

Modern Slavery Act Transparency Statement

Overview

The Modern Day Slavery Act came into force in March 2015 and requires organisations in the UK to report on the processes and due diligence taken to ensure that their supply chains are free from slavery. Modern slavery is a crime and a gross violation of fundamental human rights, it takes various forms, all of which have in common the deprivation of an individuals liberty by another in order to exploit them for personal or commercial gain.

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

Modern Slavery

Modern slavery occurs where people are forced to illegally work against their will or human trafficking. This has become a growing issue amongst many business sectors, such as manufacturing, retail, construction and agriculture and is currently the second most profitable crime behind drugs according to several sources which include England and Wales Police force. (www.north-wales.police.uk/advice-and-support/stay-safe/modern-slavery) and the Stop Trafficking information page. (www.stophetraffik.org)

About AMG

AMG Aluminum UK Limited and AMG Superalloys 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 over 3,000 employees worldwide.

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

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

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

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

Our Policies

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. During the course of 2017 all our major suppliers accepted our Supplier Conduct Charter to demonstrate their commitment towards Human Rights, Labour, the Environment and also Anti-Corruption.



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 play 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.



Employment

We have a number of robust HR procedures and policies in place to ensure that we 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 area 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.

Supply chain risk assessment

As a manufacturing company we purchase a wide range of raw materials across the world. Certain raw materials can only be sourced from a limited number of countries. Raw materials account for approximately 70% of our production costs.

Our risk assessment has now been widened from raw material supplies to now maintenance, repair, operations, laboratory equipment and logistics.

During 2017 AMG brought its risk assessment in house and is now managed by Supply Chain who request that each new supplier completes our supplier self assessment questionnaire which focuses on the supplier's quality systems, processes, procedures, health & safety, environmental, ethical criteria and also the supplier's own due diligence process to assess areas of risk within their supply chain.

The risk assessment has allowed us to score our key suppliers into low, medium and high risk. AMG will work with all priority suppliers based on spend and criticality of product to support development of a code of conduct, basic procedures and processes tracking modern slavery compliance and payment of minimum wage.

Employee training

Our supply chain team attended the stronger together awareness course which focused on tackling modern slavery in supply chains.

To ensure appropriate levels of risk awareness in respect of modern slavery and human trafficking, we are providing in house training sessions to relevant departments within the organisation.

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

Reporting concerns

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 is also available to report any suspicions our employees may have regarding modern slavery.

AMG also has a designated Compliance Officer for all UK sites.

Continuous Improvement

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.

What AMG did in 2017:

- Supply chain employees have undergone further external training.
- Training material has been prepared and training of employees has commenced to provide training to highlight the warning signs of modern slavery and human trafficking and actions that employees must take.
- Implemented new supplier setup procedure to always include risk assessment & classification of low, medium or high risk on modern slavery.
- A modern slavery committee comprising of supply chain, human resources and finance employees has been set up which meets up approximately on a monthly basis to review the company's progress on modern slavery compliance & improvements that can be made. The committee includes a member of the Board of Directors.
- Developed key performance indicators (KPIs) which include number of suppliers risk assessed, split of suppliers classified as low, medium or high risk, number of whistleblowing incidents and number of employees trained to monitor the effectiveness in ensuring that slavery and human trafficking is not taking place in our supply chain. The KPIs are reviewed monthly by the modern slavery committee to ensure positive progress continues and where actions are required to improve that these are undertaken in a prompt manner.



- Update of supply chain manual / procurement policies and procedures have been completed.

In 2018 AMG are proposing to do the following:

- 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.

This statement was approved on 23rd March 2018 by the Board of Directors.

Kevin Lawson
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Managing Director - AMG Aluminum UK Limited