Modern Slavery Act Transparency Statement

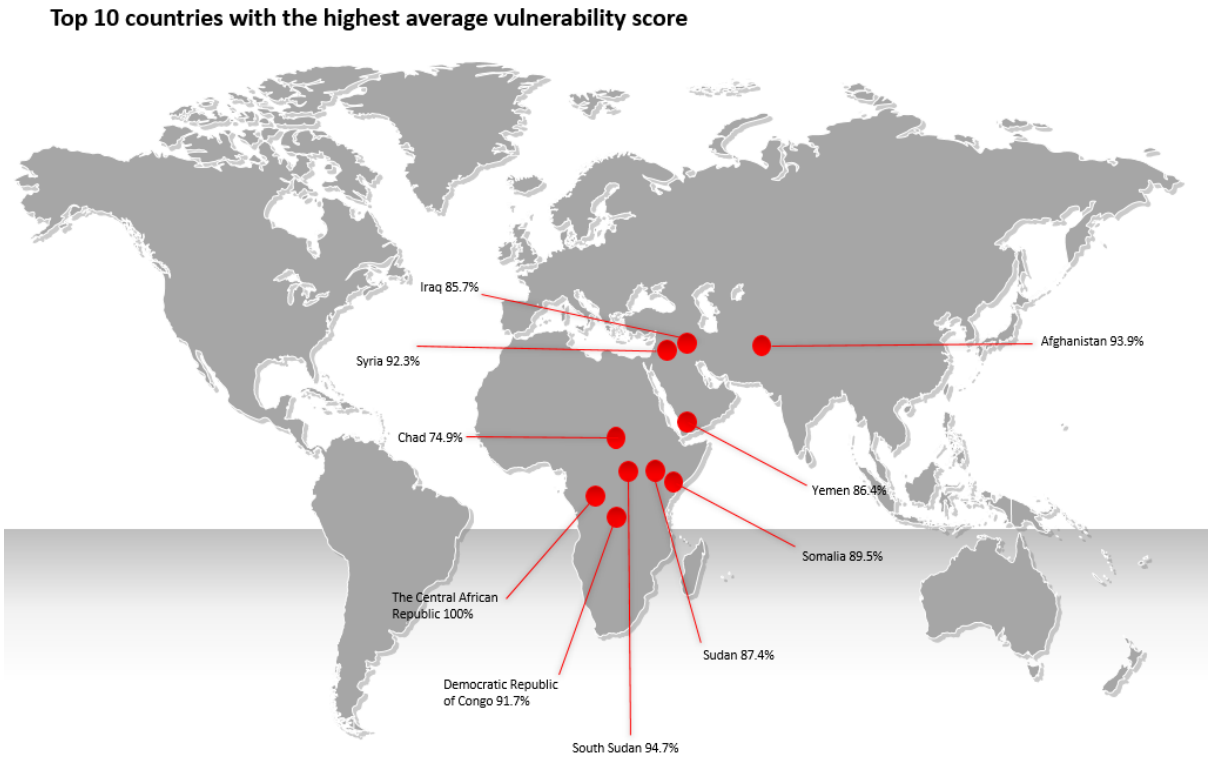
Introduction

This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015. It sets out the steps AMG Superalloys UK Limited and AMG Aluminum UK Limited have taken during the 2021 financial year to prevent slavery and human trafficking from taking place in our supply chain, or in any part of our business together with the additional steps we intend to take in 2022.

Organisations with a turnover of £36 million or more must produce and publish a slavery and human trafficking statement each financial year.

Modern Slavery takes place in many forms; debt bondage, servitude, child slavery, forced labour and human trafficking. Slavery thrives on every continent and in almost every country and affects the world's most vulnerable people.

The global slavery index (www.globalslaveryindex.org) reported in 2018 that 40.3 million people worldwide are trapped in some form of slavery. Females account for 71% of this figure and 29% are male. The global slavery index figures are updated every four years and will next be available in 2022.



Organisation Structure, Business and Supply Chain

AMG Superalloys UK Limited and AMG Aluminum UK Limited are UK subsidiaries of AMG Advanced Metallurgical Group N.V. ('AMG').

AMG is a global critical materials company that produces highly engineered speciality metals to many industries such as aluminium, steel, superalloys, welding and glass with approximately 3,000 employees worldwide.

AMG operates globally with production facilities in Germany, the United Kingdom, France, the United States, China, Mexico, India, Sri Lanka, and Mozambique and has sales and customer service offices in Russia and Japan.

AMG Superalloys UK Limited is a leading provider of speciality metals, alloys and materials. The company manufactures, among other products, chromium metal, aluminium powders and cerium oxide based glass polishing powders.

AMG Aluminum UK Limited is a world-leading provider of grain refiners and master alloys for the aluminium industry.

Both UK subsidiaries are sourcing raw materials, products and services globally.

Raw materials are sourced globally and some can only be sourced from a limited number of countries. Raw materials account for approximately 64% of our production costs with the remaining 36% being made up of 20% indirect costs, 7% direct costs, 4% other costs and 5% SG&A.

For more information please visit our global website: www.amg-nv.com

Policy

AMG are fully committed to human rights and expect their supply chain to meet the provisions laid out in the following company policies:

AMG Supplier Conduct Charter

A supplier charter has been in place for the AMG group since 2013. Most of our existing major suppliers have accepted our Supplier Conduct Charter to demonstrate their commitment towards Human Rights, Labour, the Environment and Anti-Corruption. The charter is currently being reviewed and will be updated in 2022.

During 2021 the Supplier Conduct Charter has continued to be issued with each Supplier Self Assessment form as well as a copy with all printed purchase orders. We expect each supplier to accept our conduct charter as part of the approval process.


Supplier Conduct Charter

AMG Code of Business Conduct

The AMG Code of Business Conduct, which has been in place since 2009, serves to guide the actions of all employees and is used as a tool to help employees make the right decisions and resolve ethical issues that they may encounter. The code helps employees to do the right thing and abide by the rules wherever AMG operate around the world.

In order to reinforce the principles of the AMG Code of Business Conduct (updated in 2019), employees are required to complete training on commencing employment and then on a periodic basis. This periodic training has been carried out in 2021.



Policy on Human Rights

AMG supports and respects the protection of internationally proclaimed human rights and will work to make sure it is not complicit in human rights abuses. The key principles of the AMG Policy on Human Rights are driven by internationally accepted norms and national law.


Policy on Human Rights

Robust HR procedures and policies are in place to ensure our ongoing compliance with UK employment laws, including 'right to work' document checks, contracts of employment and ensuring compliance with national minimum wage requirements.

We offer market related pay and reward packages for the local areas in which we operate, which includes pensions and additional health and welfare benefits to support our employees during and after their working lives.

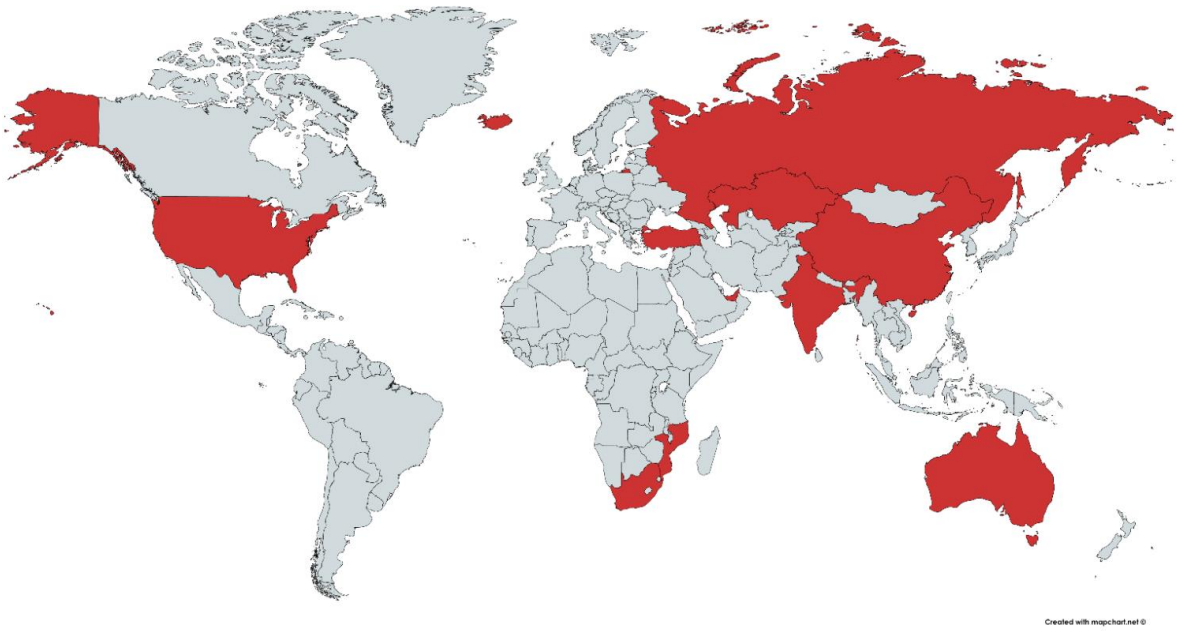
Our employment is not seasonal in nature and we do not employ people on zero-hours contracts. We have a good working relationship with the Trade union who represent a proportion of the staff at our sites.

Risk Assessment

AMG Superalloys UK Limited and AMG Aluminum UK Limited have adopted a process that focuses on the Supplier Self Assessment feedback where each supplier is rated high, medium or low risk. We have dedicated personnel who review each completed form and risk assess based on the depth of the response in the ethical section to include any supporting documents such as a Modern Slavery policy and / or statement the supplier may have. AMG's Supplier Conduct Charter acceptance and geographical location of supplier and products sourced are also taken into consideration before the relevant risk rating is applied.

The world map below highlights the countries from which AMG Superalloys UK Limited and AMG Aluminum UK Limited source critical raw materials.

AMG Superalloys UK Limited & AMG Aluminum UK Limited Supply Map



Priorities based on the risk assessment

AMG has worked with and will continue to work closely with suppliers where risk has been identified. Ethical site audits have and will continue to be completed on high and medium risk suppliers. Training will be provided to suppliers on modern slavery on a case-by-case basis.

AMG has further risk assessed two key raw material suppliers by spend through all supply tiers in order to fully understand the overall potential risk of slavery. From the reviews it is evident that our suppliers are taking the issue of forced labour seriously in regards to their own supply chain. Some of the larger organisations AMG contract with have in-house full time compliance professionals to deliver ethics

and compliance programs which encompasses risk assessments, policies and procedures, training and awareness, monitoring, speaking openly and investigations.

Monitoring / auditing

AMG carried out 39 supplier audits during the second half of 2021 against a target of 4 per month. Two thirds of the audits were desktop based and the remaining one third face to face. It is our intention to continue with this process throughout 2022. From those suppliers audited, 35 had a Modern Slavery policy in place which demonstrates their commitment to Modern Slavery.

Actions taken to reduce risk or to provide remedy

To promote the reporting of violations of the Code of Business Conduct, AMG has adopted a Speakup and Reporting Policy, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to disciplinary action. The Speakup and Reporting Policy can be found on the Company website at www.amg-nv.com under the Governance Tab. The Speakup and Reporting policy applies to the reporting of any suspicions our employees may have regarding modern slavery.

AMG has a designated Compliance Officer and Compliance Representative for our UK sites, their contact details are made available to all employees. AMG has delivered training to all relevant personnel on the risks of modern slavery.

During 2021, 157 suppliers completed our Supplier Self Assessment; 34% of these were existing suppliers and 66% were new suppliers. All 157 suppliers signed up to our Supplier Conduct Charter or provided their own charter, demonstrating their commitment to work with AMG.

AMG 2021 progress report and further commitments during 2022

Progress report 2021	Not Started	In Progress	Completed
Supplier ethical audits to be carried out (subject to COVID-19)			
Re review existing suppliers that completed our supplier self assessment more than two years ago			
Raise awareness throughout the business on spotting the signs of Modern Slavery through means of posters in public areas			
Map out further critical raw material spends and investigate the whole Supply Chain			
Update internal Modern Slavery policy			
Assess contractors for ethical and sustainable compliance			
Roll out external Modern Slavery training to key personnel within the business			
Carry out Modern Slavery employee training sessions as part of the induction process			

During 2022 AMG propose to do the following:

Commitments during 2022	Not Started	In Progress	Completed
Develop an online mandatory training course for relevant "buyers" in regards to Modern Slavery, which must be completed every 12/18 months followed by a test	→		
Re-assess all high risk suppliers every 3-6 months to see if any improvements have been made. Work with the supplier to monitor Modern Slavery and create a corrective action plan	→		
Create a Modern Slavery email address where any concerns can be raised	→		
Refresh our internal Modern Slavery training presentation used to train new employees	→		
Create learning materials to distribute to suppliers for guidance on Modern Slavery	→		
For contractors / sub-contractors who attend site, extend current induction and authorisation to work arrangements to include Modern Slavery indicator warnings	→		
Carry out face-to-face training on all blue collar workers across the business	→		

Monitoring effectiveness using KPIs

At AMG Aluminum UK Limited and AMG Superalloys UK Limited we understand that modern slavery risk is not static and we will continue our leading approach to mitigating the risk in the years ahead and strive to collaborate with our suppliers on a frequent basis to better understand their policies and processes.

We will continue to monitor our performance through regular reviews of modern slavery related risks. These are assessed through our key performance indicators, such as number of ethical site audits, completed supplier self assessments and also number of staff trained on modern slavery and spotting the signs.

Training

Our in house training on modern slavery is a continuous process.

In order to keep modern slavery awareness high in our business, we have set up an online compliance awareness course which employees are required to complete. The first course was held in 2019 and the annual refresher took place in 2021. Supply Chain employees have also completed the Stronger Together training course "Tackling modern slavery through purchasing practices".

AMG will continue to update its policies and procedures, as required, in order to ensure it maintains appropriate safeguards against any mistreatment of persons involved in its supply chain or own business.

Collaboration and stakeholder engagement

AMG have a dedicated project team that includes members of Finance, Supply Chain and HR.

Employee training is carried out onsite to raise awareness and how to spot the signs of modern slavery, information on sharing risks and approaches is included on all notice boards and annual updates in the company team brief.

AMG understand that there is a clear moral case for eliminating modern slavery and human rights, we acknowledge the need to take a collaborative approach with supplier engagement and will share knowledge and training material where necessary.

This statement was approved on 29th April 2022 by the Board of Directors.

Kevin Lawson
President - AMG Superalloys UK Limited
Managing Director - AMG Aluminum UK Limited