

Modern Slavery Act Transparency Statement

Introduction

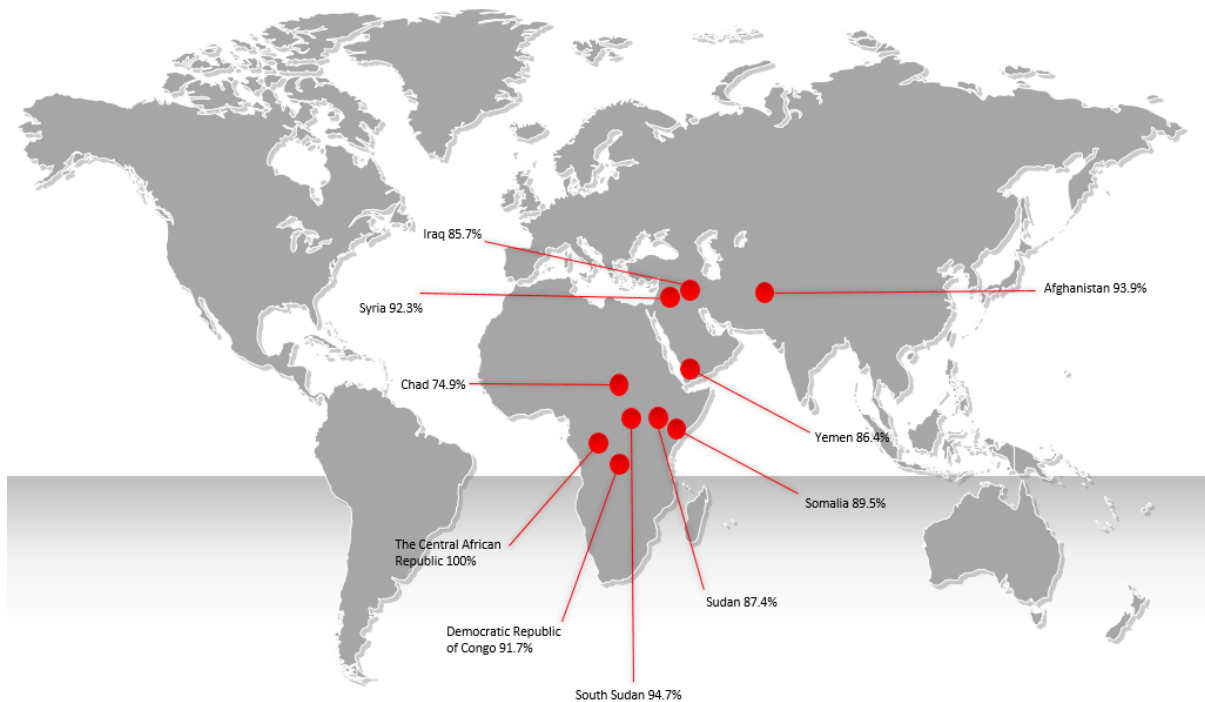
This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015. It sets out the steps AMG Superalloys UK Limited and AMG Aluminum UK Limited have taken during the 2018 financial year to prevent slavery and human trafficking from taking place in our supply chain, or in any part of our business together with the additional steps we intend to take in 2019.

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.

Top 10 countries with the highest average vulnerability score





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 aluminum, steel, superalloys, welding and glass with approximately 3,300 employees worldwide.

AMG operates globally with production facilities in Germany, the United Kingdom, France, the Czech Republic, 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 master alloys and grain refiners 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 77% of our production costs with the remaining 23% being made up of 13% indirect costs, 5% direct costs, 3% other costs and 2% 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. In early 2018 all of our existing major suppliers accepted our Supplier Conduct Charter to demonstrate their commitment towards Human Rights, Labour, the Environment and Anti-Corruption.

During 2018 the Supplier Conduct Charter was included in all new supplier on-boarding and all suppliers are required to accept before being approved.

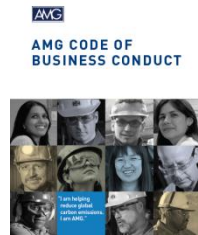




AMG Code of Business Conduct

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, employees are required to complete training on commencing employment and then on a periodic basis.



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.



A number of our robust HR procedures and policies were updated during 2018 to ensure they continue to comply 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 options to support our employees during and after their working lives.

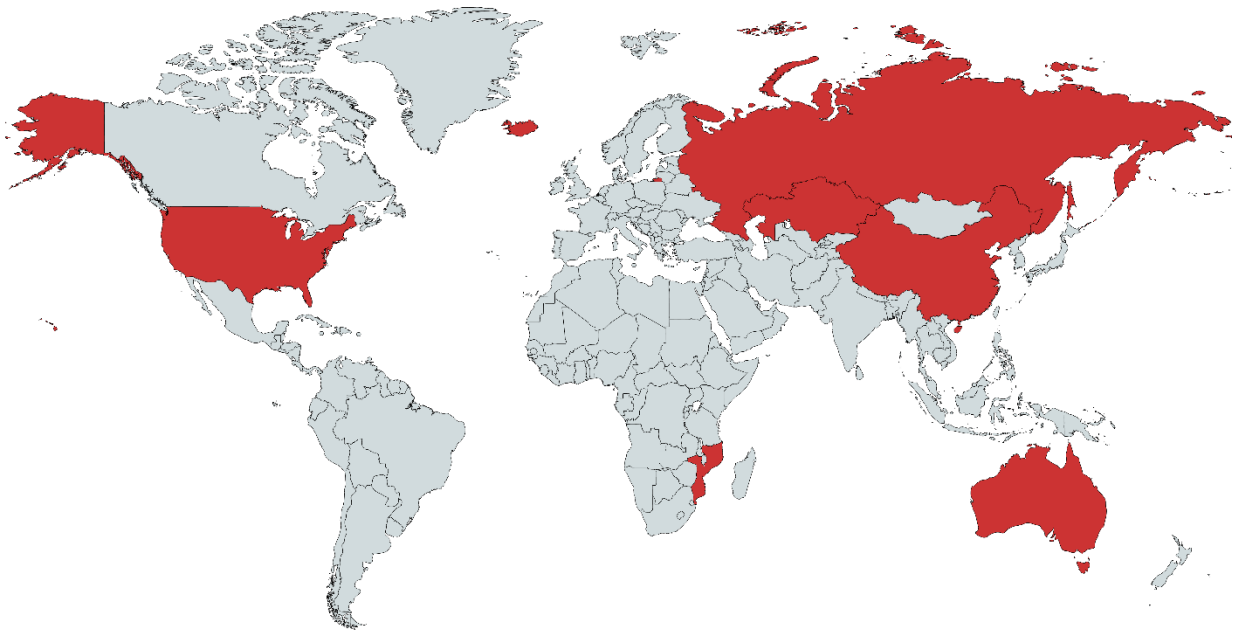
Our employment is not seasonal in nature and we do not employ people on zero hours contracts. We have a good working relationship with the Trade union who represent a proportion of the staff at our sites.

Risk Assessment

AMG Superalloys UK Limited and AMG Aluminum UK Limited have adopted a process that focuses on the Supplier Self Assessment feedback, Supplier Conduct Charter acceptance, Geographical location of supplier and products sourced; from this all tier one suppliers are risk assessed into a high, medium or low category.

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 on modern slavery on a case-by-case basis.

AMG will risk assess their top three suppliers by spend through all supply tiers to fully understand the overall potential risk of slavery.

Monitoring / auditing

AMG have carried out ethical site audits on suppliers who were categorised as a potential risk to slavery following the initial completion of the AMG Supplier Self Assessment. Our findings showed that of five high-risk suppliers and seven medium, all were compliant with government laws and had policies in place within their own business to demonstrate their commitment to the abolishing of 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 for all UK sites, their contact details are made available to all employees.

During 2018, 193 suppliers completed our Supplier Self Assessment and signed up to our Supplier Conduct Charter, demonstrating their commitment to work with AMG this equates to 15% of our existing suppliers and 85% new/re-approved based on the number of suppliers.

AMG progress report and further commitments 2017/2018

	Not Started	In Progress	Completed
Progress Report and Commitments 2017-2018			
More rigorous procedures to be implemented on the onboarding of new suppliers to include a risk assessment on modern slavery.			→
Work with our existing suppliers to obtain their acceptance of our Supplier Conduct Charter.		→	
Closer relationship with suppliers to improve their understanding on Modern Slavery and their compliance with their local regulations and our policies on modern slavery and human rights.		→	
AMG will continue to provide in house training on modern slavery and human trafficking.		→	
Programme of supplier audits will be undertaken to include modern slavery compliance and face to face meetings where appropriate.		→	
Review all supplier self assessment through our risk assessment tool to identify level of risk		→	
Provide modern slavery training to our high risk suppliers by sharing our modern slavery presentation, raising awareness of the severity of modern slavery and how to spot the signs.		→	
Review and further development of the supplier self assessment questionnaire focusing primarily on modern slavery.			→
Development of further key performance indicators to monitor the effectiveness in ensuring that slavery and human trafficking is not taking place within our supply chain including number of supplier audits being undertaken, number of suppliers signed up to our code of business conduct or equivalent.			→
Supply chain employees to undergo ISO auditing training for the completion of supplier audits			→
Updating of supplier contract terms to specifically include modern slavery act compliance.			→
Issue our supplier conduct charter with all purchase orders raising awareness of our best practises.			→
Attend further Modern Slavery workshops to keep up to date with progress		→	
Mandatory training for new employees to the business that are involved in the procurement of goods and services to raise awareness of slavery		→	

During 2019 AMG are proposing to do the following

	Not Started	In Progress	Completed
Progress Report and Commitments 2019			
Implement an online compliance training course for employees to complete annually		▶	
Review our Supplier Self Assessment form for effectiveness	▶		
Issue KPI progress notices across our UK sites		▶	
Attend further Modern Slavery workshops to improve awareness and knowledge		▶	
Implement a more robust system for prompting reviews of the Supplier Self Assessment forms	▶		
Map out top three raw material spends and investigate whole supply chain	▶		

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

Members of our Supply Chain department attended the “Stronger Together 5 years on” seminar which focused on how the UK have transformed in the last 5 years. During the seminar, experiences of slavery were shared which demonstrated best practice in the attendees business sectors. Good examples included how one attendee had now launched a dedicated sustainability department which focuses on tackling slavery through all supply tiers. Our supply chain department expanded their knowledge on how to spot signs of slavery, mitigate risk to our company and build relationships with similar business sectors on this evolving topic.

Our Purchasing Manager attended the LRQA internal QMS auditor course to improve their knowledge, techniques and processes to be utilised in improving effectiveness whilst carrying out ethical site audits.

Our in house training on modern slavery is a continuous process. This is now included in all induction programmes for new employees.



In order to keep modern slavery awareness high in our business, we are setting up an online compliance awareness course which employees will be required to complete annually.

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 who meet every 4-6 weeks to discuss KPIs and any risks identified.

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 in the company monthly 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 12th April 2019 by the Board of Directors.

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