	(9)	(420)	289	771	86	1,025

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves			Other reserves	Net result	Equity attributable to shareholders
				Cash flow hedges	Currency translation	Mandatory reserve	Retained earnings		
31.12.2023	50	(111)	361	6	(163)	289	605	165	1,202
Appropriation of prior year result	-	-	-	-	-	-	165	(165)	-
Net result	-	-	-	-	-	-	-	142	142
Share transfer / Vested LTIP	-	3	-	-	-	-	(3)	-	-
Share-based expenses	-	-	-	-	-	-	9	-	9
Dividends	-	-	-	-	-	-	(87)	-	(87)
Net income / (expense) recognised directly in equity	-	-	-	6	(91)	-	21	-	(64)
31.12.2024	50	(108)	361	12	(254)	289	710	142	1,202

Notes to the Company Financial Statements 2025

General

The Financial Statements of RHI Magnesita N.V. for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 1 March 2026. RHI Magnesita N.V. (the "Company"), is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria, registered with the Dutch Trade Register under number 68991665.

The shares of RHI Magnesita N.V. (ISIN code NLOO12650360) are listed within the Equity Shares (Commercial Companies) category of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index. The Company holds a secondary listing on the Vienna Stock Exchange (Wiener Börse).

Basis of preparation

The Company Financial Statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Section 362, subsection 8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company Financial Statements on the basis of the same accounting principles as those applied for the Consolidated Financial Statements. Valuation is based on recognition and measurement requirements of IFRS Accounting Standards as adopted by the EU and as explained further in the Notes to the Consolidated Financial Statements.

Fiscal Unity

For corporate income tax purposes, RHI Magnesita N.V. via the Austrian branch acts as the head of a corporate tax group in Austria with the following companies:

- Lokalbahn Mixnitz-St. Erhard GmbH
- Radex Vertriebsgesellschaft m.b.H.
- RHI Refractories Raw Material GmbH
- Veitsch-Radex GmbH
- Veitsch-Radex Vertriebsgesellschaft m.b.H.

According to the Group and tax compensation agreement, which forms a legal requirement for the Austrian corporate tax group, tax compensation payments within the corporate tax group are calculated based on the stand-alone method, without charging negative tax compensations. In case of a taxable profit, the respective tax group member has to pay a tax compensation to RHI Magnesita N.V. as the head of the corporate tax group amounting to the legally applicable corporate tax rate (23.0% for 2025). In case of a taxable loss, the respective tax group member does not receive a negative tax compensation by RHI Magnesita N.V., but rather the taxable loss is carried forward internally and reduces the calculation base for any future tax compensation payment by the respective tax group member to RHI Magnesita N.V. (group internal carry forward of losses). Any tax compensation payment by tax group members to RHI Magnesita N.V. is reduced by withholding taxes paid by the respective group member, which RHI Magnesita N.V. could credit against any corporate income tax due in Austria. For cases of termination of the corporate tax group or cases in which a tax group member leaves the corporate tax group, the group and tax compensation agreement foresees a final tax compensation true-up.

The corporate income tax rate for the Company is 23.0% (2024: 23.0%). The effective tax rate is negative 6.2% (2024: 1.9%) with a tax income of €5 million (2024: €3 million income) on a profit before income tax of €81 million (2024: €139 million). Overall, a taxable income of €20 million deriving from movement in deferred tax positions is offset by a tax expense of €15 million which stems from the consolidation of the results of subsidiaries which are part of the fiscal unity; RHI Magnesita N.V. via the Austrian branch is the head of this fiscal unity. The low effective income tax rate is mainly attributable to a substantial non-taxable income derived from investments in subsidiaries (€99 million).

All income and expenses are settled through their intercompany (current) accounts.

Significant accounting policies

Non-current financial assets

In the Company Financial Statements, investments in Group companies are stated at net asset value, in accordance with the equity method, if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. If the net asset value of an investment in a Group company becomes negative, the Company first reduces the carrying amount of any other long-term interests that form part of the net investment, such as long-term receivables or loans. These long-term interests are impaired as part of the net investment. A provision for any remaining equity deficit is recognised when an outflow of resources is probable and can be reliably estimated.

Receivables from Group companies

Accounts receivables are measured at fair value and are subsequently measured at amortised cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value.

Net result from investments

The share in the result of investments comprises the share of the Company in the result of these investments.

Non-current assets**(A) Non-current financial assets**

The financial fixed assets comprise investments in:

		31.12.2025	31.12.2024
Name and country of incorporation of the company	Country of core activity	Share in %	Share in %
RHI Magnesita Deutschland AG, Wiesbaden, Germany	Germany	12.5	12.5
RHI Refractories Raw Material GmbH, Vienna, Austria	Austria	25.0	25.0
RHI Magnesita GmbH, Vienna, Austria	Austria	100.0	100.0

The investments have developed as follows:

in € million	2025	2024
At beginning of year	1,193	1,196
Transactions with non-controlling interests without change of control	(5)	5
Changes from currency translation and cash flow hedges	(188)	(84)
Changes from defined benefit plans	11	16
Dividend distribution	(122)	(104)
Net result from investments	99	164
Balance at year-end	988	1,193

The following list, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Sections 379), shows all companies in which RHI Magnesita N.V. holds a direct or indirect share of at least 20%:

Ser. no.	Name and country of incorporation of the company	31.12.2025		31.12.2024	
		Shareholder	Share in %	Shareholder	Share in %
1.	RHI Magnesita N.V., Arnhem, Netherlands				
2.	Agellis Group AB, Lund, Sweden	30.	100	30.	100.0
3.	Ashwath Technologies Private Limited, Vasai, India	13.	99	-	0.0
4.	Baker Refractories Holding Company, Delaware, USA	21.	100	21.	100.0
5.	BPI RHIM, LLC, Pittsburgh, USA ¹⁾	78.	51	-	0.0
6.	Didier Société Industrielle de Production et de Construction - "D.S.I.P.C.", Valenciennes, France	49.	100	49.	100.0
7.	Dutch Brasil Holding B.V., Arnhem, Netherlands ²⁾	50.	100	n/a	100.0
8.	Dutch MAS B.V., Arnhem, Netherlands	49.	100	49.	100.0
9.	Dutch US Holding B.V., Arnhem, Netherlands ²⁾	50.	100	n/a	100.0
10.	Foreign Enterprise "VERA", Dnepropetrovsk, Ukraine	30.	100	30.	100.0
11.	GIX International Limited, Dinnington, United Kingdom	91.	100	91.	100.0
12.	Horn & Co. RHIM Minerals Recovery GmbH, Siegen, Germany ¹⁾	50.	55.0	50.	55.0
13.	Intermetal Engineers (India) Private Limited, Mumbai, India	51.	100	51.	100.0
14.	Jinan New Emei Industries Co. Ltd., Jinan, PR China ¹⁾	43.	65	43.	65.0
15.	Liaoning RHI Jinding Magnesia Co., Ltd, Dashiqiao, PR China ¹⁾	30.	100	30.	100.0
16.	Lokalbahn Mixnitz-St. Erhard GmbH, Vienna, Austria	71.	100	71.	100.0
17.	LWB Refractories Holding France S.A.S., Valenciennes, France	31.	100	31.	100.0
18.	Magnesita Asia Refractory Holding, Limited, Hong Kong, Hong Kong	17.	100	17.	100.0
19.	Magnesita Malta Holding Ltd., St. Julians, Malta	50.	100	50.	100.0
20.	Magnesita Mineração S.A., Brumado, Brazil	26.	100	26.	100.0
21.	Magnesita Refractories Company, York, USA	31.	100	31.	100.0
22.	Magnesita Refractories Limited, Dinnington, United Kingdom	4.	100	4.	100.0
23.	Magnesita Refractories Middle East Free Zone Establishment, Dubai, United Arab Emirates	7.	100	7.	100.0
24.	Magnesita Refractories S.C.S., Valenciennes, France	17.,31.	100	17.,31.	100.0
25.	Magnesita Refractories S.R.L. - in Liquidazione, Milano, Italy	31.	100	31.	100.0
26.	Magnesita Refratários S.A., Contagem, Brazil	7.	100	7.	100.0
27.	Magnesita Resource (Anhui) Company Ltd., Chizhou, PR China	43.	100	43.	100.0
28.	Minerals and Metals Recovering - Mireco Aktiebolag, Fagersta, Sweden	12.	100	12.	100.0
29.	Producción RHI México, S. de R.L. de C.V., Ramos Arizpe, Mexico	66.,91.	100	66.,91.	100.0
30.	Radex Vertriebsgesellschaft m.b.H., Leoben, Austria	89.	100	89.	100.0
31.	Rearden G Holdings Eins GmbH, Wiesbaden, Germany	49.	100	7.	100.0
32.	Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), San Nicolás, Argentina	7.,9.,91.	100	7.,9.,91.	100.0
33.	Refractarios Magnesita Colombia S.A.S., Sogamoso, Colombia	7.	100	7.	100.0
34.	Refractarios Magnesita Perú S.A.C., Lima, Peru	7.	100	7.	100.0
35.	Refractory Intellectual Property GmbH & Co KG, Vienna, Austria ²⁾	71.	100	n/a	100.0
36.	Refrattari Trezzi S.r.l., Merlino, Italy	12.	100	12.	100.0
37.	Resco Canada, Inc. , Québec , Canada	39.	100	-	0.0
38.	Resco Products (UK) Limited, London, United Kingdom	39.	100	-	0.0
39.	Resco Products, Inc. , Hammond, USA	78.	100	-	0.0
40.	RHI Canada Inc., Burlington, Canada	91.	100	91.	100.0

Ser. no.	Name and country of incorporation of the company	31.12.2025		31.12.2024	
		Shareholder	Share in %	Shareholder	Share in %
41.	RHI Chile S.A., Santiago, PR China	11.,32.,91.	100	11.,32.,91.	100.0
42.	RHI Italia S.R.L., Brescia, Italy	50.	100	50.	100.0
43.	RHI Magnesita (China) Co., Ltd., Shanghai, PR China	30.	100	30.	100.0
44.	RHI Magnesita (Chongqing) Refractory Materials Co., Ltd., Chongqing, PR China ¹⁾	43.	51	43.	51.0
45.	RHI Magnesita Belgium NV, Evergem, Belgium	54.,77.	100	54.,77.	100.0
46.	RHI Magnesita Bochum GmbH, Bochum, Germany	49.	100	49.	100.0
47.	RHI Magnesita Czech Republic a.s., Velké Opatovice, Czech Republic	50.	100	50.	96.9
48.	RHI Magnesita d.o.o., Divača, Slovenia	50.	100	50.	100.0
49.	RHI Magnesita Deutschland AG, Wiesbaden, Germany	1.,30.	100.0	1.,30.	100.0
50.	RHI Magnesita GmbH, Vienna, Austria	1.	100	1.	100.0
51.	RHI Magnesita India Limited, New Delhi, India	7.,9.,91.	56.1	7.,9.,91.	56.1
52.	RHI Magnesita India Refractories Limited, Rajgangpur, India	51.	100	51.	100.0
53.	RHI Magnesita RE Limited, Guernsey, United Kingdom	30.	100	30.	100.0
54.	RHI Magnesita Sales Germany GmbH, Wiesbaden, Germany	77.	100	77.	100.0
55.	RHI Magnesita Seven Refractories Limited, New Delhi, India	52.	100	52.	100.0
56.	RHI Magnesita Switzerland AG, Hünenberg, Switzerland	30.,49.	100	30.,49.	100.0
57.	RHI Magnesita Trading B.V., Rotterdam, Netherlands	50.	100	50.	100.0
58.	RHI Magnesita Turkey Refrakter Ticaret Anonim Sirketi, Eskisehir, Türkiye ³⁾	16.,30.,50.	100	n/a	100.0
59.	RHI Magnesita Vietnam Company Limited, Ho Chi Minh City, Vietnam	65.	100	65.	100.0
60.	RHI Magnesita Wetro GmbH, Puschwitz, Germany	50.	100	50.	100.0
61.	RHI Marvo S.R.L., Bucharest, Romania ²⁾	30.,50.	100	n/a	100.0
62.	RHI Refractories (Dalian) Co., Ltd., Dalian, PR China	43.	100	43.	100.0
63.	RHI Refractories Africa (PTY) LTD, Sandton, South Africa	30.	100	30.	100.0
64.	RHI Refractories Andino, C.A., Puerto Ordaz, Venezuela	91.	100	91.	100.0
65.	RHI Refractories Asia Pacific Pte. Ltd, Singapore, Singapore	50.	100	50.	100.0
66.	RHI Refractories España, S.L., Lugones, Spain	8.,49.	100	8.,49.	100.0
67.	RHI Refractories France SA, Valenciennes, France	49.,50.,54.	100.0	49.,54.,83.	100.0
68.	RHI Refractories Ibérica, S.L., Oviedo, Spain	66.	100	83.	100.0
69.	RHI Refractories Liaoning Co., Ltd., Bayuquan, PR China ¹⁾	43.	100	43.	100.0
70.	RHI Refractories Nord AB, Stockholm, Sweden	2.	100	83.	100.0
71.	RHI Refractories Raw Material GmbH, Vienna, Austria	1.,30.,50.	100.0	1.,30.,50.	100.0
72.	RHI Refractories Site Services GmbH, Wiesbaden, Germany	49.	100	49.	100.0
73.	RHI Refractories UK Limited, Bonnybridge, United Kingdom	49.	100	49.	100.0
74.	RHI Refratários Brasil Ltda., Contagem, Brazil	7.,26.	100.0	7.,26.	100.0
75.	RHI Trading (Dalian) Co., Ltd, Dalian, PR China	43.	100	43.	100.0
76.	RHI Ukraina LLC, Dnepropetrovsk, Ukraine ²⁾	30.,50.	100	n/a	100.0
77.	RHI Urmitz AG & Co. KG, Mülheim-Kärlich, Germany	49.,72.	100	49.,72.	100.0
78.	RHI US Ltd., Delaware, USA	9.	100	9.	100.0
79.	RHI Wostok Limited Liability Company, Moscow, Russia	30.,50.	100	30.,50.	100.0
80.	RHI Wostok Service Limited Liability Company, Moscow, Russia	30.,50.	100	30.,50.	100.0
81.	RHIM Mireco Mitterdorf GmbH, St.Barbara im Mürztal, Austria	12.	100	12.	100.0
82.	RHI-Refmex, S.A. de C.V., Ramos Arizpe, Mexico	57.,66.,91.	100	57.,66.,91.	100.0

		31.12.2025		31.12.2024	
Ser. no.	Name and country of incorporation of the company	Shareholder	Share in %	Shareholder	Share in %
83.	Sapref AG für feuerfestes Material, Basel, Switzerland	91.	100.0	91.	100.0
84.	Seven Refractories Deutschland GmbH, Düsseldorf, Germany	50.	100.0	50.	100.0
85.	Seven Refractories Limited, Nicosia, Cyprus	48.	100.0	48.	100.0
86.	Sipra S.p.A., Bergamo, Italy	48.	60.0	48.	52.0
87.	Sörmaş Söğüt Refrakter Malzemeleri Anonim Şirketi, Söğüt / Bilecik, Türkiye	30.	91.7	30.	91.3
88.	Veitsch-Radex GmbH, Vienna, Austria	50.	100.0	50.	100.0
89.	Veitsch-Radex GmbH & Co OG, Vienna, Austria	50.	100.0	50.	100.0
90.	Veitsch-Radex Vertriebsgesellschaft m.b.H., Vienna, Austria	50.	100.0	50.	100.0
91.	VRD Americas B.V., Arnhem, Netherlands	30., 50.	100.0	30., 50.	100.0
92.	Horn & Co Polska sp. z o.o., Chorzów, Poland	11.	100.0	12.	100.0
93.	Magnesita Refractories Private Limited, Mumbai, India	33.	100.0	31.	100.0
94.	Mireco SARL, Entzheim, France	11.	100.0	12.	100.0
95.	Mireco SH.P.K, Lebushe, Kosovo	11.	100.0	12.	100.0
96.	Rudgruvans Industrier Aktiebolag, Fagersta, Sweden	11.	100.0	12.	100.0
Equity-accounted joint ventures and associated companies					
97.	Chongqing Boliang Refractory Materials Co., Ltd., Chongqing, China	43.	51.0	43.	51.0
98.	Magnesita-Envoy Asia Ltd., Kaohsiung, Taiwan	3.	50.0	3.	50.0
99.	P-D Kremen d.o.o., Šentjernej, Slovenia	30.	50.0	30.	50.0

1) In accordance with IAS 32, fixed-term or puttable non-controlling interests are shown under liabilities.

2) The shareholder(s) from 2024 have been merged during 2025, therefore the respective shareholder(s) no longer appear on this list.

3) Further shareholder is VRD Americas B.V., Arnhem, Netherlands.

(B) Deferred tax assets

The deferred tax assets amounting to €32 million (2024: €11 million) primarily relate to deferred tax assets arising from tax loss carryforwards within the Austrian corporate tax group, for which RHI Magnesita N.V. via the Austrian branch acts as the head. These tax loss carryforwards amount to €30 million (prior year: €10 million). A significant portion of the tax loss carryforwards was generated in the current or previous reporting period and has been recognised in the Company Balance Sheet, as sufficient taxable income is expected to be realised in future periods.

In assessing the recoverability of deferred tax assets, the Company has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects arising from economic volatility and (iii) the Group's latest forecasts and assumptions used for the goodwill impairment testing and the viability statement assessment. The Group's forecasting horizon covers four years, with the fifth year serving as the terminal period, consistent with the methodology applied for goodwill impairment testing.

The tax loss carryforwards are not subject to expiration.

Current assets**(C) Cash and cash equivalents**

Cash and cash equivalents are at RHI Magnesita N.V.'s free disposal.

Equity**(D) Share capital**

The Company's authorised share capital amounts to €100,000,000, comprising 100,000,000 ordinary shares, each of €1 nominal value. As at 31 December 2025, RHI Magnesita N.V.'s issued and fully paid-in share capital consists of 47,304,527 ordinary shares (2024: 47,195,936 ordinary shares). For additional information on treasury shares see (E).

(E) Treasury shares

As at 31 December 2025, RHI Magnesita treasury shares amount to 2,173,178 (2024: 2,281,769).

(F) Additional paid-in capital

Additional paid-in capital comprises premiums on the issue of shares less issue costs by RHI Magnesita N.V.

(G) Legal, mandatory and other reserves*Cash flow hedges*

The item cash flow hedges include gains and losses from the effective part of cash flow hedges less tax effects. Further information on hedge accounting is included in Note (35) and Note (36) of the Consolidated Financial Statements.

Currency translation

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes. If foreign companies are deconsolidated, the currency translation differences are recognised in the Statement of Profit or Loss as part of the gain or loss from the sale of shares in subsidiaries. In addition, when monetary items cease to form part of a net investment in a foreign operation, the currency translation differences of these monetary items previously recognised in OCI are reclassified to profit or loss.

The cash flow hedge reserve and the currency translation reserve are legal reserves and are restricted for distribution.

Legal and mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger of RHI Refractories and Magnesita in 2017.

No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Legal and mandatory reserves represent legal and statutory reserves in line with Chapter 7 'Decree on financial statements formats' of the Dutch Civil Code.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Net income recognised directly in equity represents the change of non-controlling interests without a change of control through the year (€5 million) and the defined benefit plans (€11 million).

Current liabilities

(H) Current liabilities

in € million	31.12.2025	31.12.2024
Trade payables	2	0
Payables to group companies	3	3
Accrued liabilities	2	5
Total current liabilities	7	8

The current liabilities are due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

(I) General and administrative expenses

in € million	2025	2024
External services/consulting expenses	(4)	(2)
Cost for principal services for group companies	2	0
Personnel expenses	(13)	(21)
Other expenses	(3)	(2)
Total general and administrative expenses	(18)	(25)

in € million	2025	2024
Wages and salaries	(12)	(18)
Social security charges	0	(1)
Pension contributions	0	(1)
Other employee costs	(1)	(1)
Total wages and salaries	(13)	(21)

(J) Net results from investments

In 2025, the full year results of the investments amount to a profit of €99 million (2024: €164 million) and are recognised in the Company Statement of Profit or Loss.

(K) Net result for the period

In 2025, there are no differences in the result between the Company Financial Statements and the Consolidated Financial Statements.

Proposed appropriation of result

It is proposed that, pursuant to Article 27 clause 1 of the Articles of Association of the Company, as approved in the AGM 2023, the result shown in RHI Magnesita N.V. income statement is appropriated as follows:

in € million	2025
Profit attributable to shareholders	86
In accordance with Article 27 clause 1 to be transferred to reserves	0
At the disposal of the General Meeting of Shareholders	86

For 2025, the Board of Directors will propose a final dividend of €1.20 per share for the shareholders of RHI Magnesita N.V. The proposed dividend is subject to approval by the AGM in May 2026.

Other notes**Number of employees**

The average number of employees of RHI Magnesita N.V. during 2025 amounts to 10 (2024: 9), all of whom are employed in management functions. All employees are working outside the Netherlands.

Off balance sheet commitments

RHI Magnesita N.V., as an ultimate parent company, provided a corporate guarantee of €1,889 million (2024: €1,783 million) for the borrowings of the Group. The Borrowings are as disclosed in Note (27) of the Consolidated Financial Statements. Additionally, €38 million (2024: €44 million) of corporate guarantees are issued in favour of customers and suppliers of the Group.

The Company has issued a declaration of joint and several liability as referred to in section 403, Book 2 of the Dutch Civil Code in respect of one of its consolidated participations, namely RHI Magnesita Trading B.V., meaning that the company is liable in case of default.

Other information

Information regarding independent auditor's fees, the number of employees of RHI Magnesita Group and the remuneration of the Board of Directors is included in Note (39), (10) and (41) of the Consolidated Financial Statements.

The Company opened a branch (RHI Magnesita N.V.) in Vienna, Austria and, as of February 2020, started to employ staff in the branch office and undertake services.

The following branches are part of subsidiaries which are directly or indirectly controlled by RHI Magnesita N.V.:

- Magnesita Resource (Anhui) Company Ltd., ChangLong Gang Dolomite Quarry, Chizhou, China;
- RHI Refractories Asia Pacific Pte Ltd Korea Branch, Gyeongsangbuk-do, Republic of Korea;
- RHI Refractories Asia Pacific Ptd Ltd Taiwan Branch, Kaohsiung, Taiwan;
- RHI Refractories Site Services GmbH-Niederlassung Unterwellenborn, Unterwellenborn, Germany;
- Sipra S.p.a. Branch office nr. BG-2, Filago, Italy;
- Veitsch-Radex Vertriebsgesellschaft m.b.H. (Spółka z ograniczona odpowiedzialnoscia) Oddział w Polsce, Zabrze, Poland;
- Veitsch-Radex Vertriebsgesellschaft mbH – Oman Operations, Vienna, Austria;
- Veitsch-Radex VertriebsgmbH – branch Morocco, Casablanca, Morocco.

Material events after the reporting date

There were no material events after the reporting date other than those disclosed in Note (42) of the Consolidated Financial Statements.

Vienna, 1 March 2026

Board of Directors

Executive Directors

Stefan Borgas	Ian Botha

Non-Executive Directors

Herbert Cordt	John Ramsay

Janet Ashdown	David Schlaff

Stanislaus Prinz zu Sayn-Wittgenstein Berleburg	Franz-Ferdinand Buerstedde

Janice Brown	Karl Sevelde

Marie-Hélène Ametsreiter	Wolfgang Ruttenstorfer

A. Katarina Lindström	

Employee Representative Directors

Martin Kowatsch	Yasmin-Sarah Solmazer

Other information

Provisions of the articles of association on profit and distributions

The stipulations of Article 27 and 28 of the Articles of Association concerning profit and distributions are:

27 Profit and distributions

27.1 The Board may resolve that the profits realised during a financial year will fully or partially be appropriated to increase and/or form reserves. With due regard to Article 26.2, a deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

27.2 The allocation of profits remaining after application of Article 27.1 shall be determined by the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution of profits shall be dealt with as a separate agenda item at the General Meeting.

27.3 Distribution of profits shall be made after adoption of the annual accounts if permitted under the law given the contents of the annual accounts.

27.4 The Board may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company, other than the Mandatory Reserve.

27.5 Distributions on shares may be made only up to an amount which does not exceed the amount of the Distributable Equity. If it concerns an interim distribution, the compliance with this requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the Dutch Trade Register within eight days after the day on which the resolution to make the distribution is published.

27.6 Distributions on shares payable in cash shall be paid in Euro, unless the Board determines that payment shall be made in another currency.

27.7 The Board is authorised to determine that a distribution on shares will not be made in cash but in kind or in the form of shares, or to determine that shareholders may choose to accept the distribution in cash and/or in the form of shares, all this out of the profits and/or at the expense of reserves, other than the Mandatory Reserve, and all this if and in so far the Board has been designated by the General Meeting in accordance with Article 6.1. The Board shall set the conditions under which such a choice may be made.

28 Release for payment

Distributions of profits and other distributions shall be made payable four weeks after adoption of the relevant resolution, unless the Board or the General Meeting at the proposal of the Board determine another date.

Independent auditor's report

To: the general meeting of RHI Magnesita N.V.

Report on the audit of the financial statements 2025

Our opinion

In our opinion:

- the consolidated financial statements of RHI Magnesita N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2025 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of RHI Magnesita N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2025 of RHI Magnesita N.V., Arnhem. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the following statements for 2025: the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2025;
- the company statement of profit or loss for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of RHI Magnesita N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to individual key audit matters and the audit approach to address fraud risk and going concern.

Overview and context

RHI Magnesita N.V. is a global supplier of high-grade refractory products, systems and solutions. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

The Group experienced a year of significant challenges, facing continued global demand weakness and persistent pressure from Chinese steel and refractory exports which resulted in a decline in sales volumes and revenue compared to 2024. These market conditions, combined with an unfavourable product mix and foreign exchange headwinds, led to a compression of both gross margin and overall

profitability. The Group, in response implemented, among others, measures to further optimise the network footprint and reduce the selling, general, and administrative expenditures. The Group furthermore continued its strategic development, i.e. focus on local production-for-local sales, through the acquisition and integration of new business, such as the Resco Group and BPI RHIM LLC in the United States of America. These elements affected the determination of materiality and the scope of our group audit as described in the sections 'Materiality', 'The scope of our audit' and 'Key audit matters' of this report.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In Note 3 of the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in respect of the valuation of goodwill as well as the accounting for the Resco Group business combination, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report. Furthermore, we identified the change in segment reporting and the subsequent identification of a new set of Cash Generating Units ('CGUs') as a key audit matter due to the significant judgement that is being applied in determining the operating segments and related CGUs, as well as the reallocation of historical goodwill balances to these new CGUs.

RHI Magnesita N.V. assessed the possible effects of climate change on its financial position; refer to the sections 'Principal risks' and 'Sustainability Statement' in the Group's Strategic Report where management defined potential physical as well as transitional risks, risk mitigating activities, risk governance, strategy and metrics. Reference is also made to note 4 of the consolidated financial statements, where management further assessed the key areas of climate change impacts that potentially have longer-term effects on amounts recognized as of 31 December 2025. These areas are the impairment of goodwill, determination of useful lives of property, plant and equipment, recognition of restoration provisions and the finance cost with respect to ESG linked loans.

We discussed with the board of directors and the Audit & Compliance Committee regarding RHI Magnesita N.V.'s aforementioned climate change assessment and related governance processes. We assessed the potential impact on the financial position, including an evaluation of underlying assumptions and estimates related to the valuation of goodwill. Please also refer to the Key audit matters where the impact and the approach thereon is described.

Other areas of focus, that were not considered as key audit matters, are the accounting for the non-controlling interest in connection with the put option written with respect to the acquisition of BPI RHIM LLC, the closure of the Wetro plant and the potential impact of the decline in earnings before interest, taxes, depreciation, and amortization (EBITDA) on the existing financing arrangements.

Finally, we performed audit procedures on the items marked as 'audited' in the Annual Report on Remuneration as included in the Annual report and accounts.

We ensured that the audit teams at both the Group and component level had the appropriate skills and competences which are needed for the audit of an international group. We therefore included experts and specialists in the areas of, among others, valuations, post-employment benefits, Information Technology (IT) and corporate income taxes in our team.

The outline of our audit approach was as follows:

	Overall materiality: €11 million.
	We conducted audit work in 10 locations.
	Site visits were conducted to 4 countries, i.e. Austria, India, Switzerland and the United States of America.
	Audit coverage: 79% of consolidated revenue, 76% of consolidated total assets and 69% of consolidated profit before tax.
	• Change in operating segments/Cash Generating Units (CGUs); • Valuation of goodwill; and • Accounting for the Resco Group business combination.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€11 million (2024: €15.6 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of profit before tax adjusted for certain non-operating items.
Rationale for benchmark applied	We used profit before tax adjusted for certain non-operating items (e.g. restructuring costs, digital transformation implementation costs) as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that profit before tax adjusted for certain non-operating items is the most relevant metric for the financial performance of the Group.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €400 thousand and €10.5 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors and the Audit & Compliance Committee that we would report to them any misstatement identified during our audit above €735 thousand (2024: €1 million) as well as misstatements below that amount that, in our view, warrant reporting for qualitative reasons.

The scope of our group audit

RHI Magnesita N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of RHI Magnesita N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected 11 components to audits of their complete financial information, as those components are considered significant due to risk or size. Additionally, we selected 14 components for audit procedures to achieve appropriate coverage on financial line items in the financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	79%
Total assets	76%
Profit before tax	69%

None of the remaining components represented more than 3% of total group revenue or total group assets.

The group engagement team performed full scope audit procedures for the parent company RHI Magnesita N.V., specified audit procedures for the subsidiary RHI Magnesita Trading B.V. and specified audit procedures for the Global Shared Services activities on property, plant & equipment, cash and cash equivalents and certain aspects of accounts payable and accounts receivable balances. In addition, the group engagement team performed audit work over the headquarter-related activities in Vienna. This included the audit of the financial statement disclosures, IT systems, group consolidation and accounting for items such as the valuation of inventory, expected credit losses with respect to receivables, goodwill impairment testing and share-based compensation, among other things.

For the remaining components we used component auditors who are familiar with the local laws and regulations to perform the audit work. Where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work. We furthermore:

- Issued group audit instructions to component auditors to set expectations for the component auditor's work and facilitate our direction and supervision of the component auditor and review of their work.
- Participated in discussions with component auditors as part of planning the engagement, including when we as the group auditor assigned tasks or procedures such as the performance of risk assessment procedures or determining the nature, timing and extent of audit responses to identified and assessed risks of material misstatement to component auditors.
- Communicated with component auditors throughout the course of the group audit, either virtually by leveraging technology solutions, in-person meetings (e.g., as part of a site visit to the component auditor's territory), or through a combination of these, in order to monitor the progress of the component auditor's work. These ongoing communications included matters affecting the execution, completion and reporting of the group audit.
- Reviewed relevant parts of the component auditor's work including the component auditor's communication of matters relevant to our conclusion with regard to the group audit. Our review of the component auditor's work took place throughout the engagement. This included on-site and/or virtual reviews, including the review of component auditor's working papers.
- Had individual calls with each of the component audit teams in scope for their complete financial information both during the year and to the conclusion of their work. During these calls, we discussed the financial performance of the components, significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance to the consolidated financial statements.
- Visited the RHI Magnesita N.V. business operations and finance functions in Austria, India and the United States of America, given the size of these operating locations, and Switzerland as part of our unpredictability procedures. During these visits we met with local management and component auditors, discussed strategy and financial performance of the local businesses, significant business developments, accounting matters and the areas of significant risks.
- For the significant components, attended the closing meetings between the component auditors and component management.

By performing the procedures outlined above at the components, combined with additional procedures performed at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of RHI Magnesita N.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system and how the board of directors exercised oversight, as well as the outcomes. We refer to the 'Effective risk management' section of the Group's Strategic Report for the board of directors' fraud risk assessment.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures, among other things.

We performed inquiries with a selection of members of the board of directors and senior management, including the Chair of the Audit & Compliance Committee, the Head of Internal Control, Risk & Compliance and executive management team members to evaluate their fraud awareness, the internal control environment in relation to fraud, the 'tone at the top' and entity-level controls as well as to whether they were aware of any actual or suspected fraud. Where deemed appropriate, we performed follow-up procedures on any reported cases. We also assessed the matters reported through the Group's whistleblowing and complaints procedure as well as the results of management's investigation and follow-up on such matters. The above did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
The risk of management override of controls It is generally presumed that the executive directors and the executive management team, are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We paid attention to the risk of management override of controls with respect to: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Estimates. • Significant transactions, if any, outside the normal course of business for the entity. We pay in particular attention to tendencies due to possible bias of the executive directors and the executive management team as it relates to performance and incentive reward measures such as Adjusted EBIT(D)A and adjusted operating cash flow. A strong focus on meeting these financial targets could potentially provide them an incentive for overriding controls.	We evaluated, where relevant, the design and implementation of the internal control system in the processes of generating and processing journal entries and making estimates. We assessed whether deficiencies in controls may create additional opportunities for fraud and incorporated respective corroborative procedures in our audit approach. We considered the outcome of our audit procedures over the estimates and significant accounting areas and assessed whether control deficiencies and misstatements identified could be indicative of fraud. Where necessary, we planned and performed additional audit procedures to ensure that fraud risks are sufficiently addressed in our audit. We also paid specific attention to the access safeguards in the IT system and the possibility that this will lead to violations of the segregation of duties. We assessed the business rationale for conflicting user rights when these were identified and used within the IT environment. We performed data analysis focused on journal entries using defined fraud risk-criteria identified as part of our fraud risk assessment. Where we identified instances of unexpected journal entries, we performed additional audit procedures. We also paid particular attention to consolidation and elimination entries, focusing on testing entries that affect revenue and results in the relevant fiscal year. We evaluated key accounting estimates and judgements used in accounting areas where management judgement is applied (e.g. recognition and valuation of provisions, eligibility of capitalisation of IT related expenses, classification of expenses as non-ordinary, accounting for supplier financing arrangements) for biases, including use of retrospective reviews of prior year's estimates where possible as well as changes in accounting judgments. We did not identify significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
The risk of fraudulent financial reporting due to overstating revenue As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue give rise to risk of material misstatement due to fraud. This relates to the presumed management incentive that exists to overstate revenue in order to meet financial targets, guidance provided to the market or shareholder expectations.	We evaluated, where relevant, the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to revenue reporting. We performed our audit procedures applying a mix of controls-based and substantive procedures. Through data analysis using defined risk-criteria, we tested unexpected journal entries across all relevant revenue streams. We tested, on a sample basis, the delivered performance and transaction prices of the revenue transactions based on sales agreements, delivery documents, sales invoices and/or cash receipts. We tested the receivable balances at year end via external confirmations or alternative procedures if these were not received or not deemed effective.

Identified fraud risks	Our audit work and observations
	Finally, we performed specific audit procedures at the end of the year related to cut-off procedures to identify potential shifts in revenue from products delivered in the next financial year to the revenue reported in the current financial year. In addition, we performed audit procedures to determine whether credit invoices were registered in the next financial year that indicate incorrectly registered revenue in the current financial year. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence and occurrence of the revenue reporting.

We incorporated an element of unpredictability in our audit and we reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Audit approach going concern

As disclosed in the 'Going concern' section in note 1 of the consolidated financial statements the board of directors performed its assessment of the Company's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the board of directors' going-concern assessment included, among others:

- considering whether the board of directors' going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiries with management;
- reviewing the board of directors' going-concern assessment and related sensitivity analysis. We corroborated the board of directors' assessment with the approved budget 2026 as well as information that came to our attention as a result of our audit procedures;
- reviewing the board of directors' debt analysis including the appropriateness of the forecasted levels of net debt, the access to available undrawn borrowing facilities, assessed compliance with debt covenants and the overall debt maturity profile. This also includes the independent recalculation of the relevant debt covenants;
- checking the consistency between the board of directors' going-concern assessment and the analysis of the forecasted levels of net debt with the future cash flow forecasts as incorporated in the goodwill impairment test. In evaluating the board of directors' net debt and cash flow forecasts we performed look-back analyses to assess the accuracy of the forecasting process;
- performing inquiries of the board of directors, the executive management team members and other group or local management as to their knowledge of going-concern risks beyond the period of the board of directors' assessment.

Our procedures did not result in outcomes contrary to the board of directors' assumptions and judgements used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matter concerning the 'Accounting for the Resco Group business combination' was introduced in 2025 due to the acquisition of the Resco Group during this year. Furthermore, 'Change in operating segments/Cash Generating Units (CGUs)' was introduced as a key audit matter in 2025, primarily as a result of the changes made by the board of directors with respect to their review of the performance of the Group following the increased focus on regions. The key audit matter 'The recognition and valuation of uncertain tax positions' was no longer deemed relevant, while the key audit matter 'Valuation of goodwill' identified in previous year's report continues to be relevant and important for the audit of the financial statements.

Key audit matter	Our audit work and observations
Changes in operating segments/Cash Generating Units (CGUs) <i>Refer to notes 3 and 5 of the consolidated financial statements</i> During the second half of 2025, the Group implemented a change to its segment reporting. The Group has shifted its reporting format from a customer industry-based focus to a regional based focus. The change was mainly triggered by the increased prominence of the local-for-local strategy as evidenced by the acquisition of the Resco Group in the United States of America in 2025. Following the change in operating segments, the Group also changed the underlying CGUs in line with the IFRS Accounting Standards that require that CGUs cannot be at a higher level than the operating segments. As such there are now six regional CGUs that fully align with the new regionally oriented operating segments. We identified the change in the operating segments and CGUs, as a key audit matter due to significant judgement applied in the determination of the segments and CGUs.	With respect to the identification of the new operating segments and CGUs, we assessed the Group's position by performing, among others, the following procedures: • We obtained the Group's internal reports and communications based on which the Chief Operating Decision Maker ('CODM') reviews the performance of the Group and makes decisions with respect to the allocation of resources. We used this information to assess and corroborate to what extent these reports support the determination of the new segments in accordance with IFRS 8. • We assessed the Group's revised CGU analysis and in particular challenged, with the support of our internal valuation and accounting specialists, the Group's position that effectively all plants in a geographical region are interchangeable, do not represent CGUs with independent cashflows, and thus can be aggregated to one regional CGU which is at the same level as the operating segment. • We assessed the completeness and accuracy of disclosures in the financial statements against the requirements of the IFRS Accounting Standards, particularly with respect to the background of the change, the revisions of the comparative information and the judgments made. Based on the audit procedures performed, we found the changes made with respect to the determination of the operating segments and CGUs to be reasonable and supported by appropriate evidence. We also deem the disclosures made in the consolidated financial statements to be appropriate.
Valuation of goodwill <i>Refer to notes 3, 4 and 17 of the consolidated financial statements</i> The Group recognised goodwill of €403 million, which is allocated to various cash-generating units ('CGUs'). At least on an annual basis, these goodwill balances per CGU are tested for possible impairment. As a result of the change in operating segments, the Group also changed the underlying CGUs used for the annual impairment testing. The previous CGUs, which were based on customer industries, were replaced by regionally oriented CGUs that align with the new regional based operating segments. The historically existing goodwill was reallocated from the previous CGUs to the new CGUs based on their respective relative values. The Group prepared the goodwill impairment test using cashflow projections including next year's budget and the long-term planning covering four subsequent years. The key assumptions used in the projections are: projected sales (growth), projected EBIT margin, discount rate and terminal value growth rate. As disclosed in note 4 of the consolidated financial statements, the Group has considered the long-term impact of climate change, in particular by considering a long-term growth rate in the estimation of the terminal value in line with the change in steel and cement demand on the longer term based on the specific characteristics of the businesses involved. The Group also considered and modelled	With support of our internal valuation experts, we performed, among others, the following procedures: • We assessed the appropriateness of the goodwill reallocation (as well as the other carrying values) to the new CGUs and considered whether this was performed in line with the specific requirements of the IFRS Accounting Standards. • We evaluated and challenged the composition of the Group's future cash flow forecasts and the process by which they were drawn up as well as the key assumptions underlying the valuation model used by the Group, which includes, among others, the projected sales growth rates, the projected EBIT margin, the discount rate and terminal value growth rate. We have compared and challenged the Group's assumptions against available external benchmarks, available competitor information and our own accumulated industry knowledge. • We performed a retrospective review of the prior year estimates by comparing the current year actual results to those projected in the prior year. • We assessed the appropriateness of the valuation methodology applied against generally accepted valuation techniques as well as reperformed the calculations made to determine the respective carrying and recoverable values resulting from the model. • We assessed the sensitivity analysis performed by the Group and also performed alternative calculations to reflect different assumptions as to future developments. • We assessed the adequacy of the disclosures regarding assumptions and sensitivities as included in Note 17 to the consolidated financial statements.

Key audit matter	Our audit work and observations
the potential impact of the European Carbon Border Adjustment Mechanism ('CBAM') regulation on its assets located within Europe. The goodwill impairment test did not result in an impairment. We identified the valuation of goodwill as a key audit matter due to significant estimates and assumptions used with respect to, among others, discount rates, profitability forecasts and growth rates.	• We also assessed the appropriateness of the goodwill reallocation following the change in CGUs Based on the audit procedures performed, we found the assumptions to be reasonable and supported by available evidence.
Accounting for the Resco Group business combination <i>Refer to notes 3 and 40 of the consolidated financial statements</i> On 28 January 2025, the Group completed the acquisition of the Resco Group, a refracturing group of companies primarily based in the United States of America. The Group acquired 100% of the shares of all entities within the Resco Group. This transaction qualifies as a business combination under IFRS 3 'Business Combinations'. In accordance with IFRS 3, the accounting for this acquisition requires the Group to perform a purchase price allocation which requires significant judgement in determining the fair values of the assets acquired, the liabilities assumed, including the resulting goodwill. As part of the valuation process, the Group involved external valuation experts to assist in the determination of the purchase price allocation and valuation of the acquired assets and liabilities. The purchase price allocation performed for this acquisition resulted, among others, in the recognition of €183 million in customer relationships and goodwill of €99 million. We identified the accounting for the Reco Group business combination as a key audit matter due to significant estimates and assumptions used with respect to the determination and valuation of the various intangible assets, including goodwill.	With the support of our internal valuation experts, we performed the following procedures: • We agreed transaction details to supporting documentation such as the signed purchase agreement and proof of payment. • We evaluated the competence, capabilities and objectivity of valuation experts engaged by the Group. • We assessed the appropriateness of the identifiable intangible assets identified by the Group and their valuation experts based on our knowledge of the business models of acquired businesses. • We assessed the reasonableness of the fair value measurements prepared by the Group and their valuation experts by corroborating and where appropriate benchmarking key data and assumptions used in the various valuation models. • We compared the assumptions and data underlying the weighted average cost of capital (WACC) with our own assumptions and publicly available data. • We tested the computational accuracy of the fair value measurement calculations prepared by the Group and their valuation experts. • We tested the reasonability of future cash flow forecasts and underlying assumptions by reconciling the resulting valuation to the purchase consideration. • We tested the related financial statement disclosures against the disclosure requirements of IFRS 3. In respect of the audit procedures specified above, no material findings were identified. We also deem the disclosures made in the consolidated financial statements to be appropriate.

Report on the other information included in the Annual report and accounts

The Annual report and accounts contains other information. This includes all information in the Annual report and accounts in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements, except for the audit procedures performed on information in the Annual Report on Remuneration, as included in the Annual report and accounts, marked 'audited'.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of RHI Magnesita N.V. This followed the passing of a resolution by the shareholders at the annual general meeting held on 4 October 2017. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 9 years.

European Single Electronic Format (ESEF)

RHI Magnesita N.V. has prepared the annual report and accounts in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report and accounts prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by RHI Magnesita N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report and accounts, including the financial statements in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report and accounts in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included, among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report and accounts does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 39 to the consolidated financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The board of directors (non-executive directors) is responsible for the overseeing of the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rotterdam, 1 March 2026
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A. F. Westerman RA

Limited assurance report of the independent auditor on the sustainability statement

To: the general meeting of RHI Magnesita N.V.

Our limited assurance conclusion

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement ('the sustainability statement') of RHI Magnesita N.V. ('the Company') for 2025 is not, in all material respects,

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the process, carried out by the Company, to identify the information to be reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 ('the Taxonomy Regulation').

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the consolidated sustainability statement 2025 of RHI Magnesita N.V., Arnhem, included in section 'Sustainability Statement' of the 'Strategic Report' within the Company's Annual Report and Accounts 2025, including the information incorporated in the sustainability statement by reference (hereafter: the sustainability statement).

In the sustainability statement references are made to external sources or websites and to the TCFD. The information on these external sources or websites, as well as the information in TCFD disclosures, is not subject to our limited assurance procedures for the sustainability statement. We therefore do not provide assurance on this information.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities under this standard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of RHI Magnesita N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of ethics for professional accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of ethics for professional accountants).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with the ESRS, the board of directors of the Company is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

The quantification of Greenhouse Gas emissions is subject to inherent limitations because of evolving methods and knowledge underlying emissions factors and other assumptions, including for those sourced from third parties.

Responsibilities for the sustainability statement and for the limited assurance procedures thereon

Responsibilities of the board of directors for the sustainability statement

The board of directors of RHI Magnesita N.V. is responsible for the preparation of the sustainability statement in accordance with ESRS, including the development and implementation of the double materiality process, which is a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this process in the sustainability statement.

This responsibility includes:

- understanding the context in which RHI Magnesita N.V.'s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of directors is also responsible for preparing the disclosures in compliance with the reporting requirements provided in the Taxonomy Regulation.

The board of directors is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The board of directors (non-executive directors) is responsible for overseeing the Company's sustainability reporting process including the double materiality process carried out by the Company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the sustainability statement is free from material misstatements, and to issue a limited assurance conclusion in our report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance obtained in a reasonable assurance engagement.

Our responsibilities in respect of the sustainability statement, in relation to the process to identify the information to be reported in the sustainability statement ('the process') include:

- Obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the process is consistent with the Company's description of its process set out in the sustainability statement.

Our other responsibilities in respect of the limited assurance engagement on the sustainability statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of procedures performed

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the sustainability statement, whether due to fraud or error.

We have exercised professional judgement and have maintained professional scepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst others, the following:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources to assess the process to identify the information to be reported carried out by the Company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the information systems and the Company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the Company's activities, determining eligible and aligned activities and preparation of the disclosures provided for in the Taxonomy Regulation, without testing the operating effectiveness of controls.
- Assessing the double materiality process carried out by the Company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. We designed and performed further assurance procedures responsive to these areas.
- Considering whether the description of the process to identify the information to be reported in the sustainability statement made by the board of directors appears consistent with the process carried out by the Company.
- Evaluating the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates. We do not provide assurance on the achievability of this forward-looking information.
- Analysing, on a limited sample basis, relevant internal and external documentation at the level of the Company (including other entities or value chain from which the information may stem) for selected disclosures.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives, reconcile with the underlying records of the Company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether anything came to our attention that would cause us to believe that the eligible economic activities do not meet the cumulative conditions to qualify as aligned and the technical criteria are not met, and the accompanying key performance indicators disclosures have not been defined and calculated in accordance with the Taxonomy reference framework, and do not comply with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented.
- Reconciling the relevant financial information to the financial statements.
- Considering the overall presentation, structure and the balanced content of the sustainability statement, including the reporting requirements provided for in the Taxonomy Regulation.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether anything came to our attention that would cause us to believe that the sustainability statement as a whole, including the sustainability matters and disclosures, is not clearly and adequately disclosed in accordance with ESRS.

Calculations to determine information as included in the sustainability statement could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the limited assurance engagement and significant findings that we identify during our limited assurance engagement.

Rotterdam, 1 March 2026
PricewaterhouseCoopers Accountants N.V.

A. Westerman RA

Alternative performance measures (APMs)

Definitions of APMs used by the Group are set out below. These definitions cover the purpose and usefulness of each APM, and give a reconciliation to the nearest IFRS equivalent measure, or a reference to a reconciliation appearing elsewhere in this document.

In general, APMs are presented externally to meet investor and analyst requirements and to give clarity and transparency of the Group's underlying financial performance. APMs are also used internally in the management of the Group's business performance, budgeting and forecasting. APMs are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Commentary within the Annual Report, including the Financial Review, the Consolidated Financial Statements and the accompanying notes, should be referred to in order to fully appreciate all the factors and context affecting the Group's financial performance. Readers are strongly encouraged not to rely on any single financial measure and to carefully review the Group's reporting in its entirety.

Performance APMs

Adjusted EBITDA

Adjusted EBITDA is a key non-IFRS measure that the Executive Management Team (EMT) and Directors use internally to assess the underlying financial performance of the Group and is viewed as relevant to capital intensive industries. The ratio of Net Debt to Adjusted EBITDA is used as a measure of financial gearing.

Adjusted EBITDA is defined as EBIT, as presented in the Consolidated Statement of Profit or Loss, before amortisation, depreciation, and Excluded Items (see definition below).

Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

Adjusted EBITA

Adjusted EBITA is a key non-IFRS measure that the EMT and Directors use internally to assess the underlying performance of the Group.

Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets.

Adjusted EPS

Adjusted EPS is a key non-IFRS measure and one of the Group's KPIs. Adjusted EPS is used to assess the Group's underlying operational performance, post tax and non-controlling interests on a per share basis.

This measure is based on Adjusted EBITA after finance income and expenses, taxes, share of profit or loss from associates and joint ventures and non-controlling interest. Share of profit or loss from associates and joint ventures is adjusted to exclude impairments and gains or losses recognised on disposals.

Adjusted EPS excludes finance income and expenses and certain foreign exchange effects, that are not directly related to operational performance. This includes the non-cash present value adjustments for the Oberhausen provision.

Taxes are calculated by applying the effective tax rate normalised for restructuring expenses and impairments.

Excluded items

Items that are excluded (Excluded Items) in arriving at the Group's Adjusted measures of Adjusted EBITA, EBITDA and EPS include:

Other income, other expenses and restructuring expenses as reflected on the Consolidated Statement of Profit or Loss as well as gains and losses within interest income, interest expenses and other net financial expenses that are non-recurring in nature and not reflective of the underlying operational performance of the business. Excluded items include restructuring related provisions, costs in relation to corporate transactions and other non-recurring costs. The tax impacts of the above Excluded Items are also adjusted for.

Cash flow performance measures

Adjusted operating cash flow and Free cash flow

Adjusted operating cash flow is a key non-IFRS measure used by the EMT and the Directors to reflect the operational cash generation capacity of the Group before the cash impacts of Excluded Items (see definition above).

Adjusted operating cash flow is defined as Adjusted EBITDA adjusted for working capital items, changes in other assets and liabilities and capital expenditure and other non-cash items, such as share based payments. This APM is reconciled to Net Cash flow from operating activities as follows:

€m	2025	2024
Adjusted operating cash flow (APM)	391	419
Capital expenditure ¹	111	145
Income Taxes paid ¹	(54)	(69)
Other income/expenses and restructuring items ¹	(69)	(62)
Net cash flow from operating activities¹	379	433

1. As reflected in the Consolidated Statement of Cash Flows.

Free cash flow is determined from the IFRS measures of Net cash flow from operating activities, net cash used in investing activities and net cash (used in)/provided by financing activities and excludes the cash impacts of purchases and disposals of business and subsidiaries, dividends paid to equity shareholders of the Group, share capital transactions with shareholders, proceeds and repayment of borrowings and current borrowings and repayment of leases.

Free cash flow is reconciled to Cash changes in Net debt in the table in the 'Cash flow and working capital' section. Cash changes in Net debt is reconciled to Change in cash and cash equivalents in the Net Debt APM reconciliation.

Balance sheet

Liquidity

Liquidity comprises cash and cash equivalents, short term marketable securities and undrawn committed credit facilities.

€m	2025	2024
Cash and cash equivalents ¹	355	576
Revolving credit facility	600	600
Syndicated term loan	0	200
Liquidity	955	1,376

1. As reflected in the Consolidated Statement of Cash Flows.

Net Debt

Net Debt is the excess of current and non-current borrowings, associated debt derivatives for which hedge accounting is applied and lease liabilities over cash and cash equivalents and short-term marketable securities. The Board uses this measure for the purpose of capital management. A reconciliation of Net Debt is included in Note 33 to the Consolidated Financial Statements.

€m	2025	2024
Cash changes in Net debt	(223)	80
Proceeds from borrowings ¹	346	14
Repayment of borrowings ¹	(287)	(174)
Change in current borrowings ¹	(25)	(41)
Repayment of lease obligations ¹	(17)	(20)
Cash inflow from financial assets ¹	0	11
Change in cash and cash equivalents¹	(207)	(130)

1. As reflected in the Consolidated Statement of Cash Flows.

Working capital

Working capital consists of inventories plus trade receivables and other receivables minus trade payables and other payables. Working capital intensity provides a measure of how efficient the Company is in managing operating cash conversion cycles. It is measured as Working capital divided by trailing three-month revenues (annualised) and is expressed as a percentage.

€m	2025	2024
Inventories (Note 21)	932	962
Trade receivables (Note 22)	445	530
Contract assets (Note 22)	6	3
Contract liabilities (Note 31)	(36)	(59)
Accounts receivable	414	474
Trade payables (Note 31)	(577)	(572)
Total working capital	769	865

Return on invested capital (ROIC)

ROIC reflects the annualised return on invested capital of the Group. ROIC is calculated as NOPAT (net operating profit after tax) divided by average invested capital of the year.

€m	2025	2024
Revenue ¹	3,366	3,487
Cost of sales ¹	(2,594)	(2,628)
Selling, general and administrative expenses ¹	(360)	(408)
Research and development expenses ¹	(39)	(45)
Amortisation of intangible assets ¹	(52)	(39)
Income taxes paid ²	(54)	(69)
NOPAT	266	299

€m	2025	2024
Goodwill ³	403	342
Intangible assets ³	540	417
Property, plant and equipment ³	1,246	1,285
Investments in joint ventures and associates ³	6	7
Other non-current assets ³	29	76
Deferred tax assets ³	163	152
Inventories ³	932	963
Trade and other receivables ³	576	660
Income tax receivables ³	49	40
Deferred tax liabilities ³	(91)	(64)
Trade and other current liabilities ³	(757)	(843)
Income tax liabilities ³	(29)	(29)
Current provisions ³	(80)	(43)
Adjustment ⁴	(184)	(184)
Invested capital	2,802	2,781
Average invested capital	2,792	2,859
Return on invested capital⁵	9.5%	10.4%

1. As reflected in the Consolidated Statement of Profit and Loss.
2. As reflected in the Consolidated Statement of Cash Flows.
3. As reflected in the Consolidated Statement of Financial Position.
4. Invested capital figures are excluding the €184million non-cash share from the Dalmia acquisition in India (closed in 2023).
5. NOPAT divided by average invested capital of the year.

Glossary

AFM	Dutch Authority for the Financial Markets
AGM	Annual General Meeting
AGVs	Automated Guided Vehicles
AI	Artificial Intelligence
APM	Alternative Performance Measures
BPI	BPI RHIM LLC — Joint Venture with BPI Inc
CapEx	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
CCM	Caustic calcined magnesia
CCO	Chief Customer Officer
CCU	Carbon Capture & Utilisation
CDP	Global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO₂	Carbon dioxide
CoGS	Cost of Goods Sold
CoRe	Complexity Reduction Programme
COVID-19	Coronavirus disease 2019
CIS	Commonwealth of Independent States
CREST	Certificateless Registry for Electronic Share Transfer
CSC	Corporate Sustainability Committee
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DACH	Three Central European countries of Germany (D), Austria (A), and Switzerland (CH)
DBM	Dead Burned Magnesia
DBRL	Dalmia Bharat Refractories Limited
DEI	Diversity, equity and inclusion
DCGC	Dutch Corporate Governance Code 2025
DMA	Double Materiality Assessment
DNSH	Do-No-Significant-Harm criteria
DRI	Direct Reduced Iron
dss+	DSS Sustainable Solutions, a leading consultancy firm, focused on safety
DTR	Disclosure & Transparency Rules (UK)
EAF	Electric Arc Furnace
EBIT	Earnings Before Interest and Taxes
EBITA	Earnings Before Interest, Taxes and Amortisation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EMT	Executive Management Team

EPS	Earnings Per Share
ERD	Employee Representative Director
ERP	Enterprise Resource Planning system
ESCC	Equity Shares (Commercial Companies) category of the Official List on the Main Market of the London Stock Exchange
ESEF	European Single Electronic Format
ESF	Electric Smelting Furnace
ESG	Environmental Social & Governance
ESRS	European Sustainability Reporting Standards
ETPs	Effluent Treatment Plants
ETR	Effective Tax Rate
ETS	Emissions Trading Schemes
EU	European Union
EU Taxonomy	EU Taxonomy Regulation
FCA	UK Financial Conduct Authority
FRC	UK Financial Reporting Council
FTE	Full-time equivalent
FTSE	Financial Times Stock Exchange
FX	Foreign Exchange
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse Gas Protocol
GSS	Global Shared Services
H&S	Health & Safety
Hi-Tech	Hi-Tech Chemicals Ltd
IARC	Internal Audit, Risk & Compliance
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMS	Integrated Management System
IRO	Impact, risk and opportunity
Jinan New Emei	Jinan New Emei Industries Co. Ltd
KPI	Key Performance Indicator
KPMG	KPMG LLP
LATAM	One of the RHI Magnesita strategic regions: South and Central America
LES	Lining evaluation scan
LTIF	Lost Time Injury Frequency
LTIFR	Lost-Time Injury Frequency Rate
LTIP	Long-Term Incentive Plan
MCi Carbon	Mineral Carbonation International Pty Ltd.
M&A	Mergers and Acquisitions
META	One of the RHI Magnesita strategic regions: Middle East, Türkiye and Africa
MIRECO	Horn & Co. RHIM Minerals Recovery GmbH
MSCI	Morgan Stanley Capital International

NACE	The 'statistical classification of economic activities' in the European Community. The term NACE is derived from the French title: <i>Nomenclature statistique des activités économiques dans la Communauté européenne</i> .	SAR+	Refractory Application System
NAM	One of the RHI Magnesita's strategic regions: North America	SDGs	United Nations Sustainable Development Goals
NCI	Non-Controlling Interest	Seven Refractories	Seven Refractories d.o.o.
NED	Non-Executive Director	SFDR	Sustainable Finance Disclosure Regulation
NFRD	Non-financial reporting Directive	SIF	Serious injuries and fatalities
NG	Natural Gas	SIFp	Preventive Ratio, Near Misses, Unsafe Situations, Serious Injuries & Fatalities
NGOs	Non-governmental organisations	SG&A	Selling, General and Administrative Expenses
NOA	Network Optimisation Americas	SID	Senior Independent Director
NOE	Network Optimisation Europe	SMART	SMART maintenance uses digital tools to make maintenance and servicing more efficient
NOPAT	Net Operating Profit After Tax	SOx	Sulphur oxides
NOx	Nitrogen oxides	Sörmaş	Söğüt Refrakter Malzemeleri Anonim Şirketi
NPS	Net Promoter Score	SKUs	Stock keeping units
OCF	Operating Cash Flow	SRM	Secondary Raw Materials
Oberhausen	Unfavourable contract required to satisfy EU remedies at the time of the combination of RHI and Magnesita to form RHI Magnesita	SS	Scrap Steel
OECD	Organisation for Economic Co-operation and Development	STPs	Sewage treatment plants
OeKB	Oesterreichische Kontrollbank AG	TCFD	Task Force on Climate-related Financial Disclosures
OES	Operations Excellence System	tCO₂	Tonnes of CO ₂
OIE	Other Income and Expenses	TMS	Transport management system
OMV	Austrian petroleum company — OMV AG	TRI	Total recordable injuries
OT	Operations Technology	TRIF	Total Recordable Injury Frequency
PCF	Product Carbon Footprint	TRL	Technology Readiness Level
P-D Refractories	P-D Refractories CZ a.s.	TSC	Technical Screening Criteria
PIFOT	Process In Full On Time	TSR	Total Shareholder Return
PPE	Personal Protective Equipment	UK	United Kingdom
PP&E	Property Plants & Equipment	UKCGC	UK Corporate Governance Code 2024
PwC	PricewaterhouseCoopers Accountants N.V.	UN	United Nations
QIP	Qualified Institutional Placement, a mechanism used for equity issuance in India	UNGC	United Nations Global Compact
Resco	Resco Group	UNGPs	United Nations Guiding Principles on Business and Human Rights
R&D	Research & Development	US/USA	United States of America
RCF	Revolving Credit Facility	WC	Works Council
RHI Magnesita HELP Fund/H&S Fund/Health & Safety Fund	<i>RHI Magnesita HELP — Verein zur Unterstützung von Arbeitnehmern in Notsituationen</i> , an independent non-profit association that supports individuals, and their direct family members, who have been affected by occupational, work-related accidents, or fatalities	Workvivo	RHI Magnesita employee mobile application for corporate communications
Rhône Capital	Refers to the group of a number of limited partnerships, parallel investment and co-investment vehicles which are ultimately controlled by Rhône Capital L.L.C.	WTW	Willis Towers Watson
ROIC	Return On Invested Capital	WSA	World Steel Association
RM	Raw material	WUI	World Uncertainty Index
RR	Recycling Rate	WWF	World Wide Fund for Nature

Shareholder information

RHI Magnesita N.V. is a public company with limited liability under Dutch law and was incorporated on 20 June 2017.

It has its corporate seat in Arnhem, the Netherlands, its administrative seat in Vienna, Austria and its registered office at Kranichberggasse 6, 1120 Vienna, Austria.

The telephone number of the Issuer is +43 50 2136200.

The Company shares, represented by depository interests, of RHI Magnesita N.V. are listed within the Equity Shares (Commercial Companies) category ("ESCC") of the Official List on the Main Market of the London Stock Exchange and RHI Magnesita N.V. holds a secondary listing on the Prime Segment of the Vienna Stock Exchange (Wiener Börse).

Ticker symbol: RHIM
ISIN Code: NL 0012650360

Investor information

The Company's website www.rhimagnesita.com provides information for shareholders and should be the first port of call for general queries. The Investors section here contains details on the current and historical share price, analyst presentations, shareholder meetings as well as a "Shareholders Information" section. Annual and Interim Reports can also be downloaded from this section.

You can also subscribe to an "Investors mail alert service" to automatically receive an email when significant announcements are made.

Shareholding information

To manage your shareholding, you should contact your bank, broker or nominee, who will administer your shareholding on your behalf.

The shares traded on the London Stock Exchange are settled as Depositary Interests. Depositary Interests for RHI Magnesita are issued by our Depositary, Computershare Investors Services plc, who can be contacted using the below details:

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

www.computershare.com/uk
T: +44 (0) 370 702 0000

Financial calendar

Q1 Trading Update	29 April 2026
Annual General Meeting	13 May 2026
Half Year Results	27 July 2026

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Forward looking statements

This Annual Report contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this Annual Report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Annual Report is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward looking statements, which apply only as of the date of this announcement. No statement in this Annual Report is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The Company has no obligation or undertaking to update or revise the forward-looking statements contained in this Annual Report to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable regulations. The numbers presented throughout this Annual Report may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

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www.rhimagnesita.com