

## Modern Slavery Act Transparency Statement

### Introduction

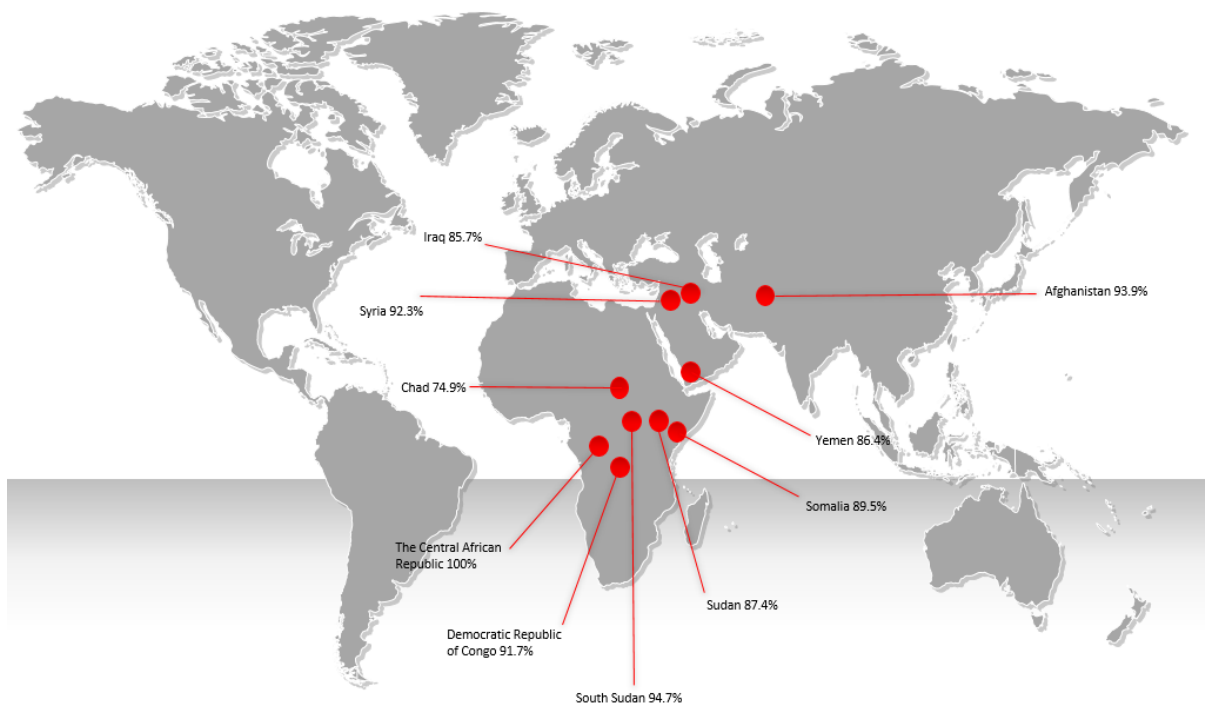
This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015. It sets out the steps AMG Superalloys UK Limited and AMG Aluminum UK Limited have taken during the 2019 financial year to prevent slavery and human trafficking from taking place in our supply chain, or in any part of our business together with the additional steps we intend to take in 2020.

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](http://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.

### 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 aluminium, steel, superalloys, welding and glass with approximately 3,200 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 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 73% of our production costs with the remaining 27% being made up of 15% indirect costs, 6% direct costs, 3% other costs and 3% SG&A.

For more information please visit our global website: [www.amg-nv.com](http://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.

During 2019 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.



### 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 2019.



### 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.



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.

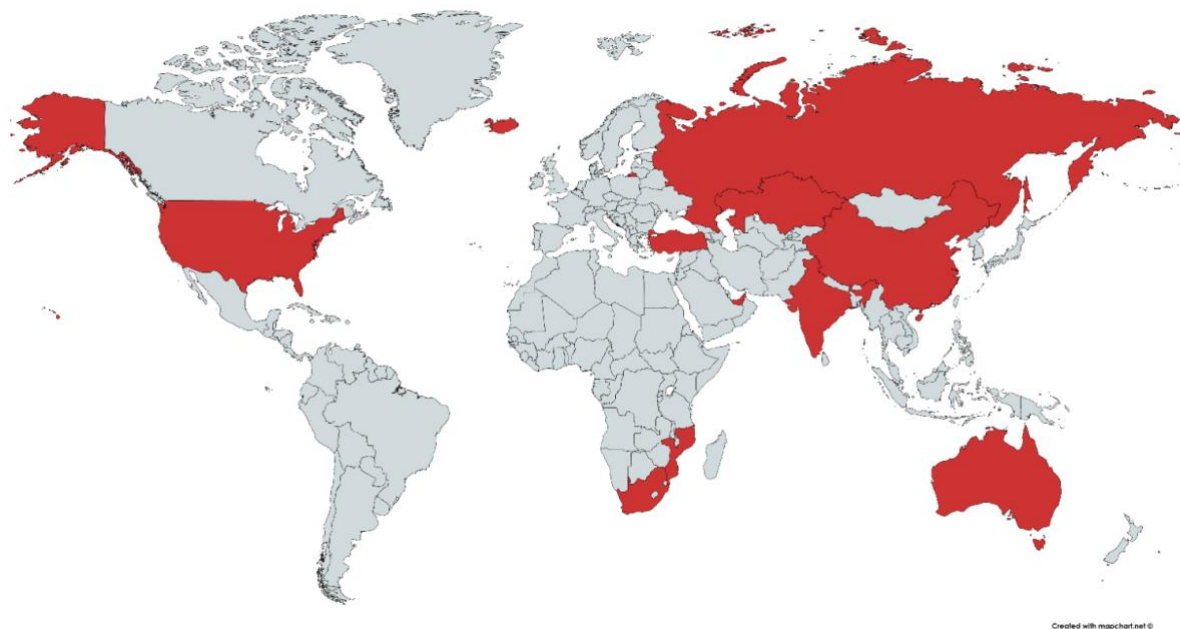
Our employment is not seasonal in nature and we do not employ people on zero hours contracts. We have a good working relationship with the Trade union who represent a proportion of the staff at our sites.

## 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, 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 risk assessed our top three suppliers by spend through all supply tiers in order to fully understand the overall potential risk of slavery. This process will be expanded in 2020 to other key suppliers using our Tier two ethical supplier questionnaire form and supporting documentation will be required as evidence

**Monitoring / auditing**

AMG have carried out ethical site audits on suppliers throughout 2019 and will continue with this process throughout 2020. From those suppliers that were visited, we found that employees’ contracts were readily available, regular breaks were taking place, there was no living accommodation present on site and in some instances companies allowed their workforce to finish early on a Friday.

**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](http://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 designated Compliance Officers for each 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 2019, 156 suppliers completed our Supplier Self Assessment. This equates to 9% of our existing suppliers and 91% new/re-approved with 100% of suppliers signing up to our Supplier Conduct Charter or providing their own charter, demonstrating their commitment to work with AMG.

**AMG 2019 progress report and further commitments in 2020**

	<b>Not Started</b>	<b>In Progress</b>	<b>Completed</b>
<b>Progress Report 2019</b>			
Implement an online Modern Slavery compliance training 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 the whole Supply chain			

During 2020 AMG propose to do the following:

Commitments during 2020	Not Started	In Progress	Completed
Implement a more robust system for prompting reviews of the Supplier Self Assessment forms			
Supplier audits to be carried out from an ethical perspective			
Ensure effective promotion of the Modern Slavery helpline across the business			
HR to implement extra checks on Agency workers			
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			
Include the link to the Government Modern Slavery website in company Team briefs			

**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 Supply Chain Manager attended a two day LRQA internal QMS auditor course to improve their knowledge, techniques and processes to be utilised in improving effectiveness whilst carrying out both quality and ethical site audits.

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.

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 quarterly 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 06 March 2020 by the Board of Directors.

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**Kevin Lawson**

**President - AMG Superalloys UK Limited**

**Managing Director - AMG Aluminum UK Limited**