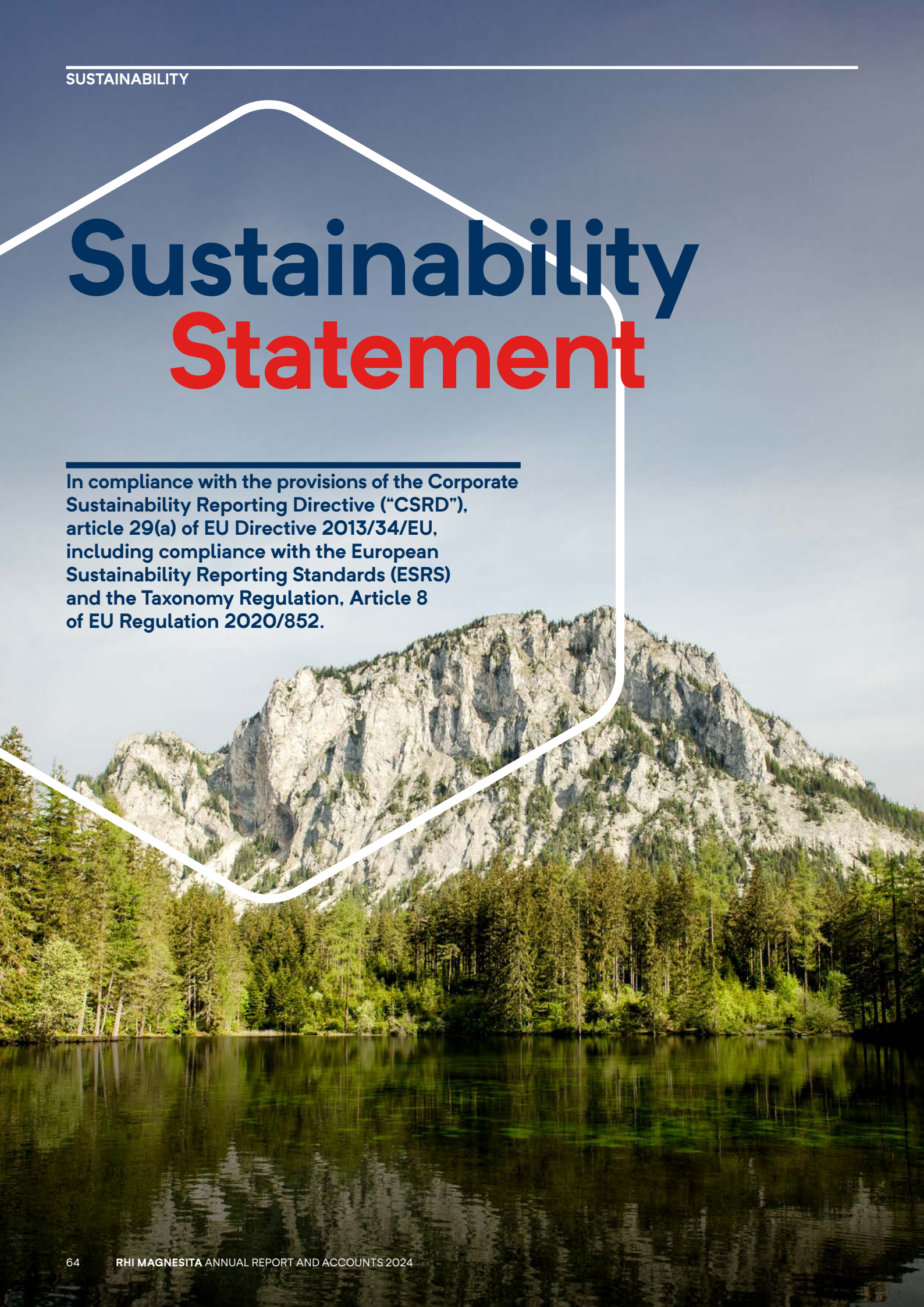
Sustainability Statement

In compliance with the provisions of 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.



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General Information

Overview
RHI Magnesita's sustainability objectives are based on our core values. We believe that long-term financial success is only possible if we also deliver our sustainability goals. RHI Magnesita's purpose is to master heat, enabling global industries to build sustainable modern life. Our advanced products are essential for our customers in the steel, cement, metals, glass, energy and chemicals industries. Through the reliable supply of innovative refractory products and services, we enable our customers to sustainably deliver the basic materials that are essential for modern life. We aim to be our customers' partner of choice on their own decarbonisation journeys.

Our sustainability strategy is based on the ten Principles of the UN Global Compact ("UNGC").

RHI Magnesita's sustainability strategy is focused on:

- Excellent workplace Health & Safety;
- Climate change and environmental impact mitigation;
- Increased use of secondary raw materials to reduce CO_2 emissions;
- R&D investment to develop emissions avoidance, alternative fuels, and carbon capture, storage and utilisation technologies;
- Partnering with our customers to reduce their emissions through innovative refractory products or solutions contracts, including enabling technologies such as EAF refractories;
- Sustainable procurement practices;
- Upholding diversity in the workplace;
- Building strong relationships with all stakeholders including communities, employees and governments; and
- Linking debt facilities and management compensation to sustainability performance.

Application of CSRD and ESRS
The Consolidated Sustainability Statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation"). The CSRD is not yet transposed into national law in the Netherlands.

This Consolidated Sustainability Statement forms part of the Group's management report. Certain sections are incorporated by reference to other parts of the 2024 Annual Report and Accounts, as indicated. All material information on sustainability-related impacts, risks and opportunities has been presented in accordance with the applicable ESRS, based on the outcome of a Double Materiality Assessment ("DMA").

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 with regard to 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 disregard in accordance with ESRS 1.

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

CO2 and Energy intensity targets and metrics
To ensure effective sustainability management, RHI Magnesita has implemented intensity-based targets, including CO_2 intensity (CO_2 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.

Health and Safety performance
The Group reports its Lost Time Injury Frequency ("LTIF") per 200,000 hours worked as the key metric for its 2025 health and safety performance.

The Group will use Total Recordable Injuries ("TRI") as metric per 200,000 hours worked to monitor progress to achieve 2030 health and safety target (TRI<1.2 per 200,000 hours worked)

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.

Avoided Emissions
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.

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.

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.

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. It is an entity specific metric and is not covered by a specific ESRS disclosure requirement.

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 and is not covered by a specific ESRS disclosure requirement.

The number of ETS certificates and ETS expenditures
The Group uses the number of ETS certificates and ETS expenditures to monitor financial impact on operating and capital expenditures due to changes in policy and regulation. These are entity specific metrics and are not covered by a specific ESRS disclosure requirement.

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. They are entity specific and not covered by ESRS standards.

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.

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 8-11, "Our business model and value chain", of this Annual Report.

ESRS 2 General disclosures

Basis for preparation

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

The Consolidated Sustainability Statement for this year has been prepared in accordance with Article 29a of EU Directive 2013/34/EU. This includes compliance with the ESRS and adherence to the disclosure requirements set forth in Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

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.

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.

Scope of consolidation

The scope of this report, along with the accompanying financial and 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 sustainability statements specifically cover information related to RHI Magnesita and, where available, its main value chain and business relationships.

Upstream and downstream value chain

The Consolidated Sustainability Statement covers the Group's upstream and downstream value chain where impacts, risks or opportunities are deemed to be material, for example in relation to CO_2 emissions and supplier sustainability performance. The Group manufactures and purchases from external parties' refractory raw materials which have a high CO_2 intensity, due to fuel-based and geogenic emissions associated with their production. Scope 3 emissions from purchased raw materials are reported, based on estimates of likely supplier emissions using the Group's knowledge of the raw material production process. Downstream Scope 3 emissions including transportation are also reported. Scope 3 emissions directly related to the use of the Group's products by customers (i.e. direct use-phase emissions) have been included in category 11 of Scope 3 in the Group's reported emissions.

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 CO_2 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 CO_2eq annually. The Group's Scope 1, Scope 2 and Scope 3 emissions amounted to 5.9 million tonnes CO_2eq in 2024 (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 CO_2 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.

Where relevant, our disclosures, policies, actions and targets extend to both our upstream and downstream value chain. For example, all of 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 CO_2 emissions intensity target has always included Scope 3 emissions from purchased raw

materials since it was first established in 2019. The scope of the 2030 target has now been increased to include Scope 3 emissions from transportation, which is a downstream source. The definition of each sustainability target clearly sets out whether the upstream or downstream value chain is included.

Exemptions
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.

Disclosure requirement BP-2 — Disclosures in relation to specific circumstances
Time horizons
RHI Magnesita has not deviated from the medium or long-term horizons defined by ESRS 1 section 6.4.

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.

CO_2 — emissions data is calculated by reference to fuel consumption data or raw material processing quantities, multiplied by emissions factors. Whilst the methodology has been developed over a number of years and has been subject to external review and refinement, CO_2 emissions data is by necessity based on assumptions that could be inaccurate.

Other emissions — emissions of other pollutants such as SOx or NOx 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.

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.

Changes in preparation or presentation of sustainability information
RHI Magnesita is reporting according to ESRS for the first time in respect of the year to 31 December 2024.

Reporting errors in prior periods
Notwithstanding the migration from GRI standards to ESRS, baseline adjustments for acquisitions and minor corrections to plant emissions and energy data in 2023, there are no material reporting errors relating to prior periods that have been identified in the course of preparing the 2024 Consolidated Sustainability Statement.

General statement on consistency of information within sustainability statement

RHI Magnesita is reporting according to ESRS for the first time in respect of the year to 31 December 2024. Whilst all reasonable efforts have been made in the compilation of the non-financial data reported, some clerical and casting inconsistencies may exist within the sustainability statement.

EU Taxonomy 2023 — Restatement of Financial Figures

The turnover for the economic activity "CCM 5.9 Material recovery from non-hazardous waste" has been restated as eligible under the EU Taxonomy for 2023. The originally reported turnover of €6,058.974 million has been revised to €17,458.974 million.

Additionally, adjustments have been made to the reported OpEx and denominator OpEx within the EU Taxonomy disclosure table for the economic activity "CCM 3.6 Manufacture of other low-carbon technologies". The originally reported OpEx of €17,606.412 million has been restated to €20,795.203 million, while the denominator OpEx has been revised from €151,849.101 million to €172,224.712 million.

The reason for the restatement is that maintenance costs were considered only from plants integrated in the Group's main SAP system. This affects OpEx reported for "CCM 3.6 Manufacture of other low-carbon technologies" as OpEx for this activity is estimated based on maintenance OpEx.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
The Group is not subject to any other legislation or generally accepted sustainability reporting pronouncements, other than certain provisions of the UK Listing Rules and the UK and Dutch Corporate Governance Codes which do not conflict with ESRS.

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
- Note 5 of Financial statements for the Taxonomy KPIs.

Use of phase-in provisions in accordance with Appendix C of ESRS 1
The following phase in and transitional provisions on Disclosure Requirements, as set out in ESRS 1, are excluded from the Sustainability Statement:

- 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.

Comparative data for 2023 has been provided where available and where provision of such data would assist in understanding trends. For some items, comparative data is not available and, in these cases, the transitional provision to disclose comparative data has been relied upon.

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 174-203.

Executive Management Team
Corporate Governance Report, page 182.

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 2024 RHI Magnesita carried out its first DMA in accordance with ESRS requirements. Certain aspects of each of the topics identified as material in the DMA process were addressed by the EMT as set out in the Group's 2025 sustainability targets, which cover CO_2 emissions, energy, recycling, safety and other emissions to air. The EMT will continue to be the primary management body tasked with managing sustainability related impacts, risks and opportunities over the period 2025-30.

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")	Internal CO_2 pricing 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 holds an annual Sustainability Forum to share progress against targets and co-operate on the delivery of the Group's sustainability objectives. The CEO reviews progress against short- and long-term sustainability KPIs during the year.

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 CO_2 certificate trading, to measurement of CO_2 emissions in our plants, other air emissions (e.g. NOx, SOx, 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 the Board considered and set sustainability targets in 2019 to be achieved by 2025, against a 2018 baseline. During 2024 the Group worked to establish new targets for 2030. Teams responsible for material sustainability topics were tasked with setting realistic and achievable targets by 2030 in the first half of 2024. The CEO reviewed the proposed targets and they were subsequently presented to the CSC in November 2024 for review and discussion. The CSC recommended changes to the proposed targets which were then finalised and adopted by the Board of Directors in February 2025.

2025 Targets		Baseline Year 2018	Actual 2024	Target Year 2025
Health and Safety	Maintain LTIF at <0.3 per 200,000 hours worked (goal: Zero Harm, No Injuries)	0.43	0.11	<0.3
CO_2e Emissions (Scope 1,2,3 raw materials)	Reduce by 15% per tonne of product	1.82	1.57	1.55
Energy	Reduce by 5% per tonne of product	1.92	1.78	1.82
Recycling	Increase use of secondary raw materials to 15%	3.8%	14.2%	15%
Sustainable Supply Chain	Enhancing supplier sustainability management: 66% Spend Coverage	-	55%	66%

Progress against sustainability targets is generally measured on a monthly basis by responsible functions and year to date performance is reviewed at every meeting of the CSC.

2030 Targets		Baseline Year 2024	Target Year 2030
Health and Safety	Total recordable injuries frequency rate (TRIFR) <1.2 per 200,000 hours	0.40	<1.2
CO_2e Emissions (Scope 1,2,3 raw materials)	Reduce by 10% per tonne of product	1.57	1.41
Energy	Reducing energy consumption by 1% per plant each year	n.a.	n.a.
Recycling	Achieve combined recycling rate of 20%	14.2%	20%
Sustainable Supply Chain – Social	Enhancing supplier sustainability management: 80% Spend Coverage	55%	80%

Corporate Sustainability Committee ("CSC")
This section is incorporated by reference to the Corporate Governance Report, pages 204–205.

CSC role in managing and overseeing sustainability impacts, risks and opportunities
The CSC is the Board committee responsible for overseeing sustainability-related impacts, risks, and opportunities. In 2024, a DMA was conducted for the first time in alignment with ESRS requirements. CSC members actively participated in the process, providing oversight and reviewing its findings, while the final approval was granted by the Board of Directors.

The CSC monitors progress towards the Group's sustainability targets at every meeting, 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.

New sustainability targets for 2030 were set in 2025 after due consideration by the CSC in November 2024, formally adopted by the Board in February 2025.

CSC skill and experience in sustainability matters
CSC members are skilled and experienced in their individual specialisms as set out on page 177–178. 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, such as to our Leoben pilot plant to hear directly from experts on the in-trial sorting initiatives to progress recycling progress, supporting the decarbonisation of the industry.

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 176–181.

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 204–205.

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 in the course of 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 targets set in 2019 for delivery by 2025. You can read more about these on pages 22–25. 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 have 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. In the course of 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 CSC receives updates at every meeting (its terms of reference require a minimum of three meetings per annum, see pages 204–205 for more details) on the progress against the targets set as part of its set agenda planner, agreed by the Committee, which delivers the items required under the CSC terms of reference to be considered. The Remuneration Committee also receives an update on the progress of incentives which, as outlined on pages 212–216, include sustainability metrics, at each of its meetings. These committees update the Board at the meeting which follows their meeting as part of their reporting.

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.

Material impacts, risks and opportunities addressed by the CSC, Board and EMT included all those set out in the DMA which was conducted for the first time in 2024. In addition, during 2024, the CSC, the Board and the EMT considered the following sustainability topics in detail:

- Health and safety of own workforce;
- Recycling;
- Sustainable sourcing and modern slavery;
- Physical climate change risks;
- Sustainability governance;
- CO_2 capture and utilisation;
- Regulatory developments;
- Assurance of sustainability data;
- Energy and CO_2 markets;
- Customer, employee, investor and supplier perceptions of ESG and related products;
- Community relations;
- Organisational diversity;
- Use of renewable energy;
- Target setting and measurement;
- Capital allocation to sustainability initiatives;
- Decarbonisation strategy;
- Low carbon footprint product strategy; and
- 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 have been keen to ensure it is part of the incentivisation of management and for a number of 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, 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 218–230 of the Remuneration Report.

Annual bonus
In 2024, Executive Directors' maximum annual bonus opportunity remained at 150% of salary with performance assessed against Adjusted EBITA (45%), operating cash flow (25%) and strategic deliverables (30%). The strategic deliverables comprised transformation projects delivery (10%), PIFOT (10%) and increasing the use of secondary raw material (10%). Recycling, which is a key sustainability performance metric, therefore accounts for 10% of the annual bonus. The bonus criteria are identical for all eligible employees and not just the Executive Directors.

In 2025, recycling will again account for 10% of the annual bonus.

Long-term incentive plan (LTIP)
In 2024, 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 CO_2 emissions performance conditions.

The 2024 LTIP Award will therefore vest to the extent that the performance conditions of EPS (50%), ROIC (25%) and reduction of CO_2 emissions (25%) are met above a certain threshold. The performance period for these conditions is three financial years, starting in 2024, and the Executive Directors are then subject to a further holding period of two years to further align their performance with long-term shareholder value creation.

The 2025 LTIP Award has a 25% component linked to the Group's target to reduce CO_2 emissions intensity by 2027.

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 48–50 Internal Controls pages 51–52 Code Compliance pages 197–198 Gov-1 Management Responsibilities pages 183–185 Gov-1 Oversight of Sustainability Matters – Impacts, Risks and Opportunities pages 204–205 Gov-2 Sustainability Matters addressed by Management pages 204–205 Gov-3 Incentive Schemes – Remuneration Report pages 212–216 SBM-3 Double Materiality Assessment 165
b) Engaging with affected stakeholders in all key steps of the due diligence	Stakeholder Engagement pages 26–31 Internal Controls page 51 Gov-2 Sustainability Matters addressed by Management page 80 IRO-1 DMA Process page 100 Whistleblowing page 158 Board workforce engagement page 192
c) Identifying and assessing adverse impacts	SBM-3 Double Materiality Assessment (DMA) page 86 SBM-3 DMA Results pages 86–88 SBM-3 DMA Process pages 88–100
d) Taking actions to address those adverse impacts	Internal Controls page 51 E1-3 Climate Change Actions pages 130–131 E2 – Pollution control page 130 E5-2 Managing impacts on Resource Use and Circular Economy page 150 S1-4 Managing impacts on Own Workforce page 156 S2-4 Managing impacts on Workers in the Value Chain pages 166–167
e) Tracking the effectiveness of these efforts and communicating	Internal Controls Page 51 Board effectiveness Page 193

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 include 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. Follow-up actions were undertaken by relevant teams in response to the observations as follows:

Observation	Action	Status February 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 accident reporting software	Ongoing
Methodology to measure NOx emissions not reliable	Consider alternative to isokinetic method[1]	Ongoing

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

1) The Isokinetic method utilises a laser-induced fluorescence (LIF) technology, which is known for its high sensitivity and specificity in detecting NOx gases. This allows for accurate measurements even at low concentrations, improving overall monitoring precision.

The Group carried out a risk assessment in 2024 in relation to its sustainability reporting. Each area of sustainability reporting was assessed for the likelihood of error, the possible negative impact on the Group in each case, and mitigating actions to be taken to minimise each risk. Both likelihood and potential impact were measured on a scale of 0–5 with resulting scores multiplied together to reach an overall risk score with a maximum score of 25. The methodology including risk impact and risk likelihood definitions used in this risk assessment were aligned with the framework used in preparation of the Group's general risk ledger, which is used for the assessment of principal and emerging risks.

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

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

A score of 12 is within averse appetite, potential to exceed. A score of higher than 12 would be outside of the acceptable risk appetite. The highest scores recorded in the 2024 risk assessment were 12, for "Workers in the supply chain data reporting" and "Workers in the supply chain health and safety data reporting", which is within the Group's risk appetite.

The score for each risk assessed is set out in the table below:

Risk description	Risk score (min 0, max 25)	Inherent risk rating
Risk of error or omission in CO_2 emissions data	4	Very low
Risk of error or omission in pollution data	9	Low
Risk of error or omission in energy data	4	Very low
Risk of error or omission in recycling data	9	Low
Risk of error or omission in own workforce data	6	Low
Risk of error or omission in own workforce health and safety data	9	Low
Risk of error or omission in workers in the supply chain data	12	Medium
Risk of error or omission in workers in the supply chain health and safety data	12	Medium

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 last took place on 25 November 2024.

Strategy
Disclosure requirement SBM-1 — Strategy, business model and value chain
RHI Magnesita's strategy is built on three pillars, all of which are enabled by our people & culture and sustainability leadership.

The first strategic pillar is competitiveness, whereby the Group seeks to minimise its operating expenses through initiatives such as footprint optimisation, automation digitalisation and supply chain management. Becoming more competitive through increasing efficiency often has a positive impact on sustainability metrics, for example through the reduction in the use of energy, fuels and mineral resources. Financial sustainability achieved through maintaining a low cost, competitive positioning in the global refractory industry enables the Group to allocate capital to longer-term sustainability investments and R&D that would not otherwise be possible.

The second strategic pillar is to seek to expand the business model, for example by offering a broader range of products and services or growing the proportion of revenue derived from solutions contracts. Solutions contracts are based on fixed prices per tonne of customer output, usually in the steel industry, and are typically between five and seven years in length. Over the course of a solutions contract, RHI Magnesita will use advanced products and expertise to improve the efficiency of a customers' operations, often resulting in reduced consumption of refractories and improvements in energy efficiency. Whilst refractories may only represent up to 3% of a customer's operating costs, refractory usage strategies can influence a much larger proportion of costs due to the implications for energy use and general process efficiency. The Group therefore has an important role to play in its downstream value chain, where customer efficiency gains can translate into significant improvements in sustainability impacts, most notably in energy consumption and CO_2 emissions.

The third strategic pillar is to grow market share in geographies and products where the Group is under-represented. Since the overall refractory market is mature and net growth in refractory consumption is relatively low, the Group seeks to grow through acquisition, targeting businesses in high-growth markets or segments without adding new production capacity to the market. The businesses which RHI Magnesita acquires are often not operating at industry-leading levels of sustainability practices and once integrated into the Group it is possible to greatly improve performance. For example, RHI Magnesita has made significant progress in advancing technologies for recycling of reclaimed refractory material and achieved a recycling rate of 14.2% in 2024. Acquired companies are usually using little or no recycled material and this represents an opportunity to increase recycling activity in the industry as a whole. For each tonne of recycled material used, approximately 1.6 tonnes of CO_2 emissions are avoided compared to the production of virgin raw material. As RHI Magnesita grows through acquisition, its leading sustainable business practices can be spread wider throughout the refractory industry.

Refractory production is a resource, energy and CO_2 intensive activity. Refractory producers can also play an important role in supporting their customers to transition to more sustainable production technologies. For these reasons, and to ensure the long-term success of the Group, the Board actively pursues a strategy of sustainability leadership in the industry. We believe that by offering more sustainable products to our customers we will gain an advantage in price, market share or preferred supplier status that will become increasingly important in the future. We also believe that we must minimise the environmental and social impacts associated with our own production process, in order to maintain our licence to operate and a strong reputation as a responsible producer, which is a minimum expectation for a wide range of stakeholders.

Business model

RHI Magnesita is the 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 around the world, with over 20,000 employees in 65 main production sites, 12 recycling facilities and over 70 sales offices. The Group operates 12 raw material sites, including 8 mines across Austria (3), in Brazil (1), in China (1), in Czech Republic (1), in Türkiye (1), in USA (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 a number of 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 enables 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 is able to 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 outcomes.

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 256 of this document 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 26–31.

Disclosure requirement SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model
Material impacts, risks and opportunities and their interaction with strategy and business model
RHI Magnesita has conducted a comprehensive DMA in line with the ESRS framework, evaluating sustainability-related impacts, risks and opportunities across its value chain. The impact materiality assessment identified and classified sustainability impacts, risks and opportunities assessing their significance based on scale, scope, remediability, and likelihood. Simultaneously, the financial materiality assessment mapped ESG risks and opportunities against ESRS topics, aligning them with RHI Magnesita's risk management methodology. This assessment, validated by RHI Magnesita's audit and sustainability committees on behalf of the Board, integrates insights from internal experts and external stakeholders. A structured validation process, incorporating stakeholder feedback, ensures that the materiality assessment remains dynamic and aligned with evolving regulatory and business contexts. The whole DMA process is described in IRO-1. The DMA process and the due diligence process may be impacted by changes over time. Therefore, the Sustainability statements and material IROs identified may be subject to change.

RHI Magnesita assesses its sustainability risks and opportunities according to the ESRS methodology seen as the same methodology used in preparation of the Group's general risk ledger. For each risk and opportunity, likelihood and potential impact (i.e. financial materiality) were measured on a scale of 1-5 with resulting scores multiplied together to reach an overall materiality score with a maximum of 25. For impact materiality, RHI Magnesita applied the ESRS methodology, assessing scale, scope, remediability, and likelihood. Scale measures impact magnitude, scope covers stakeholder and value chain reach, remediability evaluates mitigation feasibility, and likelihood gauges occurrence probability. Each is rated from 1 to 6, with 6 as the highest. The assessment integrated quantitative metrics and qualitative insights, ensuring a balanced evaluation of potential impacts based on probability, granularity and time horizon.

Theme	Topic	Sub-topic	IRO type	Value chain	IRO description	Policy	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	✓		
			Positive impact	Core	2. Saved emissions through usage of recycled raw materials	IMS policy	✓		
			Negative impact	Upstream, Downstream	3. Scope 3 CO_2 emissions from purchased raw material, use of sold products and transport	IMS policy	✓	✓	✓

		Negative impact	Core	4. Scope 1 CO_2 geogenic process emissions	IMS policy	✓	✓	✓
		Negative impact	Core	5. Scope 1 CO_2 fuel based emissions	IMS policy	✓	✓	✓
		Opportunity	Downstream	6. Increased demand for refractory products that enable decarbonisation of customer industries (EAF, ESF, BOF, DRI)	IMS policy	✓		
		Opportunity	Core, downstream	7. Increased demand for low carbon footprint refractory products	IMS policy	✓		
		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	✓		
		Risk	Core	9. Increase in operating or capital expenditures due to changes in policy and regulation	IMS policy	✓		
		Risk	Upstream, Core, downstream	10. Increase in operating expenditure and reputational damage if decarbonisation pathway not delivered	IMS policy	✓		
	Energy	Negative impact	Core	11. Scope 2 CO_2 emissions from energy consumption	IMS policy	✓	✓	✓
		Risk	Core	12. Reputational damage if energy reduction targets not achieved	IMS policy	✓		
E2 – Pollution	Pollution of air	Negative impact	Core, Downstream	13. Air pollution from industrial processes	IMS policy	✓		
E5 — Resource use and circular economy	Resource inflows, including resource use	Positive impact	Upstream, Core, Downstream	14. Efficient use of raw materials and resources including the use of recycled materials	IMS policy	✓	✓	✓
SOCIAL								

S1 — Own workforce	Health and safety	Negative impact	Core	15. Workplace safety incidents in own workforce	IMS policy	✓	✓	✓
	Forced labour	Potential negative impact	Core	16. Incidents of forced labour in own workforce	Human rights policy	✓		
	Working conditions	Risk	Core	17. Reputational damage if health and safety targets not achieved	IMS policy	✓		
S2 — Workers in the supply chain	Health and safety	Negative impact	Upstream	18. Workplace safety incidents in supply chain	Supplier code of conduct	✓		
	Forced labour	Potential negative impact	Upstream	19. Incidents of forced labour in supply chain	Supplier code of conduct	✓		
GOVERNANCE								
G1 – Governance	Corruption and bribery[1]	Risk	Upstream, Core, Downstream	20. Fraud and corruption in various forms	Code of conduct, Anti-corruption policy	✓		

1) 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 CO_2 emissions. Improvements in refractory performance can often lead to significant energy savings and therefore avoided CO_2 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 adapted its strategy to seek to increase the proportion of its revenue from solutions contracts. Significant capital has been allocated to M&A in order to grow in geographies and product segments where the Group was previously under-represented, supporting the solutions contract offering, which was expanded and re-launched under the brand '4PRO' in 2024.

The positive impact from avoided emissions occurs both in the Group's core operations and in its downstream value chain. The Group is able to (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 CO_2 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 from offering heat management solutions by increasing the proportion of revenue derived from such contracts. The contribution from solutions contracts has recently reduced, mainly as a result 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 is able to significantly reduce its CO_2 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 CO_2 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 is continuing in this area, and further technical progress is expected to increase the efficacy of recycling operations.

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 and the acquisition of Refrattari Trezzi in 2024, which have increased availability of reclaimed material. Further acquisitions of recycling companies in other geographies are under consideration. RHI Magnesita has also invested in the development of its own recycling facility in Mitterdorf, Austria. 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 CO_2 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.

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 CO_2 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 €6 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. €441 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 CO_2 emissions from purchased raw material, use of sold products and transport
Negative impact
Refractory production is a CO_2 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 CO_2 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. RHI Magnesita purchased 50% of its raw materials usage by value in 2024 (2023: 61%), or 32% by volume (2023: 36%). Scope 3 emissions from purchased raw material represented 35% of total Group CO_2 emissions in 2024 (2023: 37%).

In the downstream section of the value chain, certain finished refractory products may contain hydrocarbon based binders or additives or other forms of carbon such as graphite which are oxidised during use and this results in additional Scope 3 CO_2 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 CO_2 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 no carbon emissions costs are currently 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 CO_2 footprints; (iii) engaging with raw material suppliers to help them to reduce the CO_2 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 CO_2 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. RHI Magnesita entered into a partnership with Kuehne + Nagel in 2023 to improve efficiency in transportation and logistics through improved planning and bulk purchasing of freight services. The Group is also 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 CO_2 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, product use, 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 CO_2 geogenic process emissions
Negative impact
RHI Magnesita owns and operates refractories raw material production sites worldwide, with total annual production of 1,301kt in 2024. RHI Magnesita purchased 50% of its raw materials usage by value in 2024 (2023: 61%), or 32% by volume (2023: 36%). Scope 3 emissions from purchased raw material represented 35% of total Group CO2 emissions in 2024 (2023: 37%). 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 CO_2 emissions. Approximately half of the mass of raw magnesite and dolomite prior to burning is oxidised and emitted as CO_2 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 19% of total Group CO_2 emissions in 2024.

The Group is aware of the relatively high CO_2 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 CO_2 emissions over and above its free allocation. In 2024 the cost of purchasing certificates for these emissions through the European ETS was €6million (2023: €2 million). The cost of purchasing CO_2 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.

Taking into account the expected increase in the cost of Scope 1 CO_2 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 CO_2, 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. Trials of a process to capture CO_2 emissions from rotary kilns have been completed successfully. 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 CO_2 into saleable solid carbon-negative materials, permanently removing emissions from the atmosphere. To date, RHI Magnesita has invested a total of €7 million in MCi Carbon and during 2024 provided raw material samples to a demonstration facility in Newcastle, Australia for testing of the process. Trial production of carbon negative materials utilising captured CO_2 is scheduled to commence at this facility in 2025. The 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 CO_2 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 MCi process 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 CO_2 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 at industrial scale. In assessing the optimum financing structure and economic viability of the MCi project, 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 CO_2 fuel-based emissions
Negative impact
RHI Magnesita uses carbon based 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 CO_2 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 CO_2 emissions from this source were 1,117kt, accounting for 18% of total Group CO_2 emissions in 2024, with the majority of fuels being consumed at raw material production sites.

The Group is aware of the relatively high CO_2 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 CO_2 emissions over and above its free allocation, as described in impact (4) "Scope 1 CO_2 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. 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 CO_2 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 CO_2 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.

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 CO_2 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 8% of global CO_2 emissions and steel customers represent 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 CO_2 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 Open Bath 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 2024 three major green steel projects were tendered and RHI Magnesita was appointed in each case, with positive financial effects for the Group in 2024 and 2025 and beyond. 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. €277million.

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
Through the use of recycled raw materials, RHI Magnesita is able to manufacture refractory products with a significantly reduced CO_2 footprint. The low CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 footprint products to increase in the future, in particular with the growth of green steel producers for whom CO_2 emissions in the supply chain are expected to be a higher priority. RHI Magnesita carries out regular surveys of customer priorities, which found in Q2 2024 that 88% of customers are interested in such products provided that there is no increase in price and 29% would be interested provided there is only a moderate impact on price.

The continued inclusion of low CO_2 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 CO_2 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 €528 million in 2024.

The future potential positive impact on equity value of this opportunity is c. €277 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 emissions, as CBAM increases the cost of such emissions. Other refractory producers may not be able to reduce CO_2 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 CO_2 intensity raw materials that are imported into Europe in addition to any CO_2 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 CO_2 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 €80 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 CO_2 emitting producers, the financial benefit from selling low CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 costs on production within the EU.

No negative financial effects are expected in the next reporting period, 2025. The Group is in the process of developing new technologies and projects to reduce CO_2 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 CO_2 emissions in the production process, the financial impacts of CBAM could result in a future negative impact on equity value ranging from €255 million to €480 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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, 2025. 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.

CO_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.

Scope 2 CO_2 emissions from energy consumption
Negative impact
RHI Magnesita purchases electrical energy from external power producers resulting in Scope 2 CO_2 emissions. Scope 2 emissions are a smaller proportion of the Group's CO_2 emissions compared to Scope 1 and Scope 3, accounting for only 4% of total emissions in 2024 (2023: 4%).

The Group is aware of the relatively high CO_2 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 2025. 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. Capital expenditure on this plan is expected to be minimal due to the use of external providers who install equipment in exchange for committed power purchase contracts. Once implemented an annual operating cost saving of up to €2 million is forecast, compared to existing power contracts. RHI Magnesita has sufficient financial and organisational capacity to address this risk in the period 2025–2026.

The Group will use as KPI to measure and reduce Scope 2 emissions, the 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% per plant 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 CO_2 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 Group is on track to achieve the 2025 target (the 5% energy intensity saving has already been achieved in 2024) and considers that it also has sufficient capacity to deliver the 2030 targets.

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 (SOx) and Nitrogen Oxides (NOx). 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 SOx and NOx 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 SOx and NOx emissions.

There are no financial impacts associated with SOx and NOx 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 SOx and NOx 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 down-stream 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 develop-ment, 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 14.2% in 2024. A total of 364 kt of recycled material was utilised, compared to 271 kt in 2023. Without recycling, this material would have been sourced through new mining and processing activities in 2024. 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. Capital expenditure allocated to recycling in 2025 is budgeted at €3,9million and the Group may also make further recycling focused acquisitions, although no sum is reserved specifically for this purpose. The Group has sufficient capacity to con-tinue 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.

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 re-cruiting 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 frame-work.

The Group monitors health and safety performance and will use total recordable injuries ("TRI") as KPI to track this topic.

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 16,000 employees and 6,000 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 use 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 at its main production sites and at customer sites may be exposed to safety hazards in the workplace. The most common mechanisms of serious injury are falls, falling objects, contact with moving vehicles or industrial equipment and material handling. The Group has a target to eliminate fatalities and to maintain a Total Recordable Injury Frequency Rate of below 1.2 per 200,000 hours worked. If these targets are not achieved the Group could be subject to reputational damage as well as fines and enforcement action. Poor health and safety performance could also impact the Group's ESG ratings with a potential negative impact for the interest rate payable on 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 audits 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. In 2023, the Group reacted to the discovery of an incident of forced labour in its supply chain by terminating its relationship with the supplier. No similar incidents were recorded in 2024.

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 next reporting period, 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 DMA, 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, medium, or long-term – 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
To assess the significance of impacts, RHI Magnesita followed the ESRS methodology, incorporating a comprehensive evaluation of scale, scope, remediability, and likelihood. Scale measures the magnitude of the impact, while scope evaluates its breadth across stakeholders and the value chain. Remediability considers the feasibility and timeframe to reverse or mitigate a negative impact, and likelihood assesses the probability of the impact occurring. Each dimension is rated on a scale from 0 to 6, with 6 representing the highest level of impact. This evaluation integrates both quantitative data, such as metrics and indicators, and qualitative insights, including expert opinions and stakeholder feedback. Additionally, potential impacts are analysed with a focus on their probability of occurrence, granularity, and time horizon, ensuring a balanced assessment.

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. Different quantitative thresholds were tested to refine the results.

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. Various quantitative thresholds were tested to refine the analysis, ensuring the prioritisation of material issues. For financial materiality, RHI Magnesita will focus on critical areas where the likelihood and impact of risks or opportunities materialising are significant. However, not all sustainability related risks in the Consolidated Sustainability Statement are specifically highlighted in RHI Magnesita's aggregate risk profile.

For impact materiality, 92 matters were assessed. Of these, 12 were classified above the materiality threshold. For financial materiality, 60 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 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 table below, which is the basis for the scope of this Consolidated Sustainability Statement.

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 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 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). List of data points in general and thematic standards arising from other EU legislation (ESRS 2 Annex B).

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		77
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		77
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				82
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		Not material
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
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, Article12.1 (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		134–135
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				135–136
ESRS E1-5 Energy consumption and mix paragraph 37 ESRS	Indicator number 5 Table #1 of Annex 1				135

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 E1–5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 ESRS	Indicator number 6 Table #1 of Annex 1				136
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)		140–141
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)		143
ESRS E1–7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	143
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		144
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.			144
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		144
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				146
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				147

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 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 m3 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
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2-SBM3 — S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				153
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				153
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		153
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				153

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 S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				153
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				155
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		163
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				163
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				227
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				164
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)		164
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				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				165-166
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				165-166
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)		165-166
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		165-166
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				166-167
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

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 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
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 Delegated Regulation (EU) 2020/1818, Art 12 (1)		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				168-169
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				168-169
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		171
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				171

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).

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 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 2024 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 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 2024 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, including amendments to Article 8. Additionally, RHI Magnesita has assessed the eligibility and alignment on the other four EU environmental objectives according to the technical screening criteria specified in the Taxonomy Environmental Delegated Act. 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.

The EU Taxonomy Alignment refers to the process of aligning the EU's Taxonomy Regulation with existing and proposed national and international sustainable finance initiatives.

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 RHI Magnesita's economic activities are outlined in the annexes of EU Taxonomy Delegated Acts and therefore, are deemed eligible:

- CCM 3.6 Manufacture of other low-carbon technologies.
- CCM 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.

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 3.6 "Manufacture of other low-carbon technologies" covers the "Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy".

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 CO_2 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 CO_2 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 CO_2 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, CO_2 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 has a leading market position 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 CO_2 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.

In its EU taxonomy disclosure for the year to 31 December 2022, RHI Magnesita used its own judgement to categorise the sale of EAF refractories as both an eligible and aligned activity according to CCM 3.6 "Manufacture of other low-carbon technologies". This assessment was based on widely available public information from multiple sources which substantiated that the production of steel through scrap or DRI fed Electric Arc Furnaces could result in significantly lower CO_2 emissions than the traditional integrated steelmaking process, using blast furnaces and basic oxygen furnaces.

In 2023, the EU Commission published guidance on the implementation and interpretation of the EU Taxonomy Climate Delegated Act which specified verification requirements for certain activities. The verification requirements in the guidance stipulate that an external verifier must provide an independent report to support compliance with alignment criteria. The Group is unable to fulfil this verification requirement in respect of the 2024 financial year but intends to obtain suitable independent verification in the future.

Digital Solutions
RHI Magnesita offers digital solutions and associated physical equipment which achieve CO_2 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 CO_2 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 5.9 Material recovery from non-hazardous waste 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 14.2% 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" 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" 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 2024, recultivation activities occurred at seven sites.

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 2024 of €3.5 billion forms the denominator of the turnover key figure and can be taken from the Consolidated Statements of Profit or Loss on page 232 of this Annual Report.

The following eligible and/or aligned activities have been identified as relevant in view of turnover:

- CCM 3.6 Manufacture of other low-carbon technologies.
- CCM 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 3.6. "Manufacture of other low-carbon technologies". The only portion of our turnover Taxonomy-aligned is reported under Activity CCM 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 90% of materials recovered by the Group from non-hazardous waste are consumed internally. Therefore, the 2024 financials include external Turnover from material recovery in non-hazardous waste.

Capital expenditure
The capex KPI is defined as Taxonomy-eligible capex (numerator) divided by total capex (denominator), for the financial year, ended 31 December 2024.

The following eligible activities have been identified as relevant regarding the capital expenditure KPI:

- CCM 3.6 Manufacture of other low-carbon technologies.
- CCM 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.

The project descriptions of 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 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 3.6 "Manufacture of other low-carbon technologies" and BIO 1.1 "Conservation and restoration of habitats, ecosystems, and species". No eligible capex related to acquisitions through business combinations is reported. 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. 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).

Operating expenditure
The denominator of the operating expenditure KPI shall cover direct non-capitalised costs that relate to R&D, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant

and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. The following eligible activities have been identified as relevant regarding the operating expenditure KPI:

- CCM 3.6 Manufacture of other low-carbon technologies.
- CCM 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 3.6. "Manufacture of other low-carbon technologies". We have also reported a portion of our turnover under Activity 5.9 "Material recovery from non-hazardous waste". There is neither a capex plan to expand taxonomy-aligned activities nor related to the purchase of output of taxonomy-aligned activities. 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. 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.

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.

Taxonomy aligned activities of RHI Magnesita

For the eligible economic activities of RHI Magnesita previously described, the following activity are considered aligned:

- Material recovery from non-hazardous waste.

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.

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.

For the economic activity Material recovery from non-hazardous waste (5.9), the DNSH criteria to climate change adaptation and to protection and restoration of biodiversity and ecosystems need to be met.

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 assessment 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 damaged 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 RHI Magnesita's mining sites an environmental impact screening has been conducted. The mining sites operate within or near 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. "Material recovery from non-hazardous waste" replaces virgin materials with secondary raw materials; thus, contributes in an effective way to reduce the environmental impact associated with raw material extraction.

Minimum social safeguards
To ensure compliance with minimum social safeguards RHI Magnesita established a due diligence process. According to Article 8 (EU) 2020/852, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the

principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights were considered by RHI Magnesita.

A Human Rights Officer has been appointed to oversee and strengthen our commitment to ethical business practices. Comprehensive policies on global gender equality, anti-discrimination, and harassment are publicly accessible online. The Code of Conduct is available in 11 languages and can be accessed via the Group website, intranet, and Compliance Portal.

The Anti-Slavery Statement is reviewed and published annually on the Group's website, reinforcing our dedication to human rights. Suppliers are required to comply with the principles outlined in our Supplier Code of Conduct, which mandates adherence to human rights protection laws.

To ensure compliance with fundamental human and labour rights, RHI Magnesita has implemented robust screening processes for business partners operating in high-risk countries. Additionally, an independent whistleblowing hotline and web-based reporting system allow employees and third parties to report concerns anonymously. Alternative reporting channels are also available, and all cases are thoroughly investigated by the Internal Audit, Risk, and Compliance department in collaboration with other relevant functions. Moreover, business partners (e.g. customers, sales intermediaries and suppliers) and transactions such as mergers or acquisitions are subject to a due diligence process. All sales agents are certified by Ethixbase360 (formerly TRACE International), a leading international organisation specialised in third-party due diligence solutions, which is updated annually and includes a reputational screening that can detect any human rights violations that may have occurred.

With all these measures, RHI Magnesita ensures compliance with the minimum safeguards for itself and its suppliers, and processes are implemented to become aware of suspicious cases of human rights violations, corruption, and bribery and to be able to react accordingly.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities — disclosure covering year 2024

Financial Year 2024		2024		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Material recovery from non-hazardous waste	CCM 5.9	17,472,400	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**17,472,400**	**0.5%**	**0.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.5%**		
Of which Enabling		17,472,400	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	548,228,600	15.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16.2%		
Sorting and material recovery of non-hazardous waste	CE 2.7	–	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Conservation, including restoration, of habitats , ecosystems and species	BIO 1.1	–	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**548,228,600**	**15.7%**	**15.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**16.2%**		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		**565,701,000**	**16.2%**	**16.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities (B)		**2,920,931,300**	**83.8%**																
TOTAL (A + B)		**3,486,632,300**	**100.0%**																

[1] Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy non-eligible activity for the relevant environmental objective
[2] EL — Taxonomy-eligible activity for the relevant objective

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities — disclosure covering year 2024

Financial Year 2024			2024					Substantial Contribution Criteria			DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Material recovery from non-hazardous waste	CCM 5.9	3,880,000	1.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.9%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3,880,000**	**1.2%**	**1.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.9%**		
Of which Enabling		3,880,000	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.8%	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	789,800	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Sorting and material recovery of non-hazardous waste	CE 2.7	-	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Conservation, including restoration, of habitats , ecosystems and species	BIO 1.1	123,200	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**913,000**	**0.3%**	**0.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**1.0%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**4,793,000**	**1.5%**	**1.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**307,003,300**	**98.5%**																
TOTAL (A + B)		**311,796,300**	**100.0%**																

[1] Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy non-eligible activity for the relevant environmental objective
[2] EL — Taxonomy-eligible activity for the relevant objective

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities — disclosure covering year 2024

Financial Year 2024	2024			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Material recovery from non-hazardous waste	CCM 5.9	2.607.800	1.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.7%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2.607.800**	**1.7%**	**1.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.7%**		
Of which Enabling		100	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.7%	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	19.532.000	12.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.1%		
Sorting and material recovery of non-hazardous waste	CE 2.7	-	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Conservation, including restoration, of habitats , ecosystems and species	BIO 1.1	415.400	0.3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.3%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**19.947.400**	**12.8%**	**12.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.3%**								**12.4%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**22.555.200**	**14.5%**	**14.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.3%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**133.090.000**	**85.5%**																
TOTAL (A + B)		**155.645.300**	**100.0%**																

[1] Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy non-eligible activity for the relevant environmental objective
[2] EL — Taxonomy-eligible activity for the relevant objective

Scope of taxonomy-eligibility and compliance per environmental objective — disclosure covering year 2024

Proportion of turnover/Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.5%	16.2%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of CapEx/Total CapEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.2%	1.5%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of OpEx/Total OpEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.7%	14.5%
CE	0.0%	0.0%
BIO	0.0%	0.3%

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
Sustainability related performance measures are included in the Group's Annual Bonus and Long-Term incentive Plan.

The Board, the CSC and the Remuneration Committee recognise that the use of financial incentives for executive management and other key functions such as sales can result in the accelerated achievement sustainability goals. RHI Magnesita has also received feedback from consultation with shareholders that supports the inclusion of such performance measures within overall executive remuneration.

Annual bonus
In 2024, Executive Directors' maximum annual bonus opportunity remained at 150% of salary with performance assessed against Adjusted EBITA (45%), inventory coverage (25%) and strategic deliverables (30%). The strategic deliverables were digital projects delivery (10%), PIFOT (10%) and increasing the use of secondary raw material (10%). Recycling, which is a key sustainability performance metric, therefore accounts for 10% of the annual bonus. The annual bonus linked to performance is managed uniformly across the Group, with all bonus-eligible employees receiving the same annual payout ratio as senior management, based on the achievement of the annual Group bonus targets.

Long-term incentive plan (LTIP)
The Remuneration Committee reviewed the performance measures during the year as part of the overall Policy review and concluded that the 2024 LTIP should continue to use EPS and CO_2 emissions performance conditions and move from TSR to ROIC.

The 2024 LTIP Award will vest to the extent that the EPS (50%), ROIC (25%) and 25% of the Long-Term Incentive Plan (LTIP) payout criteria is linked to the Group's target to reduce CO_2 emissions intensity against 2018 baseline year.

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 priority for RHI Magnesita. Besides mapping out our own transition path, we would like to be a reliable partner to our customers as they venture into a carbon-reduced economy.

The Group's emission reduction target is a 15% reduction in CO_2 emissions intensity for Scope 1, 2 and 3 (raw materials) emissions by 2025, compared to 2018. Our 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.

In 2024, the Group updated the modelling and analysis of climate-related transitional risks and opportunities that are foreseen to impact the Group over short-, medium-, and long-term horizons.

Short term (2025)
For short-term risks (between 0-2 years), the Group's first set of sustainability targets are planned within this timeframe. 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 the period to December 2024, the Group has achieved an additional reduction in CO_2 emissions intensity resulting in a 14% reduction in CO_2 emissions intensity, compared to its base year 2018 (2023: -12%). This progress is mainly a result of recycling overperformance, but this has been offset by slower progress on switching to alternative fuels which is now uncertain due to capex constraints and infrastructure provision by external parties.

Medium term (2030)
For medium term risks (between 2-5 years, 2030), 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 (2050)
For the long-term risks, 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.

Each year, the Group systematically reviews and evaluates all viable measures to reduce CO_2 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.

We are committed to reducing our carbon footprint and we will continue to monitor the variables which support this conclusion and update our transition plan accordingly if the Group's own R&D activities result in the development of new technologies that could deliver a faster reduction in CO_2 emissions that is financially achievable.

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 endorsed by 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 32 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
The process to identify and assess material climate-related impacts is described in SBM-3 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 the environment and climate change represents both strategic and operational risk to our business, they are considered as RHI Magnesita's principal risks.

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 optimization, 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 CO_2 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 €260 million due to the increase in operating costs because of increase in level or scope of carbon pricing. (2023: €180 million)

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 CO_2 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 CO_2 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 CO_2 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.

With an estimated CO_2 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 page 149.

The net future impact on equity value of these opportunities combined is + €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 foresees an future impact on equity value of circa €260m 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, utilisation, 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 2024, our emissions intensity was 14% lower than the 2018 baseline.

Climate Drivers	Risk/ Opportunity	Category	Impact	RHI Magnesita response and strategy	Main affected Time Horizon	Related metrics and targets
Techno-logy	Increased cost of capital for investing in recycling technology to achieve CO_2 reduction targets.	Risk	RHI Magnesita anticipates an estimated future impact of approximately €13 million 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 2024 Recycling Rate reached 14.2%. By year-end, RHI Magnesita plants had consumed 268 kt of recycled materials and sold 96 kt of metallurgical additives, marking a 30% volume increase compared to 2023. This led to €36 million in raw material cost savings for refractory finished goods and a reduction of 310 kt in CO_2 emissions. Europe: RHI Magnesita plants achieved a record 11.0% recycling rate, driven by high SRM consumption at Hochfilzen and increased recycling in basic mixes, MagCarbon, and dolomite bricks. Additionally, Horn & CO., MIRECO acquired the Italian refractory recycling specialist Refrattari Trezzi, expanding its production footprint in Italy and supporting RHI Magnesita's decarbonisation goals. India: Following the integration phase of recent M&As, plants established a stable recycling consumption flow, delivering strong results in Q3 and Q4 and closing the year with a recycling rate exceeding 15.5%. North America: Exceeded its targets with a 12.7% recycling rate, supported by a focused effort in the second half of the year to boost recycling consumption in the U.S.	Short-term	We have a target to increase the use of SRM to 15% by 2025 and in 2024, the Group achieved 14.2% recycling rate.

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 decarboni-sation of customer industries (EAF, ESF, BOF, DRI).	Oppor-tunity	RHI Magnesita foresees a future positive financial impact on equity value of €277m, 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 CO_2 emissions. Our market position reflects this commitment: RHI Magnesita holds a higher market share in lower CO_2-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 optimisation, 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 €528 million in 2024.

Climate Drivers	Risk/ Opportunity	Category	Impact	RHI Magnesita response and strategy	Main affected Time Horizon	Related metrics and targets
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 future positive impact on equity value of €515m.	In the short term, increasing the proportion of 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 utilisation 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 CO_2 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 have set a target of 15% SRM content in refractory products by 2025. We achieved 14.2% of secondary raw material content in 2024 (2023:12.6%) Our target is to reduce CO_2 intensity by 15% by 2025.

Climate-related physical risks

The Group has undertaken a comprehensive update its production sites across a broad range of physical climate hazards to cover newly acquired sites. The analysis considered 70 sites, covering all production sites, recycling facilities and mining locations. Certain value chain assets were included in the initial physical climate risk assessment conducted in 2021 and were not identified as being exposed to climate-related risks. The latest assessment conducted in 2023 primarily focused on RHI Magnesita's own operations, driven by the integration of a significant number of newly acquired sites. These sites require immediate and focused evaluation to ensure operational resilience, business continuity, and alignment with the Group's risk management framework.

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	

The 2023 results highlighted that certain locations within the Group's industrial footprint are vulnerable to chronic physical climate hazards, such as changes in air temperature, heat stress, and soil erosion, as well as acute risks like floods. For these sites initially flagged as high-risk, a more detailed risk analysis was undertaken in 2024 to better understand and address these risks. As part of this process, targeted interviews were conducted to validate the modelling results, assess whether the perceived risk aligns with the categorisation, and identify any existing or planned adaptation measures. This approach ensures a comprehensive evaluation of site-specific vulnerabilities and supports the development of appropriate risk mitigation strategies.

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		Red flag
	Soil erosion – C	Coronel 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		Red flag
	Soil erosion – C	Fazenda Serra dos Ferreiras	Low	High	High		Red flag
	Changing air temperature – C	Uberaba	Low	Low	High	High	Red flag
	Heat stress – C	Uberaba	Low	Low	High	High	Red flag
	Soil erosion – C	Uberaba	Low	High	High		Red flag
China	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
	Soil erosion – C	Dalian	Low	Red flag	Red flag		Red flag
Germany	Flood – C	Niederdollendorf	Low	Red flag	Red flag	Red flag	Red flag
	Flood – C	Urmitz	Low				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		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				Red flag
Türkiye	Water stress – C	Sörmaş	Low		High		Red flag
USA	Water stress – C	Eskisehir	Low		High		Red flag
	Soil erosion – C	Pevely	Low	High	High		Red flag
	Changing air temperature – C	York	Low	Medium	Medium	Medium	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 CO_2, 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 over half our total CO_2 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 CO_2 emissions by 2060. The decarbonisation pathway is not aligned with a 1.5-degree scenario but is aligned with a 'well below 2.0 degrees' scenario. Currently, there are no plans to adjust the business model or strategy to align with this framework.

Actual delivery of decarbonisation pathway is uncertain due to reliance on as 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 follow:

- 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 CO_2 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 CO_2 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 one and half million tonnes of CO_2 emissions, or 24% 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 costs of emitting carbon, which could provide an incentive to accept higher capital expenditure and operating costs for the purposes of reducing CO_2 emissions, apply in certain jurisdictions and may provide a business case for reducing emissions in those geographies. Estimates of future potential CO_2 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 CO_2 costs.

Carbon capture and utilisation
In 2024, further progress has been made in the evaluation of technologies for CO_2 capture at the Group's raw material production sites. Research of potential technology solutions includes cryogenic, chemical separation, and membrane-based techniques.

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 CO_2 from flue gases, through a process which can efficiently transform gaseous waste CO_2 into a solid mineral. The MCi process offers opportunities for utilisation in other industries, such as the cement sector, which faces similar challenges with process emissions of CO_2 not originating from the use of fossil fuels. 2024 activity was concentrated on constructing a pilot facility in Newcastle, Australia. Testing and development programmes with MCi Carbon are set to continue until mid-2025.

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.

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, plans to transition from CO_2 intensive petroleum coke to more CO_2 efficient natural gas in our plants have been postponed due to delays in natural gas pipeline construction. 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 the Ponte Alta raw material production site in Brazil, we have successfully switched away from petroleum coke to sustainably sourced charcoal.

At the Group's York plant in Pennsylvania, USA, petcoke is the primary fuel used. The Group is assessing possibilities to transition to natural gas at this site, but no economically viable solution has yet been identified.

We continue to reduce the CO_2 intensity of purchased electricity. The Group is investigating the potential for solar generation at several other sites. By the end of 2024, 78% of total electricity consumption 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 2024 RHI Magnesita generated €225 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 CO_2 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
A key action to achieve the CO_2 reduction target is to increase the use of secondary raw materials. After having achieved its 10% recycling target the Group stepped up its ambition and the 2025 recycling target is now 15%. In 2024 the Group increased its recycling rate to 14.2% (compared to 12.6% in 2023). Every tonne of secondary raw material used replaces virgin raw material with a CO_2-intensity of 1.6t CO_2 per tonne of raw material on average. Other actions are energy efficiency measures with the aim to reduce the energy intensity of RHI Magnesita by 1% per year. In 2024 energy efficiency measures contributed to an emission reduction of around 15,000 t CO_2. In addition, the switch from petroleum coke to natural gas at our Hochfilzen plant will be another CO_2 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. In China 2.2 MW PV panels were installed in 2024 in our Dalian operations. The scope of the key actions RHI Magnesita's direct operations in all regions is addressing is its direct Scope 1, Scope 2 market-based and Scope 3 emissions from purchased raw materials. 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 switch to natural gas at our Hochfilzen plant is planned for 2025.

The main short-term decarbonisation lever at RHI Magnesita's direct and indirect emissions is the increase 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 CO_2-intensive fuels.

The implementation of actions to achieve the Group's 2030 CO_2 reduction target depends on annual capex in the same order of magnitude as in the reporting year; therefore, no additional availability and allocation of resources is required.

All actions described above contribute to the policy objective to minimise direct and indirect CO_2 and other greenhouse gas emissions.

In 2024 the Group invested €7.3 million to reduce its CO_2 emissions. The Capex mainly contributes to increase the share of circular raw materials but also includes investments to switch to more CO_2-efficient fuels and to trial hydrogen-related production routes. Thereof, around €3.9 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. Future financial resources are projected to remain at levels comparable to those in 2024.

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 CO_2 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 investments to switch to less CO_2-intensive fuels).

For 2025 and beyond the Group expects similar CO_2-target-related OpEx and Capex to implement actions along the main reduction levers. The ability to implement the actions does not depend on specific preconditions. The Group does not use any sustainable finance instruments to enable its decarbonisation action.

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.

Scope 1 GHG emissions
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. Facilities partially owned without operational control are reported under Scope 3 emissions (Investments). Facilities acquired or built by RHI Magnesita are taken into account at latest in their first full operative calendar year, if possible, earlier.

Emissions from offices which are not part of operational sites and emissions from Group cars used offsite are not included.

For Scope 1 emissions a significance threshold of 1% of the total direct plant CO_2 emissions (Scope 1) or 1,000 t CO_2 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 ($MgCO_3$ is calcined to MgO and CO_2). Other minor sources of GHG are organic additives in RHI Magnesita's finished goods production which oxidize to CO_2 in high temperature kilns and emissions from explosives as well as emissions from mobile equipment.

Potentially existing carbon sinks are forests owned by the Group but are at the moment not considered.

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. 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.

Scope 2 GHG emissions
RHI Magnesita follows a dual reporting approach for Scope 2 emissions reporting both market-based and location-based emissions.

Market-based emissions reporting reflects the CO_2-intensity of purchased electricity as provided by the supplier and includes also unbundled green electricity certificates. If the supplier does not provide a supplier-specific market-based emission factor, the Group aims at using residual electricity emission factors. If neither supplier-specific emission factors nor residual electricity emission factors are available, location-based emission factors are used as a fallback.

Location-based emissions reporting reflects the average CO_2-intensity of electricity provided in a respective grid.

Scope 3 GHG emissions
RHI Magnesita reports indirect upstream and downstream emissions. Various approaches are used to calculate indirect emissions.

The reporting excludes the following indirect emissions:

- Emissions from offices which are not part of operational sites and emissions from Group cars used offsite.
- Other purchased goods than purchased raw materials, trading goods, packaging and those used in capital goods (e.g. auxiliary materials).
- Emissions of customers other than those directly from use of RHI Magnesita's products.
- Processing of sold products
- Downstream/upstream leased assets

Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions

E1-6 51 AR46h

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.

Significant Scope 3 categories for RHI Magnesita exceeding 5% of the Group's Scope 1 emissions are the following:

Scope 3 category: Calculation methods
Purchased goods and services: The indirect emissions from purchased goods and services consists of three main groups: purchased raw materials, goods for resale and packaging. 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 packaging materials literature values are applied for calculating indirect GHG emissions.

Downstream 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 are sourced from publicly available routing platforms. Literature-based CO_2 emission factors per ton-kilometre are used to calculate transport-related GHG emissions. Transportation not covered by the corporate ERP system are extrapolated according to shipped volumes

Fuel and energy related activities: Emissions from fuel and energy related activities are calculated based on fuel-specific emission factors.

Use of sold products: Emissions from the use of sold products origin from two different sources: 1) emissions from organic additives in the refractory product due to the high temperature during the use phase; 2) emissions from the heating up of refractory products at the customer. Emissions from additives in refractories are calculated based on average organic content of certain refractory types and estimated oxidation rates. Emissions from heating up of refractories at the customer are estimated based on representative energy consumption data.

Upstream transportation: Same as for downstream transportation.

Emissions of Scope 1, 2 and 3 are externally verified by LRQA (LRQA Group Limited).

CO_2 KPI methodology

MDR-M 75/77/80

The CO_2 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. As a result, the metric does not show the impact of mergers and acquisitions and divestments on the GHG-intensity of the Group. The KPI considers only energy consumed directly by the Group. The denominator of the KPI are tons 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 CO_2 reduction levers.

Disclosure requirement E1-4 — Targets related to climate change mitigation and adaptation
RHI Magnesita has set a target in 2019 to reduce its Scope 1, 2, 3 (purchased raw materials) CO_2 emissions by 15% per tonne of product until 2025. The 2018 base year serves as the reference point for the 2025 target, marking the first full year following the RHI and Magnesita merger in 2017. The 2024 base year is set for the 2030 target, chosen for its representativeness, particularly as a relative target, which minimises the influence of production volumes on progress. Additionally, the base year is adjusted in cases of mergers, acquisitions, or divestments to ensure consistency in measurement.

The primary sources of Scope 1 GHG emissions for RHI Magnesita are: (1) fuel-based emissions from firing various kilns in raw material and finished goods production, and (2) geogenic process emissions from raw materials, where $MgCO_3$ is calcined into MgO, releasing CO_2. Since geogenic emissions also occur in purchased raw materials—classified as Scope 3 emissions—and account for approximately 58% of total Scope 3 emissions, the Group has set a target covering all three emission streams. This integrated approach ensures a more comprehensive reduction strategy across direct and indirect emissions.

The reference 1.5°C reduction for the target period 2024 to 2030 would be a reduction of 42% of Scope 1 and 2 emissions while the Group targets an 9% reduction of Scope 1 and 5% reduction for Scope 2 emissions. For Scope 3 emissions a 1.5°C reduction target would require a reduction of 42% and the Group's targeted reduction of Scope 3 from purchased raw materials by 12%. Therefore, the Group's CO_2 reduction targets are not compatible with limiting global warming to 1.5°C.

The CO_2 KPI is the metric used to measure progress against the Group's 15% relative reduction target against a 2018 base year. CO_2 intensity has been reduced by 14% between 2018 and 2024 and therefore the Group is confident of achieving the 15% target in 2025.The scope of the KPI is Scope 1, 2 and 3 from purchased raw materials. 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. 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 CO_2 reduction levers. We receive external verification from Lloyds Registry.

In addition to the 2025 CO_2 reduction target, the Group has issued a new 2030 target. The Group targets a CO_2 reduction of 10% per tonne of product by 2030 against a 2024 base year. The Group applies for the 2030 target the same scope and approach as for its 2025 reduction target.

The target does not consider new technologies as their economic and technical feasibility is either not given or uncertain for the target period. Future changes in regulatory factors are not anticipated as the Group does not have indication of relevant changes for the target period with sufficient certainty to be considered. As the target is a relative target, changes in sales volumes do not directly affect progress against the target. The Group follows a bottom-up approach focusing on technical and economic feasibility and quantitative modelling analysis under our Paris Aligned scenario (RCP 2.6) was considered to assess transitional climate related risks.

The Group has an integrated CO_2 reduction targets covering Scope 1, 2 and 3 from purchased raw materials emissions. Based on the reduction levers, the Group expects to reduce, by 2030, its Scope 1 emissions by 9%, its Scope 2 emissions by 5% and its Scope 3 raw material emissions by 12%. Scope 2 emissions reductions are on a market-based approach. The target covers all RHI Magnesita's operations globally and is reported as CO_2 equivalent. The target covers around 4.5 million tonnes CO_2 (75%) of total Scope 1, 2 and 3 emissions.

In addition to its CO_2 target, the Group has an energy efficiency target to improve energy use per tonne of product by 5% by 2025 against a 2018 baseline. 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. However, the metric does not adjust for changes in sourcing of energy intensive raw materials from within or outside the Group. The KPI considers only energy consumed directly by 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 neither externally verified nor assured. The target did not undergo any significant change in methodology. The 2018 baseline value is 1.91 (adjusted to reflect mergers and acquisitions).

As a successor to the 2025 energy efficiency target and as part of its ongoing commitment to resource efficiency, RHI Magnesita has established a new energy efficiency goal. By 2030, the Group aims to improve energy efficiency by 1% per plant annually, using 2024 levels as the baseline.

Progress toward this target is measured based on implemented projects that enhance energy efficiency at production sites, in alignment with ISO 50001 standards. To improve traceability, the target has been adjusted from the previous 2018–2025 energy efficiency goal. In accordance with the Greenhouse Gas Protocol, the base year is adjusted to reflect changes in the Group's operational footprint resulting from mergers, acquisitions, and divestments.

This metric is neither externally verified nor assured. The energy efficiency targets are not derived from conclusive scientific evidence, and external stakeholders were not involved in their development. However, these targets support the Group's policy of reducing direct and indirect CO_2 and other greenhouse gas emissions by enhancing operational energy efficiency. The targets are relative and apply to all direct energy consumption at RHI Magnesita's production sites.

The Group has achieved a 7% reduction of energy intensity compared to the base year; however, compared to 2023 the intensity has increased by 2%.

Read more about the positive impact of the use of secondary raw materials on CO_2 emissions in ESRS E5.

The Group relies on several levers to achieve its CO_2 target. See table below.

Assumptions and methodologies
The levers reflect the contribution of the main measures to achieving the CO_2 reduction target. The impact of the levers is based on bottom-up assessment of CO_2 reduction potential. For the 2030 target medium-term planed production volumes are applied to 2030 as for 2030 expected production volumes are not yet defined.

Lever	Expected contribution to 2030 target	Planned savings (tCO_2)
Recycling	41%	185,300
Fuel switch	35%	158,200
Reduced CO_2-intensity of purchased raw materials	21%	95,000
Energy efficiency in own operations	2%	9,000
Renewable electricity	1%	4,500
Total	100%	452,000

New technologies are not considered as a significant lever given the technical and economic uncertainties associated with them for the target period.

Targets related to climate change mitigation and adaptation
Assumptions and methodologies
The calculated reduction path in alignment with a 1.5°C path is based on the SBTi calculation tool and an absolute contraction approach for Scope 1, 2 and 3. The Group has an intensity based target and has provided below the accompanying absolute values based on the existing production foot-print, medium term planned production volumes and excluding future M&A.

SBTI Approach – Absolute emissions tCO_2 eq	2018	2024	2030 T	2030 T vs. 2024
Scope 1	2,528,000	2,250,000	1,305,000	(42)%
Scope 2	239,000	99,000	57,000	(42)%
Scope 3 – raw materials	3,350,000	2,058,000	1,194,000	(42)%
Total	6,117,000	4,407,000	2,556,000	(42)%

RHI Magnesita approach – Absolute emissions tCO_2 eq	2018	2024	2030 T	2030 T vs. 2024
Scope 1	2,528,000	2,250,000	2,050,000	(9)%
Scope 2	239,000	99,000	94,000	(5)%
Scope 3 – raw materials	3,350,000	2,058,000	1,811,000	(12)%
Total	6,117,000	4,407,000	3,955,000	(10)%

RHI Magnesita approach – Relative emissions tCO_2/t	2018	2024	2030 T	2030 T vs. 2024
Scope 1	0.75	0.80	0.73	(9)%
Scope 2	0.07	0.04	0.03	(5)%
Scope 3 – raw materials	1.00	0.73	0.64	(12)%
Total	1.82	1.57	1.41	(10)%

	2018	2025	2030
Reductions planned in own operations			
GHG emissions ($ktCO_2eq$)	6,117	1,368	452
Energy efficiency and consumption reduction		6.0%	2.0%
Fuel switching		1.6%	35.0%
Use of renewable energy		8.9%	1.0%
Reductions expected in value chain			
Supply chain decarbonisation		0.0%	21.0%
Recycling		83.5%	41.0%

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 853 MWh from non-renewable sources and 1,250 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
Electricity from fossil sources is calculated on a location-based approach.

Energy consumption and mix	2024	2023
1) Fuel consumption from coal and coal products (MWh)	837,000	850,700
2) Fuel consumption from crude oil and petroleum products (MWh)	1,511,000	1,411,000
3) Fuel consumption from natural gas (MWh)	2,024,000	2,037,200
4) Fuel consumption from other fossil sources (MWh)	–	–
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	121,000	133,100
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**4,493,000**	**4,432,000**
Share of fossil sources in total energy consumption (%)	90.0%	90.0%
7) Consumption from nuclear sources (MWh)	**29,000**	**42,900**
Share of consumption from nuclear sources in total energy consumption (%)	0.6%	0.9%
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	28,000	40,100
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	441,000	410,000
10) The consumption of self-generated non-fuel renewable energy (MWh)	1,000	–
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**470,000**	**450,100**
Share of renewable sources in total energy consumption (%)	9.4%	9.1%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**4,992,000**	**4,925,000**

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%.

Disagregation of non-renewable and renewable energy production	2024
Non-renewable energy generation (MWh)	853
Renewable energy generation (MWh)	1,250

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	2024	2023
Electricity fossil (MWh)	121,000	133,100

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	2024	2023	% N / N-1
Total energy consumption from activities in high climate impact sectors (MWh)	4,992,000	4,925,000	1.4%
Net revenue from activities in high climate impact sectors (EUR)	3,487,000,000	3,572,000,000	(2.4)%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	**0.00143**	**0.00138**	**3.8%**

Connectivity of energy intensity based on net revenue with financial reporting information

Connectivity of energy intensity based on net revenue with financial reporting information	2024
Net revenue used to calculate GHG intensity	3,487,000,000

Energy efficiency target 2018-2025: 5% energy efficiency improvement

Assumptions and methodologies
Already described in E1 chapter

E1	Retrospective				Milestones and target years	
Energy efficiency target 2018–2025: 5% energy efficiency improvement	Base year (2018)	2023	2024	%N/N–1	2025 (absolute emission target)	Percentage (absolute/ relative)
Energy consumption (MWh)	6,418,000	4,925,000	4,992,000	1.4%	4,948,000	(22.9)%
MWh/t	1.91	1.74	1.77	1.7%	1.82	(4.7)%

Energy efficiency target: 2025–2030: 1% energy reduction per year

Assumptions and methodologies
Already described in E1 chapter

Energy efficiency target: 2025–2030: 1% energy reduction per year	Retrospective Base year (2024)	2024	%N/N–1	Milestones and target years 1% of base year
Energy consumption (MWh)		4,992,000		299,000

Disclosure requirement E1–6 — Gross scopes 1, 2, 3 and total GHG emissions
All Scope 1 emissions are from activities under operational control. Investments without operational control are reported as Scope 3 emissions. See Consolidated Statement of Profit or Loss in the Financial Statements.

Scope 1 emissions
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. Facilities partially owned without operational control are reported under Scope 3 emissions (Investments). Facilities acquired or built by RHI Magnesita are taken into account at latest in their first full operative calendar year, if possible, earlier.

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 have been considered: 171 tCO_2 under Scope 1 and 252 tCO_2 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.

Emissions from offices which are not part of operational sites and emissions from Group cars used offsite are not included.

For Scope 1 emissions a significance threshold of 1% of the total direct plant CO_2 emissions (Scope 1) or 1,000 tCO_2 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 ($MgCO_3$ is calcined to MgO and CO_2). Other minor sources of GHG are organic additives in RHI Magnesita's finished goods production which oxidize to CO_2 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, link provided below. 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.

RHI Magnesita applied the CO_2 emission factors for fossil fuels as published by the German Environmental Agency (Umweltbundesamt, 2016).

Scope 2 emissions
RHI Magnesita follows a dual reporting approach for Scope 2 emissions, disclosing both market-based and location-based emissions. Market-based emissions reporting reflects the CO_2 intensity of purchased electricity as provided by the supplier and includes unbundled green electricity certificates. If the supplier does not provide a supplier-specific market-based emission factor, the Group aims to use residual electricity emission factors. If neither supplier-specific nor residual electricity emission factors are available, location-based emission factors are applied as a fallback. Non-CO_2 GHGs are not consistently considered in market-based reporting.

For location-based Scope 2 GHG emissions, fallback emission factors are provided and explained above. Additionally, as the emission factors are derived from ecoinvent data, disclosure is not permitted. The applied location-based emission factors do not differentiate between fossil and biogenic greenhouse gases, and non-CO_2 GHG emissions, including CH_4 and N_2O, are incorporated where available. These factors are sourced from a third-party database, which considers all greenhouse gases except biogenic CO_2. Furthermore, no third-party calculation tools were used in the preparation of location-based Scope 2 GHG emissions data, and therefore, there are no external references or links to disclose regarding calculation tools. This approach ensures compliance with disclosure requirements while maintaining methodological consistency and adherence to regulatory guidance.

Scope 3 emissions
RHI Magnesita reports indirect upstream and downstream emissions. Various approaches are used to calculate indirect emissions.

The following indirect emissions are excluded from reporting, as they remain below 5% of the Group's Scope 1 emissions—RHI Magnesita's threshold for inclusion. The only exception is customers' emissions that are not directly related to the use of RHI Magnesita's products.

- Emissions from offices which are not part of operational sites and emissions from Group cars used offsite.
- Other purchased goods than purchased raw materials, trading goods, packaging and those used in capital goods (e.g. auxiliary materials).
- Customer's emissions
- Processing of sold products
- Downstream/upstream leased assets

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. No calculation tools have been used for this purpose.

Calculation methods for significant Scope 3 categories (exceeding 5% of the Group's Scope 1 emissions):

Purchased goods and services: The indirect emissions from purchased goods and services consists of three main groups: purchased raw materials, goods for resale and packaging. 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 packaging materials 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 CO_2 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 tCO_2 per tonne of product is taken. The 1.8 t CO_2 were defined per expert judgement as a plausible average value for refractory raw materials.

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 CO_2 emission factors per tonne-kilometre are used to calculate transport-related GHG emissions. Transportation not covered by the corporate ERP system are extrapolated according to shipped volumes. For emissions related to transport third party database emission factors are used.

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. For emissions related to fuel and energy related emissions, end of life treatment third party database emission factors are used.

Use of sold products: Emissions from the use of sold products origin from two different sources: 1) emissions from organic additives in the refractory product due to the high temperature during the use phase; 2) emissions from the heating up of refractory products at the customer. Emissions from additives in refractories are calculated based on average organic content of certain refractory types and estimated oxidation rates. Emissions from heating up of refractories at the customer are estimated based on representative energy consumption data. Total emissions are calculated based on sales volumes of respective product groups.

Other Scope 3 categories:

Assumptions and methodologies
Emission factors for calculating indirect emissions from capital goods are based on literature values. For emissions related to packaging materials, waste, and end-of-life treatment third-party database emission factors are used.

In the reporting period no significant changes in the definition of what constitutes the entity's upstream value chain, downstream value chain or reporting entity occurred.

	Retrospective				Milestones and target years			
	Base year	Comparative (N–1)	(N)	% (N / N–1)				
	2018	2023	**2024**	%2024/2023	2024 progress against base year (t CO2/%)	2025T	2030T	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	2,528,000	2,176,200	**2,259,000**	3.8%	(10.6)%	2,278,800	2,050,000	1.5%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	24%	28%	**27%**					
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	293,000	214,000	**216,000**	0.9%	(26.3)%			
Gross market-based Scope 2 GHG emissions (tCO_2eq)	239,000	115,000	**99,000**	(13.9)%	(58.6)%	128,900	94,000	0.8%
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	5,021,000	3,692,000	**3,575,000**	(3.2)%	(28.8)%			
1) Purchased goods and services	3,510,000	2,405,000	**2,274,000**	(5.4)%	(35.2)%			
there of purchase of raw materials	3,350,000	2,216,000	**2,058,000**	(7.1)%	(38.6)%	2,340,900	1,811,000	2.0%
2) Capital goods	47,000	71,000	**55,000.00**	(22.5)%	17.0%			
3) Fuel and energy-related Activities (not included in Scope1 or Scope 2)	463,000	344,000	**364,000**	5.8%	(21.4)%			
4) Upstream transportation and distribution	457,000	386,000	**383,000**	(0.8)%	(16.2)%			
5) Waste generated in operations	13,000	15,000	**18,000**	20.0%	38.5%			
6) Business traveling	26,000	8,000	**14,000**	75.0%	(46.2)%			
7) Employee commuting	17,000	20,000	**20,000**	0.0%	17.6%			
8) Upstream leased assets		–	**–**					
9) Downstream transportation	106,000	90,000	**89,000**	(1.1)%	(16.0)%			
10) Processing of sold products		–	**–**					
11) Use of sold products	369,000	341,000	**346,000**	1.5%	(6.2)%			
12) End-of-life treatment of sold products	6,000	5,000	**5,000**	0.0%	(16.7)%			
13) Downstream leased assets		–	**–**					
14) Franchises		–	**–**					

15) Investments	7,000	7,000	**7,000**	0.0%	0.0%			
Total GHG emissions								
Total GHG emissions (location- based) (tCO_2eq)	7,842,000	6,082,200	**6,050,000**					
Total GHG emissions (market- based) (tCO_2eq)	7,788,000	5,983,200	**5,933,000**			4,749,000	3,955,000	5.6%

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 CO_2. A much smaller share of process emissions are emissions from additives. The disaggregation excludes biogenic emissions.

Scope 1	2024	2023
Fuel emissions (t CO_2)	1,117,000	n.a.
Process emissions (t CO_2)	1,133,000	n.a.

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.

Scope 1:	2024	2024	2023	2023	2018	2018
ETS covered emissions (t CO_2)	598,000	27%	610,600	28%	613,900	24%
Not ETS covered emissions (t CO_2)	1,652,000	73%	1,574,600	72%	1,922,800	76%

Emissions from biogenic fuels and additives
Assumptions and methodologies
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 CO_2.

E1-6 48a AR43c	2024	2023
Direct emissions from biogenic fuels and organic additives (t CO_2)	20,000	n.a.

Assumptions and methodologies
Indirect emissions from biogenic fuels is calculated based on Ecoinvent emission factors.

E1-6 51 AR 46 j	2024	2023
Indirect emissions from biogenic fuels (t CO_2eq)	5,000	n.a.

Assumptions and methodologies
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

	MWh	2024 %
None (no active purchases of low carbon electricity)	202,000	34%
Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates	151,000	26%
Unbundled attribute claims	237,000	40%
Green electricity products from an energy supplier (e.g. green tariffs)	–	0%
Total	590,000	100%

Percentage of GHG scope 3 calculated using primary data

Assumptions and methodologies

Emissions are categorised as based on supplier data if emissions are either directly provided by supplier (e.g. business travel) or if relevant information (e.g. emission factors) are 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.

	tCO_2 Scope 3	Share of emissions based on supplier data	Share of Scope 3 category among total Scope 3 emissions
Upstream transportation and distribution	383,000	0%	11%
Downstream transportation and distribution	89,000	0%	2%
Employee commuting	20,000	0%	1%
Purchased goods and services	2,274,000	23%	64%
Thereof purchased raw materials	2,058,000	25%	58%
Capital goods	55,000	0%	2%
Fuel-and-energy-related activities	364,000	0%	10%
Waste generated in operations	18,000	0%	1%
Business travel	14,000	85%	0%
Use of sold products	344,000	0%	10%
End-of-life treatment	5,000	0%	0%
Investment	7,000	0%	0%

Current and future financial resources allocated to action plan (OpEx)
Assumptions and methodologies
Additional cost for green electricity and R&D activities in direct relation to CO_2 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 2024.

Green electricity:	2024	2025T
Europe	849,500	451,300
SAM	37,400	40,500
China	39,000	37,000
R&D	3,347,500	3,347,500
Total	4,273,400	3,876,300

Current and future financial resources allocated to action plan
Assumptions and methodologies
The capex reported considers investments into increasing the Group's recycling rate and investments into CO_2 reduction measures such as fuel switches or use of waste heat. Future financial resources are projected to remain at levels comparable to those in 2024.

	2024	2025T
CapEx (EUR)	5,800,000	n.a
OpEx (EUR)	4,300,000	3,900,000

Revenue from refractory products that enables decarbonisation in the customer industries (e.g. EAF; ESF; BOF; DRI)

Revenue (in EUR)	2024	2023
Revenue from refractory products that enables decarbonisation in the customer industries (e.g. EAF; ESF; BOF; DRI)	n.a.	577,068,300

The CO_2 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. As a result, the metric does not show the impact of mergers and acquisitions and divestments on the GHG-intensity of the Group. The KPI considers only energy consumed directly by 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 CO_2 reduction levers.

GHG intensity per net revenue

GHG intensity per net revenue	2024	2023	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO_2eq/Monetary unit)	0.00174	0.00170	1.9%
Total GHG emissions (market-based) per net revenue (tCO_2eq/Monetary unit)	0.00170	0.00168	1.6%

Connectivity of energy intensity based on net revenue with financial reporting information

Connectivity of energy intensity based on net revenue with financial reporting information	2024
Net revenue used to calculate GHG intensity	3,487,000,000

Disclosure requirement E1-7 — GHG removals and GHG mitigation projects financed through carbon credits
The Group has significant CO_2 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 CO_2 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 CO_2 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 122–125. 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 is described on pages 100–102.

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) 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 CO_2 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 is technically and economically feasible.

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. An update is underway to ensure compliance and comprehensive reporting.

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.

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 2024, 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 €2.9 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 2024.

Metrics and targets
Disclosure requirement E2-3 — Targets related to pollution
The Group has not established specific pollution-related targets, as it adheres to 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 NOx and Sox emissions. Other pollutants relevant for certain sites are carbon monoxide (CO) and mercury (Hg). Additionally, emissions from Hydrofluorocarbons (HFCs) from air conditioning are relevant at certain sites. Mercury 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 NOx emissions across key regions. These efforts have led to a 43% reduction in China, a 38% reduction in North America, and a 14% reduction in Europe, (compared to 2018), resulting in an overall substantial decrease in NOx emissions. SOx emissions also reduced over time through investment into SOx abatement technologies. Mercury exceeds the reporting threshold in two sites. The unabated emissions result from hard coal or pet coke used as a fuel and show little variation over time. CO emissions typically occur at the heating up and shut down of kilns when incomplete combustion occurs. Emissions are quite stable over time. HFC emissions are monitored in 2024 for the first year, therefore no changes over time observed.

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.

Disclosure requirement E2-5 — Metrics and targets
Air pollutants methodology at RHI Magnesita
RHI Magnesita systematically monitors key air pollutants, including nitrogen oxides (NOx), sulfur oxides (SOx), carbon monoxide (CO), hydrofluorocarbons (HFCs), and mercury (Hg). While NOx, SOx, 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. 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. While continuous monitoring provides real-time data, spot measurements may fail to capture extraordinary off-gas conditions, potentially leading to under- or overestimation of emissions.

For HFC emissions, direct measurement is not feasible; instead, mass balance calculations ensure a more accurate and reliable estimation compared to online analyzers. 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.

NOx emissions

t NOx	2024
India	262
China	143
North America	1,616
South America	6,001
Europe	2,201
Total	10,223

SOx emissions

t SOx	2024
India	120
China	37
North America	668
South America	331
Europe	438
Total	1,594

Other air pollutants emissions

t Other air pollutants	2024
CO	5,622
HFC	1.84
Hg	0.02
HCl	33
Total	5,657

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. The Group did not have any major pollution-related incidents and deposits are only relevant for pollution of soil which is not material for the Group.

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 has evaluated water pollution risks across its production processes and mining activities, recognising that regional and national regulations significantly influence the extent of water-related risks.

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 ESRS 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
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 2024, no additional land area was occupied by RHI Magnesita's mines, while in 2023, land use increased by only 3%, 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.

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.

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 the 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 have no specific legal requirements related to protected areas within their operating licences. Only one site has designated maintenance duties for protected areas, which are regularly fulfilled. Additionally, RHI Magnesita consistently undertakes land rehabilitation initiatives across its mining operations to mitigate biodiversity-related risks.

RHI Magnesita recognises the interconnection between biodiversity risks and climate risks, particularly in the context of its mining and production operations. The Group's latest physical climate risk assessment, conducted in 2023 and refined in 2024, has provided 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.

Despite approximately 42% 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 audits. To date, only one supplier has been identified as a potential

environmental risk, with further assessments planned for 2025 to confirm any biodiversity-related concerns. However, given the 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 the materiality assessment, the impacts, risks, and opportunities associated with resource use and circular economy were assessed considering that recycling is a multi-faceted element of Group strategy since it benefits our business model in several ways. There are clear sustainability benefits from reducing our environment impact whilst assisting our customers with reducing landfill waste and promoting the circular economy within the industry sector. The DMA is described on pages 100-102.

For the assessment, the impact of efficient use of raw materials and resources including the use of recycled materials affects mainly upstream and RHI Magnesita's core 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.

Furthermore, RHI Magnesita's DMA followed a data-driven approach, integrating impact risks and opportunities (IROs) across the value chain. Insights industry benchmarks, and expert consultations informed the evaluation, with key stakeholders validating the findings.

RHI Magnesita maintains its industry leadership in utilising recycled minerals and recycling has been the major reduction lever to achieve the Group's CO_2 emissions reductions target. The reuse of one tonne of recycled refractory material prevents approximately 1.6 tonnes of CO_2 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.

The 2024 Recycling Rate reached 14.2% which is on track to achieve 2025 Target as of 15%. By year-end, RHI Magnesita plants had consumed 268 kt of recycled materials and sold 96 kt of metallurgical additives, marking a 30% volume increase compared to 2023. This led to €36 million in raw material cost savings for refractory finished goods and a reduction of 310 kt in CO_2 emissions.

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 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 2024, the Group invested approximately €3.9 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, €2.3 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 are projected to remain at levels comparable to those in 2024.

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.

2024 highlights in recycling initiatives
In 2024, the Group implemented a series of targeted technological and processing initiatives, resulting in a significant increase in recycling volumes — approximately 10,000 tonnes across regions and product lines. Key achievements include:

- Utilisation of MagCarbon leftovers: The integration of MagCarbon leftovers into raw material production processes resulted in a notable increase of 2,600 tonnes of recycled material in Europe.
- Development of MGG brand with 50% of recycling rate: this milestone, achieved in China, added 970 tonnes of recycled material to 2024 volumes.
- Enhanced recycling rate in MU: By increasing the recycling rate from 5% to 10% in Europe, the initiative contributed an additional 800 tonnes to overall recycling efforts
- Expansion of recycling in MU: Focused efforts in South America led to the integration of 1,390 tonnes of recycled material, significantly advancing sustainability outcomes in the region.

RHI Magnesita is committed to advancing its recycling initiatives through both organic growth and strategic acquisitions to achieve its 2030 target of a 20% recycling rate. As part of this strategy, the Group plans to expand its recycling capabilities beyond Europe through targeted acquisitions. While these efforts are centred on core operations, they will also impact upstream suppliers, as RHI Magnesita aims to reduce dependency on purchased raw materials by increasing the use of secondary raw materials.

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 are voluntary and 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 include recycling availability, market growth, and supply chain integration, but the targets are not based on scientific evidence, and stakeholders were not involved in the target-setting process.

These commitments reflect RHI Magnesita's long-term vision for sustainable resource management, contributing to reduced environmental impact while fostering innovation in recycling and waste management practices. The target metric has remained unchanged since its introduction, ensuring consistency in measuring progress.

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 CO_2-intensive processing. Therefore, increasing the use of circular raw materials is a critical focus for addressing the environmental impacts associated with resource inflows.

Refractory products cannot be reused, only recycled; therefore, overlapping categories of reuse and recycling are not applicable.

Material inflow data is primarily sourced from direct measurements, ensuring accuracy. Only very small auxiliary material items are occasionally estimated, excluding production plants not covered by the ERP system, which is already disclosed as an estimate.

The main material inflows include purchased raw materials, auxiliary materials, resale items, packaging, and water. These are calculated based on direct measurements, with minor estimations applied only when necessary.

In 2024, the total resource inflow amounted to approximately 12.3 million tonnes. Of this, around 0.5% (60,000 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 2024 was the utilisation of 202,000 tonnes of secondary raw materials in production, representing 1.6% 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 2024 the inflow of water was around 10 million m^3 resulting in around 80% 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.

E5-4 28/30/31	2024
Resource inflows (tonnes)	12.3
Percentage of biological materials (ROHF/ROHS)	0.5%
Percentage of secondary raw materials	1.6%

Financial resources (Capex)
Assumptions and Methodology
The capex reported considers investments into increasing the Group's recycling rate excluding maintenance capex of recycling operations.

	2024
Recycling Capex in €	3,880,000

	2024	2023	2022	2021	2020	2019	2018
Use of Secondary raw materials (%)	14.2%	12.6%	10.5%	6.8%	5.0%	4.6%	3.8%

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.

	2024	2023	2022	2021	2020	2019	2018
Recycling quantity (tonnes)	364,000	271,000	226,000	166,000	91,000	42,000	36,000
CO_2 savings due to recycling (tonnes)	476,000	393,000	337,000	268,000	142,000	74,000	63,000

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 RHI Magnesita's DMA. Details of the Materiality Assessment can be found on pages 100–102 of this report.

Strategy
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. Engaging with stakeholders and diverse social groups enhances mutual comprehension and supports RHI Magnesita's ability to anticipate risks and identify opportunities for value creation and deliver key aspects of the Group's strategy and sustainability approach. Read more about RHI Magnesita Stakeholder Engagement Approach on pages 26–31 of Annual Report.

Disclosure requirement related to ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model
Health and safety
Maintaining a safe and healthy workplace is fundamental to RHI Magnesita's culture and mindset. The Group assigns the highest importance to the health and safety of its employees and contractors. Our operations by necessity involve hazardous and higher risk activities and maintaining high safety standards is a minimum expectation for all stakeholders.

The Group identifies and monitors its impact on own employees and contractors according to the same safety policies and standards, aligned with ISO 45001 and Code of Conduct.

Health and safety have been identified as a material topic for RHI Magnesita under both dimensions of the DMA — Impact Materiality and Financial Materiality. Given the inherent risks associated with its high-risk activities and the significant impact on individuals, ensuring the health and safety of employees and contractors is not only a moral and legal responsibility but also a critical factor in maintaining operational continuity and productivity. Accidents, injuries, or health incidents can lead to downtime, legal liabilities, reputational damage, and a decline in workforce morale. By prioritising health and safety, RHI Magnesita demonstrates its commitment to responsible operations, aligns with stakeholder expectations, and builds trust, ultimately contributing to its long-term business continuity.

Impact, risk and opportunity management
Disclosure requirement S1-1 — Policies related to own workforce
Policies
RHI Magnesita's Health and Safety policy is aligned with ISO 45001 covering own operations and contractors. The policy outlines RHI Magnesita's commitment to act proactively to prevent occupational health and safety risks, and we will continuously improve our health and safety management systems and performance.

RHI Magnesita's Health and Safety Policy and procedures ensure comprehensive protection for groups at risk, integrating them into existing workplace safety measures. Temporary workers are fully covered under the Group's Health and Safety Management System, ensuring they receive the same protections as permanent employees. Additionally, young and inexperienced workers are subject to work limitations, preventing them from engaging in high-risk activities without proper supervision and experience. All hazardous tasks undergo a thorough risk assessment before execution, ensuring that safety controls are in place to minimise exposure to potential risks.

Policies supporting workforce engagement
RHI Magnesita's policies establish a strong foundation for workforce engagement:

- Anti-Discrimination and Anti-Harassment Policy: aims to ensure the working environment is free from discrimination, and any forms of harassment. It encourages reporting of discrimination and harassment through multiple confidential channels, including HR, managers, and the Whistleblowing hotline.
- Speak Up Policy: offers employees confidential and anonymous avenues to report misconduct via web portals, dedicated phone lines, or direct contact with the Internal Audit, Risk & Compliance ("IARC") team.
- Global Gender Equality Policy: ensures fair and inclusive treatment in the workplace regardless of age, gender, marital or civil partnership status, pregnancy, maternity, family responsibilities, political beliefs, nationality, ethnicity, religion, disability, sexual orientation, or gender identity. This policy plays a crucial role in fostering a diverse workforce and promoting an inclusive corporate culture.

Aligned with our Code of Conduct and complementary policies, including the Global Anti-Harassment Policy, the Global Gender Equality Policy establishes clear expectations for behaviour and interactions at all levels of the organisation. By integrating these principles into our corporate framework, RHI Magnesita reaffirms its commitment to fostering an inclusive, equitable, and respectful workplace. The policy

applies to all individuals associated with the Group, including Board members, consultants, volunteers, contractors, trustees, candidates, and interns.

RHI Magnesita ensures compliance and transparency through policy commitments, internal controls, supplier due diligence, and the annual Modern Slavery Act ("MSA") statement, which reports progress and is publicly available on the Group's website.

The Code of Conduct, signed by EMT members and Regional Presidents, along with the Human Rights policy, applies to all directors, managers, employees—regardless of position or contract type—and third parties working on behalf of or at RHI Magnesita premises.

The 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.

All the aforementioned policies are available on the Group's website and apply to RHI Magnesita's workforce. The Health and Safety Policy extends further, covering both employees and contractors.

Disclosure requirement S1-2 — Processes for engaging with own workforce and workers' representatives about impacts
RHI Magnesita is steadfast in its commitment to cultivating a transparent, inclusive and accountable workplace by actively engaging its workforce and workers' representatives to address actual and potential impacts. This commitment is underpinned by robust engagement mechanisms, comprehensive policies, and global initiatives that prioritise workforce perspectives in decision-making processes.

Engagement takes place directly with employees and through workers' representatives, including the Works Council, in certain countries, ensuring representation at all organisational levels.

The Global Engagement Team oversees the implementation of engagement processes, developing a global leadership framework while enabling localised adaptations to ensure inclusivity and relevance. Engagement is conducted regularly through diverse channels, such as quarterly Works Council meetings, regional initiatives like shop-floor discussions, and global campaigns including Disability Day and International Women's Day.

Digital platforms such as Workvivo and mentoring programmes involving three Board members facilitate direct leadership interaction and enhance workforce engagement.

Commitments under the Stakeholder Dialogue Policy, Speak Up Policy and Human Rights Policy are upheld, ensuring workforce rights and perspectives are respected. In Brazil, for instance, union collaborations enhance engagement and inclusiveness.

Engagement effectiveness is assessed through feedback from Works Council meetings, whistleblowing channels, and employee participation in diversity and inclusion initiatives. These processes lead to outcomes such as improved workplace policies and targeted action plans.

The EVP for People, Projects, Integrations, and Recycling drives strategic priorities across workforce development, project execution, business integrations, and recycling. The Global Engagement Team ensures effective stakeholder engagement, aligning initiatives with corporate goals. The most senior operational leader, typically the EVP, ensures engagement outcomes inform strategy, shaping policies and driving business impact.

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: Events like Disability Day and Female Day promote awareness and dialogue.
- Business Resource Groups: Regional groups foster inclusivity and representation.
- On-Ground Interventions: Health and safety concerns are escalated to senior leadership, with follow-up shop-floor meetings conducted by executive management or the Board.

Employee engagement initiatives
To further strengthen its connection with employees, RHI Magnesita implements various initiatives:

- Volunteering Programmes: Empower employees to contribute to their communities.
- Brand Ambassadors: Promote corporate values and strengthen employer branding.
- Female Factor and DEI Campaigns: Highlight diversity, equity, and inclusion priorities.
- Culture Champions: Advocate for RHI Magnesita's cultural values globally.

Read more about RHI Magnesita's Stakeholder Engagement Approach in pages 26-31, "Our Stakeholders".

Disclosure requirement S1-3 — Processes to remediate negative impacts and channels for own workforce to raise concerns
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 leaders such as plant managers, Health and Safety managers, department heads, and representatives from refractory services to proactively identify and address potential hazards before they escalate into accidents. Promoting a culture that encourages the reporting of all incidents – especially near-misses and unsafe situations – ensures thorough investigation and the implementation of preventative actions.

Any incident, 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 "Unsafe Situation" to supervisors so that corrective actions can be put in place to avert harm. Both "Unsafe Situation" information and a report of a near miss are 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. 57% of the industrial footprint holds a certification for health and safety.

The following locations achieved a successful initial certification against ISO 45001 Occupational Health & Safety Management System in 2024:

- Magnesita Refractories Company, USA.
- RHI Magnesita India Ltd. Jamshedpur, India.
- RHI Magnesita India Refractories Limited, Dalmiapuran, India.
- RHI Magnesita India Refractories Limited, Khambhalia, India.
- RHI Magnesita India Refractories Limited, Katni, India.

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 — Verein zur Unterstützung von Arbeitnehmern in Notsituationen)
In 2024, RHI Magnesita HELP was launched as 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 scope of HELP is broad and inclusive, ensuring assistance to those in need within our network and beyond. Private individuals worldwide, including RHI Magnesita employees in any location or role, are invited to contribute voluntarily. Contributions are entirely optional, and donations are managed with full compliance to regulatory requirements for fund tracking, while maintaining donor anonymity beyond these necessities.

The HELP initiative raised €810,000 in its first year through voluntary contributions and RHI Magnesita's matching pledge. This achievement highlights the strong culture of care and solidarity shared by our workforce and stakeholders.

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.

For channels for the workforce to raise concerns, please see subsequent section "Human Rights".

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
Actions
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 near miss reporting 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 plants 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. Performance is assessed using frequency rates for lost time injuries, medical cases, total incident rate, total recordable injuries, near misses, preventive rate and health projects ratio. 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, near miss reporting 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.

Procurement practices could impact health and safety performance, for example if equipment is of poor quality or otherwise unsafe or personal protective equipment is not available or of sufficient quality. The Group places a high priority on the safety of its staff when making such procurement decisions.

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 reports of dangerous conditions or incidents 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.

In 2024 the Group incurred €9 million of health and safety related capital expenditure. Over the period 2025-30 the Group expects to allocate a similar amount of capital each year to sustainability and health and safety related capital expenditure, excluding major decarbonisation projects.

Key actions taken in 2024 are a review of standards, culture and key serious injury and fatality risks in partnership with dss+, aiming to move from a compliance-based safety approach to a deeply embedded safety mindset across all levels of the Group. dss+ has been engaged with RHI Magnesita since April 2024. dss+ works with clients around the world to manage risk and reduce workplace injuries, operate responsibly and sustainably, and maintain those improvements through transforming the culture and building the capability of leaders and people. 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 reduce serious injury and fatality risks and strengthen RHI Magnesita safety culture, the Group will guide and develop leadership capabilities at all levels by implementing a structured coaching programme within the next two years. This initiative aims to foster meaningful changes in mindset, behaviours, and actions, ensuring leaders are equipped to drive transformation effectively and sustainably. Additionally, the Group will design and implement a structured and sustainable continuous improvement approach to operational risk management. This will enhance the organisation's ability to identify, assess, and mitigate risks systematically, ensuring long-term resilience and operational excellence.

These actions are expected to lead to an improvement in the Group's health and safety performance metrics over the medium term.

Metrics and targets

Disclosure requirement S1-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Health and safety methodologies

The recording of health and safety incidents is achieved via a Group wide reporting system ("AccStat") which is available to all employees and contractors with intranet access. Any employee or contractor with access to the AccStat can submit an incident report and they are required to do so by Group internal procedures. The number of incidents is divided by hours worked to arrive at a number of different ratios to monitor performance. For the calculation of total hours worked the Group relies on plant level submissions and where plant level data is not available an estimate of total hours worked is made.

Total Recordable Injury Frequency ("TRIF") is defined as the sum of recordable medical cases (i.e. beyond first aid cases) and lost time injuries affecting employees and contractors divided by total hours worked by those employees and contractors to arrive at a ratio of the number of incidents per 200,000 hours worked.

Lost Time Injury Frequency ("LTIF") is defined as the number of lost time injuries affecting employees or contractors divided by total hours worked by those employees and contractors to arrive at a ratio of the number of incidents per 200,000 hours worked. A lost time injury is defined as an injury which results in an individual being unable to return to work and perform their duties for their next regular shift.

Fatalities are defined as occupational fatalities affecting employees and contractors occurring as a result of a work-related incident or exposure.

RHI Magnesita is required to report Recordable work-related accidents, a new ESRS metric. 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.

The rate of recordable work-related accidents represents the number of work-related accidents cases per one million hours worked and is calculated as a ratio between the number of cases registered in the reporting period by the aggregated working hours in RHI Magnesita Group and multiplied by one million.

RHI Magnesita Group does not have non-guaranteed hours employees.

Health and safety targets

RHI Magnesita has defined its health and safety targets, aligning with the SMART framework. In 2024, the Group conducted a review of sustainability topics, including Health and Safety. This review involved defining a clear vision, identifying key challenges, and establishing both the priorities for 2024 and the strategic targets for 2030.

RHI Magnesita has reviewed its performance and its health and safety standards with the support of dss+. The assessment focused on serious injuries and fatalities ("SIF") and the gaps identified results in a dedicated programme to strengthen RHI Magnesita's safety culture. Although the Lost Time Incident Frequency Rate ("LTIF") improved from 0.16 in 2023 to 0.11 in 2024 – well below the 2025 target of 0.30 per 200,000 hours worked – This is a Group-specific metric that does not align with the ESRS requirement of reporting per million hours worked. The current LTIF target, established in 2018, will remain in effect until the target period plan concludes in 2025.

RHI Magnesita remains committed to further reducing serious injuries and eliminating fatality risks. Reinforcing its dedication to Zero Harm, No Injuries, the Group has set an ambitious goal of achieving zero fatalities and reducing the Total Recordable Injury Frequency Rate (TRIFR) to below 1.2 per 200,000 hours worked by 2030.

The target-setting process was inclusive, actively engaging plant managers across all regions as well as employees. Feedback was collected through plant visits and health and safety workshops to ensure that the targets are both ambitious and achievable. Performance is systematically tracked using the in-house developed tool, AccStat, which is available across all sites, including newly acquired locations, with the exception of recycling sites where the Group does not have direct operational control. A new tool is expected to be implemented and rolled out across all sites in 2025. This advancement will further enhance data quality, management control, and the continuous improvement of safety practices.

The target scope is global, ensuring that 100% of RHI Magnesita employees are covered by the Group's health and safety management system. Recognising the importance of tailoring interventions to local contexts, RHI Magnesita has also implemented regionalised health and safety initiatives. These programmes address specific regional challenges while aligning with the Group's global objectives, ensuring meaningful and context-specific impacts.

Human rights
The Group is committed to upholding international human rights principles, ensuring that all employees work under fair, ethical, and safe conditions. Recently, RHI Magnesita has carried out the human rights risk assessment in its own operation and as part of its supplier due diligence, the Group actively maps salient human rights risks across the countries where it operates and monitors its suppliers. Through the DMA, the Group has identified potential negative impact of forced labour as a material topic within its operations and upstream value chain. Additional human rights potential negative impact identified within its workforce include discrimination and harassment, as well as health and safety concerns.

Potential negative impact of forced labour
In the regions of BRICS, the heightened risk of forced labour arises from socio-economic challenges, weak enforcement of labour laws, and systemic vulnerabilities within the rule of law. Forced labour in these areas has profound and devastating consequences on the quality of life of affected individuals, often trapping them in cycles of exploitation and poverty. In contrast, geographies like Europe, North America, Singapore, and South Korea benefit from robust legal frameworks and effective governance that significantly mitigate such risks, with incidents being exceedingly rare. Given the global nature of our operations and our reliance on a complex and extensive supply chain network, our industry is inherently exposed to risks of forced labor, particularly in high-risk regions. Addressing these risks requires proactive and rigorous measures to protect human rights and ensure the integrity of our operations.

RHI Magnesita's strict policies play a crucial role in minimising the probability of forced labour at an individual level, addressing and overcoming its impacts requires substantial, long-term remediation efforts. This includes dedicated resources, strategic interventions, and collaboration with stakeholders to ensure the sustainable resolution of such issues.

Policies
RHI Magnesita is firmly committed to upholding human rights within its workforce, ensuring alignment with international standards such as the UN Guiding Principles on Business and Human Rights, the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises. These commitments include upholding fair labour practices, ensuring freedom of association, promoting non-discrimination, and strictly prohibiting child labour, forced labour, and any form of modern slavery or human trafficking within our business operations and supply 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 these commitments, ensuring compliance with human and civil rights as well as applicable labour and social laws. Respect, fairness, and equal opportunities are core values we demand from our employees and business partners alike.

This Code is applicable across the entire Group and is binding for all employees, regardless of their position or employment type. Additionally, our Human Rights Policy underscores our zero-tolerance approach to modern slavery and human trafficking within our business and supply chain.

For a detailed overview of our approach throughout the value chain, please refer to Chapter S2 — Workers in the value chain of this report.

Policies supporting workforce engagement
RHI Magnesita's policies establish a strong foundation for workforce engagement:

- Anti-Harassment Policy: Encourages reporting of discrimination and harassment through multiple confidential channels, including HR, managers, and the Whistleblowing hotline.
- Speak Up Policy: Offers employees confidential and anonymous avenues to report misconduct via web portals, dedicated phone lines, or direct contact with the IARC team.

General approach to addressing material negative impacts
RHI Magnesita employs a proactive and structured approach to remedying material negative impacts on its workforce. Central to this approach is the availability of multiple confidential and anonymous reporting channels that ensure accessibility and trust.

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 2024. 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.

Read more about our business conduct in G1.

Channels for workforce to raise concerns
RHI Magnesita has established robust mechanisms to enable its workforce to report potential misconduct or workplace concerns, fostering a transparent and accountable work environment. These mechanisms include:

- Whistleblowing hotline: A global platform available to employees, third parties, and external stakeholders, ensuring anonymity and confidentiality.
- Works Council: A primary mechanism for employees to raise concerns, established across countries to address workplace issues.
- Leadership Access Platforms: Tools such as Workvivo (an employee app) facilitate direct feedback and communication between employees and leadership.

These channels are designed or facilitated through third-party mechanisms, ensuring independence and objectivity. Employees are made aware of these mechanisms through training sessions, internal communication campaigns, and dedicated initiatives.

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 to oversee 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 further details, see chapter G1 — Business conduct on pages 168–169 and Our Stakeholders section in the Annual Report on pages 26–31.

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 in the Annual Report on pages 51–52.

For supplier due diligence actions, see subsequent section "Supplier Assessment" and chapter S2 — "Workers in the value chain".

Training
An e-learning module on specific business ethics topics was introduced globally in 2020, also covering same aspects of human rights, and was refreshed in 2023. In addition, a dedicated training on the fundamentals of human rights was added to our training portfolio in the past year. A training module on ESG-related topics for our employees responsible for procurement was also rolled out and developed in 2024, including putting stronger focus on human rights.

In 2024 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. Through targeted training and upskilling programmes, the Group ensures employees are equipped to adapt to evolving industry requirements. Strengthened due diligence and compliance monitoring reduce labour-related risks and uphold ethical employment standards.

Metrics and targets
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 S1-6 — Characteristics of RHI Magnesita employees
The turnover rate 2024 considering death, involuntary, voluntary and retirement as per ESRS requirement was 12.02% (including seasonal staff).

Assumptions and Methodologies
These metrics have not been externally validated by any organisation other than the assurance provider.

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.

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.

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.

Table 1 — Employees by gender

Gender	2024
Male	13,601
Female	2,044
Total Employees	**15,645**

Table 2 — Employees by country

Country	2024
Argentina	166
Austria	1,691
Belgium	4
Brazil	4,098
Canada	89
Chile	29
China	2,106
Colombia	95
Cyprus	0
Czech Republic	626
France	156
Germany	1,508
Hong Kong	3
India	2,489
Italy	24
Mexico	470
Netherlands	111
Peru	31
Romania	4
Russian Fed.	58
Singapore	37
Slovenia	112
South Africa	44
Spain	98
Sweden	42
Switzerland	102
Taiwan	10
Türkiye	466
Ukraine	9
United Arab Emirates	22
United Kingdom	121
USA	789
Vietnam	35
Total Employees	**15,645**

Table 3 — Employees by type of contract and gender

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 — Employees by type of contract and region

2024	China & East Asia	Europe, CIS & Türkiye	India, West Asia & Africa	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

Table 5 — Number of employee turnover

Number of employee turnover	2024
Death	21
Dismissal (Involuntary)	889
Retirement	141
Voluntary	829
Total Employees	1,880

Disclosure requirement S1-14 — Health and safety metrics
Assumptions and Methodologies
These metrics have not been externally validated by any organisation other than the assurance provider.

Health and safety metrics	2024
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%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	1
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	1
Number of recordable work-related accidents for own workforce	115
Rate of recordable work-related accidents for own workforce (per 1,000,000 hours worked)	2.03

Health and safety performance
Lost Time Injury Frequency Rate (LTIF) improved to 0.11 in 2024 (2023: 0.16) per 200.000 hours worked. Overall, there were 30 Lost Time Injuries (LTIs) in 2024 (2023:37) within RHI Magnesita. A fatality occurred at the Breitenau mine Austria in February 2024.

A contractor had a fatal accident occurred at the Dalian plant in China in June 2024. New technical measures have been implemented globally to prevent a repeat of the circumstances leading up to this accident.

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. There are no fines, penalties and compensations for damages as a result of incidents of discrimination.

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.

Incidents, complaints and severe human rights impacts	2024
Number of incidents of discrimination including harassment	25
Number of complaints filed through channels for people in own workforce to raise concerns	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Number of severe human rights issues and incidents connected to own workforce	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

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 materiality assessment can be found on pages 100–102 of this report.

Strategy
Disclosure requirement related to ESRS 2 SBM-2 Interests and views of stakeholders
See ESRS SBM2 for Stakeholder engagement

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 comprehensively, 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, 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 Organisation), 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 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.

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.

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 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, 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 is a key component of on-site sustainability supplier assessments, conducted annually with selected suppliers worldwide. Negative findings or identified risks with regards to value chain workers and other established minimum requirements trigger risk reduction and mitigation processes together with the supplier. Lacking remediation of identified risks within the defined period will influence future decision-making processes and supplier relationships. These processes are governed by our internal supplier on-site assessment guideline, which outlines clear procedures for addressing negative or risk-attributed findings.

The type of engagement during on-site assessments varies based on their focus. Assessments emphasizing the social pillar include direct interviews with selected value chain workers to identify specific risks and challenges. For suppliers identified as higher risk, the social pillar is automatically part 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.

Governance of these processes is overseen by the Human Rights Officer, the highest function responsible for worker-related compliance matters, who reports annually to the Board of Directors.

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. Direct engagement with value chain workers occurs during our on-site sustainability supplier assessments. 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 a concern, parties can either disclose their identity or stay anonymous. 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 taken is monitored through regular follow-ups and continuous assessment of supplier performance and conduct. The Group upholds the expectations outlined in the Supplier Code of Conduct, 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 explicitly outlined in our Supplier Code of Conduct. Incidents of the highest severity activate a high-priority response process involving case creation, detailed investigation, and escalation to executive management for action planning.

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.

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.

Up to date, 641 suppliers were assessed by EcoVadis, representing 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.

In 2024 one gross misconduct was identified with EcoVadis Adverse Media Alerts. The incident was with regards to child labour which was connected to a supplier that was banned in 2023 due to similar allegations. This new misconduct enforced the continued ban of the supplier.

Metrics and targets
Assumptions and Methodologies
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 compliance and sustainability, RHI Magnesita has committed to having 66% of its suppliers assessed by EcoVadis by 2025 and conducting 50 on-site supplier assessments in 2024. These targets were established based on findings from previous assessments and ongoing communications within the supply chain. Both targets aim to increase the transparency within the supply chain to identify risks and opportunities on a supplier individual level. The gained transparency enables RHI Magnesita to work on the reduction of identified negative impacts, manage material risks and advance positive impacts on value chain workers as well as the environment.

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.

Sources:

1. 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.

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 Report, pages 183–199,

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
See SBM3 section above, pages 48–63, "Our Risk management approach".

Disclosure requirement G1-1— Business conduct policies and corporate culture
RHI Magnesita has adopted eight policies that applies globally, covering the whole value chain, which are relevant to business conduct, as follows:

i. 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.
ii. 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.
iii. 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.
iv. 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.
v. 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.
vi. 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.
vii. 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.
viii. Sanctions, Export Controls and Business Partner Due Diligence Policy

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 opportunities 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, pages 190–192, "Culture and Purpose".

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 assessed 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 and independent investigation of these cases and that follow-up actions to address the root causes are completed.

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 2024 included 54 plants and mines (100% coverage).

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. Following recent M&A activity, certain German legal entities within the Group are now subject to the requirements of the German Supply Chain Due Diligence Act.

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 2024 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 independently 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 20% of our expenditure and the top 200 around 55%. 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, RHI Magnesita aims to integrate sustainability priorities into our procurement processes.

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 inspections are also used to proactively identify and address any potential risks, fostering a sustainable and resilient supply chain.

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, CO_2 emissions and waste. The ratings resulting from this assessment form an important part of the Group's procurement decision-making process.

The initial phase of supplier assessments was started in 2021 based on contract size and risk mapping. The process has continued in 2024, now covering 55% of spend. Our target is to cover two-thirds of the supplier base by spend by 2025, including all suppliers delivering raw materials with a high CO_2 intensity.

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 significantly increased the number of on-site assessments from nine in 2022, to 42 in 2023 and 52 in 2024. The assessments were conducted worldwide, including 16 in India, five in Sub-Sahara Africa and nine in China.

Supplier product carbon footprint
Since the contribution of raw material extraction and processing is the largest single source of CO_2 emissions in the refractory value chain, the Group is seeking to increase the accuracy of its supplier CO_2 emissions data. In 2023 our specific focus with selected raw material suppliers included 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 CO_2 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 2024 resulted in projects with positive impacts such as emission reduction in Europe and Scope 2 emission reduction in China and India and the Group is continuing optimising transport routes to reduce emissions.

The second European Supplier Innovation Day 2024 reaffirmed that true innovation flourishes through collaboration. By fostering strong, strategic partnerships with our valued suppliers, we accelerate the development of groundbreaking solutions and drive long-term success. This initiative highlights the importance of early supplier involvement and a co-engineering approach, enabling the joint development of innovative projects, methodologies, and products. Through structured collaboration, we create synergies that enhance efficiency, sustainability, and competitiveness. This year, more than 20 business partners gathered to present their latest ideas and technological advancements. The most innovative and promising solutions were recognised with awards, underscoring our commitment to cultivating a culture of innovation through strong supplier partnerships.

Read more about our actions in chapter ESRS S2.

Disclosure requirement G1-3 — Prevention and detection of corruption or bribery
In 2024 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 2023, and in 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 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 2024 ensuring the continuity of high standards for ethics and compliance was a prominent element of the transfer of staff to Capgemini. Specific arrangements were agreed to ensure the continuity and ongoing quality of the ethics and compliance training to be delivered by Capgemini in 2025.

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.

The Region-wise breakdown indicates the following e-learnings completion rates for white-collar staff: Europe/ CIS/TR at 96%, China & East Asia at 100%, Americas (North and South America) at 95%, and India & West Asia at 96%. These have improved since 2023 due to the sustained 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 2024, 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.

Read more about the RHI Magnesita's Risk Management Approach on pages 48-63.

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 2024, the hotline and additional reporting channels generated 184 reports (versus 166 in 2023). Out of these, six cases are classified under the category 'Bribery & Corruption'.

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 have been no convictions or fines related to violations of anti-corruption and anti-bribery laws.

Read more about RHI Magnesita's internal controls on pages 51-52.