RHI MAGNESITA

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Global leader in heat management

Annual Report and Accounts 2024

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This PDF of RHI Magnesita's annual report is derived from the official version of the Company's 2024 Annual Report. The European Single Electronic Filing format (the ESEF reporting package) is the official version. The ESEF reporting package is available on our website. In case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails. The auditor's report and limited assurance report of the independent auditor included in this PDF version relate only to the ESEF reporting package.

Our purpose is to master heat, enabling global industries to build sustainable modern life. We offer refractory products and services that shape tomorrow's world. Our advanced products are essential for our customers in the steel, cement, metals, glass and chemicals industries.

HIGHLIGHTS

Revenue	Adjusted EBITA	Adjusted profit after tax	Adjusted earnings per share
€3.5bn	€407m	€263m	€5.32
2023: €.3.6bn	2023: €409m	2023: €241m	2023: €4.98

Net debt: Pro Forma Adjusted EBITDA	Dividend per share	Adjusted operating cash flow	ROIC
2.3x	€1.80	€419m	9.8%
2023: 2.3x	2023: €1.80 per share	2023: €418m	2023: 10.7%

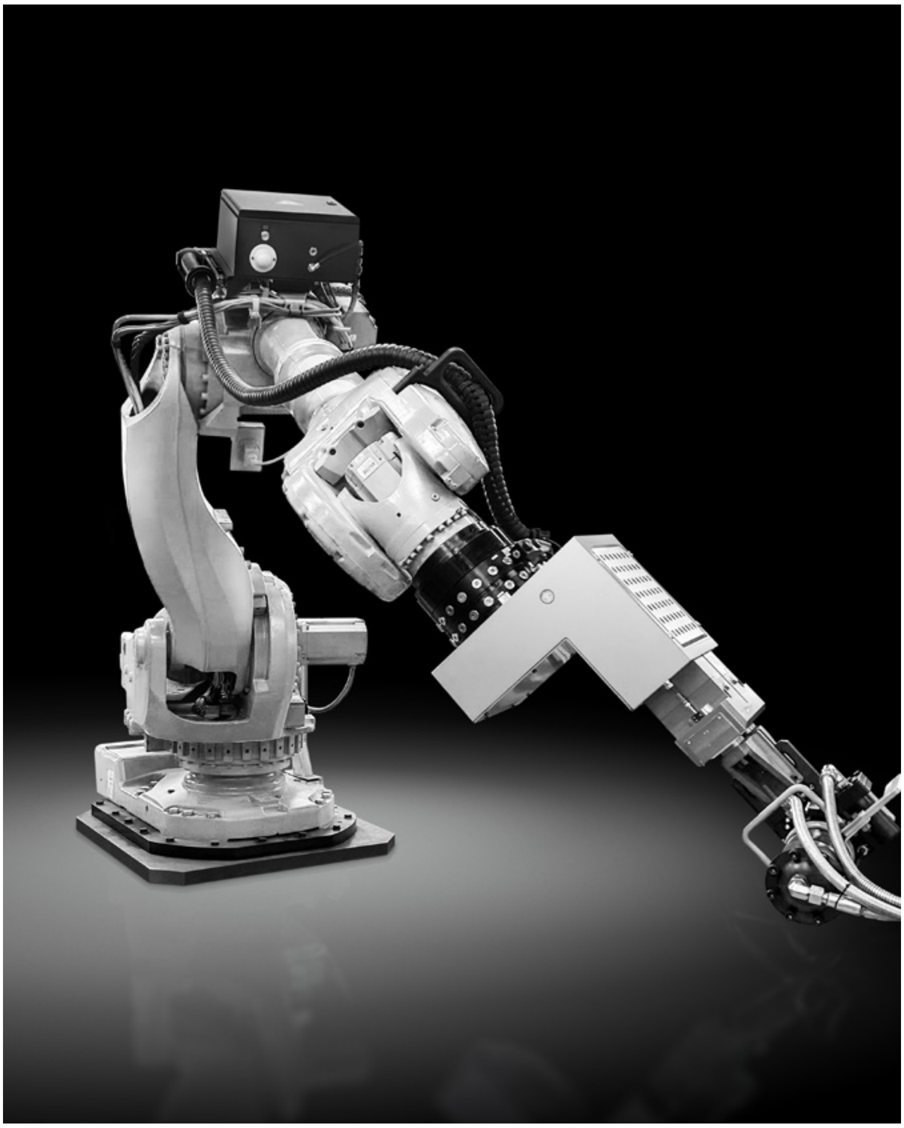
CO_2 emissions	Recycling rate	Lost time injury frequency
1.57t CO_2/t	14.2%	0.11
2023: 1.62t CO_2/t	2023: 12.6%	2023: 0.16

Global leader in heat management

Integrity, honesty, reliability and respectful collaboration

11.7%

Adjusted EBITA margin
(2023: 11.4%)



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Green steel project contract awards in 2024

18

robotic and machinery solution systems sales contracts awarded in 2024

STRATEGIC REPORT
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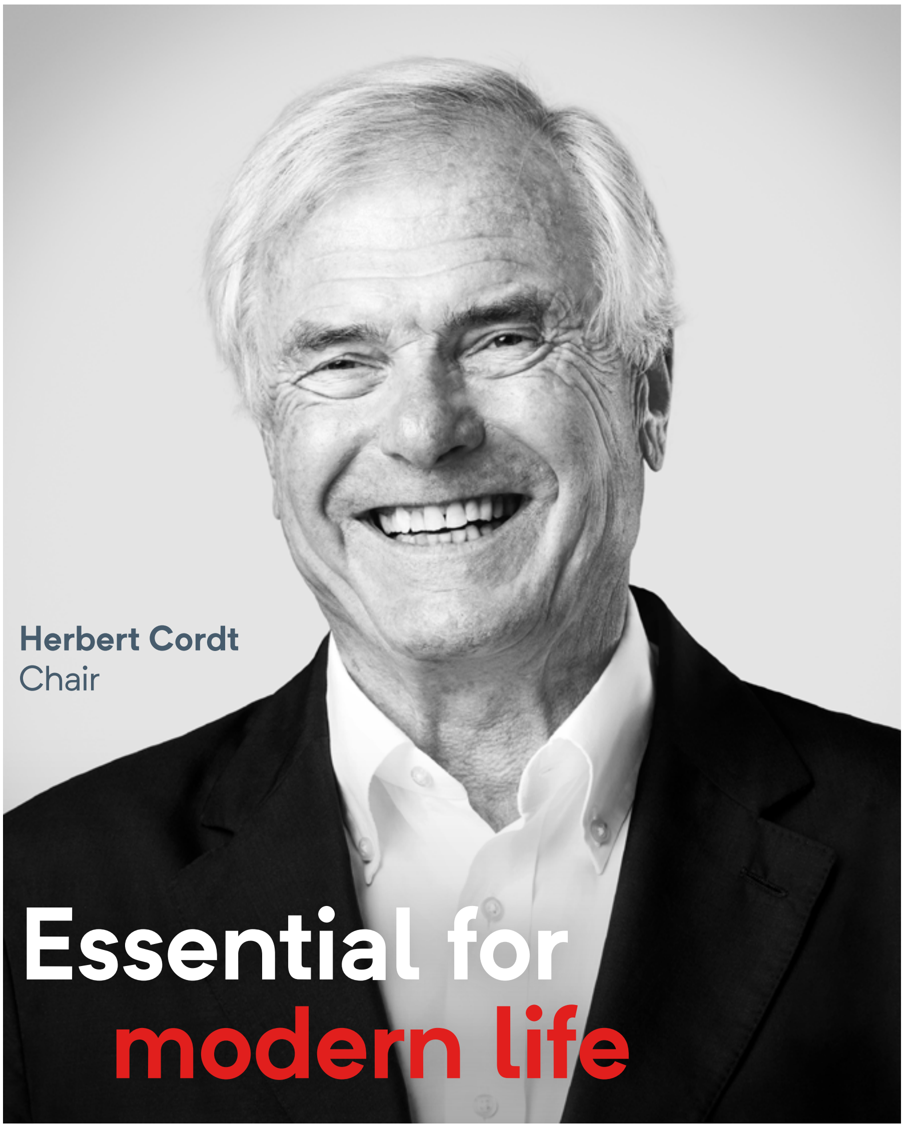
OTHER INFORMATION



We are proud to deliver a wider benefit to society through our leadership of the refractory industry.

As the global leader in the critical refractory industry we have a responsibility to lead the way in sustainability and ethical business practices.

Dear Shareholders,

I am pleased to present the achievements and performance of RHI Magnesita in 2024, which was another year of difficult conditions in the refractory market. We have demonstrated our resilience and the continuing validity of our strategy despite facing many challenges.

Our successful M&A programme continues with the €391 million acquisition of Resco in the US, alongside the ongoing integration of the businesses we acquired in 2022 and 2023. Our strategy to grow through acquisition in the refractory industry remains intact and is already generating value despite weak demand conditions.

€396m

Capital allocated to M&A in 2024, including Resco

Refractories are essential for modern life; without them it is not possible to manufacture steel, glass, cement, non-ferrous metals and petrochemical products. RHI Magnesita is the global leader in this highly specialised and vital industry and we have a responsibility to lead the market in sustainability and ethical business practices, as well as delivering value for shareholders.

Health and safety

I am saddened to report that the Group experienced a fatality in June 2024 at its Dalian plant in China, in addition to the previously reported fatal incident in Austria that occurred in February 2024. No serious injury or fatality in the workplace can ever be acceptable and the Board is fully focused on supporting management to bringing about the necessary changes to prevent them. I am satisfied that appropriate, far-reaching measures are being taken to improve performance and that the issue is being given the priority it deserves. Your Board will continue to monitor the situation closely.

Strategic priorities

Despite significant volatility in end markets, supply chains and global trade we remain confident that our strategy is the best approach to generating value in our industry. During periods of disruption we must remain focused on our long-term goals if we are to succeed.

One of the key strengths of RHI Magnesita is the ability to generate stable earnings and cash flow with consistent margins and return on invested capital throughout business cycles. This enables us to consistently allocate capital to growth, which at present we believe is best delivered through an active M&A programme that continues to gather momentum, alongside delivering a regular dividend to shareholders.

Leaders in innovation and sustainability

We are committed to decarbonising our industry

1. Avoid new CO_2 emissions, for example through the use of recycling
2. Carbon capture and storage or utilisation at our raw material production sites
3. Transition to clean energy sources such as renewable electricity and green hydrogen
4. Decarbonise our supply chain using techniques proven in our own operations

Recycling
Recycling has been the main contributor to the Group's CO_2 emissions reductions to date. There are also significant waste management and circular economy benefits for our customers.

1.6t

of CO_2 can be saved per tonne of recycled raw material used

Pioneering new technologies

We are developing new technologies to reduce emissions in the refractory production process

€50m

Investment over four years

Sustainability R&D
RHI Magnesita committed to an investment of €50 million over the period from 2021-25 into the research and development of new technologies to avoid or capture CO_2 emissions.

Green steel opportunity
Steel producers launching green steel projects are turning to RHI Magnesita for refractory solutions. Five contract awards were made in 2024.

8%

The steel industry accounts for around 8% of global CO_2 emissions

Our capital allocation priorities seek to balance growth with providing a reliable return for shareholders, supported by long-term resilience and sustainability.

Sustainability is integrated into our strategy and is not treated as a separate topic. This means any investments we make into new ventures with a sustainability related goal need to meet the same investment return criteria as any other M&A transaction or organic investment project that competes for capital. Sustainability goals are also embedded into our other strategic priorities, for example we are building up recycling capacity through acquisition and increasing our market share in non-basic refractories, which will be important for certain customers as they undergo their own decarbonisation processes.

External market conditions

Each year there are new uncertainties, economic and political developments to which we must adapt. In 2024, elections in key geographies have resulted in a change in priorities for new governments with important consequences for our customer industries and end markets.

A key driver of market conditions for RHI Magnesita is the transition of the Chinese economy away from steel intensive growth based on infrastructure and real estate development towards a consumption based economy with changing demand patterns for raw materials. Steel production in China has peaked and is forecast to reduce in coming years. This is a major change for industry and commodity markets for whom strong growth in Chinese demand over the last 25 years has been a strong driving force. New growth in East Asia, the Middle East and India is encouraging but at a smaller scale and is not yet enough to compensate for the decline in Chinese demand.

Due to the weaker demand environment for refractories, input costs in many categories reduced in 2024, resulting in pricing pressure as competitors reduce prices in line with lower costs. This represents the end of the recent cycle of cost and price inflation which necessitated action on our part to defend margins.

People and culture

In uncertain times it is important to be able to unite behind a consistent purpose, goals and corporate culture. By living our values we can react to challenges, gauge our performance and set an example to the many new colleagues who have joined the Group in recent years.

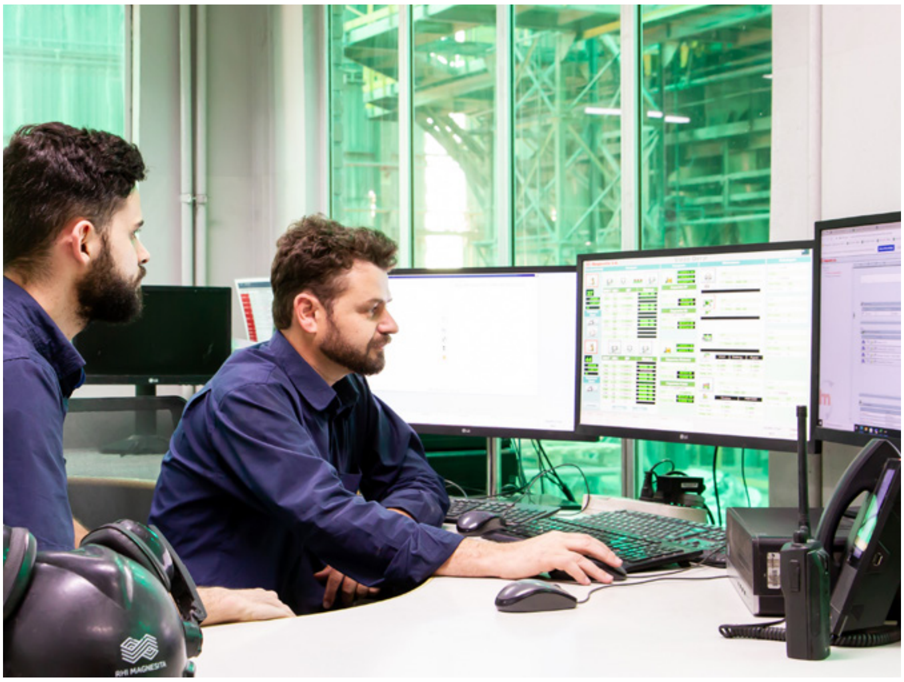
One of our key priorities is to encourage greater gender diversity. We have a target of 33% female representation in the Board of Directors which is currently met and a longer-term aspiration to increase this to 45%. In senior management we are aiming to hit the 33% target for EMT and direct reports in 2025 and this ratio was 26% at the end of 2024. We have many initiatives in process to achieve the target and I am confident we are making the necessary progress.

Dividend

The Board has recommended a final dividend of €1.20 per share in respect of the financial year ending 31 December 2024, bringing the total dividend for the year to €1.80 per share. This level of dividend is aligned with our policy to maintain dividend cover of below three times adjusted earnings and is balanced against the other funding requirements of the business as we manage capital expenditures, M&A spend and gearing levels through this important period in our strategic development.

Summary

We are the global leader of a critical industry that is essential for modern life. We are seeking to build on this leadership by executing our strategy to grow via M&A in this fragmented market. We can be proud of what we have built up to this point and enthusiastic for our future prospects together.



RHI Magnesita is the global leader in this highly specialised and vital industry.

Safety, resilience and progress

Stefan Borgas
Chief Executive Officer

Scan the QR code to read Stefan's review of 2024

Weak end markets continued to impact the business in 2024. The contribution from M&A, operational excellence and network efficiencies supported relatively stable revenues, margins and profitability. We continue to execute on our three strategic pillars of reducing costs, expanding our business model and growing in markets where we are underrepresented.

Health and safety is our absolute priority and I am saddened to report that two fatal incidents occurred at our production sites in H1 2024. Health and safety improvements have been prioritised at all levels of management; together we are undertaking a complete review of our safety standards, culture, leadership and key serious injury and fatality risks.

During the year we established the RHI Magnesita HELP fund, a registered association in Austria focused on providing immediate financial assistance to individuals and families affected by workplace safety incidents across our global network. I am proud to say that the HELP fund has been funded primarily through voluntary contributions from RHI Magnesita staff, with a matching contribution from the Company. From these sources the HELP fund raised over €800,000 in its first year and payments to qualifying recipients have already commenced.

Operational excellence underpins our customer offering, our industrial operations and financial performance. The work to drive improvements is translating into tangible benefits in both of these areas. Our main KPIs in 2024 were PIFOT ("Process In Full On Time") and net promoter scores in customer surveys. Both of these achieved record highs in 2024. Other operational indicators and inventory management metrics also showed improvements, contributing to a reduction in working capital and strong cash flow conversion this year.

Our digital transformation is well underway, consisting of a group-wide replacement of the core operating systems (including ERP) alongside a redesign of our core business processes, all focused on improving customer experience. In Q4 we entered into a business process outsourcing agreement with Capgemini which will result in broader career opportunities for our shared service centre colleagues, deliver cost savings and, most importantly, lead to sharper execution of the critical processes which are the foundation of our ability to deliver for our customers more reliably. We will be investing over €100 million into this platform to deliver greater value to customers and more effective integration of acquisitions.

R&D and the new '4PRO' service offering are critical to deliver improvements to our customers. Constantly improving world-leading refractory performance is reliant upon continuous adaptation of existing solutions according to customer needs and the development of new technologies that will deliver the next iteration of product performance improvements, and efficiency gains in our own manufacturing processes. I am pleased to report strong growth in sales of robotics solutions for automated lining repairs in 2024 and exciting new developments in production techniques with high potential for sustainability, cost and performance improvements. Our offering in this area has been consolidated under a central function offering Advanced Technologies to ensure that we can move our customers up the margin curve to higher value added products and services.

During 2024 we expanded our solutions contract offering under the 4PRO brand. 4PRO represents a holistic approach to high-performance refractory applications, based on closer collaboration with customers seeking continuous

Integrating knowledge through M&A

€77m
2024 EBITDA contribution from 2023 M&A

2
Acquisitions agreed in 2024

€396m
Capital allocated to M&A in 2024, including Resco

Since 2017 we have pursued a proactive and selective M&A growth strategy, establishing RHI Magnesita as the leading consolidator in the industry.

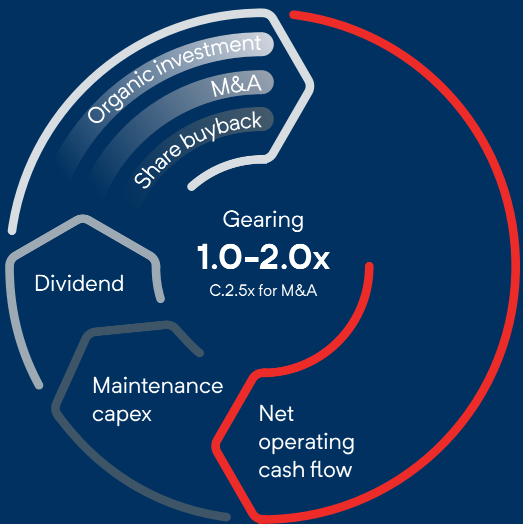
Given the relatively mature global refractory market with low growth expectations, our strategy focuses on growth through an active M&A programme rather than investing in new production capacity.

With each acquisition we integrate into our network, we gain valuable insights into market opportunities and diverse business models.

We build momentum by responsibly integrating the businesses we acquire, offering exciting career development opportunities for individuals and global growth potential for product specialists or regional champions looking to expand globally.

Simon Kuchelbacher
Head of M&A

Capital allocation and M&A strategy

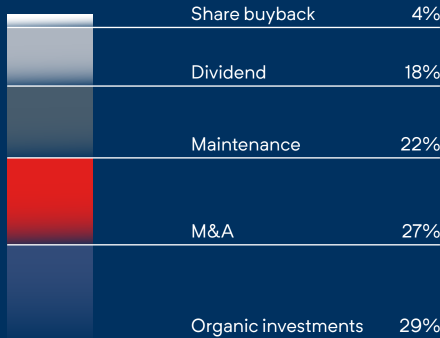


Balanced approach to capital allocation
RHI Magnesita maintains a purposeful approach to capital allocation which seeks to balance shareholder returns, acquisitions and organic investments that will deliver long-term growth and productivity gains. After maintenance capital expenditures and the ordinary dividend, M&A, organic investments and share buybacks compete for capital. We target gearing of 1.0-2.0x EBITDA with the flexibility to increase to c.2.5x for compelling M&A opportunities.

2.3x
31 Dec 2024 gearing

Our resilient margins, stable profitability throughout macroeconomic cycles and high levels of cash conversion support the targeted gearing range of up to c.2.5x for M&A.

Capital Allocation
2018 to 2024 (%)



improvement in production techniques as well as the pursuit of sustainability objectives and circular economy initiatives.

Our M&A-led growth strategy delivered strong results despite headwinds from weak market conditions. The six acquisitions completed in 2023 contributed Adjusted EBITDA of €77 million, in line with guidance of c.€80 million. During 2024 we completed the acquisition of Refrattari Trezzi, expanding our recycling activities in Europe.

In the US, we reached agreement on the acquisition of Resco Group in April 2024 and successfully completed the transaction on 28 January 2025, for a final deal value of €391 million. This acquisition is a major step forward for our North American business. Resco's strengths in the petrochemical, cement and aluminium industries are complementary to our existing business and will provide opportunities in these market segment worldwide by leveraging RHI Magnesita's global footprint. The much larger US plant footprint will allow us to accelerate our 'local for local' production strategy, onshoring significant manufacturing activity into the US and shortening supply chains. Resco is the largest acquisition we have undertaken since the combination of RHI and Magnesita in 2017 and I am excited about the prospects for our future growth in this dynamic and valuable refractory market. The new team is fired-up!

We remain committed to our strategy to allocate capital to growth via M&A. We note that there have been other transactions in the sector in 2024, with Shinagawa's acquisition of Gouda Refractories Group and Vesuvius PLC's purchase of Piromet in Türkiye. During 2025 our focus will be primarily on network optimisation, the integration of recent acquisitions and reducing net debt, with any additional M&A likely to be limited in scope.

We expect to incur network optimisation expenses in Europe and Brazil as a result of plant footprint adjustments following the Resco acquisition and other M&A transactions completed in 2022 and 2023. Total restructuring costs in the base business of €60 million and associated capital expenditure of €40 million are planned over the period 2025-27, to deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter.

Our greatest strength lies in our people. Every contribution matters and strengthens our collective success, increasingly also from colleagues joining RHI Magnesita as a result of M&A. We continue to learn more about our industry, identifying new opportunities and benefitting from the expertise of talented teams and individuals as we integrate acquired businesses.

Sustainability means the protection and preservation of resources for future generations. Our Company traces its origins back to 1834. Today, as the leading global supplier of refractories, which are essential for the creation of basic building materials for modern life, we can be certain that our industry will remain essential for many years to come. Refractory production is CO_2 intensive and RHI Magnesita has pioneered new technologies for reducing CO_2 emissions. Our journey to recycle secondary raw materials increasingly requires the development of cutting edge technologies, which are now in industrial testing. In 2025 we will be piloting a CO_2 re-mineralisation technology together with MCi Carbon. Further progress requires engagement with suppliers to adopt low-carbon energy sources.

Our customers are amongst the highest emitters of CO_2 globally and are undergoing their own transformation to decarbonise. When developing new production technologies they are increasingly turning to RHI Magnesita as their preferred partner for refractory solutions. We have now won five major contract awards for green steel projects; this will be an important source of high value-add business going forwards.

RHI Magnesita has produced a Sustainability Statement according to ESRS for the 2024 financial year. Having completed a lengthy double materiality assessment and complied in full with the disclosure requirements, the Group is of the view that the outcome of the ESRS process is not beneficial to stakeholders. ESRS places an unreasonable burden in terms of financial cost and other corporate resources which cannot be deployed to actual sustainability improvements. RHI Magnesita urges relevant regulators and legislators to look again at the way that ESRS has been implemented in practice to allow companies to redirect resources from reporting to action. We note that the European Commission has proposed a revision to ESRS through its Omnibus Directive and we hope for improvement.

Our financial performance was resilient considering the challenging end market conditions, which saw a decrease in sales volumes of 1% in the base business and 6% lower pricing. The contribution from M&A and operational efficiency delivered stable revenues and Adjusted EBITA of €407 million (2023: €409 million) with margin increasing to 11.7% (2023: 11.4%). It is a sign of our strong operational performance that we were able to maintain margin in a falling price environment, despite lower vertical integration contribution and the additional burden from high fixed cost under-absorption due to shrinking volumes.

Adjusted EPS increased to €5.32 (2023: €4.98) and cash generation was strong at 103%, contributing to a reduction in net debt of €53 million to €1,251 million and gearing of 2.3x (2023: 2.3x), in line with our target range.

The short-term outlook for our industry remains weak and we must be ready to respond with fast decision making. China's necessary and clearly communicated economic transition is the most significant factor affecting industrial markets worldwide including refractory markets. The long term outlook for future-oriented commodities and materials such as copper, aluminium and glass remains strong. However, project demand in the industrial segment is expected to decline in the near term.

Should any recovery in refractory demand occur, RHI Magnesita is well positioned to benefit due to its high levels of operational gearing and vertical integration capability. During this extended downturn, we have greatly increased our customer base through the acquisition of 12 businesses with a total deal value of €1.2 billion and we are seeing real benefits from synergies as these acquisitions are integrated into our network. Against this backdrop, we continue to believe that adaptability, discipline and innovation will deliver long-term success.

Our business model

We are masters of heat, the leading global supplier of high-grade refractory products, systems and solutions. We have a vertically integrated value chain ranging from raw material sourcing to refractory production and performance-based solutions.

We apply our strengths…

Our people and culture
The expertise and dedication of our people underpins our success.

Our technology
High-performance, customised refractory products and services create value for our customers.

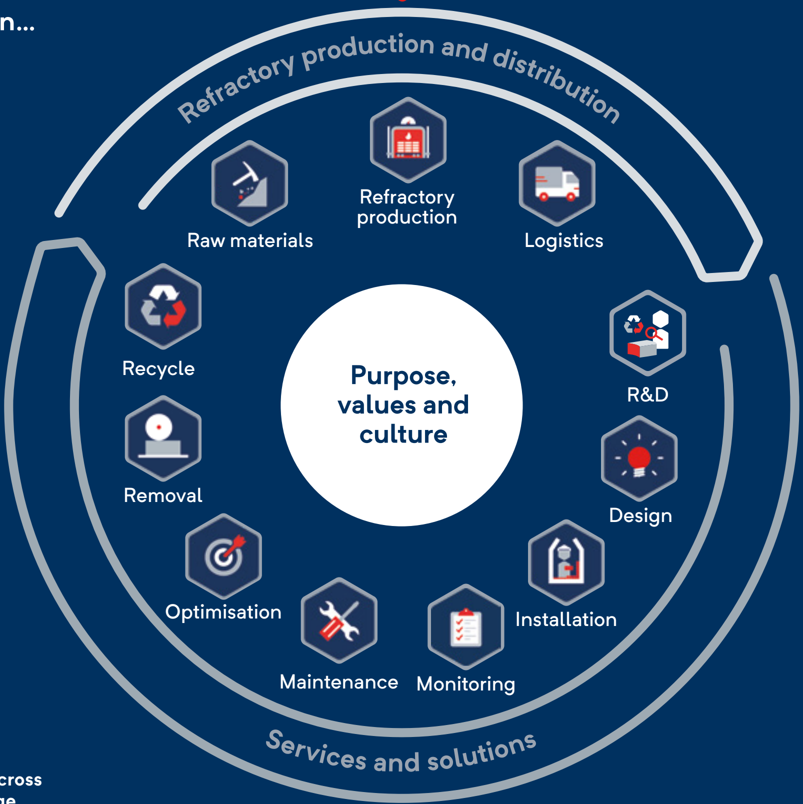
Vertical integration
In 2024 we sourced internally 67% of our magnesite and dolomite raw material needs.

Local-for-local operations
We seek to produce refractories close to our customers to shorten supply chains and reduce costs.

Capital allocation
Balanced approach with M&A, organic investments and buyback competing for capital after maintenance capex and dividends.

Sustainability leadership
We lead the industry in recycling and we are developing new technologies to reduce CO_2.

…across our value chain…



Read more about what we do across our value chain on the next page

…to create stakeholder value.

Shareholders
ROIC in excess of WACC consistently creates value. Reliable core dividend, 3x covered by EPS.

Debt holders and lenders
€1.8 billion of gross borrowings with closely managed maturity profile and long-term banking relationships.

Customers
The primary focus of our efforts. Creating value for customers is the source of value creation for all others.

Communities
Our social licence to operate relies on close ties with communities who jointly benefit from our stakeholder activities.

Employees
Our people determine our success and share in the benefits.

Governments
Partnering in the development of industrial projects and natural resources.

Suppliers
Long-term relationships with suppliers who share our values.

Our value chain

We design, produce, deliver, install, monitor, maintain, remove and recycle optimised refractory solutions for our global customer base.

Raw materials

RHI Magnesita operates raw material sites in Austria, Brazil, China, Czechia, Türkiye and USA. 67% of magnesite and dolomite raw material usage by volume was source internally in 2024, contributing 0.8% to Group Adjusted EBITA margin.

Refractory production

The Group operates 53 refractory production plants in Europe, Türkiye, India, China and the Americas. Smaller markets in East Asia, the Middle East, Africa and Australasia are supplied from regional hubs.

Logistics

Timely raw material and finished goods deliveries with effective inventory management strategies are crucial to ensure customer delivery reliability whilst minimising working capital and operating costs.

Research & Development

Development of new products, customisation and improved production techniques are essential to maintaining our position as market leader. R&D is also required to achieve our longer-term sustainability objectives.

Design

The capability to design refractory solutions for new projects or new customers locks in future recurring revenues from refractory sales. New contract wins in green steel projects demonstrate the Group's success in 2024.

Installation

Customers often outsource the highly technical task of lining installation to RHI Magnesita. Refractory performance is dependent on correct installation, with high quality control requirements.

Monitoring

We offer digital sensors to monitor refractory usage, depletion or slag levels in real time. Kiln surveys can identify hot spots or deformities. Such services are often carried out within a solutions contract framework.

Maintenance

Refractory maintenance can include gunning or other repairs to extend the useful life of refractory linings. Efficient use of refractory linings can have meaningful benefits for other operating costs at customer sites, such as energy consumption.

Optimisation

Maximise customer plant utilisation and minimise operating costs associated with energy usage or maintenance downtime. Post mortem analyses of used refractories are carried out to optimise product formulations over time.

Removal

Plan and execute the removal of linings after maximum safe usage has been achieved. Sort refractory waste to optimise recycling recovery yields.

Recycle

Reclaim valuable refractory material for reuse, with significant circular economy benefits. Our proprietary technology ensures high performance with significant CO_2 emissions reduction potential.

4PRO

A comprehensive offering that reflects our expanded capabilities

For many years RHI Magnesita has been at the forefront of the industry in its ability to offer a complete refractory solution to its customers, charged per unit of customer output and not based on refractory consumption. This arrangement has enabled us to build many long-term relationships and to improve the efficiency of customer plants by employing the best available technology and working practices. Our offering is now much broader and we have launched the 4PRO initiative to achieve another step-change in the relationship we have with our customers.

Sustainable products

RHI Magnesita prioritises sustainability by developing low-carbon and emission-free refractory products. Our commitment to a circular economy drives us to incorporate recycling into our production processes, significantly reducing our environmental impact while delivering high-performance solutions.

Robotics

We leverage advanced robotics to enhance the precision and safety of our manufacturing processes. By automating hazardous tasks, we not only improve operational efficiency but also protect our workforce from certain dangerous conditions.

Evolving our customer relationships is not an option, it is a necessity. Over the years our business model has evolved and today we are able to offer our customers a new level of interaction.

Systems

Our cutting-edge refractory systems are designed to meet the unique demands of high-temperature industries. These systems optimise performance and reduce energy consumption, reflecting our dedication to innovation and sustainability.

Sensors

We utilise state-of-the-art sensor technology for real-time monitoring and control. These sensors provide critical data that allows us to maintain safety, optimise processes, and ensure the highest levels of operational efficiency.

Digital solutions

Our digital platforms empower us to optimise key industrial processes like slag foaming and mass balance. By leveraging data-driven insights, we enhance both efficiency and sustainability in our operations.

Highly specialised engineering

Our team of specialised engineers is dedicated to creating bespoke solutions that address complex industrial challenges. We ensure that our products and systems meet the highest standards of performance, safety, and efficiency.

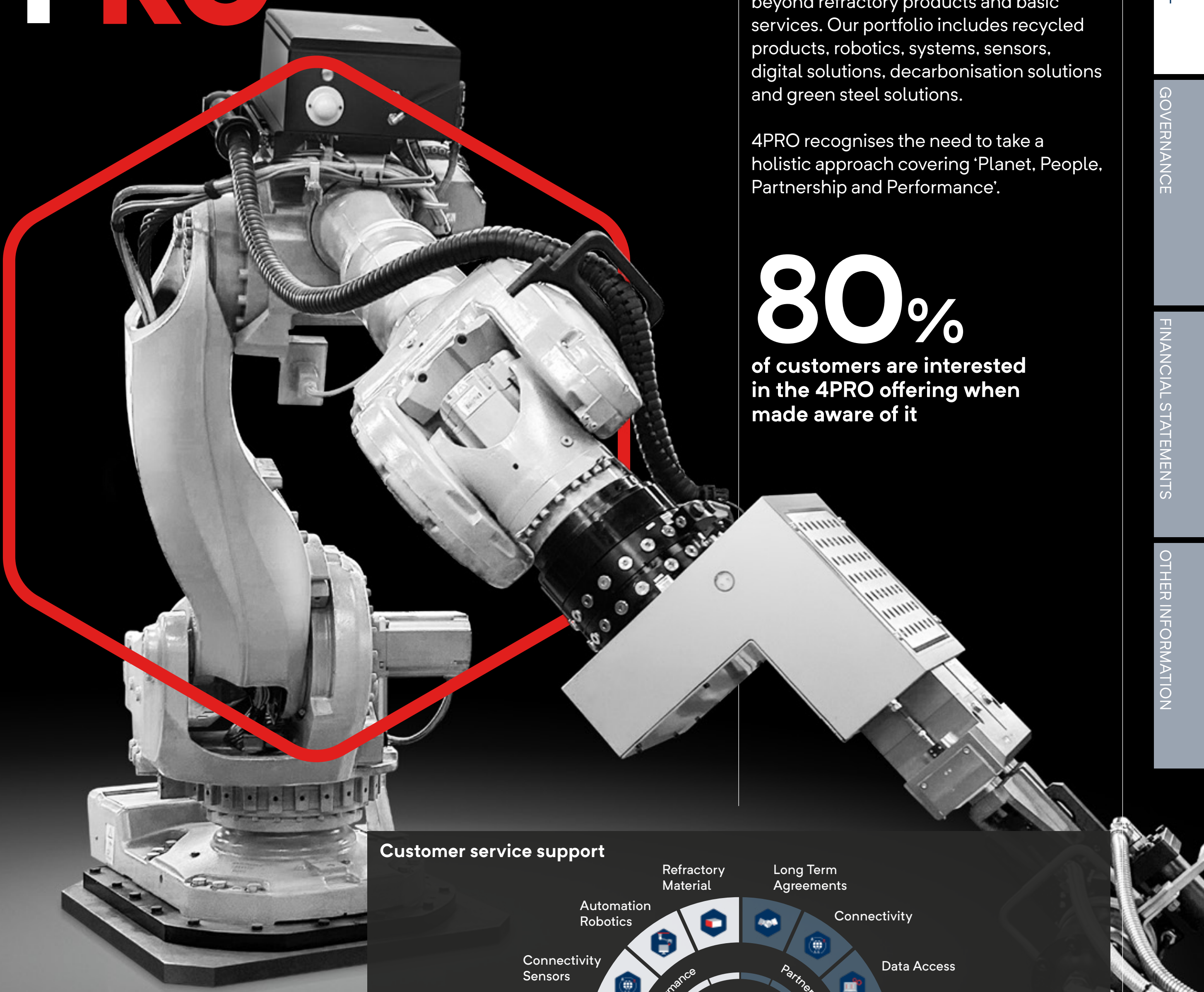
Decarbonisation solutions

We are pioneering technologies to significantly reduce CO_2 emissions through initiatives like carbon capture pilots and the development of low-carbon footprint products.

Clean and green steel solutions

We support the steel industry's transition to sustainability by providing innovative refractory solutions that enhance energy efficiency and reduce emissions. Our products are integral to achieving cleaner and greener steel production.

A new interaction 4PRO



4PRO is a new form of interaction with our customers offering innovative solutions to the contemporary challenges of industry and society.

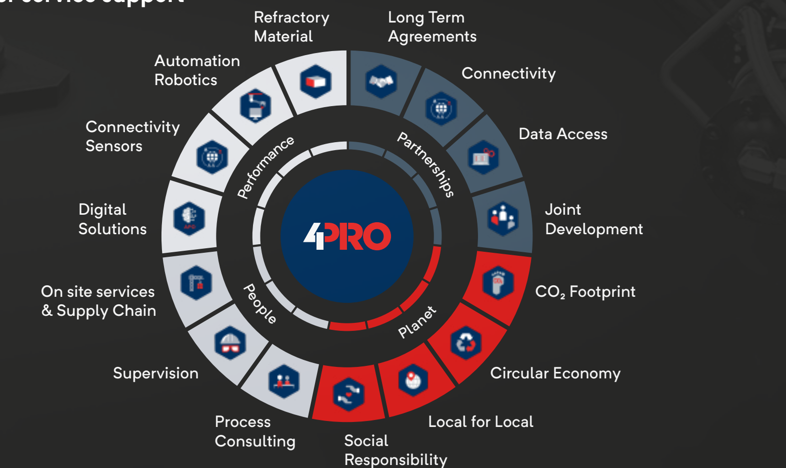
RHI Magnesita's offering extends far beyond refractory products and basic services. Our portfolio includes recycled products, robotics, systems, sensors, digital solutions, decarbonisation solutions and green steel solutions.

4PRO recognises the need to take a holistic approach covering 'Planet, People, Partnership and Performance'.

80%

of customers are interested in the 4PRO offering when made aware of it

Customer service support



Scan the QR code to discover 4PRO

Our strategic framework

RHI Magnesita's strategic pillars:

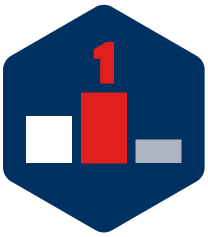
- To improve **Competitiveness** through cost control, production network efficiencies, streamlined process execution, automation and digitalisation.
- To grow revenues and margins by enhancing our **Business model**.
- Drive **Market** leadership through M&A and organic growth to strategically increase market share in geographies and applications where the Group is underrepresented.

The three pillars of our strategy are underpinned by a focus on people, corporate culture and our commitment to sustainability leadership in the refractory industry.

Each strategic pillar represents an opportunity to deliver significant long-term value for shareholders as a highly competitive global leader in refractories with breadth and scale.

The Group's long-term strategy is aligned to its purpose of mastering heat to enable global industries to build sustainable, modern life. The Board reviews the strategy annually to dynamically respond to changing market conditions, industry developments and stakeholder priorities.

The Board believes that the Group's strategy is the optimum route for delivering long-term value creation for all stakeholders. More information on how the Group interacts with its stakeholders to ensure that strategic priorities are aligned can be found on page 26.



Competitiveness

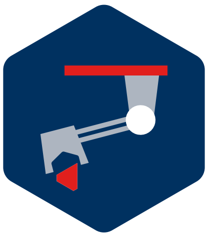
Reduce operating costs
Cost-saving initiatives include reducing SG&A, plant footprint optimisation, automation and digitalisation, supply chain management and selected capital expenditure projects to reduce raw material and conversion costs.

Progress
Adjusted EBITA margin increased to 11.7% (2023: 11.4%) and gross margin improved to 24.3% (2023: 24.0%), supported by FX movements.

Decreases in input costs were broadly offset by lower pricing, whilst SG&A discipline, improved fixed costs absorption and strong sales in higher margin non-ferrous metals and glass projects supported higher margins.

Outlook
The Group is targeting structural cost savings in both raw material and refractory production in 2025. The ramp up of the Brumado kiln in Brazil is expected to result in improved raw material margins. Refractory margins are intended to be increased through the realisation of M&A synergies and possible network optimisation, which may include site closures. The Group has also entered into an outsourcing agreement with Capgemini expected to result in SG&A savings.

Read more about this strategic pillar
Pages 14 & 15



Business model

Expand the business model
We seek to maximise value for our customers and increase margins through the offering of a broad range of products and services, growing the proportion of revenue derived from solutions contracts and expanding our recycling activities.

Progress
The scope of the existing solutions contract offering was broadened and relaunched under the brand 4PRO during 2024, to include the full range of the Group's capabilities.

Recycling volumes continued to increase, with 14.2% of raw materials now sourced from reclaimed material. The acquisition of Refrattari Trezzi develops the Group's European recycling activities.

Outlook
Rollout of 4PRO concept is intended to increase the breadth of customer offering.

Plan flexibility to be increased to react to changes in demand patterns.

Recycling rate target for 2025 is 15% and 2030 target has been set at 20%.

M&A (e.g. Resco) will continue to add to the Group's capabilities across geographies and product segments.

Read more about this strategic pillar
Pages 16 & 17

Markets

Grow market share in geographies and products where we are under-represented
The Group aims to grow its share of the global refractories market via a consolidation strategy targeting businesses in high-growth markets or market segments where the Group is currently underrepresented.

Progress
The €391 million acquisition of Resco Group was agreed in April 2024 and completed in January 2025. Resco's strengths in the petrochemical, cement and aluminium industries are complementary to the Group's existing business and will accelerate the 'local for local' production strategy, reducing network costs and shortening supply chains.

One other acquisition was made in 2024 in the recycling sector, Refrattari Trezzi.

Outlook
The near-term priority is to fully integrate recently acquired businesses and realise value from synergies.

The Group is likely to prioritise cash generation and the paying down of net debt in 2025. However, it maintains an active M&A pipeline and will remain flexible in assessing any new opportunities which may arise.

Read more about this strategic pillar
Pages 18 & 19

People and culture

Enablers of our strategy
RHI Magnesita fosters a culture of innovation, openness, pragmatism and high performance to support the delivery of its strategy. Hiring and retaining talented teams and individuals is essential for the Group to grow and maintain its leadership position.

Progress
The highest priority cultural initiative during 2024 has been to develop the Group's health and safety culture in light of recent incidents. A multi-year initiative supported by dss+ is underway.

Diversity, equity and inclusion initiatives undertaken included EmpowHer workshops, a global mentoring programme for female staff, a hiring partnership with Female Factor, unconscious bias training and focus on gender diversity in the Global Trainee Programme.

Outlook
Continued focus on health and safety performance improvements.

Short-term Board gender diversity is at target (33%) but senior leadership (EMT-1) representation is 26% and requires further action to meet the 2025 target of 33%.

Read more about this strategic pillar
Pages 20 & 21

Sustainability

Sustainability leadership
RHI Magnesita seeks to maintain its leadership position in sustainability in the refractory industry to gain cost, pricing and market share advantages over the long term. We are committed to reducing emissions from our activities and to assisting our customers with their own transitions.

Progress
The Group made strong progress towards achieving its 2025 sustainability targets and established new medium-term targets for 2030.

The 2024 Annual Report contains the Group's first CSRD-compliant sustainability statement.

Priority areas addressed in 2024 were health and safety, supply chain diligence and R&D for CO_2 emissions reduction.

Outlook
The Group is focused on achieving its 2025 sustainability targets, which requires further progress on recycling, CO_2 emissions intensity and gender diversity.

Occupational health and safety will remain the highest priority with ongoing investment to improve performance.

Read more about this strategic pillar
Pages 46 & 47

Competitiveness
Reducing the cost base

We seek to maintain and improve our cost position through adapting and investing in our production network, managing SG&A, streamlining process execution and using automation and digitalisation to modernise manufacturing processes.

€14m
SG&A reduction 2023-24

24.3%
Gross margin 2024 (2023: 24.0%)

11.7%
Adjusted EBITA margin 2024 (2023: 11.4%)

Cost efficiency drives margins and returns

The global refractory market is competitive with many of the Group's peers operating on a 'cost-plus' pricing model. RHI Magnesita offers high-performance products and value added services, for which our customers are prepared to pay a premium, but is still exposed to broader pricing trends in the market.

To retain market share, our pricing must therefore reduce if industry input costs come down, as they did in 2024. Average pricing per tonne reduced by 7% in 2024 exactly for this reason, but margins still increased. In this competitive environment, the best way to expand margins is by reducing our cost base, without impacting product quality or customer experience. If costs can be sustainably reduced and the benefits of these efficiency gains are retained within the business by holding pricing constant, profitability can be sustainably improved over the medium and long term.

ROIC performance is more sensitive to improved profit margins than reducing invested capital. A €14 million improvement in SG&A (as was delivered in 2024) delivers an increase in ROIC equivalent to a reduction of c.€140 million in invested capital. Cost savings of this magnitude can be easier to achieve than structural reductions in capital employed.

How we will maintain and improve our cost position

Our plants have been operating at significantly below full capacity for two years and there is significant operational gearing opportunity. If refractory demand recovers and sales volumes can be increased we stand to benefit as the fixed cost underabsorption which is currently weighing on margins will be reduced. We are deliberately maintaining the flexibility to increase production into a recovery, although we are also evaluating whether it is necessary to retain all of this surplus capacity as we progress our M&A strategy.

Whilst there are strong potential benefits from any future recovery in volumes, we do not rely only on external market developments and we are continuing to work on structurally improving our cost base. The main focus of our efforts in 2024 was the rollout of our Operations Excellence System ("OES"). OES will bring uniformity in processes, standards and parameters to allow comparability, accurate financial analysis and business steering, standardised production and consistent delivery of operational KPIs.

Vertical integration

RHI Magnesita is partially vertically integrated in the production of magnesite and dolomite based refractory raw materials. In 2024, we produced 67% by volume of the total amount of these raw materials and 64% by value. Magnesite and dolomite based raw materials accounted for 54% by value of all raw materials consumed by RHI Magnesita in 2024, and 34% of all externally purchased raw materials. The most important grouping of raw materials besides magnesite and dolomite which we purchase externally are alumina-based materials, which increased in price significantly in the second half of 2024.

The Group owns and operates a highly cost competitive portfolio of magnesite and dolomite raw material assets, such that it is consistently able to produce these raw materials at a lower cost than would be incurred if we purchased them externally. We calculate the contribution to Group Adjusted EBITA margins for the raw material assets and refractory plants separately based on the market prices for the raw materials on the open market. In 2024, our raw material assets contributed 0.8% of margin points to the Group EBITA margin of 11.7%. Whilst this is a record low for vertical integration contribution, it is still a positive number and validates our low cost position. Raw material prices are at historically low levels and loss-making marginal producers in China are coming under pressure to withdraw supply from the market.

Owning and operating low cost raw material assets remains part of our long-term strategy and whilst ROIC from vertical integration is below the Group's cost of capital of 8.2% in 2024 and therefore not generating an economic profit, this is the first time that ROIC in raw materials has been lower than refractory ROIC in over ten years. We are confident that this short-term trend can quickly reverse if demand recovers and raw material prices increase.

CO_2 emissions

Our production process is CO_2 intensive and plants located in Europe are required to purchase CO_2 certificates for all emissions above our free allocation. The cost of purchasing the required CO_2 certificates in 2024 was €6 million (2023: €2 million). CO_2 costs are expected to increase in the future as free allocations are withdrawn and with the transition to CBAM. RHI Magnesita operates a hedging strategy in regard to future CO_2 costs to improve cost visibility. The average price per tonne paid in 2024 was €59.30. The most impactful way to reduce CO_2 costs is to reduce Scope 1 emissions from our European plants and we have a number of initiatives underway to achieve this. We have increased the use of waste and biofuels in our kilns, implemented energy efficiency projects and trialled the use of recycled materials within raw material plants, displacing geogenic process emissions.

Shared services outsourcing

RHI Magnesita launched a long-term strategic partnership in December 2024 which transferred shared services centre staff in Spain, Mexico, India and China to Capgemini. Under the terms of the partnership we expect to generate cost savings and process efficiencies, as well as delivering exciting new career developments for our colleagues who have transferred to Capgemini. We are simultaneously redesigning our business processes and upgrading our digital architecture and together these initiatives offer the potential for significant efficiency gains, resulting in lower costs and improved customer experience.

Network optimisation

The success of our M&A programme means that our production and distribution network is expanding. In the same way as we adapted the network after the combination of RHI and Magnesita in 2017 we are reassessing our production and logistics needs following acquisitions in 2022 and 2023 and the addition of Resco in 2025. It is possible that we will need to make adjustments such as the closure or downsizing of plants in regions which are currently net exporters to improve competitiveness through local-for-local production, where beneficial. This may incur restructuring costs in the short-term in order to realise longer-term efficiency gains. This year we have taken the decision to write down €29 million of expenditure that was previously invested to increase output in Brazil for export to North America. We will now seek to increase domestic US production, following the acquisition of Resco. We continue to assess the optimum structure for our plant network and this is likely to be an ongoing task as a natural consequence of M&A. This is the right strategy to pursue in our low growth market, where scale and cost efficiency will ultimately determine our success.

"We are deliberately maintaining the flexibility to increase production into a recovery. Scale and cost efficiency will ultimately determine our success."

Rajah Jayendran
Chief Technology Officer

Business model

Enhancing the business model

RHI Magnesita supplies a broad range of refractory products and services to its global customer base. 4PRO expands the refractory solutions we can offer, reflecting our broader capabilities.

20%
Market share in refractories excluding China

25%
Global market share in cement kiln refractories

Key strengths of our business model

RHI Magnesita is a leading global supplier of high-grade refractory products, systems and solutions with a vertically integrated value chain. We are able to offer complete solutions to our customers due to our broad range of refractory products, global manufacturing footprint and expertise in the management of heat in modern industrial processes. Our service offering has evolved to include digital, sustainability and circular economy focused products and services and was relaunched in 2024 under the 4PRO brand to reflect the full range of our capabilities.

Refractories are an essential part of our customers' manufacturing processes with the potential to influence costs and performance in areas that extend far beyond the refractory contract. As a large scale, global player we are able to meet our customers' critical needs to maintain a consistent supply of high-quality refractory products and services, without which they would not be able to operate. Reliability and quality control are essential foundations of our success.

Enhancing our customer offering

We are continually seeking to develop our business model by:

1. Moving customers up the margin curve, encouraging the use of higher value-added products and services;
2. Increasing the proportion of revenue derived from the 4PRO offering;
3. Increasing the use of recycled raw materials, which has significant environmental benefits for all parties and the potential to support a new business line in the provision of 'green' refractory raw materials;
4. Offering more sustainable or more efficient refractory products with a lower product carbon footprint to support our customers in reducing their Scope 3 emissions;
5. Reducing product complexity;
6. Making supply chain and logistics planning improvements;
7. Digitalising our customer-facing tools and seeking to capture data to deliver process efficiencies; and
8. Funding R&D of new robotics or other automation technologies with potential for efficiency and health and safety improvements.

4PRO

4PRO recognises the need to take a holistic approach covering 'Planet, People, Partnership and Performance'. Our portfolio now includes recycled products, robotics, systems, sensors, digital solutions, decarbonisation solutions and green steel solutions.

Due to the potential benefits that can be captured by improving refractory performance, we are now able to approach customers with a much higher level of strategic engagement and not only as a supplier of commoditised or consumable items.

Circular economy vision

RHI Magnesita initially invested into recycling of raw materials as a sustainability initiative to reduce CO_2 emissions in its own activities. After proving the technology and the equivalent performance of products containing higher levels of recycled raw materials, the bottleneck for expansion became the ability to source and sort residual refractory waste at customer sites.

Through acquisitions of specialist waste collectors and by entering into partnerships with customers to improve waste collection and the sorting process at sites, we have been able to significantly increase the tonnage of waste material obtained and increase the yield of useful material from waste. The best result for recycling of refractory waste can be obtained if the material is sorted immediately when broken out, protected when stored and shipped to a recycling facility in as short a time as possible after breakout. As we have approached customers to develop these techniques we have been able to offer a waste processing solution. This utilises material which would otherwise be sent to landfill, with associated costs.

Our capabilities took a major step forward in 2024 with the launch of the new 'RAPTOR' waste sorting unit, This scalable solution utilises automated sorting technologies based on laser spectrometry and hyperspectral imaging cameras to significantly speed up and improve accuracy in the waste sourcing process.

RHI Magnesita's rapidly developing practices in the effective sourcing of reusable refractory waste may result in greater quantities of recycled raw materials being reclaimed than can be utilised within the Group's own network. Surplus material, with a low or zero carbon footprint, will then become available for sale to other refractory producers. Such material is likely to become significantly more valuable as carbon costs increase, for example with the implementation of the EU Carbon Border Adjustment Mechanism, which will greatly increase the cost of high CO_2 footprint raw material sourced from China.

Complexity reduction

RHI Magnesita offers highly customised products to its customers, with bespoke specifications developed over many years of iterative improvement. This leads to increasing product complexity and a proliferation of product SKUs over time.

This process is accelerated by M&A, since with the acquisition of new businesses the Group acquires new product specifications which may be similar to existing products already offered. Complexity can result in small batch sizes with lower margins or plant inflexibility if products are not interchangeable.

The complexity reduction programme (CoRe) was launched to meet this challenge and has become increasingly important as the Group's M&A activities have increased. CoRe encourages customers and sales teams to migrate to a core portfolio of products where this will not impact product performance.

Digital transformation

Harnessing the potential future benefits of artificial intelligence requires foundational investment today in technology and data management. RHI Magnesita is investing approximately €35 million per year over the period 2024-2026 to modernise its technology platform, including a global ERP upgrade and updates to planning and logistics systems. With fully standardised and interchangeable data we will be able to serve our customers in increasingly sophisticated ways and deliver improvements to the speed and reliability of our supply chain and distribution network.

Automation and robotic solutions

Sales of robotic and machinery solutions grew significantly in 2024, with 18 new contracts awarded. The Group has been investing in the development of such systems for a number of years to deliver productivity and safety improvements for customers and to lock-in long-term refractory supply agreements. RHI Magnesita will continue to develop automation solutions to maintain its leadership position in lining installation repair and monitoring.

Green steel projects

RHI Magnesita has now secured contracts for refractory design and supply for five green steel projects worldwide. Such contracts represent material new project revenue and validation of the Group's strategy to position itself as the leading supplier of refractory linings and services for Direct Reduction, Open Bath, Electric Arc and Basic Oxygen furnaces, which are expected to be essential for the large-scale adoption of green steel production globally.

Markets

Driving market leadership

We see a major opportunity to generate value through consolidation of the global refractory industry, targeting businesses in high-growth geographies or product segments where the Group is currently underrepresented.

10%

Revenue growth in India, China and Türkiye

16%

of revenue generated by flow control

€77m

Adjusted EBITDA contribution from businesses acquired in 2023

Growth through consolidation in a fragmented industry

RHI Magnesita has completed 11 acquisitions since December 2021 with a total deal value of €1.2 billion. The Group is continuing to execute its strategy to grow through acquisition in the global refractory industry, which remains fragmented creating the opportunity to grow in product segments or geographic markets where the Group is underrepresented.

Resco

RHI Magnesita agreed to acquire Resco Group in April 2024 and completed the transaction on 28 January 2025, for an enterprise value of €391 million. The acquisition is a major step forward for the North America region. Resco's strengths in the petrochemical, cement and aluminium industries are complementary to the Group's existing business and will accelerate the strategy for local production, on-shoring significant manufacturing activity into the US, reducing network costs and shortening supply chains. Resco is the largest acquisition the Group has undertaken since the combination of RHI and Magnesita in 2017.

Trezzi

The €5 million acquisition of Refrattari Trezzi was completed in June 2024, expanding recycling activities in Europe. Acquiring recycling specialists enables RHI Magnesita to source increased quantities of reclaimed refractory material to supply its growing recycling business.

Integrating knowledge

Each business we acquire brings talented new individuals into the Group. We seek to retain the expertise of teams joining the RHI Magnesita network and in many cases to roll out innovative products and business models on a global scale which may previously have been limited to specific product segments or geographies.

Buy, don't build

The global refractory market has low growth expectations and the Group's strategy is to grow primarily through acquisition rather than the construction of greenfield facilities. Investing in new capacity is unlikely to lead to acceptable financial returns in a market which is already adequately supplied. Significant synergies can be realised through M&A, based on revenue synergies, procurement and other cost savings and network efficiencies.

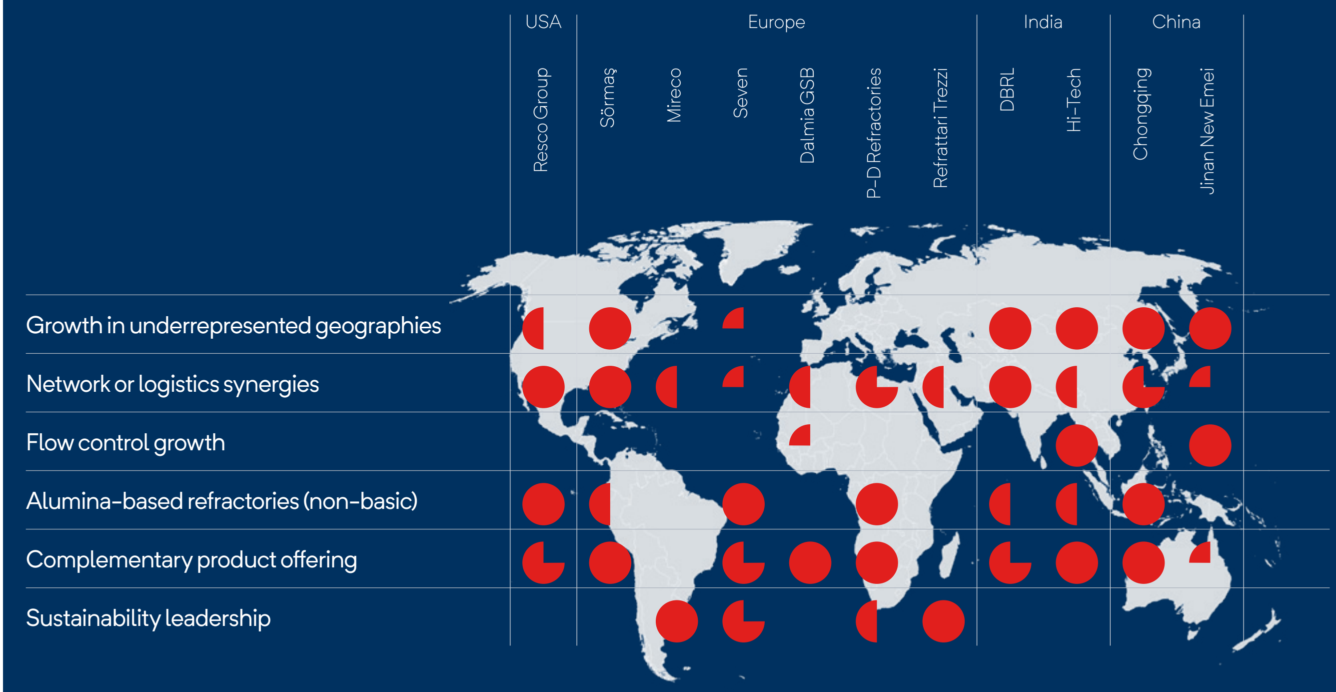
"Our M&A strategy has gathered momentum and we are now well established as the leading consolidator in the sector."

Stefan Borgas
Chief Executive Officer

	Date	Consideration	Regional markets	Product markets
Chongqing	December 21	€5 million	China & East Asia	Industrial
Mireco	March 22	€13 million	Europe, CIS, Türkiye	Recycling
Sörmaş	October 22	€46 million	Europe, CIS, Türkiye	Industrial, Steel
DBRL	January 23	27 million shares in RHI Magnesita India Ltd.	India, West Asia & Africa	Industrial, Steel
Hi-Tech	January 23	€86 million	India, West Asia & Africa	Steel Flow Control
Dalmia GSB	April 23	€13 million	Europe, CIS, Türkiye	Steel lances and precast products
Jinan New Emei	May 23	€40 million	China & East Asia	Steel Flow Control
Seven Refractories	July 23	€84 million	Europe, CIS, Türkiye and North America	Alumina-based mixes
P-D Refractories	October 23	€45 million	Europe, CIS, Türkiye	Alumina refractories for Industrial customers
Refrattari Trezzi	June 24	€5 million	Europe, CIS, Türkiye	Recycling
Resco Group	January 25	€391 million	North America, UK	Industrial, Steel

Industry consolidation opportunity

RHI Magnesita is building on its global leadership position in the refractory industry



People and culture
Our greatest strength

The successful implementation of our strategy relies on a talented and incentivised workforce with a customer-focused culture.

5.21%
Voluntary employee turnover (2023: 6.50%)

26%
Gender diversity in leadership (2023: 28%)

33%
Gender diversity of our Board (2023: 29%)

Our purpose and culture
RHI Magnesita's culture is built upon our corporate purpose: to master heat, enabling global industries to build sustainable modern life. Delivering for our customers is at the centre of everything we do, supported by four values of innovation, openness, pragmatism and performance.

The EMT dedicates a full day each year to discuss culture and performance of senior managers in the Group. The inputs to this include the outcomes of surveys of employees across a broad range of topics such as the transformational ERP project and outsourcing project, new joiners, H&S surveys, the detail of compliance reports and reports of misconduct, integration surveys, which cover both those in new assets and in the existing Group footprint, and external employer rating websites. Where benchmarks are available, these help to contextualise the outputs for the EMT in a more quantitative way.

The headline cultural values remain the same as in 2019 and with the assistance of cultural champions in all our regions, we instill these values upon joining the RHI Magnesita Group with a dedicated workshop led by our Culture team, which welcomes new colleagues and sets them up for success with a clear briefing on the values, and engages them to consider what these values mean in practice and what inappropriate behaviours in the cultural framework would look like.

In 2024, the EMT launched a programme to validate the cultural values and refresh the Company's purpose, vision and mission. As part of this, the EMT considered themes arising from the feedback on leadership in the organisation, recognition of achievements and psychological safety, which is critical to an open and transparent culture.

In early 2025, the EMT considered inputs from over 3,000 colleagues across varying levels and all regions and resolved to refresh the values with updated detail and relaunch the Group's customer focused culture in the course of 2025.

Diversity, Equity and Inclusion
RHI Magnesita's workforce comprises employees from over 90 countries, bringing together a rich diversity of experiences, backgrounds, and perspectives that drive innovation and resilience within our business model. This diversity aligns with our strategic goals, enabling us to adapt to the dynamic global markets we operate in. We truly believe it is a strength of our multi-national company. Leveraging the diversity we enjoy across our regions brings different viewpoints, ways of approaching and solving problems, and generates learnings about how we can all succeed together. We are committed to fostering a culture of lifelong learning and supporting both personal and professional growth, ensuring that our employees are equipped to meet evolving business needs while contributing to our organisation's long-term success.

RHI Magnesita shows its commitment to diversity in a myriad of ways, including in our day to day decisions as an EMT and are supported by the Global Gender Equality Policy and Diversity Charter which is endorsed by the most senior managers in RHI Magnesita. Alongside our Code of Conduct and other relevant policies and guiding principles, these statements set out clearly for our employees, including contract workers and those who join us through acquisition, how we expect to behave with each other. They support our business with compliance and management of risks. You can find these policies **here**.

These policies are established to ensure that our employees are treated equally in the workplace irrespective of age, gender, marital or civil partnership status, pregnancy, maternity, family responsibilities, political beliefs, colour, nationality and ethnic or national origins, religion, disability, sexual orientation, and gender identity. In this approach we seek to foster business growth boosts business success, drive innovation, and elevate our brand in the competitive marketing landscape. You can read about the initiatives that the management have taken to improve our leadership gender diversity level to try to meet our 2025 target on page 23. We will continue to work to support and develop female talent in our organisation, whilst recognising the structural and historic factors which influence our ability to do so.

"People are our core asset and securing our people and culture advantage is critical to our continued success. A highly motivated and engaged team is more likely to deliver superior operational outcomes."

Simone Oremovic
EVP, People, Projects, Integrations & Recycling

Link to strategy
- Competitiveness
- Business model
- Markets

Key performance indicators

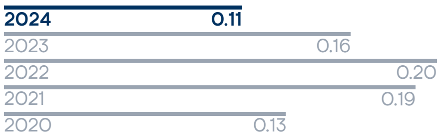
The Board and management have identified the following KPIs which they believe reflect the key indicators of financial and non-financial performance.

The non-financial information, as presented within the Director's Report, which in this document, comprises the Strategic report and Governance section of this Annual Report, complies with the Dutch Disclosure of Non-Financial Information.

Read more on risk management
Page 48

Non-financial

Safety: LTIF



Link to strategy

KPI relevance
Safety is paramount to the successful running of our business. Lost Time Injury Frequency (LTIF) is the main indicator used to measure safety performance. The Group's goal is zero accidents.

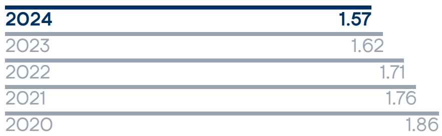
How it is measured
The number of accidents resulting in lost time of more than eight hours, per 200,000 working hours, determined on a monthly basis.

2024 performance
LTIF reached 0.11 in 2024, representing a 31% reduction compared to 2023.

Total Recordable Injury Frequency (TRIF) decreased to 0.41 from 0.46 in 2023.

Two fatalities occurred in our operations in 2024 – one at the Breitenau plant in Austria and a second at the Dalian plant in China.

Relative CO_2 emissions[1] (t CO_2/t)



Link to strategy

KPI relevance
Climate change poses strategic and operational risks to our business, as well as opportunities. The Group's target is to reduce Scope 1, 2 and 3 (raw materials) by 15% per tonne of product by 2025 (versus 2018 baseline).

How it is measured
Tonnes of total Scope 1, 2 and 3 (raw materials) carbon emissions per tonne of product. Scope 1 emissions consist of onsite emissions, Scope 2 comprise purchased electricity, and Scope 3 are measured from raw materials production.

2024 performance
In 2024, total CO_2 emissions (Scope 1, 2 and 3 – raw materials) were 4,4 million tonnes and our emissions intensity has reduced by 14%. Since the baseline year of 2018, the Group has exceeded its initial targets in recycling, offset by delayed progress in switching to alternative fuels.

A new target has been adopted to reduce CO_2 emissions intensity by a further 10% by 2030, compared to the 2024 baseline.

Link to strategy

- Competitiveness
- Business model
- Markets

Use of secondary raw materials

2024	**14.2%**
2023	12.6%
2022	10.5%
2021	6.8%
2020	5.0%

Link to strategy

KPI relevance
Recycling plays a critical role in achieving our 2025 emissions reduction target while also developing the circularity of our business. Our target is to reach 15% secondary raw material (SRM) content in refractories by 2025.

How it is measured
Share of SRM content as a percentage of total raw materials.

2024 performance
Use of SRM was at 14.2% in 2024, compared with 12.6% in 2023. The speed with which we can continue to increase overall Group recycling rates from this point may moderate due to dilution impact from new acquisitions.

Voluntary employee turnover

2024	**5.21%**
2023	6.50%
2022	6.50%
2021	6.80%
2020	5.10%

Link to strategy

KPI relevance
Voluntary turnover is one way of measuring the Group's success in retaining its employees.

How it is measured
The percentage of employees who voluntarily left the Company during the year and were replaced by new employees.

2024 performance
Voluntary turnover decreased in 2024 to 5.2%. The rate remains relatively low, reflecting uncertainty in the global economic environment.

Gender diversity in leadership

2024	**26%**
2023	28%
2022	21%
2021	22%
2020	25%

Link to strategy

KPI relevance
Diversity is important in terms of maintaining our competitiveness and economic success, and gender diversity is our first priority. Our target is to increase female representation in senior leadership to 33% by 2025.

How it is measured
Number of women as a percentage of all those in leadership positions (EMT and EMT direct reports).

2024 performance
Despite our numerous internal and external initiatives (trainee programme, female mentoring programme, EmpowHer programme and others), we continue to face challenges in attracting female candidates. This may be due to the nature of our industry, which is traditionally male-dominated. While we remain committed to maintaining 33% female representation in senior leadership roles, we recognise that achieving this must be done sustainably and without compromising fairness in the selection process.

Link to strategy
- Competitiveness
- Business model
- Markets

Financial

Revenue

2024	**€3,487m**
2023	€3,572m
2022	€3,317m
2021	€2,551m
2020	€2,259m

Link to strategy

KPI relevance
This demonstrates the growth of the business. By increasing our global refractory market share, continually enhancing our product and service offering, the Company is focused on achieving revenue growth and aims to outperform the refractories market on an annual basis.

How it is measured
Total Group revenue, as reported in the financial statements.

2024 performance
Revenue for 2024 amounted to €3,487 million, 2% lower than 2023, mostly due to a weak market environment.

Adjusted EBITA margin

2024	**11.7%**
2023	11.4%
2022	11.6%
2021	11.0%
2020	11.5%

Link to strategy

KPI relevance
Adjusted EBITA margin provides a measure of profitability and demonstrates the successful execution of the Company's strategy.

How it is measured
Adjusted EBITA divided by revenue, as reported in the financial statements.

Adjusted EBITA is an APM and more information can be found on page 325.

2024 performance
The Group recorded an EBITA margin of 11.7% in 2024, and 30bps higher than 2023. This was due to stringent cost management.

Adjusted EPS

2024	**€5.32**
2023	€4.98
2022	€4.82
2021	€4.52
2020	€3.28

Link to strategy

KPI relevance
Reflecting the income statement in a clear way and taking the equity structure into account, the Board believes Adjusted EPS to be one of the indicators that demonstrates shareholder value.

How it is measured
Earnings per share, excluding other financial income and expenses.

Adjusted EPS is an APM and more information can be found on page 325.

2024 performance
Adjusted EPS of €5.32 per share was higher than the €4.98 per share recorded at 2023 largely given the substantial FX tailwind.

Link to strategy

- Competitiveness
- Business model
- Markets

Leverage

2024	**2.3x**
2023	2.3x
2022	2.3x
2021	2.6x
2020	1.5x

Link to strategy

KPI relevance

Appropriate leverage provides the business with headroom for compelling investment opportunities, but also enables shareholder distribution.

The Board has defined a long-term leverage target range of 1.0 to 2.0x (c.2.5x for M&A).

How it is measured

Net debt to Pro Forma Adjusted EBITDA. Leverage is Net debt divided by Pro Forma Adjusted EBITDA which are APMs. More information can be found on page 325 and 326.

2024 performance

Leverage remained flat at 2.3x at the end of 2024.

ROIC

2024	**9.8%**
2023	10.7%
2022	12.3%
2021	10.8%
2020	10.5%

Link to strategy

KPI relevance

Return on invested capital (“ROIC”) is used to assess the Group’s efficiency in executing its capital allocation strategy, which is aimed at enabling organic growth, disciplined M&A and shareholder returns.

How it is measured

Calculated as net operating profit after tax, divided by average invested capital for the year. ROIC is an APM and more information can be found on page 326.

2024 performance

ROIC decreased in 2024 to 9.8%, mostly driven by an increase in average invested capital.

R&D and Technical Marketing spend

2024	**€83m**
2023	€83m
2022	€79m
2021	€63m
2020	€62m

Link to strategy

KPI relevance

Excellence in R&D and strong technical marketing capabilities are key contributors to our competitiveness. This demonstrates our commitment to driving innovation and to being the leading provider of services and solutions within the refractories industries. The Group aims to invest at least 2.2% of revenue per annum in R&D and technical marketing.

How it is measured

Annual spend on research and development, before subsidies and including opex and capex.

2024 performance

€83 million was committed to R&D and technical marketing in 2024, equating to 2.4% of revenues, exceeding the Group’s annual commitment of 2.2%.

Engaging for mutual success

RHI Magnesita cannot operate in a vacuum. We can only succeed if we conduct ourselves responsibly and have positive relationships with our stakeholders.

Shareholders

Why they are important
As providers of capital and owners of the business, our shareholders play a central role in the Company's growth and development. By fostering and maintaining their support, we are able to implement our strategy and objectives.

How the Company engages
The Company is listed on the London and Vienna Stock Exchanges, with London as its primary listing location.

The Company issues consistent, fair, balanced and understandable information to these stock exchanges to ensure efficient and fair functioning of financial markets. Care is taken to ensure messaging is consistent and publications are compliant with the EU and UK Market Abuse Regime, UK Listing Rules, Austrian Stock Exchange Act, and Corporate Governance Codes and guidance.

The Investor Relations department maintains an ongoing dialogue with shareholders and analysts which is fed back to senior management.

Regular engagement is facilitated via one-on-one meetings, investor presentations and webcasts, the AGM, industry conferences and events and site visits.

How the Board engages
The Executive Directors meet regularly with investors and analysts (both in person and via digital channels). On request, the SID and Deputy Chair meets with shareholders to discuss governance matters. In 2024 this covered the Board's oversight of strategy and risk, Board skills, diversity and composition, and sustainability metrics.

The Investor Relations team regularly provides analyst coverage of the market and shareholder sentiment to the Board. This includes shareholder commentary, and comparison of the Company's performance against its peers. The Company's brokers also provide valuable and pertinent perspectives from their wider experience base, which gives context to the Board for regulatory news publications.

The Chair and SID and Deputy Chair also engaged with larger shareholders to hear about their priorities and answer questions around both tactical and strategic delivery.

As part of the process to consult on the Remuneration Policy in 2024, the Chair of the Remuneration Committee engaged with shareholders holding over 80% of the rights in the Company on the proposed policy adopted at the 2024 AGM,

The changes in late 2024 in remuneration principles and guidelines from various proxy agencies representing the investment community, were briefed to the Remuneration Committee.

The Board benefits from long-term shareholder representative Directors, who share their perspective and priorities to guide management and reflect the shareholder experience, whilst also taking care to recognise minority shareholder interests and priorities.

Priority topics raised by stakeholders
- Company strategy and implementation, particularly regarding M&A and capital allocation.
- Operational and financial performance including cash generation, sales volumes, pricing considering raw material costs, and trading outlook.
- Geopolitical outlook and associated changes to global economic factors.
- Sustainability agenda and activities, such as contract wins in green steel, sustainability targets.
- Climate strategy and associated capex investment.
- Incentives linked to reduction of CO_2 emissions and other ESG matters.
- Company's preparedness to comply with CSRD.
- Board composition including gender diversity and the skills and experience represented.

Outcomes
Shareholder perspectives were fundamental considerations in Board discussions on a wide range of topics, including the implementation of remuneration policy, accounting judgements, capital allocation decisions, gearing and leverage, and ESG strategy.

Feedback about the Group's acquisition strategy from shareholders informs the strategy and planning for the future in terms of liquidity and business capacity. A number of acquisitions have been made since 2022 and the priorities of shareholders will continue to be a driving factor in the future acquisition approach.

Two dividends, final and interim, were paid in 2024, in line with the dividend policy and shareholder expectations.

Debt holders and lenders

Why they are important

Our lenders and debt holders are an important source of the financial liquidity that the Group requires to operate. They are integral to the long-term sustainable success and growth initiatives of the business.

How the Company engages

The Group CFO and Group Treasurer execute strategies approved by the Board by regularly engaging with debt holders and lenders to secure favourable terms, mitigate risks, and ensure sustainable and solid relationships.

Regular engagement with these stakeholders is facilitated via one-on-one and Group meetings and presentations.

How the Board engages

The Treasury department maintains an ongoing, transparent dialogue with its debt holders and lenders, and reports regularly to the Audit & Compliance Committee and Board.

The Board has a clearly defined approval and delegation of authorities matrix for the contracting of debt instruments, and actively contributes and engages in discussions with the Group CFO and Group Treasurer.

Priority topics raised by stakeholders

- Company strategy and implementation.
- Operational and financial performance and outlook.
- Capital structure and liquidity.
- Sustainability initiatives.
- Risk management.

Outcomes

In 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. Loan proceeds have been used to acquire Resco Group in early 2025. Furthermore, the Group prepaid €100 million from a €150 million bilateral term loan, which matures in April 2026, to optimise the Group's capital structure and reduce excess cash.

As a result of the Group's strong EcoVadis ESG rating upgrade in June 2024, with an improvement by four points to 76, the margin payable on the Group's ESG-linked financings amounting to €1,983 million (including the fully undrawn €600 million revolving credit facility) per December 2024 was reduced by 3bps, leading to €0.5 million savings in interest cost on an annualised basis.

Customers and innovation partners

Why they are important

Our customers are at the heart of our business model and fundamental to the sustainable future of the Group.

We collaborate across the refractory industry, and more broadly, with external partners such as accelerators, start-ups, open innovation platforms, companies and institutions to foster innovation and drive developments in R&D.

How the Company engages

The Company connects with partners from the private and public sector, innovators and academia to exchange ideas and more concretely, tackle challenges through problem-solving approaches. Our R&D teams, amongst others, collaborate and engage with innovation partners on an ongoing basis. Annually, the Company hosts a technical advisory committee attended by external parties to bring together advanced perspectives from industry, academia, and startups to consider a variety of topics such as Artificial Intelligence in R&D, Refractory Recycling, and use of Hydrogen.

Our specialists are invited to present at expert symposiums and technical conferences, typically focusing on sustainability innovations and refractory technology.

The business is well represented at trade fairs across different industries, such as steel and cement, and geographies across the world.

We work closely with our customers to ensure we are aware of their needs through day-to-day contact fact-finding, technical consulting, installation and operations supervision and site visits.

The Company runs Customer Satisfaction surveys to regularly assess our Net Promoter Score. It is used as a key metric for customer-facing teams, to ensure focus on providing a positive customer experience in every interaction.

How the Board engages

Customers continue to be at the heart of the Company's values and culture, and as such form a central part of every Board decision. Directors meet customers wherever possible and as part of the Board site visit in April, the Board was delighted to have the chance to visit Tata Steel's plant in Jamshedpur, India, and see first-hand how RHI Magnesita works side by side to support and deliver successful outcomes. A session with the management of Tata Steel enabled Directors to hear their priorities and to discuss best practice H&S procedures adhered to by Tata Steel, as well as wider economic factors and developments.

The Executive Directors meet regularly with customers to discuss joint strategies, at industry congresses, seminars and webinars, and at technology events and fairs.

The CSC hears from senior management on their work with innovation partners on the development of the Company's sustainability strategy, and feedback to the Board.

Priority topics raised by stakeholders

- Price increases in response to widespread inflationary costs and low demand in some regions.
- Service levels and lead times.
- Response to climate change and opportunities in green transformation.
- Health & Safety.

Outcomes

Increased investment in production sites to strengthen supply and quality of products for customers and restructured teams and processes to deliver better customer service. The Group's Net Promoter Score continued to reach new highs in 2024, showing the benefits of focus on areas such as customer service delivery performance and technical support.

Management's work to improve operational processes and to partner with logistics providers who can support flexible and cost-efficient solutions is resulting in improved customer outcomes.

The ongoing Safety Culture Transformation covers our own employees at customers' sites as well as at our own plants, laboratories and offices.

The Group's regional structure continues to deliver strong customer experience through direct engagement and alignment between local teams.

Reports from customer relationship teams informed the Board's strategic decisions to develop the service offering and product portfolios available to them, particularly with regard to sustainable products and location of supply. The Group is increasingly the partner of choice in the green transition of steel and cement in Europe.

The esteemed scientific trade journal, Bulletin, published by RHI Magnesita, shares the latest research on refractory innovations as well as showcasing the successful delivery of innovation through the implementation of new products, technologies and services at our customers' sites. Bulletin is available on the **Company website** and demonstrates the Company's continued development and coordination with innovation partners.

Partnerships were established with MCi Carbon and Compact Membrane Systems to embark on pilot schemes to develop technology to eventually bring benefits in carbon capture and utilisation (CCU). Other co-operation includes initiatives with ResourceFull, a recycling company for waste materials, and ReSoURCE, an EU initiative creating partnerships to develop and fund refractory recycling equipment.

Communities

Why they are important

Wherever we operate, our business depends on maintaining the trust of local communities. In return for this social licence to operate, we must conduct our business ethically and responsibly. We must also strive towards sustainability, not only in our own operations but also to support socioeconomic development and environmental protection.

How the Company engages

As a member of the UN Global Compact, we support the UN SDGs and implement the Global Compact principles (anti-corruption, human rights, labour rights and environment). These commitments drive our engagement with policymakers, non-governmental organisations (NGOs), and others at a national and international level.

At a local level, each operation engages with local communities and other stakeholders to understand their concerns and how we can support them.

In 2024, we specifically focused on education and youth development, health and medical care, and environment across the communities in which we operate. These three community investment pillars align with a number of the UN SDGs.

How the Board engages

The CSC considered, and reported back to the Board, on community engagement, including charitable fundraising for local communities and received updates from management on projects in communities in India and Brazil.

The CSC gave feedback on where Directors felt focus should be directed and noted the relevant legal requirements.

Priority topics raised by stakeholders

- Health and wellbeing.
- Climate change.
- Education, youth development and employment programmes.

Outcomes

The employee volunteering programme, established in 2022, continued in 2024 through which we are partnering with six non-profit organisations.

We once again increased our spend on community programmes in 2024 across our regions, resulting in construction of libraries, building up the skills and knowledge of children from challenging backgrounds, and facilitating primary healthcare and assistance for disabled individuals in the communities we operate in.

We made further progress on our decarbonisation plan to help improve the world we live in for future generations and were pleased to see an increase in our use of SRM to 14.2% in 2024.

RHI Magnesita was the sponsor of the St Gallen MBA Challenge, in which young minds considered how to build a Circular Raw Material Business model in different regions helping to develop the next generation and build a more sustainable future.

Employees

Why they are important

Attracting, retaining and developing talent is central to the success of the Company. Our people are crucial in the delivery of our strategic goals. We aim to cultivate an engaged, innovative and collaborative workforce, with a strong focus on diversity.

How the Company engages

Communication channels include townhall meetings, conferences for different functions and seniority levels, and our corporate communications mobile application (Workvivo) which allows colleagues from all levels and locations to be connected and to hear consistently from senior leaders, as well as express themselves, and highlight their own concerns and achievements.

Colleagues throughout the Company, who are designated as Culture Champions, engage with the workforce on an ongoing basis to embed our culture and values.

Regional leadership teams hold townhalls to address regional specific issues, e.g., local supply chain issues, employee health and wellbeing, and site changes.

How the Board engages

Three ERDs sit on the Board, feeding in on a range of workforce issues such as remuneration, feedback on executives, the operational footprint, and Health & Safety.

The Board meets with plant employees and management, as well as holding direct conversations with senior management on detailed topics outside of Board meetings. They also had a dedicated session with trainees in late 2024 to gain more of an understanding of the priorities of the next generation. More details can be found on page 216.

Local and global townhalls and Q&A sessions are run both virtually and in person, at both regular intervals and when there are specific communications to be delivered, such as the full and half year financial results. On the Board's visit to the Bhiwadi, Jameshedpur and Rajgangpur plants, as well as the regional headquarters, all Directors attended the townhalls, sitting amongst local employees, and the Chair of the Board addressed colleagues, alongside the CEO and Regional President. In one plant, re-emphasising the tone from the top on safety, the Chair of the CSC also addressed those working in the plant, reiterating her expectations about safe working practices.

The CSC considers employee safety KPIs at each meeting, including a root cause analysis of any major accidents. The Board also receives a report of Health & Safety statistics from the CEO at each meeting. The CSC, as well as the broader Board, focused on the fatalities, lessons learned, as well as receiving briefings on the business's response and the support for affected colleagues at the plants. Guidance and encouragement were given by Board members to improve processes and approach based in their own experiences elsewhere.

Board Directors participated in the mentoring programme for female talents, sharing their own experiences as women in the workplace, and supported the delivery of the scheme through advising other mentors in the Company on how to establish a good mentoring relationship.

Priority topics raised by stakeholders

- Operational performance improvement programmes including process and controls improvement.
- Health & Safety and cultural changes to foster greater transparency to build safer working environments.
- Business restructuring and job security, within the wider macroeconomic backdrop (specific to certain regions).
- Regional investment and the impact of new assets and additional colleagues.
- Responding to green steel transformation and delivering environment related solutions.
- Salary/wage growth.
- Recruitment, talent development and retention.
- Work/life balance.
- Leadership behaviours and communication, e.g., cultural role modelling and leading by example.
- Change resilience, psychological safety, and employee wellbeing.

Outcomes

The Company initiated a full-scale review of safety in the organisation, supported by dss+, a leading safety consultancy. This involved detailed surveys and engagement with colleagues from the shop floor through to management to understand perceptions and prioritisation of safety worldwide across our regions. The Board and management received oversight of the detailed responses which informed the action plan.

Several initiatives and events were implemented to strengthen our Diversity, Equity and Inclusion ("DEI") efforts:

- 'EmpowHer' workshops,
- a partnership with Female Factor to improve hiring practices for minority groups
- the Global Female Mentoring Programme to promote professional development through mentoring of c.50 female talents; and
- a Global Trainee Programme, across all five regions and varying functions, which delivers gender diversity, cross-cultural collaboration, and inclusion of new generations. In 2024, we received 5,000 applications for this programme,

Additionally, we held quarterly global webinars on unconscious bias training for all employees. Over 1,000 employees joined the global DEI seminars in 2024.

Our global Employee Engagement team implements digital tools to develop management skills and the Company culture, which should lead to improved retention.

A new regional office has been established in Gurugram, India, as well as other recently commissioned regional headquarters in Tampa, USA and Contagem, Brazil. These upgraded working environments show investment in the local operations, providing employees with a better workplace environment.

Workvivo provides tips and recommendations for health and wellbeing, and hosts sessions to boost wellbeing and improve work/life balance. In certain locations there are employee assistance programmes providing free therapy, counselling and coaching sessions to support colleagues.

Overall average remuneration increased, taking into account inflation, and collective and union agreements. A strata approach to pay increases was taken to support lower paid employees and in various locations there have been detailed discussions between trade unions and works councils and management in a structured and transparent manner to deliver a fair outcome for employees.

Post-acquisition, there is a consistent and agreed process to integrate new assets as quickly as possible which is led by the regions together with the global department, in order to support and retain employees following completion of M&A transactions. The global function ensures consistency of approach and delivers a coordinated and comprehensive overview to the executive management and senior leaders, whilst ensuring the new assets are supported effectively by the corporate functions, seeking regular feedback as part of the process. The focus on retention delivers combined leadership to leverage synergies of best practice to set the new structure up for success across a wide range of metrics. The lead of integrations by the regional teams enables a tailored and detailed integration designed to be sustainable and effective.

Governments and authorities

Why they are important

Governments and authorities set the regulatory framework within which we operate. They also set out national and international strategies wherein RHI Magnesita plays a part. There is vital interplay between industry and political stakeholders and this relationship is the linchpin that propels us towards a cleaner, more sustainable future.

How the Company engages

We engage on multiple levels with authorities in our regions. We list a few examples from 2024 here.

Relationships with EU institutions were strengthened through various initiatives and personal meetings. In March, former Energy Commissioner Kadri Simson visited the CCU pilot plant of MCi Carbon in Australia to investigate CCU for the European refractory industry.

Director General Kerstin Jorna of the EU Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs visited our mine in Breitenau in May 2024. This visit was particularly important for us in highlighting the significance of magnesite/magnesia, as we aim to have it listed as a 'strategic' raw material in the EU.

Furthermore, in December, RHI Magnesita hosted its first of a kind 'Magnesia Cocktail' networking event in Brussels, uniting the European magnesite and magnesia industries to advocate for the strategic importance of magnesite and magnesia for the European industry.

Key discussions were held with government and party representatives from China and East Asia on different topics such as raw materials, mining, R&D investments, and green energy.

In India we have ongoing dialogue with key government agencies such as Invest India, the nodal investment facilitation agency of the Government of India, and Industrial Promotion & Investment Corporation of Odisha. In July, the Group was represented at a high-level business meeting with Indian Prime Minister Narendra Modi in Vienna. This meeting provided a crucial platform to present RHI Magnesita's raw material strategy and led to valuable connections with senior officials in Prime Minister Modi's cabinet.

In South America, our advocacy efforts focused on maintaining and improving infrastructure, notably rail transport.

The Company engages promptly and transparently as required with regulators and governance bodies across the world, including anti-trust authorities, SEBI (India), AFM and SER (the Netherlands), FMA (Austria) and the FCA and FRC (UK).

We are part of a number of industry associations, such as the World Refractories Association, which help us to communicate our viewpoints as part of a wider industry to global authorities.

How the Board engages

The Board considers responses to authorities and encourages management to research and consider the consultations which are issued.

The Board receives briefings on changes in legislation and the extent of their impact on the Company, such as the changes to the UK Listing Rules in 2024. The CSC also considers changes in regulation within its scope, such as the recent German Supply Chain Due Diligence Act.

The Board sets an averse risk appetite in respect of non-compliance with regulations (see page 49), establishing how the Directors expects the organisation to engage with authorities and regulations.

The Board approves the Code of Conduct which has a zero-tolerance approach to any illegality.

Priority topics raised by stakeholders

- Raw Materials.
- Infrastructure.
- Alternative energies, sustainability, climate change, and decarbonisation.
- Company preparedness to report against EU's Corporate Sustainability reporting directive.

Outcomes

The Board endorsed management's approach to public affairs and political engagement, and guided attention to the new assets, asking management to ensure Group standards were implemented and maintained.

The Company has provided information on request to governments and agencies, actively engaging in open dialogue.

By actively engaging in regional discussions and initiatives with political bodies and governmental agencies, we address unique challenges and contribute to environmentally responsible industrial practices on a global scale. Transparent communication and open information sharing progresses our goal of securing a sustainable infrastructure for a clean and efficient industry to secure refractory production in Europe. In India the Group has communicated its dedication to aligning business objectives with national policies and has leveraged opportunities to show the important role the Company plays in a fast-growing economy.

Suppliers

Why they are important
Strong relationships with our suppliers are vital to ensure our end-to-end supply chain. We rely on our suppliers to deliver services and materials, and we recognise that the availability of these goods impacts how we execute our services to customers. We are embracing strategic alliances and long-term partnerships mainly for raw materials and logistics.

How the Company engages
All suppliers are requested to confirm the Supplier Code of Conduct. Our Sustainable Supply Chain & Procurement Guideline and Supplier On-Site Assessment Guidelines are implemented consistently across our operations.

The Company evaluates its suppliers through a sustainability risk matrix that assesses suppliers according to country risk and a goal-based framework to evaluate the majority of RHI Magnesita's purchase spend by supplier under its sustainability criteria.

On-site assessments are undertaken at suppliers to ensure compliance with our standards. In higher-risk areas expert external parties undertake these assessments on behalf of the Company. Internal on-site supplier assessments have been completed across all five of the Group's regions.

The Company has focused on building longer-term partnerships with certain strategic suppliers to establish more stable and reliable supply chains.

The Company operates fair payment terms for suppliers, whilst leveraging benefits for its own financial health.

How the Board engages
The CSC received reports from management on supplier on-site assessments and engagement, and considered progress on the Company's sustainable procurement initiatives.

The Board receives regular updates on the business's work to future-proof our supply chain and the work undertaken to adapt our processes to an increasingly volatile environment.

In 2024, the Board considered and approved the Modern Slavery Act Statement for publication. The statement can be found on the **Company's website**.

Priority topics raised by stakeholders
- Inventory levels.
- Supply chain resiliency & black swan event playbook.
- Climate action.
- Safety.
- Raw material pricing and rising risk of trade restrictions.
- Sustainable procurement.

Outcomes
The efforts to improve tactical and strategic supply chain management continued in 2024 and the next steps will be to upgrade the systems and tools for use in the teams' work driving efficiencies and improving supplier and employee experience.

The Group engaged in a partnership with o9 Solutions to deliver an advanced end-to-end integrated standard supply chain planning tool that will enable us to optimise our supply chain processes.

In Europe we initiated a new railway line and eTruck solutions in partnership with MSC Mediterranean Shipping Company to further ensure the supply of refractory products to international customers quickly, reliably and sustainably.

Furthermore, the global roll-out of our Oracle Transportation Management system for finished goods ocean freight in 2024 increases our visibility and enhances the ease of doing business. This journey will be continued in 2025 focusing on land freight and raw material shipments.

Greater numbers of suppliers are signed up to the Supplier Code of Conduct and are increasingly more aware of the Company's expectations on product carbon footprint data and about the on-site assessment process. This has led to greater adoption across associated industries and, it is hoped, will have driven improvements in ESG matters.

The insights from on-site assessments in 2024 have led to improvements in quality, transparency and supplier relationships. Tools used to increase supply chain transparency have identified labour practices which were not aligned with RHI Magnesita's Code of Conduct and relationships were suspended and then discontinued with the relevant supplier.

We think global and act local

RHI Magnesita owns and operates a global network of 65 refractory production sites and is capable of supplying a full range of high-quality refractory products and services across the globe.

Following the merger of RHI and Magnesita in 2017, the production network was restructured and optimised through the closure of high-cost sites and consolidation of production into modernised low-cost locations. The Group follows a local-for-local strategy with production facilities located as close as possible to its customers, to deliver an optimal customer experience, reduce freight and customs duties and minimise working capital requirements associated with international shipments.

Our acquisition strategy seeks to fill regional product gaps or add plant locations to improve logistics or position for growth. Changes in global refractory usage, foreign exchange rates, freight and energy costs can impact the competitiveness of our production network. An agile and forward looking approach is required to ensure that we are fully optimised for changing market conditions from time to time.

In 2022 RHI Magnesita established an operational governance structure consisting of five regional business units. Managing the business through a regional structure enables the Group to serve its customers better through faster local decision making and improved accountability.

Vertical integration in refractory raw materials

RHI Magnesita's low-cost raw material production represents a significant advantage versus refractory producers who purchase raw materials on the open market at higher prices.

The Group consumes 81% of its own raw material production internally, with minimal external sales and guaranteed security of supply. The contribution of vertical integration to the Group's margins has been consistently positive over many years, demonstrating the structural cost advantage. The benefit is maximised during periods of high market prices for raw materials and the current contribution from raw material production to Group's Adjusted EBITA margin of 11.7% is therefore lower than historical levels at 0.8% (2023: 1.7%).

Steel overview

Supplying refractory products and services to the steel industry accounted for 68% of RHI Magnesita's revenues in 2024 and the Group retained its leading position globally with a c.13% market share, or c.20% excluding China and East Asia. Refractory products are required to protect steel making equipment from extremely high temperatures of up to 1,800°C, chemical corrosion and abrasion. Refractory product applications include iron making (blast furnace or direct reduction), primary steel-making (basic oxygen furnace or electric arc furnace) as well as ingot and continuous casting. New applications are under development for production of green steel and the Group was awarded five contracts for such projects in 2024.
RHI Magnesita offers a complete range of products and solutions for the steel making process. The lifespan of refractory products in the steel making process can range from hours to months depending on the application, for example a slide gate is a consumable item that may need to be replaced every four hours whilst the lining of a primary steel making furnace could require re-lining at six month intervals. Refractory consumption in steel making is therefore classified as an operating expense by steel producers and usually accounts for around 2-3% of operating costs, on average.

Steel segment revenues decreased by 4% to €2,373 million (2023: €2,461 million) and by 3% in constant currency terms (2023: €2,434 million) as a 3% increase in sales volumes supported by M&A was offset by 6% lower pricing. Excluding M&A, the base business increased shipped volumes by 1%, a strong performance compared to World Steel Association data which indicates a decrease of 0.9% in global steel output in 2024.

Global steel demand decreased in the key markets of China and North America in 2024 but grew in India, West Asia & Africa, Europe and South America. Domestic production in some markets was displaced by exports from China where domestic consumption of steel reduced by approximately 6% and production by approximately 3%. The approximate 3% gap represents the increase in exports, which increased from approximately 90 million tons in 2023 to approximately 120 million tons in 2024.

Industrial overview

RHI Magnesita is a leading supplier of refractory products and services to customers in the cement and lime, non-ferrous metals, glass, energy, environmental and chemicals industries. These Industrial customers accounted for 32% of Group revenues in 2024 and have longer replacement cycles compared to Steel customers, ranging from one to 20 years. Refractories are classified as capital expenditure by Industrial customers and represent between 0.2% and 1.5% of total costs over the life cycle of a facility. RHI Magnesita has a c.25% market share globally in cement refractories, c.20% market share in non-ferrous metals applications, c.19% in the glass industry and c.5% in other industrial applications such as energy, environment, chemicals and foundry.

Industrial revenues were stable at €1,114 million (2023: €1,111 million) and increased by 2% in constant currency terms, with shipped volumes increasing by 11%, supported by M&A, whilst average pricing reduced by 9%.

Steel	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue (€m)	**2,373**	2,461	2,434	(4)%	(3)%
Gross profit (€m)	**551**	550	576	0%	(4)%
Gross margin	**23.2%**	22.3%	23.7%	90bps	(50)bps

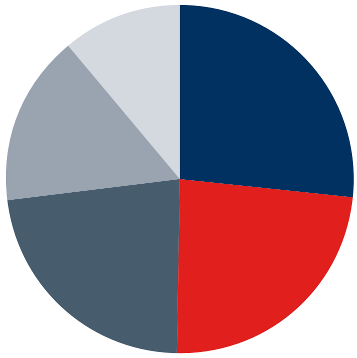
Industrial	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue (€m)	**1,114**	1,111	1,094	0%	2%
Gross profit (€m)	**297**	307	305	(3)%	(3)%
Gross margin	**26.6%**	27.7%	27.9%	(110)bps	(130)bps

Steel revenue

€2,373m

2023: €2,461m

Steel revenue by region



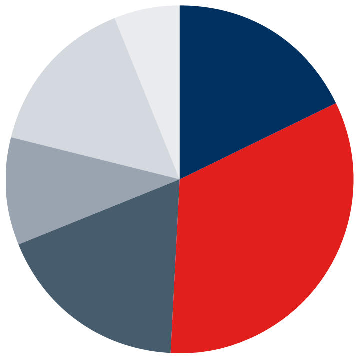
North America	27%
Europe, CIS & Türkiye	24%
India, West Asia & Africa	23%
South America	15%
China & East Asia	11%

Industrial revenue

€1,114m

2023: €1,111m

Industrial revenue by region



North America	18%
Europe, CIS & Türkiye	33%
India, West Asia & Africa	18%
South America	10%
China & East Asia	15%
Minerals	6%

Cement & Lime revenues reduced by 12% to €376 million (2023: €424 million), representing 11% of Group revenues in 2024 as pricing reduced by 7% and sales volumes reduced by 4%. Strong growth in sales volumes in Process Industries of 101% and Glass of 19%, mainly resulting from M&A, were offset by the 4% decline in the larger Cement & Lime segment and 9% lower Non-ferrous metals sales. The Non-ferrous metal business remained the highest margin segment for the Group, with a gross margin of 44% in 2024 (2023: 42%).

Minerals

The Group sourced 42% of its raw material needs by value, in line with its vertical integration strategy. Raw materials not utilised internally are sold in the open market and reported under Minerals within the Industrial segment, generating revenues of €65 million in 2024 (2023: €80 million). Mineral sales volumes declined by 11%, coupled with lower market prices for raw materials, leading to a reduction in revenue.

Regional business units

In 2023 RHI Magnesita established an operational governance structure consisting of five regional business units, which continued in 2024. Managing the business through a regional structure enables the Group to serve its customers better through faster local decision making and improved accountability, supporting our local for local production strategy.

Europe, CIS & Türkiye

Europe, CIS & Türkiye revenues increased by 3% to €926 million (2023: €894 million), or by 5% in constant currency terms. Average price per tonne declined by 11% due to end market weakness in construction and automotive and a changing product mix, but this was more than offset by a 17% increase in shipped volumes due to the full year contribution from M&A completed in 2023. Excluding M&A, base business sales volumes reduced by 2% and price per tonne was 14% lower, with revenues reducing by 15%.

Europe, CIS & Türkiye
Pricing reduced by 11%, offset by the contribution from 2023 M&A. Industrial sales volumes increased by 40% driven by a full year contribution from P-D.

North America
Sales volumes reduced by 1% and overall pricing by 3%. Gross profit margin increased to 30.9% (2023: 27.9%) due to effective cost management and resilient Industrial pricing.

India, West Asia & Africa
A 4% increase in sales volumes was offset by a 6% decline in pricing due to increased competition and product mix changes.

South America
Volumes declined by 3% and pricing by 7% mainly due to weakness in the Industrial business. Brumado rotary kiln project was completed and ramped up.

China & East Asia
Steel refractory sales volumes excluding M&A increased by 5%.

40%
increase in Industrial sales volumes in Europe, CIS & Türkiye due to M&A

5%
increase in base business steel sales volumes in China & East Asia

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Gross profit increased by 10% to €195 million (2023: €177 million), as higher gross margins of 21.1% (2023: 19.8%) were supported by the contribution from higher margin businesses acquired in 2023 and a reduction in the key input costs of energy and purchased raw materials. In the second half of the year, a significant increase in alumina prices drove up costs for acquiring alumina based refractory raw materials and disruption in the global graphite supply chain also resulted in cost increases.

Steel revenues decreased by 1% in constant currency terms on 7% higher shipped volumes, as M&A delivered volume growth despite subdued customer demand. Steel production in the European Union increased by 2.6% and in Türkiye by 9.4% according to WSA data, reflecting recovery from a low base in Europe and strong growth and relative stability in Türkiye compared to the surrounding region. Whilst steel output in the European Union increased year on year, producers continue to face a combination of deteriorating prices, rising costs and low demand relative to historic levels. These factors led some customers to reduce capital expenditure in favour of running repairs and to increase sourcing of cheaper imported refractories. The challenging market conditions for steel customers also resulted in the delay of some green steel projects, but these were temporary postponements and not cancellations.

Industrial segment sales volumes increased by 40% and revenues by 15% in constant currency terms, supported by a full year contribution from process industries focused P-D Refractories. Whilst volumes in Cement & Lime and Non-ferrous metals reduced by 15% and 23% respectively, this was more than offset by a 49% increase in Glass sales volumes and 216% increase in Industrial applications, mainly due to M&A. Waste to energy is a strategic growth focus within Industrial applications where the Group was able to increase market share in both maintenance and greenfield project support. Sales of digital products increased, including laser technologies for refractory evaluation at customer sites. Such products are already widely in use in the Cement & Lime segment and are now gaining traction with Non-ferrous metals and Industrial applications customers.

Revenue	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Europe, CIS & Türkiye	**926**	894	884	3%	5%
Steel	**558**	574	565	(3)%	(1)%
Industrial	**368**	320	319	15%	15%
North America	**852**	894	889	(5)%	(4)%
Steel	**648**	673	670	(4)%	(3)%
Industrial	**204**	221	220	(8)%	(7)%
India, West Asia & Africa	**744**	762	757	(2)%	(2)%
Steel	**541**	582	577	(7)%	(6)%
Industrial	**203**	180	180	13%	13%
South America	**473**	522	504	(9)%	(6)%
Steel	**362**	393	386	(8)%	(6)%
Industrial	**112**	129	118	(13)%	(6)%
China & East Asia	**426**	418	416	2%	3%
Steel	**264**	239	237	10%	11%
Industrial	**163**	179	178	(9)%	(9)%
Minerals	**65**	80	78	(19)%	(17)%
Total	**3,487**	3,572	3,529	(2)%	(1)%

The Europe and Türkiye region has benefited from significant inorganic growth in recent years with the addition of MIRECO, Sörmaş, Dalmia GSB, Seven Refractories and P-D Refractories in 2022 and 2023. Regional leadership have been focused on the integration of each of these businesses and the achievement of synergy targets. MIRECO delivered strong growth in recycling rates, Sörmaş prepared for the initial adoption of the Group's new ERP system and the Bochum plant previously owned by Dalmia GSB completed necessary legal, financial and operational integration processes during the year. Certain Seven Refractories businesses now form RHI Magnesita's new Alumina Monolithics business unit and synergy realisation is on track, despite low demand conditions. Network optimisation in Europe is expected to be required to fully realise the synergy benefits of M&A completed in the last three years.

The Mainzlar plant in Germany will be closed in 2025 and the Group may consider further plant footprint optimisation in Europe following recent M&A.

North America

Revenues in North America decreased by 5% to €852 million (2023: €894 million) or by 4% in constant currency terms, due to a 1% reduction in sales volumes and 3% lower average pricing.

Despite lower revenues, the region grew Gross profit by 5% to €263million (2023: €250 million) as margins were successfully increased to 30.9% (2023: 27.9%) due to effective cost management and resilient pricing in Cement & Lime and Non-ferrous metals.

Steel volumes reduced 2% and pricing by 3% resulting in 4% lower revenues, whilst gross margin expanded to 30.7% (2023: 28.3%). Utilisation rates in US steel mills remained low, at approximately 76%in 2024 and reducing below this level at the end of the year following the US election in November. North America steel output according to WSA data declined by 4.2% in 2024 whilst RHI Magnesita estimates that output from its customers in the region reduced by 6%, compared to the 2% decline in sales volumes. The Group continues to build out its product offering and secured agreements with three additional tap hole clay customers during the year. In the electric arc furnace segment, a contract for refractory supply including an automated robotic solution for gunning repair was awarded in Canada, by a large customer converting to EAF from BOF steel production. Other robotics contracts were awarded in the US, including multiple new tundish cage solutions.

Industrial sales volumes saw greater variation across segments with a weak Cement & Lime result more than offset by strong trading in Glass and Industrial applications, resulting in an overall increase in sales volumes of 1%. Higher pricing in Non-ferrous metals and reduced input costs were the key drivers of the increase in Industrial Gross margin to 31.7% (2023: 27.0%). Cement and concrete production in the US reduced by 8% and was the main driver of a 13% reduction in Cement & Lime refractory sales volumes. The Group continued to expand its offering to a broader range of customers and was awarded a contract for aluminium furnace design and refractory supply, the first of its kind in the region.

Inventory management was a key focus to minimise working capital and finished goods inventories were successfully reduced despite falling customer demand over the year. PIFOT and net promoter scores in customer surveys remained close to all-time highs.

The integration of Seven Refractories' US sites is largely complete, with a new tap hole clay line now commissioned at the plant in Huron, US. RHI Magnesita agreed to acquire US based Resco in April 2024 and the acquisition completed in January 2025. The integration of Resco into the Group's North American business and the realisation of planned synergies will now be the primary focus for regional leadership.

The US increased its recycling rate to a new high of 14.2% (2023: 8.3%). New health and safety reporting structures and a 'stop work' system were implemented at the Pevely and York plants.

India, West Asia & Africa

Revenues in the India, West Asia & Africa region decreased by 2% to €744 million (2023: €762 million) or by 2% in constant currency, as a 4% increase in sales volumes was offset by a 6% decline in average pricing due to increased competition and product mix changes. Base business sales volumes, excluding the full year contribution from 2023 M&A, increased by 2% with similar pricing pressure and mix impacts.

Gross profit reduced by 17% to €155 million (2023: €187 million) as gross margins reduced to 20.8% (2023: 24.5%), caused by the 6% reduction in average pricing on relatively stable unit costs.

Steel revenues decreased by 7% to €541 million (2023: €582 million) with a 1% increase in sales volumes offset by an 8% decrease in prices, as the full effect of pricing pressure fell on the Steel segment whilst Industrial pricing was stable. The main cause of pricing pressure in Steel was the impact of surplus low-priced imports from China entering the Indian market due to weakening demand in China. Steel gross margins compressed to 19.2% from 22.8% in 2023, mostly as a result of competitive pricing pressure, which outweighed the benefit of a 4% improvement in unit costs.

Domestic steel production in India grew by 6% in 2024 according to WSA data, however imports from China and Vietnam increased to partially satisfy growth in local demand. In India the Group remains well positioned to benefit from new DRI, blast furnace and coke oven projects under construction and customers have reacted positively to the growth strategy in iron making, DRI furnace refractories and pellet production. In the Middle East some new steel projects were postponed due to current unfavourable market conditions but this was offset by new business growth in induction and reheating furnaces in Iraq, Saudi Arabia, Libya and Africa. The Group secured three new solutions contracts in India and three in the Middle East, alongside two contract renewals outside India.

Industrial revenues increased by 13% to €203 million (2023: €180 million) reflecting a 13% increase in sales volumes on stable pricing. The main driver of the increase in revenues was the Cement & Lime segment, where sales volumes increased by 15% and revenue by 17%, with new demand coming from greenfield and brownfield cement projects in India and North Africa. Non-ferrous metals, the second largest segment in the region by revenue and gross profits, saw a 22% decrease in sales volumes offset by 18% higher pricing, translating to an overall 9% decrease in revenues.

Industrial gross margin decreased to 24.9% (2023: 30.3%) as costs increased by 7%, mainly due to high prices for alumina-based raw materials and a change in product mix towards alumina-based refractory sales. Margins improved in Non-ferrous metals and Glass but declined in Cement & Lime and Industrial Applications.

Capacity utilisation remained at a low level, with space to grow in line with forecast customer demand increases. One plant at Bhilai was closed and production transferred to Rajgangpur, in line with the M&A integration strategy. Supply chain reliability and efficiency was good throughout the year.

South America

Revenues in South America decreased by 9% to €473 million (2023: €522 million) or by 6% in constant currency terms, as shipped volumes reduced by 3% and pricing declined by 7%. Gross profit reduced by 3% to €142 million (2023: €146 million) supported by an increase in Gross margin to 30.0% (2023: 28.0%), driven by lower input costs.

Steel revenues decreased by 8% to €362 million (2023: €393 million) driven by a 1% decline in shipped volumes and 7% lower average pricing. The decline in sales volumes was slightly below the movement in steel production for the region, which increased by 0.6% in 2024 according to WSA data. Steel gross margin increased to 28.5% (2023: 24.5%) as the impact from lower pricing was more than offset by an 11% improvement in unit costs. New long-term contracts were signed with key customers and revenue derived from long-term contracts increased to 70% of the total for the region in 2024.

Industrial revenues decreased by 13% to €112 million, with a 6% decline in sales volumes and 7% lower average price per tonne. Volume decline was most pronounced in the Non-ferrous metals segment, with no new greenfield projects occurring during 2024 against a strong comparative in 2023. Pricing weakness was most evident in Cement & Lime.

Industrial segment Gross margins reduced to 35.2% (2023: 38.7%) as the 7% decline in average pricing was only partially offset by 2% lower costs.

During the year the Brumado rotary kiln project was completed and ramped up production. The project will reduce costs and increase operational flexibility considerably at this strategically important and globally significant raw material site.

A write-down of assets in Brazil of €29 million connected to the completion of the Resco transaction has been recognised in the 2024 financial results, reflecting the network optimisation which will result in transfer of production capacity into the US.

China & East Asia

Revenues in China & East Asia increased by 2% to €426 million (2023: €418 million) as strong sales volumes in Steel offset volume decline and lower pricing in the Industrial segment. Excluding the contribution from M&A, revenues in the base business declined by 8%, mainly due to lower pricing and 2% lower shipped volumes. Gross margins were stable at 21.0% (2023: 21.0%) as pricing pressure was matched by reduced input costs. Gross profit increased slightly to €89 million (2023: €88 million) reflecting the revenue increase and stable margins.

Steel refractory sales volumes excluding M&A increased by 5%, representing a strong relative performance compared to WSA data for China which indicates a 1.7% decline in steel output in 2024. Shipped volumes of refractories in East Asia excluding M&A increased by 6%, also outpacing overall steel output growth in the region although this was largely due to the restart of a key customer site that had been suspended in 2023.

Industrial sales volumes decreased by 5% driven by weaker demand in construction and reduced consumption of glass refractories, partially offset by robust Non-ferrous metal demand in China. Lower pricing resulted in Industrial revenue decline of 9%, as weak Cement & Lime results were offset by strong demand for Non-ferrous metals refractories in China. Industrial gross margin in the region reduced to 27.3% (2023: 28.0%) as price weakness outpaced the reduction in input costs.

The Group's priority in its China & East Asia business continues to be a sustainable increase in margins to levels that are closer to the average for the Group worldwide. The Group's strategy is to focus on higher value-added products and services to differentiate against lower quality competing suppliers.

"We delivered a robust financial performance in spite of the challenging macro environment."

Reporting approach

The Company uses a number of alternative performance measures ("APMs") in addition to measures reported in accordance with IFRS Accounting Standards as adopted by the European Union ("IFRS"), which reflect the way in which the Board and the Executive Management Team assesses the underlying performance of the business. The Group's results are presented on an 'adjusted' basis, using APMs that are not defined or specified under the requirements of IFRS, but are derived from the IFRS financial statements. The APMs are used to improve the comparability of information between reporting periods and to address investors' requirements for clarity and transparency of the Group's underlying financial performance.

The APMs are used internally in the management of our business performance, budgeting and forecasting. A reconciliation of key metrics to the reported financials is presented in the section titled APMs.

All references to comparative 2023 numbers in this review are on a reported basis, unless stated otherwise. Figures presented at constant currency represent 2023 translated numbers against average 2024 exchange rates as disclosed in Note 3 to the Consolidated Financial Statements. All reported volume changes year-on-year are excluding mineral sales.

Read more on APMs on Pages 325 & 326

€3,487m

Group revenue, broadly in line with 2023

Revenue

The Group recorded revenues of €3,487 million, a 1% decrease from 2023 revenues of €3,529 million on a constant currency basis. This was primarily driven by 6% lower average pricing and a 1% decline in base business sales volumes, offset by 6% growth in revenues from acquisitions completed in 2023.

On a reported basis, the decrease in revenue was 2% (2023: €3,572 million), reflecting the depreciation of certain currencies against the euro (Chinese yuan, Indian rupee, Brazilian real, Turkish lira, Canadian dollar) which reduced revenue generated from those geographies in euro terms. The foreign exchange impact on revenues was €43 million.

Against a backdrop of weakness in the key end markets of construction and automotive, steel revenues decreased to €2,373 million, representing a 4% decline on a reported basis (2023: €2,461 million) and a 3% decline in constant currency terms (2023: €2,434 million), accounting for 68% of Group revenue in 2024.
The primary driver behind the decrease in steel revenues for the financial year 2024 was pricing. Soft end market demand also impacted sales volumes in North and South America. Exports of surplus steel from China negatively affected pricing

and refractory demand from domestic steel producers in most geographies, in particular in India.

Industrial revenues were stable at €1,114 million (2023: €1,111 million) and increased by 2% in constant currency terms (2023: €1,094 million), outperforming steel revenue growth, supported by M&A.

Cement & Lime revenues decreased by 12% to €376 million (2023: €424 million), while Non-ferrous metal revenues declined by 12% to €247 million (2023: €281 million). The primary factors contributing to the decline in cement, lime, and Non-ferrous metals were weaker end markets in China and South America. Revenues in the glass business increased by 19% to €217 million (2023: €182 million), mainly driven by a strong contribution from 2023 M&A. Revenues from industrial applications increased by 46% to €210 million (2023: €143 million), also due to M&A.

During 2024 the Group re-assessed its criteria for the timing of revenue recognition for shipments delivered by sea freight with third-party carriers. From 2024, control of refractory products is determined to transfer when the carrier issues shipping documents that allows the customer to redirect or otherwise control the shipped refractory products. Group revenue in 2024 increased by €42 million (and gross profit by €10 million) as a result of this revised accounting policy. For further details refer to Note 3 of the Financial Statements, 'Significant Accounting Policies, Judgements and Estimates'.

Cost of goods sold

Cost of goods sold decreased by 3% to €2,639 million from €2,715 million in 2023, primarily due to a reduction in raw material costs. The cost of purchased raw materials fell by 7% to €1,058 million (2023: €1,139 million). Plant-related labour costs increased by 16% in 2024, rising from €452 million to €523 million, mainly due to acquisitions and salary increases to offset inflation. After a period of disruption and high inflation in 2023, freight and energy costs decreased by 11% and 10%, respectively, in 2024 as both markets stabilised. Spending on general supplies, including pallets, packaging, and spare parts were broadly flat at €169 million (2023: €170 million).

During 2024 the Group re-assessed its criteria for inventory provisioning in light of sustained improvements in its inventory management. Re-valuation of stock previously written off, which is now deemed to be saleable at market price, resulted in an €11 million reduction in cost of goods sold. For further details refer to Note 3 of the Financial Statements, 'Significant Accounting Policies, Judgements and Estimates'.

Raw material prices

Refractory raw material prices decreased in 2024 compared to 2023, with the price of high-grade dead burned magnesia ("DBM") from China decreasing by 6% and by 1% on average for medium-grade DBM from China. Lower raw material prices usually result in lower finished goods pricing for refractories worldwide, as production costs for non-vertically integrated competitors are reduced. The main driver for the decrease in DBM pricing was oversupply, combined with lower customer demand for refractories globally. Fused alumina, a raw material that the Group does not produce and which constitutes only a small portion of the Group's overall raw material requirements, experienced a significant price increase towards the end of 2024, in line with the increase in alumina prices in the fourth quarter.

Gross profit

The Group recorded gross profit of €848 million (2023: €857 million), a decrease of 1% on a reported basis and 4% in constant currency terms. Gross margins increased by 30bps to 24.3% (2023: 24.0%). Although refractory pricing in the base business reduced by 8%, input costs reduced further, primarily due to lower prices for externally purchased raw materials as well as lower energy and freight costs.

SG&A

Selling, general and administrative expenses ("SG&A"), were €435 million, a 3% decrease compared to the previous reporting period (2023: €449 million), attributable to stringent cost management, lower personnel expenses and reduced hiring levels.

Depreciation and amortisation

Depreciation increased by 2% to €136 million (2023: €134 million) and in 2025 is expected to be around €150 million including Resco.

Amortisation of intangible assets amounted to €39 million in 2024 (2023: €44 million) and is expected to be approximately €35 million in 2025, subject to the purchase price allocation exercise relating to the acquisition of Resco Group.

Adjusted EBITDA

The Group recorded Adjusted EBITDA of €543 million, flat compared to the prior year (2023: €543 million). Adjusted EBITDA margin increased to 15.6% (2023: 15.2%) an increase of 40bps, reflecting higher gross margins and a decrease in SG&A expenses. Adjusted EBITDA margin decreased by 60bps on a constant currency basis.

Adjusted EBITA

Adjusted EBITA remained broadly flat at €407 million, compared to €409 million in 2023 on a reported basis, as the contribution from M&A and lower input costs offset weaker pricing and mix effects. Adjusted EBITA from businesses acquired in 2023 was €65 million (or €77 million of Adjusted EBITDA), broadly in line with guidance.

Adjusted EBITA margin increased to 11.7% (2023: 11.4%) as M&A contributions, supported by lower input costs and SG&A reduction.

Steel	2024	2023	Change
Revenue (€m)	2,373	2,461	(4)%
Gross profit (€m)	551	550	0%
Gross margin	23.2%	22.3%	90bps
Adjusted EBITA (€m)	255	240	7%
Adjusted EBITA margin	10.8%	9.7%	110bps

Industrial	2024	2023	Change
Revenue (€m)	1,114	1,111	0%
Gross profit (€m)	297	307	(3)%
Gross margin	26.6%	27.7%	(110)bps
Adjusted EBITA (€m)	151	169	(11)%
Adjusted EBITA margin	13.6%	15.2%	(160)bps

Vertical integration contributed a record low 0.8ppts of the Group's overall Adjusted EBITA margin of 11.7%. Whilst this contribution is lower than the 1.7ppts contribution in 2023, primarily due to the decline in the market prices for refractory raw materials, the contribution was still positive meaning that the Group is able to source its own raw materials more cheaply than buying in the market. Lower raw material prices negatively impact the calculation of the contribution from the Group's raw material assets, which is based on the theoretical cost of acquiring those raw materials in the open market.

The Group's refractory business contributed a historic high of 10.9 ppts towards the total Adjusted EBITA margin of 11.7%, an increase of 120 bps compared to the 9.7 ppts contribution in 2023. Refractory margin was supported by lower input costs, the benefits of M&A synergies and structural cost reductions resulting from the Group's strategic cost-saving initiatives.

Adjusted EBITA and Adjusted EBITDA both exclude €125 million of net expenses from adjusted performance (2023: €31 million), including Software as a Service costs (largely on new SAP ERP), Mainzlar Plant closure costs and impairment of Hexa Contagem Project, consequent on Resco acquisition as set out in 'Items excluded from adjusted performance' below.

The Adjusted EBITA performance in 2025 is expected to be modestly above 2024 levels including the acquisition of Resco.

(€m)	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue	**3,487**	3,572	3,529	(2)%	(1)%
Cost of goods sold	**(2,639)**	(2,715)	(2,647)	(3)%	0%
Gross profit	**848**	857	881	(1)%	(4)%
SG&A	**(435)**	(449)	(443)	(3)%	(2)%
R&D expenses	**(45)**	(43)	(42)	6%	7%
Other income & expenses ("OIE")	**(125)**	(31)	(32)	299%	296%
EBIT	**242**	333	364	(27)%	(34)%
Amortisation	**(39)**	(44)	(43)	(10)%	(9)%
EBITA	**281**	378	408	(25)%	(31)%
Adjusted items	**125**	31	32	299%	296%
Adjusted EBITA[1]	**407**	409	439	(1)%	(7)%
Refractory EBITA	**379**	348	–	9%	
Vertical integration EBITA	**28**	61	–	(54)%	

1. Adjusted EBITA is an APM used by the Group. Refer to page 325 for definitions.

Net finance expenses

Net finance expenses, which includes interest payable on borrowings net of interest income on cash balances, gains and losses relating to foreign exchange, pension expenses, present value adjustments, factoring costs and non-controlling interest expenses, decreased to €42 million (2023: €100 million).

Net interest expenses remained stable at €39 million (2023: €38 million) comprising interest expenses on borrowings of €61 million (2023: €58 million) and €22 million of interest income on cash balances on deposit (2023: €20 million).

Foreign exchange gains of €11 million were recorded in 2024 compared to foreign exchange related losses of €30 million in 2023, mainly driven by US dollar strength in Q4, weakness in the Brazilian Real and Mexican Peso and a €(1) million hyperinflation adjustment related to Argentina (2023: €3 million).

Other net financial expenses amounted to €14 million (2023: €32 million) including factoring costs of €10 million (2023: €12 million), pension charges of €12 million (2023: €12 million) and present value adjustments of €7 million (2023: €8 million). Net financial expenses in 2024 also benefitted from a non-cash gain of €22 million due to the revaluation of the Group's obligation to purchase the remaining stakes it does not already own in Jinan New Emei and Chongqing.

Guidance for net interest expenses including Resco in 2025 is €60 million. Guidance for other adjusted net financial expenses is €30 million, resulting in €90 million of adjusted net finance expenses guided for 2025.

(€m)	2024	2023
Net interest expenses	**(39)**	(38)
Interest income	**22**	20
Interest expenses	**(61)**	(58)
FX effects	**11**	(30)
Balance sheet translation	**29**	(41)
Deliverables	**(18)**	11
Other net financial expenses	**(14)**	(32)
Present value adjustment	**(7)**	(8)
Factoring costs	**(10)**	(12)
Pension charges	**(12)**	(12)
Capitalization of borrowing costs	**3**	8
Interest expense – Transaction costs	**(1)**	(1)
Other	**13**	(7)
Total	**(42)**	(100)

Items excluded from adjusted performance

In order to accurately assess the underlying performance of the business, the Group excludes certain items from Adjusted EBITA. Sizeable charges in the year have been driven by Group wide programmes aimed at improving operating efficiency and future profitability through business process improvements and plant network optimisation.

In 2024 the total net adjustments to EBITA amount to €125 million, including:

- €14 million of amortisation of onerous contracts imposed by EU as part of the merger with Magnesita.
- €9 million related to the disposal of the Dashiquiao plant in China.
- €6 million related to receivables previously written down to zero.
- €3 million of other miscellaneous income.
- €(52) million of expenditure on digital architecture, previously guided as capital expenditure. Spending on Software as a Service is classified as an expense in IFRS and cannot be capitalised as would normally be the case with capital expenditure. The Group incurred charges of €39 million on the ERP upgrade in 2024 and €7 million reclassified from 2023 and €6 million on logistics and supply chain planning software upgrades. Investments in digital architecture are expected to deliver value through cost savings and margin improvement, planning and operating efficiencies and improved working capital management.

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- €(39) million amortisation in intangible assets arising at the time of the merger with Magnesita.
- €(29) million non-cash impairment of fixed assets in Brazil, where the second stage of the Hexa Contagem expansion project will not be advanced following the acquisition of Resco and intended transfer of production capacity to the US. The impact of this impairment was considered as part of the business case for the acquisition of Resco.
- €(25) million provision for restructuring expenses at the Mainzlar, Germany plant, to be paid in 2025 following the announced closure of the plant in line with the Group's original Production Optimisation Plan and after an assessment of surplus production capacity in Europe.
- €(12) million of expenses related to investments in and losses from the disposal of special Argentinian government bonds.

(€m)	2024 reported	Items excluded from adjusted performance	2024 adjusted	2023 reported	Items excluded from adjusted performance	2023 adjusted
EBITA[1]	**282**	**125**	**407**	378	31	409
Amortisation	**(39)**	**39**	**-**	(44)	44	-
Net financial expenses	**(43)**	**(17)**	**(60)**	(101)	9	(92)
Result of profit in joint ventures	**-**	**-**	**-**	-	-	-
Profit before tax	**200**	**147**	**347**	233	84	317
Income tax	**(46)**	**(38)**	**(84)**	(62)	(14)	(76)
Profit after tax	**154**	**109**	**263**	171	70	241
Non-controlling interests	**12**	**-**	**12**	7	-	7
Profit attributable to shareholders	**142**	**109**	**251**	165	-	235
Shares outstanding[2]	**47**	**-**	**47**	47	-	47
Earnings per share (€ per share)	**3.01**	**2.31**	**5.32**	3.50	1.49	4.98

1. EBITA reconciled to revenue on page 40. EBITA is an APM, refer to page 325 for definition.
2. Total issued and outstanding share capital as at 31 December 2023 was 47,130,338. The Company held 2,347,367 ordinary shares in treasury. The weighted average number of shares used for calculating basic earnings per share in FY 2023 is 47,078,254.

Taxation

Total tax for 2024 in the income statement amounted to €46 million (2023: €62 million), representing a 23% reported effective tax rate (2023: 27%).

Reported profit before tax amounted to €200 million (2023: €233 million). Adjusted profit before tax amounted to €347 million (2023: €317 million), with an adjusted effective tax rate of 24% (2023: 24%). Adjusted items include non-taxable IFRS revenues related to put option valuation and sale of fixed assets in China, as well as non-deductible legal restructuring costs.

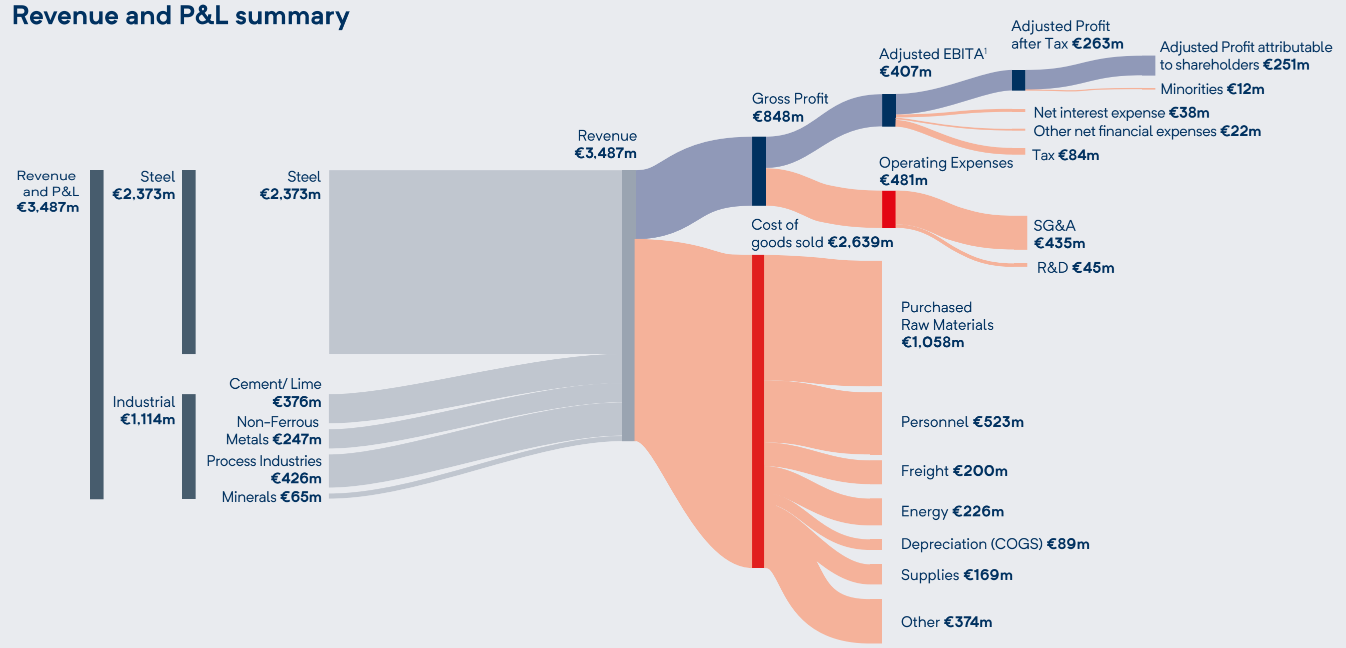
The adjusted effective tax rate guidance is between 23-25% for 2025.

Profit after tax

On a reported basis the Group recorded profit after tax of €154 million (2023: €171 million), profit attributable to shareholders of €142 million (2023: €165 million) and earnings per share of €3.01 (2023: €3.50).

Adjusted profit after tax increased to €263 million (2023: €241 million) and Adjusted earnings per share was €5.32

Revenue and P&L summary



1. Adjusted EBITA excludes amortisation of intangible assets of € 39million, which is partially accounted for in COGS and partly in SG&A.

Adjusted EPS

€5.32

2023: €4.98 per share

Adjusted EBITA margin

11.7%

2023: 11.4%

Capital expenditure

€145m

2023: €180m

(2023: €4.98). A full reconciliation of EBITA to EPS and Adjusted EBITA to Adjusted EPS can be found in the table on the previous page. Items excluded from Adjusted Profit after tax included €17 million of net financial expenses mainly arising from the revaluation of the Group's obligation to purchase the remaining stakes it does not already own in Jinan New Emei and Chongqing.

Profit attributable to shareholders is stated after deducting non-controlling interests of €12 million (2023: €6 million) mainly arising from RHI Magnesita India Ltd., in which the Group holds a stake of 56%.

Guidance for non-controlling interest expense in 2025 is approximately €15 million.

Financial guidance and outlook

Refractory demand remains weak, with no recovery in end market demand visible. Falling domestic demand of customer industries in China results in exports of steel and other materials from China, reducing customer output in most world markets and therewith reducing refractory usage. 2024 was a relatively strong year for higher margin non-ferrous metals and glass projects due to the timing of customer investment projects. However, markedly lower capex investments by these industrial customers will reduce demand in 2025, offsetting forecasted growth in steel refractory demand in India, West Asia & Africa. Revenue performance in 2025 year to date and the outlook for H1 is weak, driven by low volumes in steel and pricing pressure in particular in cement and non-ferrous metals.

The Adjusted EBITA performance in 2025 is therefore expected to be modestly above 2024 levels including the acquisition of Resco. Adjusted EBITA is expected to be weighted approximately 45% in the first half and 55% in the second half of the year.

An increasing trade tariff environment may protect customers in certain jurisdictions and benefit refractory producers with local for local production in the short term but risks a medium-term negative impact on global trade.

Sales volumes in the base business are expected to remain flat. Adjusted EBITA margin is guided to be stable at approximately 11.5%.

Gearing will rise in the short term due to the completion of the Resco transaction but is expected to reduce back within the targeted range of c.2.0-2.5x Pro Forma Adjusted EBITDA by the end of 2025. Capital expenditure on fixed assets will be reduced to €145 million (below depreciation of approximately €150 million), in favour of continuing to invest in our digital transformation, which will incur costs of approximately €35 million per year over the three-year period 2024-26. Capex associated with the integration of Resco is expected to be €30 million, spread over the next two financial years.

The Group expects to incur network optimisation expenses in Europe and Brazil as a result of plant footprint adjustments following the Resco acquisition and other M&A transactions completed in 2022 and 2023. Total restructuring costs in the base business of €60 million and associated capital expenditure of €40 million are planned over the period 2025-27, to deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter.

Working capital

Working capital decreased to €865 million (31 December 2023: €980 million) driven by inventory reduction, lower accounts receivable and higher payables.

Working capital intensity, measured as a percentage of the last three months' annualised revenue, decreased to 23.4% (31 December 2023: 24.4%). Accounts receivable intensity was 12.9% (31 December 2023: 11.9%), accounts payable intensity was 15.5% (31 December 2023: 12.4%) and inventory intensity increased to 26.1% (31 December 2023: 24.9%).

Inventories decreased to €962 million (31 December 2023: €1001 million), due to lower input costs, reduced inventory volumes and inventory improvement measure implemented at plants acquired in 2023.

Accounts receivable decreased slightly to €474 million (31 December 2023: €477 million), reflecting lower pricing. Accounts receivable is calculated as trade receivables excluding factoring plus contract assets less contract liabilities and downpayments received, and a full reconciliation can be found in the APMs section.

Accounts payable increased to €572 million (31 December 2023: €498 million) due to extended payment terms and higher value raw material purchases in the second half.

Working capital financing, used to provide low-cost liquidity and support the Group's commercial offering to customers, was €289 million on 31 December 2024 (31 December 2023: €298 million), comprising €237 million of accounts receivable financing (factoring) and €53 million of accounts payable financing (forfaiting).

Working capital financing levels vary according to business activity, and the Board has set an internal limit of €320 million on its use.

Working capital intensity is targeted to be approximately 24% in 2025.

Other assets and liabilities

Cash flows from other assets and liabilities amounted to €(93) million (2023: €(12) million) comprising, indirect and other tax rebates of €4 million (2023: € 14 million,), employee pension pay outs and pension provision movements of €(22) million (2023: €(19) million), employee variable remuneration and employee-related provisions of €(24) million (2023: €29 million) and other cash flows of €(51) million (2023: € (36) million). The €53 million difference in variable remuneration and employee related provisions is due to a relatively high staff bonus payout in 2024 relating to 2023 performance, compared to a lower bonus payout in 2023.

Capital expenditure

The Group incurred €145 million of capital expenditure (2023: €180 million), of which €65 million was maintenance related (2023: €86million), €68 million was expansionary capital expenditure (2023: €74 million) and €12 million of maintenance and integration capital expenditure was incurred at newly acquired businesses (2023: €19 million).

Capital expenditure in 2025 is expected to be around €145 million. Maintenance capital expenditure in the base business is expected to be approximately €75 million, with expansionary capital expenditure of €55 million and maintenance and integration capital expenditure in newly acquired businesses of €15 million.

Cash flow €m[1,2]	2024	2023
Adjusted EBITDA	**543**	543
Shared-based payments – gross non-cash	**9**	9
Working capital changes	**105**	53
Changes in other assets and liabilities	**(93)**	(7)
Investments in PP&E, IA	**(145)**	(180)
Adjusted operating cash flow[3]	**419**	418
Income taxes paid	**(69)**	(60)
Cash effects of other income/expenses and restructuring	**(62)**	(32)
Investments in financial assets	**(19)**	(14)
Cash inflows from the sale of PP&E and IA	**16**	4
Cash inflows from the sale of financial assets	**11**	0
Investment subsidies received	**2**	0
Net interest paid	**(71)**	(56)
Dividend payments to non-controlling interest	**(3)**	(3)
Other investing activities	**1**	1
Free cash flow	**225**	258
Investment in subsidiaries net of cash	**(7)**	(313)
Cash contribution NCI	**0**	100
Resco prepayment	**(44)**	0
Investments in NCI	**(6)**	(8)
Payment for share issue costs	**0**	(3)
Dividend payments	**(87)**	(77)
Change financial receivables from joint ventures and associates	**(1)**	2
Cash change in net debt	**80**	(41)
Debt from acquisitions	**0**	(87)
New lease obligations	**(29)**	(15)
Exchange effects	**2**	(1)
Others	**1**	(2)
Actual change in net debt	**54**	(146)

1. The cash flow reconciliation to net debt has been restated to reflect a change in definitions of Adjusted operating cash flow, Free cash flow and cash change in net debt.
2. A full reconciliation to the change in cash and cash equivalents can be found in the APM section on pages 325 and 326.
3. Adjusted operating cash flow is an APM. A definition and reconciliation can be found in the APM section on page 325.

Spending of approximately €35 million on digital infrastructure projects will be expensed in accordance with IFRS and will not be capitalised.

Acquisitions

In April 2024 the Group announced its intention to acquire Resco Group, a US based producer of alumina monolithics and wide range of basic and non-basic refractories, for an enterprise value of up to $430 million. The transaction completed on 28 January 2025 for an enterprise value of $410 million, or c.€391 million.

In June 2024 the Group announced the €5 million acquisition of Refrattari Trezzi, a recycling specialist in Italy, expanding its recycling footprint in Europe. Refrattari Trezzi has been combined into the Group's existing MIRECO joint venture, increasing the Group's share in MIRECO to 55% (2023: 51%).

The Group incurred €58 million of cash outflow relating to acquisitions in 2024, including € 44 million of prepayments for the intended acquisition of Resco, €5 million for the acquisition of Refrattari Trezzi, €3 million for the purchase of the remaining 49% stake in Seven Refractories Cyprus not already owned by the Group, a €3 million deferred payment for Jinan New Emei and €3 million purchase of additional stake in P-D Refractories.

Cash flow

Adjusted operating cash flow increased to €419 million (2023: €418 million) representing cash flow conversion from Adjusted EBITA 103% (2023: 102%), supported by the €115 million release of working capital.

Free cash flow decreased to €225 million (2023: €258 million), mainly due to higher interest and restructuring expenses.

ROIC

9.8%

2023: €10.7%

Adjusted EBITA

€407m

2023: €409m

Adjusted operating cash flow

€419m

2023: €418m

Dividend

€1.80 per share

2023: €1.80 per share

Cash income tax payments increased to €69 million (2023: €60 million) and net interest paid also increased to €71 million (2023: €56 million), as a result of higher average interest rates and borrowings.

Cash dividends paid in 2024 amounted to €87million (2023: €77 million) and the cash change in Net debt was an increase of €80 million compared to a decrease of €41 million in 2023.

Financial position

Net debt decreased to €1,251 million, comprising total debt of €1,750 million, leases of €77 million and cash and cash equivalents of €576 million.

Total leases of €77 million (2023: €70 million) are included in the Group's Net debt position as required by IFRS 16.

The Group's gearing at the year-end was 2.3x Net debt to Pro Forma Adjusted EBITDA (31 December 2023: 2.3x).

Available liquidity at 31 December 2024 was €1,376 million, comprising undrawn committed facilities of €800 million and cash and cash equivalents of €576 million.

Out of the total gross debt of €1,750 million, 98% is denominated in euro. The floating to fixed ratio of the gross debt is 27% floating to 73% fixed and the weighted average cost of debt as of 31 December 2024 was 2.96%, including swaps.

The Group will seek to maintain the ratio of Net debt to Pro Forma Adjusted EBITDA within the guided range of 2.0-2.5x or above for periods of compelling M&A.

Return on invested capital

ROIC is used to assess the Group's efficiency in executing its capital allocation strategy, which is aimed at enabling organic growth, disciplined M&A and shareholder returns. ROIC is an APM, see the APM section for full details of how ROIC reconciles to IFRS metrics.

Under the APM definition, ROIC was 9.8% in 2024 (2023: 10.7%) based on Average Invested Capital of €3,043 million (2023: €2,854 million) and NOPAT of €298 million (2023: €305 million). ROIC generated by the Group's raw material assets was 3.5% (2023: 8.9%) and ROIC from the refractory business was 11.0% (2023: 11.0%). The main drivers of the decrease in ROIC were the increase in Average Invested Capital to €3,043 million (2023: €2,854 million) as a result of M&A transactions completed in 2023 and the reduction in contribution from the Raw material assets, due to low market prices for refractory raw materials. The Group intends to carry out a network optimisation over the period 2025-27 following M&A completed in the previous three years, reducing invested capital.

Returns to shareholders

The Board's capital allocation policy remains to support the long-term Group strategy, providing flexibility for both organic and inorganic investment opportunities and delivering attractive shareholder returns over the medium term. These opportunities are assessed against a framework of strategic fit, risk profile, rates of return, synergy potential and balance sheet strength.

In 2024, the Group invested €68 million in expansionary capital expenditure in the base business and €12 million in the integration of newly acquired businesses. Maintenance capital expenditure was €65 million. A further €391 million was agreed to be allocated to the acquisition of Resco.

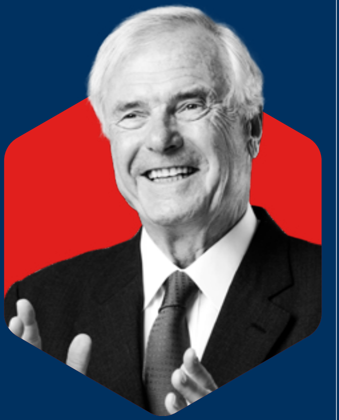
Following the strong profitability, cash generation and strategic progress delivered in 2024, the Board has recommended a final dividend of €1.20 per share for the full financial year, and €85 million in aggregate. This represents a dividend cover of 3.0x Adjusted earnings per share. Subject to approval at the AGM scheduled for 7 May 2025, the final dividend will be payable on 12 June 2025 to shareholders on the register at the close of trading on 23 May 2025. The ex-dividend date will be 22 May 2025. Together with the interim dividend of €0.60 per share paid on 26 September 2024, the recommended final dividend represents a full year dividend of €1.80 per share in respect of the 2024 financial year.

The Board's dividend policy remains to target a dividend cover of below 3.0x adjusted earnings over the medium term. Dividends will be paid on a semi-annual basis with one third of the prior year's full year dividend being paid at the interim.

Leading sustainability in our industry

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.

"We believe that long-term financial success is only possible if we also deliver our sustainability goals."



Herbert Cordt
Chair

Highlights in 2024

CO_2 emissions intensity vs 2018 reduced by

14%

Female representation in senior leadership at

26%

Conducted double materiality assessment aligned with CSRD requirements

Priorities for 2025

Achieve CO_2 intensity reduction target vs 2018

15%

Achieve recycling rate target

15%

Absolute CO_2 emissions

6,050 kt CO_2

Scope 1, 2 and 3

Our framework and progress to lead with sustainability

Our value chain

We have a framework for supply chain due diligence and we engage with suppliers to ensure ethical and compliant practices.

Our target

EcoVadis assessments to cover two-thirds of supplier base by spend by 2025

Related SDG

Read more on page 27

Our planet

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.

Our target

Reduce CO_2 emissions by 15% per tonne of product by 2025

Reduce energy use by 5% per tonne of product by 2025

Related SDG

Read more on page 128

Our people

Our people are our greatest strength and our first priority is safety in the workplace.

We also seek to benefit from a diverse and inclusive workforce and we have targets to increase female representation at leadership levels.

Our target

Increase women on the board and in leadership to 33% by 2025

Maintain LTIF at <0.30

Related SDG

Read more on page 23

Our communities

Maintaining positive relationships with our local communities is integral to our ongoing success.

Our sites are located in diverse and sometimes remote regions and it is essential for us to understand local context. We regularly engage and consult with our stakeholders, seeking to understand and respect their interests and priorities.

Our target

Maintain positive and constructive relationships with our host communities

Related SDG

Read more on page 28

Effective risk management

"Our risk management approach helps the Board and EMT to understand the risks associated with the adopted strategy, periodically assess if the strategy is aligned with our risk appetite, and understand how the chosen strategy could affect the Group's risk profile, specifically the types and amount of risk to which the Group is potentially exposed."

Herbert Cordt
Chair of the
Board of Directors

Our approach to risk management

The approach to risk management established over recent years was maintained throughout 2024 and has included the new plants added to the production footprint through the acquisitions. In 2024, a new approach to assess the plant health and safety risks was introduced. This was achieved by applying an externally recognised best practice framework for Health & Safety risk assessment.

The risk management approach combines top-down, bottom-up and deep-dive risk assessments. The bottom-up risk assessment is based on each of the plants, which maintain ongoing risk management activity linked to the ISO risk management practices.

Deep-dive risk assessments are performed for areas of emerging or prevailing risks, which, in 2024, included plant operations, fraud management, sustainability, human rights and trade compliance.

The top-down risk assessment is performed by the EMT and integrates the information from the bottom-up and the deep-dive risk assessments to ensure that the Group risk profile is complete and accurate. This is then reviewed by the Audit & Compliance Committee and the Board of Directors. Reporting against these risks is included periodically within EMT meetings, Audit & Compliance Committee meetings and the annual Board-led strategic review.

Risks and strategy

Our risk management approach helps the Board and EMT to understand the risks associated with the adopted strategy, periodically assess if the strategy is aligned with our risk appetite and understand how the chosen strategy could affect the Group's risk profile, specifically the types and amount of risk to which the Group is potentially exposed. As part of this process, risk scenarios are evaluated to assess potential outcomes.

The assessment, monitoring and mitigation of key risks to the strategy are core features of the established risk management approach. Risk workshops were conducted with the EMT and Board to review the Group risk profile in the context of the 2025 strategy and the risk appetite of the top risks to the Group. The Group's key financial risks are disclosed under Note 36 to the Consolidated Financial Statements.

Risk management cycle

1. Identification
Starting from all the possible categories of risks potentially impacting the Group, specific risks relevant to RHI Magnesita are identified through several analytical tools, including comparative analysis and risk benchmarking.

2. Assessment
The risks identified are linked to potential root causes and assessed for their inherent likelihood, inherent impact, and velocity. Risk analysis to develop an understanding of the possible interdependencies between risks is performed.

3. Mitigation
All risks considered to be outside of the Group risk appetite, due to their nature or their potential financial or qualitative impacts, are mitigated by appropriate risk management strategies. The implementation and effectiveness of the defined mitigation measures are reviewed, and additional actions are defined if necessary. For this purpose, risks are assessed based on their likelihood and impact before and after the implementation of those mitigation measures.

4. Monitoring
Risks and associated mitigating measures are reassessed quarterly during the year, with increased frequency for those areas experiencing significant changes in the risk landscape. The remaining risk level is evaluated to ensure that it is aligned with the Group's risk appetite and reviewed on a quarterly basis by the EMT.

5. Reporting
Risks that require immediate action are reported immediately to line management for action. Risks that do not require immediate action are reported periodically to the operational management and on a quarterly basis to the EMT.

Risk appetite

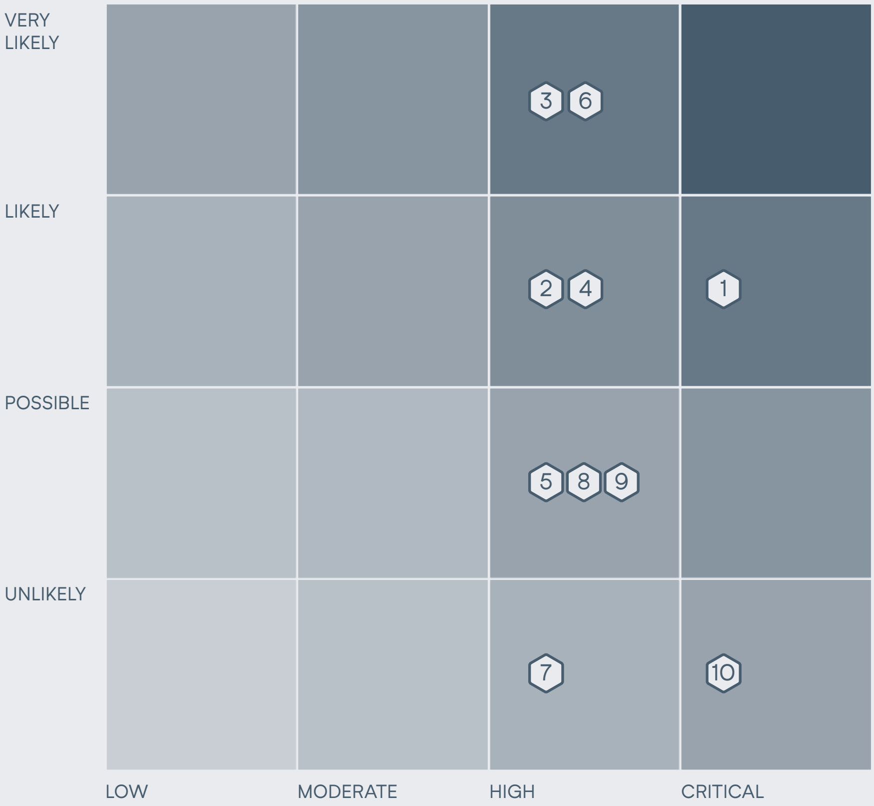
We define risk appetite as "the nature and extent of risk RHI Magnesita is willing to accept in relation to the pursuit of its objectives". We look at risk appetite from different angles, such as the severity of the consequences should the risk materialise, any relevant internal or external factors influencing the risk, and the status of management actions to mitigate or control the risk. A scale is used to help determine the risk appetite threshold for each risk, recognising that risk appetite can change over time.

If a particular risk exceeds its risk appetite threshold, it could threaten the delivery of our objectives and therefore require significant risk mitigation and potentially a change to the strategy. Risks that approach the limit of the Group's risk appetite may require acceleration or enhancement of management actions to ensure that risk remains within appetite levels.

The risk management approach is based on an assessment of the risk appetite formed by the Board, covering the key risk categories ("averse", "limited", "moderate" and "high"). The risk appetite statements are approved by the Board and are a foundational element of our risk framework as they provide guidance to management on the amount and type of risk we seek to take in pursuing our objectives. The Board has carried out a robust assessment of the Group's principal and emerging risks.

In 2024, scenarios relating to Trade Compliance were discussed in depth at the Audit & Compliance Committee and Board to assess the risk management approach, alignment with the strategy, and the risk appetite being applied.

Group risk chart



Principal risks 2024

1. Macroeconomic and geopolitical environment
2. Inability to execute key strategic initiatives
3. Significant changes in the competitive environment or speed of disruptive innovation
4. Reliability of the end-to-end supply chain
5. Sustainability — environmental and climate risks
6. Sustainability — Health & Safety risks
7. Regulatory and compliance risks (excluding trade compliance)
8. Cyber and information security risks
9. Trade compliance
10. Organisational capacity to execute strategy, including demonstrating Company cultural values

Our principal risks

The principal risks are those that the Board considers may have a significant impact on the results of the Group and on its ability to achieve its strategic objectives. This does not represent an exhaustive list of risks faced by the Group but encompasses those considered to be most material to business performance.

The risks can occur independently from each other or in combination. Extraordinary events have the potential to crystallise multiple principal risks simultaneously, significantly magnifying the adverse impact.

Eight of the ten principal risks included in the 2023 Annual Report have been confirmed to be equally relevant for 2024 and are reported with the same risk definition as 2023. The principal risk for "Regulatory and Compliance", as reported on in 2023, has been split into two principal risks in 2024 ("Regulatory and Compliance" and "Trade Compliance") reflecting the distinctive risk characteristics of Trade Compliance risk compared to the other risk elements within this category.

The principal risk reported in 2023 of "Ability to strategically price and deliver price increases" has been reduced in risk rating during 2024 (due to the demonstrated effectiveness of the related processes and controls) and removed from the principal risks list. Therefore, there are again ten principal risks in 2024.

All risks have been reviewed throughout the year and changes have been assessed to the rating of five principal risks. Additionally, the risk appetite relating to two of the principal risks ("Reliability of the end-to-end supply chain" and "Environmental and climate risks") has changed in 2024. These changes are described in the section below.

Emerging risks

Identifying emerging risks is a key part of our risk management process. All risk assessment sessions at regional or global level dedicate time to identifying and discussing emerging risks. These discussions are facilitated by Internal Audit, Risk & Compliance who raise risk topics with knowledge gained from benchmarking and expert studies and combine these with the input from over 50 senior leaders on at least a six-monthly basis.

Emerging risks are assessed to determine if they need to be added to the principal risks, Top-20 Group Risk Dashboard, lower-level risk tracking or retained on a watchlist. Once added to the formal risk register, emerging risks are managed in the same manner as established risks. The consideration of emerging risks and changing risk landscape can also lead to changes in the risk appetite levels.

Risks that have emerged in 2024 or increased in relevance and therefore received more focus include:

- Structural weaknesses in the production network.
- Increasing complexity of sanctions regimes.
- Risks reflecting market disruptions and deflationary pressure.

These risks have increased due to the impact on the Group of increased legislative requirements, geopolitical factors and emerging technologies. Additional risk drivers include the enhanced production footprint from acquisitions and the digital transformation of the Group.

Our internal control system

The Board reviews the effectiveness of the system of internal financial, operational and compliance controls and the risk management framework. RHI Magnesita follows the corporate governance requirements of both the Netherlands, given the location of its incorporation, and the UK, due to its listing. Where possible, the disclosures are combined in this report, however there are certain risk areas where the respective governance requirements necessitate similar but separate assessments.

One such area is the required disclosure and description of RHI Magnesita's control environment and systems. Therefore, the Company provides both a Management "In-Control Statement" as is required by the Dutch Corporate Governance Code and an internal control system report as is required under the UK Corporate Governance Code. Both outline the measures that RHI Magnesita takes to ensure a strong control environment. You can read more about how the Company is preparing to meet Provision 29 of the UK Corporate Governance Code on page 209.

The Board is ultimately responsible for maintaining effective corporate governance, which includes the Group's risk management approach, its system of internal controls and its internal audit approach.

The Board regularly reviews the effectiveness of the system of internal financial, operational and compliance controls, and the risk management framework. The Board examines whether the system of internal controls operates effectively throughout the year and will make recommendations when appropriate.

These systems have been in place throughout 2024, and up to the date of this report, and comply with the UK Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. They are based on the three lines of defence model, supported by an end-to-end process model and a delegation of authorities structure reflecting the responsibility for risk management and internal controls at all management levels.

The Group's internal control framework is designed to enable the application of the Group's risk appetite. This typically seeks to avoid or mitigate risks rather than to completely eliminate the risks associated with the accomplishment of the Group's strategic objectives. It provides reasonable, but not absolute, assurance against material misstatement or loss.

The Group has a specific risk management approach in place and an internal control framework in relation to its financial reporting process. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with the applicable accounting standards. For the accounting process, an accounting manual is used to structure the internal controls over the accounting process. In 2024, an Internal Controls Hub was developed which monitors control performance, ensuring consistency in the application of financial reporting controls.

In 2024 the Group developed and executed projects to improve the internal processes and systems of the Group. A key focus area has been delivered by designing a single set of Group-wide processes for key activities. In 2025, a complete end to end "process house" for all major processes will be implemented.

Alongside this work the Group has outsourced key transactional processes to a company specialising in managing service centre operations. This will ensure continuous, quality delivery of the selected transactional services. The main transfer of activities to the outsource provider occurred on 1 December 2024 and a dedicated project team including risk management, transition management and service delivery monitoring was established to ensure the continued effectiveness of the internal control framework through and beyond the transfer date. The Group is also in the execution stages of a multi-year project in replacing and upgrading its ERP system. These activities will lead to a step change improvement in the consistency and efficiency of the internal control system.

The Group has an Internal Audit function, with a reporting line to the Chair of the Audit & Compliance Committee and a secondary reporting line, for day-to-day operational matters, to the CFO. The Internal Audit function provides assurance to the Audit & Compliance Committee and the Board on the design and effectiveness of the internal control framework. Internal Audit operates within a single department also comprising Risk Management and Compliance. The Audit & Compliance Committee and management ensure that appropriate safeguards are in place to maintain the independence of Internal Audit. The Internal Audit, Risk & Compliance function works as regionally based teams, providing a locally focused governance presence to support regional management in line with the established Group-wide model.

In 2024 the Head of Internal Audit, Risk & Compliance has also fulfilled a role to oversee the design and development of finance-related Group processes underpinning the upgraded ERP system. The design of the processes and the associated internal controls do not fall under his responsibility. The ERP project has an assurance provider (separate from Internal Audit) providing updates to the Board and EMT. The Audit & Compliance Committee have closely monitored this arrangement with the Head of Internal Audit, Risk & Compliance and the work performed to ensure that the independence of Internal Audit and the effectiveness of Risk Management and Compliance are not compromised.

An external quality assessment of the effectiveness and capability of the Internal Audit function was performed in 2021. The delivery of improvement points from this report has been completed in subsequent years and maintained in 2024.

During 2024, Internal Audit conducted 13 planned internal audits and 13 special regional-focused investigations, reporting the most relevant observations and recommendations to regional management, the Executive Management team, and summarised reports to the Audit & Compliance Committee.

The reports by management and Internal Audit, Risk & Compliance also facilitated consideration by the Audit & Compliance Committee of management actions in respect of the following key control framework challenges:

- Improving management and the internal controls of transformational initiatives.
- Effective integration of acquired entities into the Group's culture and internal control framework.
- Benchmarking the internal control performance across the regions.
- Continuing the journey towards global process standardisation.

The Board considers the Company's risk management and internal control system are appropriate and effective to give reasonable, but not absolute, assurance against material misstatement or loss. Planned and implemented improvements of the internal control systems are discussed regularly between the Board and Audit & Compliance Committee. Given the dynamic nature of the Group and the continuing evolution of its regionalised model, the Board has emphasised the importance of further internal control system improvements in 2025, most notably the completion of global process standardisation work to drive the new ERP system implementation.

Management "In-Control Statement"

The Board and EMT are responsible for ensuring adequate risk management and internal controls systems are in place.

The core design of the internal control systems is based on extensive work conducted as part of the merger activity in 2017 and reassessed in 2020 to create a more regionally focused and agile structure. The regional focus was further increased in early 2022. A further step change in process standardisation is expected in 2025 when the new "process house" will be implemented, including a refreshed design for the internal control system. The new internal control system will be rolled out in the medium term as part of the new ERP system.

The key internal control measures include reviews of financial performance and key control weaknesses at each Board meeting.

To complement the M&A strategy and increase the focus on integration efforts of newly acquired companies, the corporate meeting structure to govern and monitor the integration of acquired companies has evolved in 2024. An Integration Toolkit guides inputs from standardised integration workstream teams, led by regional and senior leaders which are consolidated into EMT-sponsored periodic meetings. These meetings focus on the review of the operational and financial performance delivery and risks against the business cases for a period of 12 months after the closing of the acquisition. Outputs are consolidated in a standard format and status updates shared with the senior leadership group of the Company.

To further increase the focus on the execution of the transformational initiatives and deliver through a structured progress tracking and a lean programme structure, a standardised forum was created. The structure enabled to focus on interdependencies across the initiatives and its risks. Furthermore, standardised key performance indicators were established to track the progress and effectiveness of the initiatives. In 2025, the focus will remain on these strategic initiatives with a newly established governance structure for these projects, including an EMT-led project board for oversight, monthly project performance review meetings, and project circles to ensure a sustainable and performance driven execution.

The EMT continues to monitor the effective adoption of corporate culture and values, especially in respect of the more remote and newly integrated areas of the Company; the enhancement of the corporate culture has been accelerated by the regional approach. The EMT have visited selected regions in 2024 and performed on-site deep dives into all key aspects of regional performance. Following the update of the Code of Conduct in early 2023, the policy to report and investigate misconduct has been updated and reinforced through increased training and communication in 2024. The Board and EMT monitor the response to issues raised via the whistleblowing process. All key changes in the internal control framework were reviewed by the EMT.

Each leader is accountable for the effectiveness of the internal controls within their areas of responsibility and is required to complete a self-certification of their assessment. The self-certification is also signed-off on a regional level. Measures are applied in each functional area and region to assess the effectiveness of internal controls and to escalate any identified issues. Control weaknesses identified by management and those identified through the quality management system reviews, risk management activity and internal audit reports are escalated to the EMT for review and resolution, all of which is overseen by the Audit & Compliance Committee. The key control weaknesses identified from these processes were addressed within 2024.

In 2024, risk management activity focused on maintaining the previously established, mechanisms and integrating acquired entities and outsourced services into the risk assessment models. Plant risk management and fraud risk management were executed in 2024 following the established approaches. This approach continued to further strengthen the link between strategy setting and risk management, enhanced by extensive collaboration between the respective teams.

The delivery of the risk management approach and the results of the internal quality assessment and planned next steps were reviewed by the Audit & Compliance Committee. In addition, the risk appetite was discussed and approved by the Audit & Compliance Committee and the Board following a series of discussion workshops.

Therefore, Management confirms that:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states the material risks, and the uncertainties, to the extent that they are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Viability statement

"The Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet their liabilities as they fall due over the period to December 2027."

Assessment period

The Board has assessed the prospects and the viability of the Group over the forthcoming 12 months, based on a detailed financial plan (i.e. for financial year 2025) as well as a longer period e.g. the long-term plan to 2027. The Board believes that the three year period remains appropriate, being based on its internal budget, financial planning timeframes and the established targets and aims, which combine to give reasonable expectations of the Group's position and performance.

The assessment process and key assumptions

The Board's assessment included review of the potential financial impacts as well as available financial headroom in the most severe but still plausible scenarios that could threaten the viability of the Group. These scenarios considered the current financial position of the Group and the potential mitigations that management reasonably believes would be available to the Company. These mitigations include the use of cash, access to debt facilities and credit lines, reductions in capital expenditure, divestments and dividend reductions.

The financial forecast is based on a number of key assumptions, including product prices, exchange rates, raw material prices, energy, freight and labour costs, estimates of production volumes, future capital expenditure and delivery of our strategic cost reduction and sales initiatives. In addition, the forecast does not assume the renewal of existing debt facilities or raising of new debt. A key component of the financial forecast and strategic plan is the expected growth of steel production and the output of non-steel clients in all regions, combined with the development of the specific refractory consumption, taking account of technological improvements.

Management also performed a reverse stress test assuming a severe decrease in sales volumes of 14% sustained over 30 months. Management analysed the impact of the 2008 Global Financial crisis and the COVID-19 impact over sales volumes and margins. Whilst the decrease in volumes was notable, the Group was able to recover the volumes within 12 months.

The scenarios that have been modelled are based on severe but plausible outcomes and associated costs are based on actual experience where possible. The scenarios have been considered individually and as a cluster of events.

Assessment of viability

The Group's liquidity amounts to €1,176 million comprising cash and cash equivalents of €576 million and undrawn committed credit facilities of €600 million as of 31 December 2024. This is sufficient to absorb the financial impact of the risks modelled in the stress and sensitivity analysis. However, if these risks were to materialise, the Group also has a range of additional mitigating actions that enable it to maintain its financial strength, including reduction in fixed costs and capital expenditure, raising debt or reducing or cancelling the dividend.

Scenario	Principal risks	Severity of the impact
Severe macroeconomic downturn	1. Macroeconomic and geopolitical environment.	Low
Severe macroeconomic downturn with impact of multiple principal risk	1. Macroeconomic and geopolitical environment, 2. Inability to deliver strategic projects, 3. Significant changes in the competitive environment or speed of disruptive innovation, 4. Reliability of end-to-end supply chain, 10. Organisational capacity to execute strategy, including demonstrating company cultural values.	Medium
Reverse stress test assuming significant and sustained reduction in sales volumes	1. Macroeconomic and geopolitical environment.	High

Viability statement

The Directors believe that the Group is well-placed to manage its principal risks successfully. In making this statement the Directors have considered the resilience of the Group, taking account of its current position, the risk appetite, the principal risks facing the business in severe but plausible scenarios, and the effectiveness of any mitigating actions.

The Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2027.

Going concern

In considering the appropriateness of adopting the going concern basis, the Directors assessed the Group's potential cash generation and considered a range of downside scenarios that model different degrees of potential economic downturn, using the same model as for the viability assessment. This assessment covers at least 12 months from the from the date of approval of the Consolidated Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that breaches the Group's debt covenant. Further mitigating actions within management control would be undertaken in such scenarios, including but not limited to, reduced future operating and fixed costs, capital expenditure, and dividend distributions. These mitigation actions were not incorporated in the downside modelling. The Directors also considered the Group's current liquidity and available facilities as outlined above.

In the above scenarios and taking into account liquidity and available resources, and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis for the period ended 31 December 2024.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

Principal risks

1. Macroeconomic and geopolitical environment

Link to strategy

Target risk appetite

KPIs
Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC

Internally monitored metrics
Key macroeconomic and financial market indicators, steel, cement, and aluminium forecasted production.

Risk description
Changes in the global economic environment, financial markets conditions and adverse geopolitical developments may have an impact on the Group's revenue and profitability.

The macroeconomic environment changes leading to sales volume reductions can arise from industrial factors or from wider global issues, such as a global economic conditions, regional conflicts, or global logistic challenges.

The demand for refractory products is directly influenced by steel, cement, glass and non-ferrous metal production, energy prices and the production methods used by customers.

Due to the current market situation, fluctuations in sales volumes have an impact on the utilisation of production capacities and consequently on the Group's profitability and gearing.

Examples of specific risks:
- Decreasing investment and delays in customers' infrastructure projects (therefore reducing steel and cement demand) leading to lower refractory consumption and depressed sales volumes.
- Customers focusing on lower-cost and more commoditised refractories because of low-capacity utilisation.
- Lower sales volumes leading to lower fixed cost absorption.
- Increasing costs of core resources and supplies (e.g. energy, labour, raw materials, freight and packaging).
- Increased trade restrictions, tariffs, or export bans could disrupt supply chains and increase material costs.
- Currency fluctuations could impact the cost of imports and exports.

Risk mitigation
- Initiatives to increase the Group's resilience, through establishing leaner processes and lower fixed cost structures whilst increasing the Group's market share and the value for our customers.
- Diversification of geographies and industries.
- Close monitoring of production costs fluctuations to guarantee the expected profitability.
- Price increase initiative to pass inflationary costs to customers.
- Early leading indicators to ensure identification of emerging macroeconomic trends.
- Treasury Policy and usage of financial instruments to mitigate risk exposure to financial markets.
- Agile, experienced, and solution-focused management teams who can respond quickly and innovatively to challenges.

Risk movement
During 2024, the macroeconomic environment continued to be challenging for the refractory industry. The refractory industry experienced a drop in customer demand in most markets. In addition to major ongoing geopolitical conflicts, 2024 saw an increase in smaller but more frequent crises, the implications of which can be difficult to assess or predict.

This also led to inflation levels remaining stable and tightened input production costs. The outlook for 2025 expects a stable inflation rate with continued high interest rates.

The risk appetite remains high (no change from 2023). The risk score is unchanged and within the risk appetite but has the potential to exceed it and is closely monitored.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

2. Inability to execute key strategic initiatives

Link to strategy

Target risk appetite

KPIs
Voluntary employee turnover, Revenue, Adjusted EBITA margin, Adjusted EPS, Leverage, ROIC

Internally monitored metrics
Adjusted EBITA from strategic initiatives, ROIC from strategic initiatives, completion of strategic initiatives on-time and on-budget.

Risk description
The Group's strategic initiatives include digitalisation, cost optimisation, sales expansion, production network optimisation, recycling and M&A projects.

Effective prioritisation and execution are key to delivering the Group strategy. The ambition level of these initiatives requires a high level of management capacity to effectively deliver change management and strategic initiatives execution.

The failure to effectively execute these initiatives because of external or internal circumstances may lead to lower than planned financial performance, including loss of revenue and margin.

Examples of specific risks:
- Failure to develop the Company strategy into specific actions.
- Failure to react in a timely manner to a changing environment.
- Failure to identify trends and emerging technologies.
- Failure to effectively deliver strategic initiatives.
- M&A underperformance.
- Inability to fully realise benefits from fixed asset capex investments.

Risk mitigation
- Group-wide strategy with a high focus on key priorities.
- Postponement or cessation of strategically non-important projects.
- Strengthening of the culture of accountability.
- Leadership capability development programme.
- Deep dive learning-based review on each strategic initiative.
- Increased focus and oversight of investments and enhanced financially-based tracking during the delivery phase of corporate development and cost saving initiatives.
- Strong and impactful Group strategy team to have a broader more challenging role across the Group, concentrated on global strategies for core product groups.

Risk movement
Since December 2021 the Group has undertaken a programme of acquisitions and much focus has been given to generating the strategic benefits from integrating these acquisitions with a geographically diversified footprint.

In 2024 most focus was dedicated to the integration of acquired companies and transformational change projects to enhance strategic execution and set a strong basis to be fit for the future.

The Group has taken many learnings from major capex projects and successfully embedded these learnings within a new mindset for capex for future projects.

Considering that the principal risk covers a broad range of strategic initiatives, the overall risk score is unchanged and remains within the risk appetite but requires close monitoring.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

3. Significant changes in the competitive environment or speed of disruptive innovation

Link to strategy

Target risk appetite

KPIs
Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC, R&D & Technical Marketing Spend

Internally monitored metrics
R&D and technical marketing spend, ROIC on such spend and time-to-market, sales of digital products, cost savings generated by usage of digital technologies.

Risk description
Depending on the ability of the Group to develop adequate products and services, the changes in customers' preferences towards innovative products may present either an opportunity or a threat by increasing pressure on demand and margins.

The speed of evolution of customer demand for environmentally beneficial features, digitalisation and services may be faster than the pace of implementation of the Group's digital strategy.

Examples of specific risks:
- Disruptive product technology introduced by a competitor.
- Failure to identify digitalisation trends and technologies.
- Competitors being faster and more agile in responding to changing customer requirements.
- New market entrants or non-traditional competitors leveraging an aggressive pricing strategy attracting customers.
- Failing to adopt AI-powered predictive maintenance and manufacturing processes.

Risk mitigation
- Create a climate that fosters innovation and "out of the box" thinking.
- Continued investment in R&D, including, importantly, on sustainability in line with the Group's strategy.
- Focus development activity on projects aimed at an agile and fast impact on the market.
- Monitoring of key R&D and innovation metrics.
- Partnering with third-party innovation leaders.
- Develop a digital strategy and invest in technology infrastructure, tools, and talent.

Risk movement
The success of this approach has been seen in the customer satisfaction surveys.

In 2024, the Company experienced an increase of non-traditional competitors, particularly from regions with lower production costs leveraging an aggressive pricing strategy and increasing the market pressures. Therefore the likelihood rating and overall risk score has increased.

The Company has successfully made progress on the strategy to enhance capabilities and market reach through acquisitions and continues to invest in recycling business and sustainability. Furthermore, the Group retains the capability and ambition to develop customer-facing digital solutions but aligned to the pace of change sought by our customers.

The risk remains within the risk appetite and is consistently monitored.

Link to strategy
Competitiveness
Business model
Markets

Target risk appetite
High
Moderate
Limited
Averse

4. Reliability of the end-to-end supply chain

Link to strategy

Target risk appetite

KPIs
Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC

Internally monitored metrics
Refractory lead times, plants' capacity utilisation, Supply in Full on Time, Inventory levels, customer surveys.

Risk description
The journey from raw material to finished goods can span several months and might require shipments across the globe. The ability to react quickly to changes prompted by internal and external factors is therefore key to ensuring value delivery to our customers.

In addition, the ability to forecast the demand for the Group's products is key to enabling efficient and effective planning of production-related activities, including procurement, inventory planning and the size and locations of the plants in our production network.

Our global operations can be disrupted by issues in a specific geography or by industry-wide challenges. However, the ability to transfer some of the production between geographies to mitigate the risk of business interruption can be deployed as a risk mitigation strategy.

Examples of specific risks:
- Structural weakness in production network.
- Production interruption at a single-source manufacturing site.
- Inability to accurately predict customer demand leading to missed sales opportunities, inefficient production planning and additional costs.
- Global logistic challenges impacting the stability, speed and cost of our end-to-end supply chain.
- A natural disaster or major political crisis in one or more countries or regions.

Risk mitigation
- Supply chain initiatives to improve and address specific operational challenges.
- Regular reviews of sales, production and financial plans, as well as longer-term portfolio decisions, are based on extensive research.
- Additional system resources leading to improvements in delivery reliability and reduction of production backlog.
- Geographical diversification of the production network.
- Implementation of an optimised production footprint to meet planned requirements.
- Risk-based investment policy.
- Global insurance coverage.
- Focus on the minimisation of sole-source materials and strategically increasing stock levels.
- Concentrated efforts on increasing transparency and enhancing the communication flow.

Risk movement
In 2024 the Group achieved its highest ever customer satisfaction ratings and the highest PIFOT rating for on-time deliveries in a second consecutive period.

Localised logistics challenges are still monitored and mitigated, such as the Red Sea shipping lane issues in late 2023.

The focus has evolved to assessing how well the acquired sites and a more local-for-local production approach fit with legacy sites together to form an optimum production network. This is being evaluated in a single approach led by global product strategies. The Group is currently operating at lower than optimum plant capacity utilisation levels in anticipation of a recovery in core markets. Should this recovery not occur then the risk of structural weakness in the production network increases, particularly given the increased plant footprint from M&A.

Consequently, the likelihood of this risk and the risk score has increased. The risk remains within the risk appetite and is consistently monitored.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

5. Sustainability — environmental and climate risks

Link to strategy

Target risk appetite

KPIs
Relative CO_2 emissions, Use of secondary raw material, Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC

Internally monitored metrics
Relative CO_2 emissions, use of secondary raw material, progress towards the achievement of environmental and climate targets.

Risk description
Controlled emissions and use of potentially hazardous materials are inherent to the production of refractory products.

The risk of failing to meet environmental regulatory targets or uncontrolled emissions at our production sites exists and may result in high financial losses and liabilities.

The evolving regulatory environment, the increased stakeholders' focus, and the Group's commitment to sustainability led to increasing investment and effort being dedicated to achieving environmental and climate goals.

There are future environmental and climate targets that can only be met by new technological solutions to change the Group's production processes and by the delivery of environmental improvements by the Group's suppliers and customers.

Examples of specific risks:
- Uncontrolled emissions.
- Inability to meet sustainability targets.
- Failure in meeting stakeholders' expectations.

Risk mitigation
- Regular environmental audits and risk monitoring at all sites.
- Well-established Board-level Corporate Sustainability Committee ("CSC") to oversee and challenge management's environmental and climate strategy.
- We manage, measure and report our climate-related risks and opportunities according to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations (as described on pages 64 to 171).
- A climate strategy focused on recycling, carbon capture and usage, fuel switch, energy efficiency, and innovative customer solutions. Read more about Tackling Climate Change on page 22.
- Increased focus on the use of secondary raw material as a core element of the Group's strategy.
- The geographical diversity of the Group's operations and the ability to shift production reduce the impact of single events impacting specific geographies.
- Increased focus on sustainable procurement.
- Executive Long-Term Incentive Plan (LTIP) and employee bonus linked to achievement of the Group's CO_2 reduction and recycling targets.

Risk movement
In 2024, the risk appetite was changed from Limited to Moderate. An increasing regulatory complexity and rising risk of potential fines is mitigated by the good progress in the achievement of the Group sustainability targets.

The strategic partnership between RHI Magnesita and MCi Carbon to produce CO_2-negative mineral value-added products was granted significant funding at the end of 2024. This will further support to build the world's first Carbon Capture Utilisation ("CCU") pilot plant for the refractory industry in Hochfilzen, Austria.

A continuing major risk for the Group is the proposed introduction of CBAM. For the refractory industry, it could create a significant impact.

The medium-term R&D programme focused on sustainability improvement initiatives continued during 2024.

The risk is within the Group's risk appetite and is continuously monitored by management.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

6. Sustainability — Health & Safety risks

Link to strategy

Target risk appetite

KPIs
LTIF, Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC, SIFp

Internally monitored metrics
Total Recordable Injury Frequency ("TRIF"), Lost Time Injury Frequency ("LTIF"), Preventive Ratio, Near Misses, Unsafe Situations, Serious Injuries & Fatalities ("SIFp")

Risk description
Employees and contractors may be exposed to Health & Safety ("H&S") hazards in our plants of which inherent risks cannot be completely eliminated.

Our activities and products may potentially cause accidents at our customers' sites.

Beyond the harm to individuals, H&S incidents can lead to high financial penalties, site closure, the loss of licence to operate in geographical territories and a loss in reputation for the Group.

The health of our employees and contractors, both mental and physical, is a significant area of risk to the Group.

Examples of specific risks:
- Fatal or serious accident at manufacturing or customer site.
- Site shut down due to H&S incidents.
- Loss in reputation for the Group due to severe H&S accidents.

Risk mitigation
- H&S objectives are defined as a core Company objective, and the performance is constantly monitored.
- H&S approach is based on leading global standards and practices, including regular risk monitoring, emphasis on "near miss" reporting and root cause analysis.
- Focus on collaboratively enhancing the H&S approach at customer and supplier sites.
- Extensive focus on H&S at the Corporate Sustainability Committee.
- Specific action plans in the event of employee or contractor H&S incidents.
- Globally harmonised safety instruction videos.
- Global personal protective equipment ("PPE") standards implemented.
- Measures focussing on a safety-conscious workforce driven by a strong leadership culture of H&S.

Risk movement
Following the fatal accident in 2023, the two fatal accidents in 2024, and the comprehensive root cause analysis of these accidents with external specialist-led reviews, initiatives to improve the working practices and significant cultural changes in relation to H&S risks were launched.

Additional measures implemented in 2024 include increased specialist resources to develop global guidelines, and deep-dive safety workshops with EMT, strengthening the tone from the top to drive significant cultural change.

Safety remains the top priority for the Group with increased focus, investment and management efforts in order to improve the overall H&S performance and bring the risk back to within the risk appetite.

Whilst recognising the measures launched in 2024 and the planned additional measures for 2025, Executive Management emphasise that meaningful change to this risk can only come from sustained cultural change across the Group. Recent statistical analysis showed that a significant level of all accidents within the Group recorded in 2024 had the potential to be severe or fatal accidents. Therefore the likelihood rating of the risk has increased from 2023.

The risk level remains outside the risk appetite with continued management commitment to reduce the risk level and bring it within the risk appetite in 2025.

Link to strategy

- Competitiveness
- Business model
- Markets

Target risk appetite

- High
- Moderate
- Limited
- Averse

7. Regulatory and compliance risks (excluding trade compliance)

Link to strategy

Target risk appetite

KPIs

Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC

Internally monitored metrics

Completion rate of various internal compliance trainings, whistleblowing reports, data privacy incidents.

Risk description

The Group faces increasing regulatory complexity and operates in some geographies with inherently high corruption risks.

We strive to establish a culture of compliance throughout the organisation.

We are exposed to regulatory and compliance risks which may result in financial losses or operational restrictions.

Regulatory changes could impact the profitability of our operations and require investment to achieve compliance.

Examples of specific risks:

- Failure to act in accordance with our Code of Conduct.
- Violation of anti-bribery and corruption laws by employees or third-party representatives.
- Violation of data privacy regulations.

Risk mitigation

- 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.
- Various whistleblowing channels are available to employees and external parties to report compliance concerns. Concerns can also be reported anonymously, and all reports are followed up by qualified professionals.
- Range of interventions performed in conjunction with each acquired business to assess regulatory risk and introduce and embed the Group's compliance approach.

Risk movement

In 2024, the risk was re-evaluated and split into two risks. This risk focuses on areas of non-compliance as defined by the Association of International Fraud Examiners. The second risk relates to Trade Compliance and is described as principal risk 9 on page 49.

This risk has decreased. Integration efforts in 2024 ensured and demonstrated that acquired entities have a consistent approach to compliance. This was mainly measured by the training programmes launched and the usage of the established reporting channels. Furthermore, the processes and systems are deemed effective to prevent and detect potential misconduct.

The overall risk level is within the Group's risk appetite.

Link to strategy
- Competitiveness
- Business model
- Markets

Target risk appetite
- High
- Moderate
- Limited
- Averse

8. Cyber and information security risks

Link to strategy

Target risk appetite

KPIs
Revenue, Adjusted EBITA margin, Adjusted EPS, ROIC

Internally monitored metrics
Security incidents classified by severity, phishing test fail rates, triage escalation time.

Risk description
The Group's reliance on IT systems and the greater focus on digitalisation result in a growing exposure to cyber and information security risks due to factors such as the adoption of advanced technologies, interconnected systems, and sophisticated cyber threats.

The possible impact of cyber and information security risks could range from operational disruptions, loss of intellectual property, legal compliance issues and frauds, to significant reputation losses.

Examples of specific risks:
- Intellectual property or confidential data theft.
- Personal data breach.
- Software or hardware failure leading to critical business process interruption.
- Cyber-attacks on office and production IT leading to financial losses (e.g. ransomware, sabotage).

Risk mitigation
- EMT crisis management simulation exercise held focusing on cyber security.
- Global information and cyber security policies drafted in line with information security best practices, standards and frameworks.
- Continuous awareness campaign and training.
- Regular risk assessment and penetration testing.
- Cyber security detection and response team.
- Network, device and application protection.

Risk movement
The Group experienced a continued increase in the inherent risk level of cyber and information security risks due to the fast-evolving cyber and information security global landscape.

Furthermore, the Company is undergoing a transformation process that is increasingly integrating networked production systems, technologies and digital platforms throughout the supply chain. While these innovations enable significant efficiency and competitive advantages, they also come with increased inherent cyber and information security risks.

The Group continued to implement additional risk-mitigating measures to respond to this rising threat, including awareness campaigns, data encryption and OT security monitoring, and crisis management simulations.

The risk level is unchanged from 2023. Leadership commitment to maintaining robust internal controls and a proactive cybersecurity strategy remains.

The risk is still evaluated to be within the Group's risk appetite and closely monitored to drive fast responses to changing external threats.

Link to strategy
Competitiveness
Business model
Markets

Target risk appetite
High
Moderate
Limited
Averse

9. Trade Compliance

Link to strategy

Target risk appetite

KPIs
Penalties and fees, Revenue, EBITA

Internally monitored metrics
Penalties and other fees regarding Trade Compliance matters, access to markets and territories, revenue in exposed markets.

Risk description
Trade compliance risks refer to the potential legal, financial, and reputational consequences that arise from non-compliance with international trade laws, export control regulations, and sanctions.

Examples of specific risks:
- Operating in or trading with sanctioned countries or entities could lead to severe penalties, including fines, asset freezes, and potential criminal charges.
- Violations of export control laws or import restrictions, including misclassification of goods, underreporting values, or failure to secure required licences, can result in penalties or shipment delays.
- Frequent changes in trade policies, such as tariffs, quotas, and trade agreements, can create uncertainty and require constant updates to compliance strategies.
- Risks associated with suppliers, distributors, and other third-party intermediaries not adhering to trade laws can implicate the Group in violations, even if unintentional.

Risk mitigation
- Robust developed trade compliance policies and procedures, including mandatory staff training.
- Clear governance structure for accountability and oversight.
- Automated trade compliance software to ensure real-time adherence to export regulations.
- Bespoke compliance risk assessment and Know-Your-Customers due diligence procedures for customers, sales agents, and other business partners.
- Proactive risk-based monitoring on high-risk business partners.

Risk movement
The specific risk in relation to sanction regimes and export controls has become increasingly complex due to the fast pace of diverse regulatory developments and the dynamic geopolitical landscape that encompass cross-border trade.

In 2024, the Group has devoted a significant amount of time to strengthen the tone at the top for geographies considered to be high risk.

Additionally, a higher risk exposure remains for acquired entities not integrated in the Group ERP system and automated sanction and export control risk screenings until strategic digitalisation projects are further progressed.

Link to strategy

- Competitiveness
- Business model
- Markets

Target risk appetite

- High
- Moderate
- Limited
- Averse

10. Organisational capacity to execute strategy, including demonstrating Company cultural values

Link to strategy

Target risk appetite

KPIs

Gender diversity in leadership, Voluntary employee turnover, Adjusted EBITA, Adjusted EPS, ROIC

Internally monitored metrics

Gender diversity in leadership, Voluntary Employee Turnover, Adjusted EBITA from strategic initiatives, ROIC on strategic initiatives.

Risk description

The Group's corporate culture, combined with an optimal internal structure, adequate skills and resources, are key to ensuring the delivery of the Group strategy. To ensure access to adequate skills, the Group is focused on being able to retain talent as well as attract talent from the market.

A key focus of the Group's corporate culture is gender, ethnic and generational diversity, which is seen as an important driver to enhance performance.

Examples of specific risks:

- Inability to attract and retain top talent.
- Lack of accountability and responsibility.
- Inconsistent behaviour across the Group.

Risk mitigation

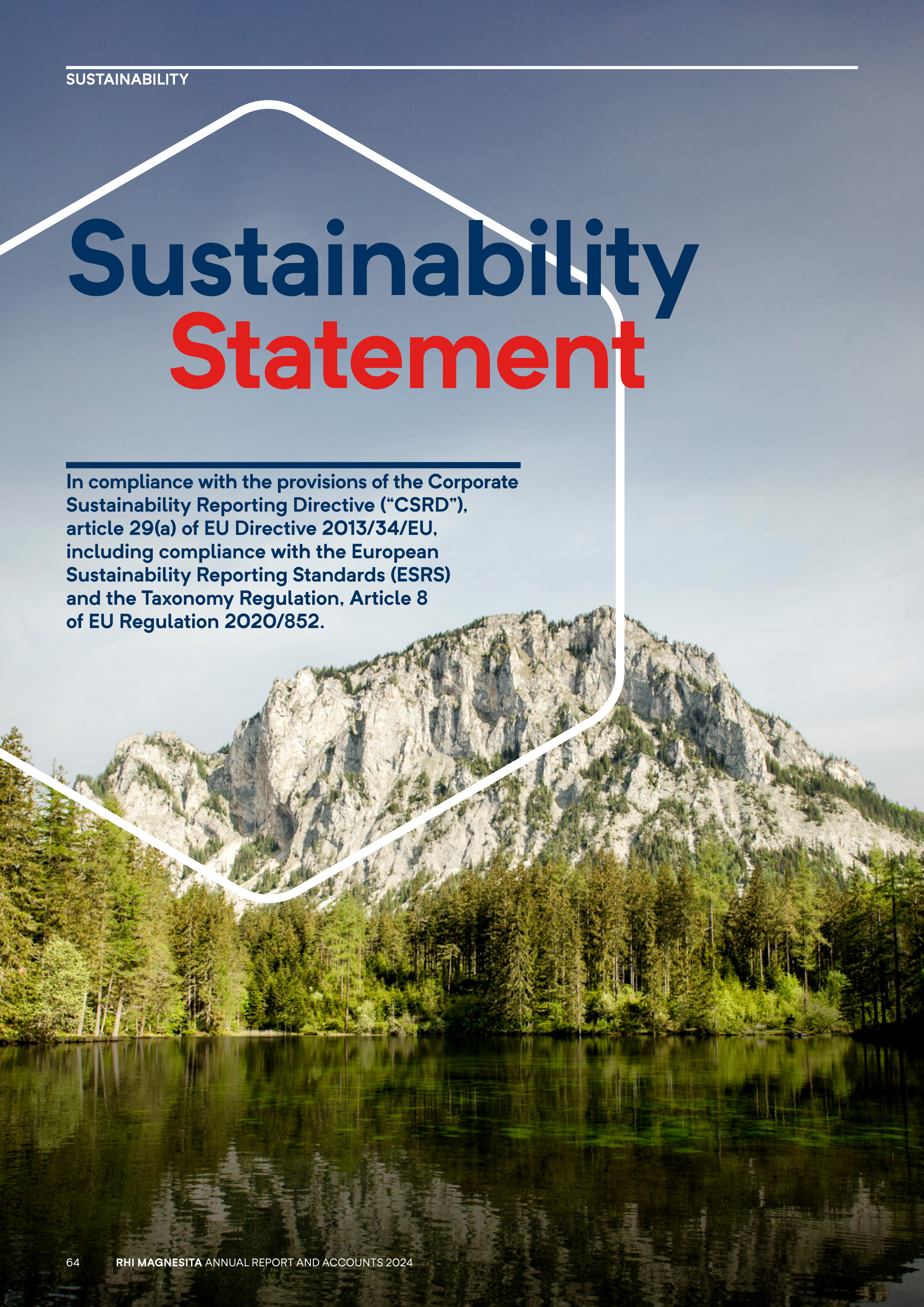
- Specific focus on People and Culture strategy in the Board and EMT 2024 strategy workshops.
- Continuous emphasis on the Company culture as a key enabler of performance and driver of strategy execution.
- Range of other awareness-based leadership training and initiatives to support the attraction and retention of "Generation Z" talent.
- Dedicated leadership capability enhancement programme.
- "Tone from the Top" leadership culture.
- Developing talent, enhancing diversity and promoting Company culture as significant components in the People Cycle.
- Trainee programme to develop graduates into future leaders.

Risk movement

Throughout 2024 EMT have successfully made organisational changes to promote strategy execution which have confirmed the capacity is in place to deliver the strategy, together with the organisational flexibility to adapt to emerging challenges.

The risk appetite was tightened to ensure a focus on people retention and managing any impact within acceptable levels. The Group has high levels of people retention and views people attraction risk as low in the short to medium term. Therefore, the likelihood of this risk has been reduced and the risk score reduced.

The risk remains within the risk appetite and is closely monitored by leadership.



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.

Contents

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 — change	Climate	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 relaunched 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 downstream 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 development, 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 continue 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 recruiting 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 framework.

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) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		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 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[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	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

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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 incorpora-tion of carbon expenses.	Oppor-tunity	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 Inter-governmental 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:

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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			Milestones and target years
	Base year (2024)	2024	%N/N-1	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

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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 m³ 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.

Our Governance

In this section, we outline our governance practices which underpin the functioning of our business in a responsible and pragmatic approach, whilst fostering innovation to deliver long-term success in the context of a sustainable environment.

We are the masters of heat

Strategy

- Purposeful approach to capital allocation
- Growth through M&A
- Sustainability and the Decarbonisation roadmap
- Production network optimisation
- R&D innovation

Read more about our Strategy
Pages 12 & 13

Purpose, culture and values

- Culture workstream in 2024 to refresh the values
- Culture is a key facilitator of strategic decisions and a zero-harm workplace
- Culture enables informed decision making, e.g., in outsourcing our shared services

Read more about Company Purpose, culture and values
Pages 20 & 21

Highlights in 2024

- Culture of high performance enabling the business to succeed in challenging conditions
- Appointment of a new Director with operational expertise to further our operational excellence
- Continued to develop robust operational processes to build the foundations for the future
- Progressed our strategy with the decision to acquire Resco Group in the United States of America
- Board skills and experience shaped the business' actions in its journey to become a truly modern company
- Improved Board gender diversity

Priorities for 2025

- Continuing H&S improvement and developing a more safety focused culture
- Ongoing execution of business transformation projects
- Integration of acquisitions in order to achieve the planned synergies as part our focus on shareholder value and our Return on Invested Capital
- Leveraging technologies to deliver efficiencies and sustainable outcomes

Sustainability & Innovation

- Leverage technology and our expertise to use capital strategically in order innovate
- Ongoing progress with decarbonisation through the development of technologies with our innovation partners

Read more about Sustainability & Innovation
Page 46

Health & Safety

- Steer the tone from the top in safety culture with input from dss+, our safety consultants
- Shape the safety transformation with input from employees at all levels

Read more about Health & Safety
Page 13

In 2024, the Board has been pleased to see the results of management's focus on operational excellence, the establishment of stronger financial performance, and the development of our regional businesses.

Dear Shareholders,

On behalf of the Board, I present to you the corporate governance report for the year ended 31 December 2024. I have taken the opportunity to highlight some of the key points of this section below.

Health & Safety and our culture

We reported to you in February 2024 that there had been two fatalities in Austria shortly before the publication of our 2023 report. We are disappointed to report that there was then a further fatality in Dalian, China in June 2024. We are deeply saddened and affected by these incidents and management have been working hard to foster a reformed culture which truly holds safety at its heart in order to achieve a zero-harm environment.

As a Board with a long history of industrial operations we guided and supported the executive team as they sought expert opinions from dss+ (a leading consultancy, focusing on safety) and developed a long-term and sustainable action plan to reach into every corner of our organisation to deliver a transformation in safety. We have wrought a change at the top of the organisation which reflects the latest thinking from experts in the industry.

Nonetheless we recognise that, whilst we expect to see immediate benefits, the sustained cultural change throughout our organisation will take time. The Corporate Sustainability Committee ("CSC") has been monitoring and supporting management in their progress, hearing also directly from dss+, and reporting back to the Board. They consider the Company's Health & Safety KPIs at every meeting, along with the root cause analysis and assessment of these fatalities and serious injuries. Colleagues and external advisors with in-depth experience attend these meetings so that Directors can hear from them directly, with the chance to highlight areas of concerns for focus. You can read more about the CSC's consideration of this matter on pages 204 to 205.

In our Remuneration Committee report last year we reported that the executive management would, in consultation with the Board, establish a Health & Safety Fund to support individuals and families affected by workplace accidents. This was established in 2024 with a healthy level of donations from around the globe, that have been matched by the Company.

These funds were further supplemented by contributions from executive management and Non-Executive Directors, who contributed in a similar magnitude from their 2023 fee (you can find more details of this on page 220). Anyone can voluntarily donate to the fund, which many employees have taken the opportunity to do, and the EMT will again be donating a percentage of their 2024 bonus. It was gladdening to hear that the first contribution from the fund to our community in Breitenau, Austria had been made in early 2025 which we hope will provide some support and comfort for those directly affected by the tragic accident there. We also see that this fund plays an important role in the culture of RHI Magnesita; colleagues feel directly able to contribute and support those in need and it keeps the safety culture at the top of mind, as well providing support for those regrettably affected by occupational work-related accidents.

RHI MAGNESITA
+HELP

Strategy

In my Chair's statement on pages 2 to 4, I highlighted the difficult trading conditions in 2024. In this context, as a Board with extensive operational and industrial experience, we have been extremely pleased with the resilient business performance which we see as being the outcome of our focus with management, in recent years, to improve the operational foundations of the Company. A solid basis is developing, from which to develop and take advantage of market and industry uplift as it returns.

"We are committed to operational excellence for sustainable success."

In early 2024 the Board focused on the acquisition of the Resco Group which involved significant analysis of the risks and opportunities available for our wider Group, as well as consideration of our available capital and the expected returns. Our conclusion, following extensive due diligence and assessment of mitigating actions across financial, operational and compliance risks, was that this is a strong strategic step for the Company, especially given our now, quite significant experience in integrating assets and leveraging synergies. We were delighted to recently be able to welcome Resco Group into the Group following completion on 28 January 2025 and look forward to reporting to you, our stakeholders, on our progress as we embark on a new journey together.

Sustainability

Environmental, social and governance ("ESG") and sustainability matters continue to be central to our future success, and we have been discussing the risks and opportunities arising from this topic, as well as how best to allocate capital in a way which manages the Company the best for its shareholders, recognising that in our industry, it will take technological innovation for us to be able to decarbonise. The CSC supports the Board with its deliberations on sustainable initiatives and investments, and supports the Remuneration Committee with priorities to be incentivised and the measurement of these. Sustainable development continues to be key for our strategic success and management is focusing on building a resilient and responsible business foundation, creating value for all stakeholders, particularly shareholders.

We consulted shareholders representing

>80%

of voting rights and we were pleased to have their broad support for the new Remuneration Policy, which was adopted with an overwhelming majority at the May 2024 AGM

We were pleased to be shortlisted once again by the Chartered Governance Institute of UK & Ireland for our Sustainability disclosure in our 2023 report. Our first Sustainability Statement, which is in compliance with the EU's Corporate Sustainability Reporting Directive, can be found on pages 64 to 172.

Stakeholders

The Board sought opportunities throughout the year to hear directly from stakeholders. We were delighted to meet customers in India and also meet with employee cultural champions. Our Executive Directors met regularly with shareholders, all shareholders are invited to join us for our Annual General Meeting, and, of course, we heard from those shareholders represented on our Board. Each interaction was a valuable opportunity to hear the opinions of our stakeholders. You can read more about our stakeholder engagement, and how our understanding of stakeholder expectations feeds into our decision making, on pages 26 to 31.

The Board in 2024

Katarina Lindström was formally appointed by shareholders as an Independent NED at the AGM in May 2024 and has been an excellent fit for our Board and management team, both culturally and in terms of the experience and skills she brings in operations outside of refractories. We have had a stable year as a Board, and also with our EMT, finding we are strengthened by the continuing experience and engagement with our management team.

The Nomination & Governance Committee has continued to keep under review the profile of skills and experience, as well the diversity considerations that are important to us and our key stakeholders. We remain open to feedback from our shareholders on the composition of the Board, as agents of their capital.

The Board was delighted to see more of our global network, particularly assets recently acquired, where we could interact face to face with employees, observing cultures at different locations, and we were able to see and clearly understand the outcome of Board decisions. The main Board visit in 2024 was to our India, West Asia & Africa region, visiting a number of plants, in Rajgangpur and Bhiwadi, as well as the region's head office and service centre, and a visit to our customers, Tata Steel, in Jamshedpur. Certain Directors also made individual trips to other locations in the year. You can read more about this on page 189.

Governance

The report of our compliance in respect of each of the UK Corporate Governance Code 2018 (the "UKCGC"), which applied to the year under review, and the Dutch Corporate Governance Code 2022 (the "DCGC"), (together "the Codes") can be found on page 197. The updated UKCGC, published by the UK Financial Reporting Council in January 2024, began applying to us from 1 January 2025 and the Audit & Compliance Committee have already been focusing on Provision 29 (applicable from 1 January 2026) and the Group's progress in order to comply with the material internal controls statement required in our 2026 report. In the meantime we have considered the outcomes focus which is part of the new UKCGC and made efforts to develop this in our reporting, ready for 2025's report.

I would like to conclude this introduction to our Governance report by thanking my Board colleagues for their continuing support of both me and our Executive Team through their valuable contributions, observations and guidance. We continue to face challenging and unpredictable times, but I am confident that the Board is well-placed to provide the right leadership and guidance to enable the whole RHI Magnesita team to respond effectively to the upcoming challenges and opportunities of 2025.

Herbert Cordt
Chair of the Board of Directors

Key to committees

- N Nomination & Governance Committee
- A Audit & Compliance Committee
- S Corporate Sustainability Committee
- R Remuneration Committee
- Chair of Committee

Your Board, with the vision and experience to deliver sustainable success

For more information, such as education, please see our website

Herbert Cordt N

Chair

Nationality: Austrian

Gender: Male

Year of birth: 1947

Date of appointment: 20 June 2017

Herbert brings a wealth of experience to his role as Chair, including corporate financing, international business and industrial company management. He is well-versed and attentive to matters of geopolitics and their impact on a global business, ensuring that RHI Magnesita is prepared and alert to the risks and opportunities which arise. He was initially appointed as Vice-Chair of the Supervisory Board of RHI AG in 2007, going on to be Chair from 2010.

Current external appointments

Watermill Group Boston (Advisor), Cooper & Turner Group (Advisory Board Member), CORDT & PARTNER Management- und Finanzierungsconsulting GesmbH (Managing Partner) and Georgetown University's School of Foreign Service for its MSFS Program (Advisory Board Member).

John Ramsay A N

Senior Independent Director and Deputy Chair

Nationality: British

Gender: Male

Year of birth: 1957

Date of appointment: 6 October 2017

John is an experienced non-executive in listed companies, bringing to the Board his knowledge and awareness of shareholder interests and market practice. He has held senior financial executive roles across the world and his knowledge in accounting and finance provides valuable practical experience to help management navigate the risks and analyse business performance effectively.

Current external appointments

DSM-Firmenich AG (Non-Executive Director), Croda International plc (Non-Executive Director- standing down 1 March 2025) and Babcock International plc (Non-Executive Director).

Stefan Borgas

Chief Executive Officer

Nationality: German

Gender: Male

Year of birth: 1964

Date of appointment: 20 June 2017

Stefan's career has focused on business transformations, with a track record of leading positive change in process industries from chemicals, plastics and biotech to mining, minerals and fertilisers. He continues to drive for change in the refractory industry as CEO of RHI Magnesita with his charismatic leadership that motivates and challenges his management team to perform to their utmost. His broad experience worldwide brings extensive knowledge in business management in an environment of constant change, while empowering people to achieve exceptional, sustainable results.

Current external appointments

Afyren SAS (Chair) and borgas advisory GmbH (owner).

Key to committees

- N Nomination & Governance Committee
- A Audit & Compliance Committee
- S Corporate Sustainability Committee
- R Remuneration Committee
- Chair of Committee

Ian Botha
Chief Financial Officer

Nationality: British/South African

Gender: Male

Year of birth: 1971

Date of appointment: 6 June 2019

Ian has extensive financial and commercial leadership experience with multinational mining, metals and industrial businesses. He has a track record of driving financial and business performance improvement and broad experience in strategy, M&A, investor relations and governance. Ian enjoyed a successful career with FTSE listed Anglo American plc for over 20 years, including as Finance Director of Anglo American Platinum.

Current external appointments
None.

Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg S
Non-Independent Non-Executive Director

Nationality: German

Gender: Male

Year of birth: 1965

Date of appointment: 6 October 2017

Stanislaus has deployed industrial knowledge, combined with financial detail, throughout his career, and with his experience as a senior executive in the energy industry, has brought first-hand understanding of sustainability matters in an industrial setting as well as process design experience in the context of large IT projects. Outside of RHI Magnesita, he focuses on private equity work in a German mid-cap environment and also engages in a broad range of asset management activities in a family office environment. He was a member of the Supervisory Board at RHI AG from 2001 and served as a member of its Audit Committee from 2007.

Current external appointments
STUV Holding GmbH (CEO), STUV Beteiligungs GmbH (CEO).

David Schlaff
Non-Independent Non-Executive Director

Nationality: Austrian

Gender: Male

Year of birth: 1978

Date of appointment: 6 October 2017

David has key management and supervisory experience in international financial and industrial institutions. He brings a full appreciation of the Group's stakeholders to the Board and is keen to ensure that the Group meets its social responsibilities. A longstanding board member (he was a member of the Supervisory Board at RHI AG from 2010), he has a deep understanding of the refractory industry, its customers and market participants, and consequently the operations of RHI Magnesita.

Current external appointments
M-Tel Holding GmbH (Chief Investment Officer and Joint Managing Director).

Wolfgang Ruttenstorfer A
Non-Independent Non-Executive Director

Nationality: Austrian

Gender: Male

Year of birth: 1950

Date of appointment: 20 June 2017

Wolfgang started his professional career in oil and gas at OMV, where he became CEO and then Chairman of the Management Board. He has held numerous supervisory board roles, including as Chairman, in industries such as telecommunications, real estate, healthcare and insurance. Wolfgang also served as Secretary of State in the Austrian Federal Ministry of Finance. His varied career brings a wide range of strategic and business management experience. Wolfgang was a member of the Supervisory Board of RHI AG from 2012 to 2017.

Current external appointments
Erne Group GmbH (Supervisory Board member).

Key to committees

- N Nomination & Governance Committee
- A Audit & Compliance Committee
- S Corporate Sustainability Committee
- R Remuneration Committee
- Chair of Committee

Janet Ashdown S R
Independent Non-Executive Director

Nationality: British
Gender: Female
Year of birth: 1959
Date of appointment: 6 June 2019

Janet's distinguished career in the energy sector has provided her with significant skills across a business' value chain, in general management, and in environmental and sustainability matters. Her training as an engineer allows her to fully appreciate the challenges of operating an industrial business. Janet also has a wide range of board and committee experience as a non-executive director in both public bodies and listed entities, and has over ten years' experience of chairing remuneration committees.

Current external appointments
Nuclear Decommissioning Authority UK (Senior Independent Director and Chair of Safety and Sustainability), Victrex plc (Non-Executive Director, Chair of Remuneration) and Stolt-Nielsen Limited (Non-Executive Director).

Janice "Jann" Brown A R
Independent Non-Executive Director

Nationality: British
Gender: Female
Year of birth: 1955
Date of appointment: 10 June 2021

Jann is an experienced financial professional who has primarily focused her career in the energy sector but also in engineering services, manufacturing and investment management. As a result of these roles, Jann has extensive international business experience, particularly in India and the Middle East. Her listed company board experience, both as an executive and a non-executive, brings an awareness of the importance of governance, culture and strong ethics.

Current external appointments
ICAS Foundation (Trustee and board member).

Karl Sevelda R N
Independent Non-Executive Director

Nationality: Austrian
Gender: Male
Year of birth: 1950
Date of appointment: 6 October 2017

Karl progressed to CEO of Raiffeisen Bank International AG after being Deputy CEO and undertaking management roles in the Raiffeisen Bank where he was responsible for corporate customers and corporate, trade and export finance worldwide. Prior to this, he held several senior management positions in Creditanstalt-Bankverein where he focused on corporate and export finance. Additionally, he has held the position of Secretary to the Federal Minister for Trade and Industry of Austria.

Current external appointments
Liechtensteinische Landesbank AG (Non-Executive Director), and Custos Privatstiftung (Chair).

Marie-Hélène Ametsreiter S
Independent Non-Executive Director

Nationality: Austrian
Gender: Female
Year of birth: 1970
Date of appointment: 10 June 2021

Marie-Hélène has extensive skills and experience in sustainability, digitisation and automation, particularly across Europe's industrial sector, supporting key areas of RHI Magnesita's strategy. Through her role in venture capital, she brings knowledge on the latest trends in climate and industrial technology, as well as of how to create high-functioning, innovating teams.

Current external appointments
Greyparrot.ai Ltd (Non-Executive Director), Speedinvest Deutschland GmbH (Managing Director), Erste Bank der österreichischen Sparkassen AG (Supervisory Board member)

Key to committees

- N Nomination & Governance Committee
- A Audit & Compliance Committee
- S Corporate Sustainability Committee
- R Remuneration Committee
- Chair of Committee

Anna Katarina Lindström
Independent Non-Executive Director

Nationality: Swedish

Gender: Female

Year of birth: 1965

Date of appointment:
2 May 2024

Katarina has her foundation in Operations and, over her extensive international career, has led the transformation of operations and the value-chain at executive and board level, always structuring organisations in a lean and efficient manner. She relishes pragmatic and proactive problem solving with focus on continuous improvements both structurally and incrementally. She had a long international career at Volvo Group, Munters AB in Sweden and Hempel A/S in Denmark.

Current external appointments
Swedish Royal Engineering Academy (Elected member).

Karin Garcia
Employee Representative Director

Nationality: Spanish

Gender: Female

Year of birth: 1970

Date of appointment:
9 December 2021

Karin studied at the University of Oviedo and finished her degree in computer science in 1994, specialising in systems support. She started with the Group in 1997, first working in the commercial execution team and then transferring to the IT on-site support in Oviedo as a Regional Site Service Coordinator where she continues to work as a Senior Site Coordinator. Karin was appointed as an Employee Representative Director by the Spanish Works Council.

Current external appointments
None.

Martin Kowatsch
Employee Representative Director

Nationality: Austrian

Gender: Male

Year of birth: 1972

Date of appointment:
14 December 2021

Martin has been with the Group since 1987 and is Chair of the Group Works Council, as well as the Chair of the Works Council at the Flagship Digital Plant in Radenthein. He is a trained industrial electrician, and has completed a one-year Chamber of Labour/trade union training. He successfully completed a Master's degree programme in Education and Group Dynamics. Martin was appointed as an Employee Representative Director by the Austrian Works Council.

Current external appointments
None.

Michael Schwarz
Employee Representative Director

Nationality: German

Gender: Male

Year of birth: 1966

Date of appointment:
8 December 2017

Michael has been with the Group since 1983 and is a member of the Works Council at RHI Magnesita Deutschland AG. Michael was appointed as an Employee Representative Director by the German Works Council, first in 2017 and then reappointed in 2021.

Current external appointments
None.

A stable Board for long-term performance

Board composition

The Board is composed of 15 Directors, which includes the Non-Executive Chair, two Executive Directors, three ERDs and nine NEDs.

In Rhône Capital's Partial Offer document of May 2023, which communicated their intention to reach 29.9% share of the Company, Rhône Capital indicated their intention to seek Board representation, although to date, no such representation has been agreed. The Board looks forward to constructive dialogue, and the fresh perspective they will no doubt contribute as major shareholders.

At the date of this Annual Report, the Board is composed as follows:

Name	Position	Expiry/ reappointment date[3]
Herbert Cordt	Chair[1]	2025 AGM
John Ramsay	Deputy Chair and Senior Independent Director	2025 AGM
Stefan Borgas	Executive Director (CEO)	2025 AGM
Ian Botha	Executive Director (CFO)	2025 AGM
Janet Ashdown	Independent Non-Executive Director	2025 AGM
David Schlaff	Non-Independent Non-Executive Director	2025 AGM
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	Non-Independent Non-Executive Director	2025 AGM
Jann Brown	Independent Non-Executive Director	2025 AGM
Karl Sevelda	Independent Non-Executive Director	2025 AGM
Marie-Hélène Ametsreiter	Independent Non-Executive Director	2025 AGM
Wolfgang Ruttenstorfer	Non-Independent Non-Executive Director[2]	2025 AGM
Katarina Lindström	Independent Non-Executive Director	2027 AGM
Karin Garcia	Employee Representative Director[4]	9 December 2025
Martin Kowatsch	Employee Representative Director[4]	14 December 2025
Michael Schwarz	Employee Representative Director[4]	9 December 2025

1. Herbert Cordt is considered Independent under the DCGC but is not deemed to be independent on appointment under the criteria of the UKCGC on the grounds of his length of service (including time served on the Supervisory Board of RHI AG).
2. Wolfgang Ruttenstorfer is considered Independent under the DCGC and Non-Independent under the criteria of the UKCGC.
3. Non-Executive Directors are reappointed at each AGM. Their letters of appointment cover an appointment term of three years.
4. Employee Representative Directors are employees of the Group and not considered independent under either of the UKCGC or DCGC.

Board attendance

Board attendance 2024	Total attended[3]	Total meetings[1]
Herbert Cordt	9	9
John Ramsay	9	9
Stefan Borgas	9	9
Ian Botha	9	9
Janet Ashdown	9	9
David Schlaff	9	9
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	9	9
Jann Brown	9	9
Karl Sevelda	9	9
Marie-Hélène Ametsreiter	9	9
Katarina Lindström[2]	9	9
Wolfgang Ruttenstorfer	9	9
Karin Garcia	9	9
Martin Kowatsch	9	9
Michael Schwarz	9	9

1. In the year, two Board sub-committees were held to approve matters specifically delegated by the Board in accordance with Article 17.5 of the Company's Articles of Association. These are not included in the table above.
2. Katarina Lindström attended meetings up to and including the AGM on 2 May 2024 as an observer, being a Board Nominated Independent Non-Executive Director until her appointment.
3. As outlined on page 185, Dutch law allows for proxies to be appointed where Directors are unable to attend.

Committee membership and meeting attendance

Member	Attendance in 2024[1]	Member since
Nomination & Governance Committee		
Herbert Cordt (Chair)	3/3	October 2017
John Ramsay	3/3	October 2020
Karl Sevelda	3/3	June 2021
Corporate Sustainability Committee		
Janet Ashdown (Chair)	3/3	June 2019
Marie-Hélène Ametsreiter	3/3	June 2021
Stanislaus Prinz zu Sayn-Wittgenstein	3/3	November 2022
Audit & Compliance Committee		
John Ramsay (Chair)	5/5	October 2017
Jann Brown	5/5	June 2021
Wolfgang Ruttenstorfer	5/5	October 2017
Remuneration Committee		
Janet Ashdown (Chair)	4/4	October 2020
Karl Sevelda	4/4	October 2017
Jann Brown	4/4	December 2022

1. The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2024, in addition to the above meetings.

As described in the Corporate Governance report, these statistics do not include the Employee Representative Directors.

Directors by length of tenure

0—3	8%
3—5	17%
5—9	42%
9+	33%

Directors by ethnicity

White	87%
Prefer not to say	13%

Directors by age

40—49	8%
50—59	34%
60—69	33%
70—80	25%

Directors by nationality

Austrian	42%
British	25%
German	17%
Swedish	8%
South African/British	8%

Board gender diversity

Male	67%
Female	33%

Board independence[1]

Independent	55%
Not independent	45%

1. As calculated by reference to the UK Corporate Governance Code, at the date of this report. Does not include Employee Representative Directors.

Independence

When assessing independence under the UKCGC, the Board has included time served by that Director on the board of RHI AG prior to the merger with Magnesita in 2017. On this basis, Wolfgang Ruttenstorfer exceeds nine years of service. None of the other criteria in Provision 10 of the UKCGC apply to him, and the Board remains comfortable that he provides strong, independent challenge to management, particularly on financial business cases, balance sheet management and risk assessments.

Given their longstanding service and also their connections to major shareholders, David Schlaff and Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg are also not considered to be Independent Non-Executive Directors.

Additionally, per previous reports, as European corporate law requires that a significant portion of the Board be ERDs, the Board feels it is appropriate to follow the process of calculating independence as it is undertaken in the relevant jurisdiction. Which is to say that only Directors who can be appointed by shareholders are counted in the calculations on this page and ERDs are excluded.

Accordingly, including Katarina Lindström who was elected at the 2024 AGM, the Board has six out of 11 eligible Directors, who are deemed independent (as set out in the table on the previous page), thereby constituting a Board that is composed of at least half NEDs (excluding the Chair) considered by the Board to be independent for the purposes of the UKCGC. Under the criteria of the DCGC, the current Board can be considered as 67% independent.

The Board has considered the independence of the NEDs, including any potential conflicts of interest. Each of these Directors has also confirmed that there is no reason why they should not continue to be considered independent. In the opinion of the Board, the DCGC independence requirements referred to in the best practice provisions 2.1.7 to 2.1.9 have been fulfilled. You can find the details of which Directors are deemed to be independent or non-independent in the table on page 180.

Skills and experience

The Nomination & Governance Committee seeks to ensure the right balance of skills, knowledge and experience on the Board, taking account of the business model, long-term strategy and the sectors and geographic locations in which the Group operates. The Board is structured so that the following experience and capabilities are adequately represented across the Board:

- knowledge and understanding of the business and products of the Company and its subsidiaries, the markets and geographies in which the Company and its subsidiaries operate, in particular the trends and future developments of these markets and geographies;
- an international background and geopolitical exposure;
- broad Board experience, including knowledge of corporate governance issues at main Board level as appropriate for the Company with reference to its size and international spread of activities;
- understanding of ESG, corporate social responsibility and sustainability matters, particularly decarbonisation and other areas of focus as per the Company's commitment to the UN Sustainable Development Goals ("SDGs");
- practical experience in, and relating to, financing and accounting and/or experience in relation to IFRS, as well as in the areas of risk management and internal controls;
- understanding of the markets where the Company is active, in particular emerging markets;
- expertise in science, technology and innovation, as well as practical experience in operations, manufacturing and logistics;
- experience and understanding of human resources and remuneration-related matters; and
- personal qualities such as impartiality, integrity, tolerance of other points of view, ability to challenge constructively and act critically and independently.

The Nomination & Governance Committee considers that all of these aspects are well represented across the Board, whilst continuing to keep Board composition under review. The Board is committed to encouraging diversity to deliver long-term sustainable success for the Company and will continue to pursue its programme in this regard. You can read about Board diversity in the Nomination & Governance Committee report on pages 201.

Executives responsible for strategic execution

The EMT combines broad experience and complementary skill sets

Stefan Borgas
Chief Executive Officer

Ian Botha
Chief Financial Officer

Gustavo Franco
Chief Customer Officer

Gustavo joined Magnesita in 2001. During the first years of his career, he progressed through various technical and sales managerial roles in South and North America, resulting in an extensive understanding of the refractory industry and the market forces within it. He has deep familiarity with customers of RHI Magnesita and brings a tactical as well as strategic view to his executive role. In 2017 he led the go to market integration of RHI and Magnesita. He was appointed Chief Sales Officer in 2019 and since 2022 the Regional Presidents, responsible for the regional P&Ls, along with Procurement & Supply Chain organisation, have reported to him in his role as Chief Customer Officer.

Rajah Jayendran
Chief Technology Officer

Rajah has worked in senior operational and strategic development roles at multinational companies across China, Singapore and Switzerland, where he gained deep operational management and industrial knowledge, as well as extensive M&A experience. Over his executive career he has also developed skills pertaining to renewable solutions and operational performance improvement. In 2018, Rajah became a key team member at RHI Magnesita, and in October 2021, he joined the EMT. Rajah brings a detailed knowledge of the Company's global operations and expertise in production efficiencies to his role.

Simone Oremovic
Executive Vice President, People, Projects, Integrations & Recycling

Simone joined the Group in an executive capacity in November 2017. She started her career at General Electric where her main focus was on leadership and talent management, and has held leading roles in telecommunications, pharmaceutical and technology firms. She has 25 years of experience developing people and culture across global industries which she has brought to her role, and is a certified Six Sigma Master Black Belt, which she deploys to drive dynamic transformation at RHI Magnesita.

Ticiana Kobel
Executive Vice President, Legal & Digital Transformation

Ticiana has extensive legal experience in a wide range of global businesses, such as SR Technics Group and Bühler Group, leading legal departments in manufacturing, aviation, technology, the service sector and engineering industries. In these roles she was in charge of crucial projects, such as complex strategic procurement, spin-offs, sales and acquisitions, IT matters, and corporate governance issues. She has also assisted with the design and implementation of compliance functions, mergers and acquisitions, and partnerships.

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Governance supporting responsible growth

Corporate governance structure

Board powers, responsibilities and representation

The Board is collectively responsible for the leadership and management of the Company and its business. Its role is to establish the strategy, purpose and values to ensure the Group's long-term and sustainable success. The Board assesses the strategic risks it is willing to take in pursuit of this strategy, ensures sufficient resources, and measures the performance of the management team against agreed objectives, aligned with the strategy. The Board ensures that appropriate controls and systems are in place to manage risk and considers the Company culture and practices, reviewing alignment with the purpose, values and strategy.

The Board Rules and Matters Reserved to the Board, which are available on the **Company's website**, set out those matters that are reserved for the Board to consider, including, among other items, overall responsibility for strategy and management, major acquisitions and investments, structure and capital, financial reporting and controls, and corporate governance. You can read more about the matters considered by the Board in 2024 on pages 186 to 188.

The Board has delegated certain responsibilities to Committees of the Board, which are outlined in the respective Committee Terms of Reference, available on the **Company's website**, and summarised in their individual reports on pages 200 to 216. The Committee Chairs provide reports to the subsequent Board meeting on the matters discussed and resolved upon in the Committee meetings.

Each Board Committee has considered the required matters from the respective Terms of Reference in 2024 and has met the requisite number of times. The composition of the Committees, the number of meetings, attendance at those meetings and key items discussed can be found in each Committee Report on pages 200 to 216.

Pursuant to the Articles of Association, the Board may, if it elects to do so, assign duties and powers to individual Directors and/or committees that are composed of two or more Directors, with the day-to-day management of the Company entrusted to the Executive Directors. Both Executive Directors and NEDs must perform such duties as are assigned to them pursuant to the Articles of Association and the Board Rules or a resolution of the Board. Each Director has a duty towards the Company to properly perform the duties assigned to them. Tasks that have not been specifically allocated to a specific Director fall within the power of the Board as a whole.
The Directors share responsibility for all decisions and acts of the Board, and for the acts of each individual member of the Board, regardless of the allocation of tasks. Furthermore, each Director has a duty to act in the corporate interests of the Company and its business. Under Dutch law, corporate interest extends to the interests of all stakeholders of the Company, such as shareholders, creditors, employees and other stakeholders. You can read more about our stakeholder engagement on pages 26 to 31.

The Board as a whole is entitled to represent the Company. Additionally, (i) the CEO and the Chair, (ii) the Senior Independent Director (SID) and Deputy Chair[1] and the Chair and (iii) two Executive Directors, acting jointly, are also authorised to represent the Company. Pursuant to the Articles of Association, the Board may appoint officers who are authorised to represent the Company within the limits of the specific powers delegated to them. You can find our Articles of Association and the role profiles of the above roles on **our website**.

The Board has delegated responsibility for day-to-day management of the Company to the CEO and the EMT. There is a clear separation of responsibilities between the Board and the EMT, and the main responsibilities of the EMT are to assist the Board with its oversight of strategy, which involves making strategic recommendations to the Board, being accountable for implementing the Board's decisions, and being responsible for directing and overseeing the Company's operations, investments, resources, and delivering the Company's purpose and value to stakeholders.

Individual roles

Roles of Chair, SID and Deputy Chair, and CEO

The roles of Chair, SID and Deputy Chair[1], and CEO have been formally recorded by the Board. All of these documents can be found on the **Company's website**. The composition of the Board has been structured such that no one individual can dominate the decision-making processes of the Board.

Non-Executive roles

The Employee Representative, Non-Independent and Independent NEDs engage with the business of the Board from different perspectives, enabling multifaceted scrutiny to be applied to the Board's decision-making, ensuring that the viewpoints of the Company's key stakeholders are represented. All Directors are required to exercise their independent judgement and act in the best interests of the Company, taking into account the interests of its stakeholders, in their decision making.

1. A dual role held by one individual, John Ramsay.

Non-Independent Non-Executive Director roles

Herbert Cordt, Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, David Schlaff and Wolfgang Ruttenstorfer are not considered independent under the UKCGC, for a combination of reasons including length of service (including time served with RHI AG prior to the merger in 2017 with Magnesita) and connections to significant shareholdings of the Company. However, because of that experience, they contribute strongly to the Board's culture and character, adding valuable insight gained through experience of the markets in which the Group operates and corporate memory. They can constructively challenge the Executive Directors and scrutinise the performance of management in meeting their objectives with the benefit of historical experience of the operations and industry of the business. Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg and David Schlaff can provide an investor perspective to the management team and challenge them accordingly. The detail of all the Directors' independence and the detail of compliance with the criteria of each Code can be found above and on pages 180, 181 and 197.

The Chair's other significant commitments are set out in the following table:

Name of company	Function
CORDT & PARTNER Management- und Finanzierungs consulting GesmbH.	Managing Partner
Watermill Group Boston	Advisory Board member
Georgetown University's School of Foreign Service for its MSFS Program	Advisory Board member
Cooper & Turner Group	Advisory Board member

Executive Directors

In accordance with Dutch law, an Executive Director may not be allocated the tasks of: (i) serving as Chair; (ii) participating in the adoption of resolutions (including any deliberations in respect of such resolutions) related to the remuneration of Executive Directors or instructing an auditor to audit the Company's annual accounts if the General Meeting fails to do so; or (iii) nominating Directors for appointment.

The role of an Executive Director is, amongst other things, to bring commercial and internal perspectives to the boardroom. The Executive Directors, being the CEO and CFO, are responsible for the leadership and management of the Company according to the strategic direction set by the Board.

Company Secretary

Sally Caswell was appointed by the Board as Company Secretary in January 2020. All Directors have access to the advice and services of the Company Secretary, whose responsibilities include ensuring that Board procedures are followed, assisting the Chair in relation to corporate governance matters and, in conjunction with the EVP Legal, ensuring the compliance of the Company with legal and regulatory requirements.

Board and Committee structure

The Company has a one-tier board structure, with a Board consisting of both Executive Directors and NEDs (collectively the "Directors" or the "Board"). As at the date of this Annual Report, the provisions of Dutch law that are commonly referred to as the "large company regime" (structuurregime) do not apply to the Company.

The Board has four Board Committees to ensure a strong governance framework for decision making and assessment of performance against the Company's strategy: the Audit & Compliance Committee, the Remuneration Committee, the Corporate Sustainability Committee, and the Nomination & Governance Committee. Each Committee receives support from the Company Secretary. The Terms of Reference of these Committees can be found on **our website** and the reports of each Committee, including membership and attendance at meetings in 2024, can be found on pages 200 to 216.

EMT and delegation of authority

The Board has documented the matters reserved for its approval, including approvals of major expenditure, investments, and key policies. This provides clarity to the Board, and the organisation as a whole, to enable effective delegation of authority. The EMT then work within this delegation of authority, as approved by the Board, and set out parameters for the rest of the organisation to work within.

The EMT comprises senior managers reporting to the CEO who are accountable for the key functions in the business. The CFO and CEO are part of the EMT. There are meetings held, on a minimum of a monthly basis, to discuss key business performance indicators, to drive operational performance and to agree strategic initiatives to be proposed to the Board. The EMT members attend each Board meeting, giving reports on both standing items and ad hoc initiatives. Individual EMT members are responsible for inputs to the Board Committees and leading the organisation in meeting objectives as set out by the Executive Directors and NEDs of the Board. As part of this, they meet and discuss matters one on one with the Chairs of the Board Committees.

Board operation

The Board meets regularly throughout the year at Board and Committee sessions, which are usually spread over two days, in person in Vienna. Board meetings can also be convened as deemed necessary by the Chair or the SID and Deputy Chair.

In the meetings, the Chair takes care to ensure that each Director has opportunity to comment and be heard, whilst enabling an orderly flow and healthy discussion. At the end of each Board meeting, the NEDs generally meet, without the Executive Directors and management, to enable an open and frank exchange of views and assessment of performance. Further details on the Board performance review are available on page 201.

The Chair and other NEDs hold regular informal, individual, meetings with the Executive Directors and other senior managers in the business, providing the opportunity to raise questions and cover points of interest, which contributes to the development of both the NEDs and the management.

Board papers are circulated in advance of meetings, using a secure web-based portal, to allow Directors sufficient time to consider the content prior to the meeting. The Chair is assisted in this responsibility by the Company Secretary and CEO. The management team continues to take feedback from the Board via the review process on how papers and presentations can be improved to assist the flow of the meeting, as well as direct feedback either in the meeting or in an informal way outside of meetings. An information room within the portal provides access to useful information, including corporate governance reference materials, analyst reports, and Company finance, treasury, and strategy information.

The Board takes the views of its key stakeholder groups into account when challenging management, and in its discussions and decision making. Inputs to this process include the Company's Net Promoter Score, the ERDs' views, regular Investor Relations reports, analyst coverage and views of the two Non-Independent NEDs who represent shareholders.

The Board recognises the importance of balancing stakeholder views, whilst acting in the best interests of the Company. In the event of a decision which has a potentially negative impact on a specific stakeholder group, efforts are made to mitigate these. As an example, in the event of an organisational restructure, which does not benefit certain employees, a detailed communications strategy is designed to explain the decision and employees are treated in a respectful and generous manner. This aligns with the Company values to be open in decision making and accountable for actions taken.

Board attendance

Six Board meetings were scheduled in 2024 (2023: seven). An additional three ad hoc meetings were required in the year for time-critical decisions such as approval of M&A and the closure of the Mainzlar plant. These ad hoc meetings took place in a hybrid or entirely virtual setting and were naturally shorter meetings, given their focused agendas.

Where meetings are called on short notice, it is not always possible for them to be at a time suitable for all Directors to attend. As per Dutch law and the Board Rules, Directors can nominate, in writing, a proxy, and prior to the meeting the Director will have the opportunity to provide any comments to their proxy or the Chair of the meeting. They will receive a briefing following the meeting on key points discussed and any votes taken.

Only in exceptional circumstances would Directors not attend Board and Committee meetings. Whilst the attendance level of our NEDs has consistently been high, the Nomination & Governance Committee was cognisant of feedback received that the time previously stated in the NEDs' letters of appointment of 25 to 30 days per annum was no longer sufficient to meet the Company's requirements. This was addressed in 2024 accordingly and letters of appointment have been updated. All of our NEDs are comfortable they have the availability to meet this revised time commitment to fulfil their duties and the Nomination & Governance Committee considered the time required of NEDs as part of its regular programme.

For further information
See page 200

Key areas of Board focus and activity in 2024

Amongst other matters, the Board focused on the following areas in the year:

Group strategy and long-term sustainable value creation/preservation

- Conducted the annual two-day strategy meeting session with members of the EMT and senior management team to assess the current strategy and ensure it was fit for purpose. As part of these discussions, the Board received briefings from external economists to assist with their understanding of the global outlook and macroeconomic trends and how these could be expected to impact RHI Magnesita.
- Management presented its Strategy Implementation report, using KPIs to illustrate how the strategy was being implemented. The Non-Executive Directors provided challenge to management about the direction and emphasis of the strategy and suggested areas for focus and refinement based on their experience from being executives themselves and their experience from their other appointments.
- The Board reviewed data on the achievement of the 2025 strategic goals; the CSC also reviews and assesses the sustainability strategic goals at each meeting and the Remuneration Committee considers how to incentivise behaviours to reach the strategic outcomes which requires detail on the current achievement.
- Participated in a risk management workshop, discussing risks aligned with the strategic opportunities, how the Group was benchmarked against its peers, alerting management to potential pitfalls and agreeing changes to risk appetite.
- Received reports throughout the year outlining potential business development opportunities as they arose, including strategic M&A.
- Discussed the post-integration position of a number of assets, with reference to the original business plan, the returns on investment and the impact of the acquired assets on the Group's footprint and supply chains.
- Approved the Resco Group acquisition with reference to the Company's strategic intent and the balance sheet capacity. The Board focused on the synergies to be leveraged, which will support a sustainable business model, the success factors for integration, and any risks to be mitigated. They considered the ability to achieve shorter supply chains and improve customer outcomes. The similarity of cultures between the two entities was especially considered as a success factor.
- Considered geopolitical and macroeconomic trends and factors, particularly those impacting employees, costs of production, delivery to customers and the implementation of the strategy.
- Discussed the Company's raw materials strategy, the approach to secondary raw materials and the strategy for provision of products and services to customers.

See pages 12 and 13 for more detail on our Strategy and our progress.

You can read more about how the NEDs ensure the incentives are aligned with the Strategic pillars on page 215.

People, succession and leadership

- Board composition, diversity, and the skills and experience desired to guide and challenge the EMT.
- Considered the capability and capacity of various EMT and senior management members, as well as the talent pipeline, and EMT succession plans.
- Considered the 2023 Board performance review and the actions relating to the review, including progress against the actions identified in the year.
- Agreed the scope and approach of the 2024 Board review.
- Reviewed and approved the bonus for 2023 performance and the remuneration of the Chair, Executive Directors and EMT.
- Approved the LTIP 2021 award vesting, the conditions of the LTIP 2024 and its grant to participants, and the Annual Bonus 2024 targets.
- Heard management's proposals for changes to the network and outsourcing of services, giving feedback and advice on the communication approach to ensure fairness and transparency to employees.
- Discussed resourcing levels, employee engagement, morale and wellbeing, particularly in the context of various significant internal projects.
- Received presentations on organisational diversity and agreed the focus areas for improvement to drive greater gender diversity. Gave direct feedback to Regional Presidents on action required to improve gender diversity.
- In approving acquisitions, considered the talent profile of new assets and the approach in integration to retaining and motivating those talents to ensure synergies would be achieved, recognising the importance of people in reaching the strategic aims. This was seen in action on the visit to India.
- Considered various deep dive reports from Regional Presidents on the current position of their regions and the priorities for employees there.

See pages 20 and 21 for more detail on our people.

Financial performance

- Approved the annual budget for 2024.
- Reviewed and approved the Group's full-year 2023 and half-year 2024 results, as well as the 2023 Annual Report, including ensuring that it was fair, balanced and understandable, and confirming that the Group was a going concern. As part of this, the Board considered the external auditor's reports and the key matters raised.
- Approved the quarterly interim trading statements on recommendation from the Audit & Compliance Committee.
- Received regular financial updates covering revenue, gearing, working capital, margins, costs, performance year-to-date and outlook on a monthly basis.
- Reviewed the Group's debt, capital, and funding arrangements, particularly in respect of ensuring the ability to take advantage of any opportunities as they arise, such as the Resco acquisition.
- Approved entry into various financing instruments and loans to service the Group's debt profile.
- Reviewed liquidity, cash flow and scenario planning, particularly with reference to macro factors such as inflation and labour costs.
- Approved the partial impairment of the Brazilian Contagem project upon the recommendation from the Audit & Compliance Committee, based on management's assessment of the financial reporting requirements and in line with the Company's Delegation of Authority.
- Considered analysis of capital allocation and payment of dividends, including the approval of the interim dividend at H1 2024 and recommendation of the full year 2023 dividend to shareholders, and how to drive more value for shareholders from the asset base.
- Considered disclosures to the market and noted the work of the Disclosure Committee to continually monitor matters at hand.
- The Group's tax position in various locations was considered and the activity by management to manage it.

Operational performance & Risk management

- Reviewed the root causes of fatalities in 2024, hearing directly from experts and the regional president on the investigative findings and their proposed support for the workforce. Considered improvements to operational processes to avoid the risk of serious injury or fatality in future.
- Approved the outsourcing of the Group's shared services to Capgemini.
- Received updates at each meeting on operational performance, reported against regular and consistent KPIs, including any impacts to customers, and current Health & Safety levels.
- Considered reviews of completed projects, which included lessons learned by management for use in future projects and planning.
- Considered individual plant performance, as appropriate, and, with reference to the Company's strategy, noted capacity at certain plants and the consequent actions required.
- Approved the closure of Mainzlar plant in Germany, and the associated social plan and employee engagement.
- Received reports on the end-to-end value chain and customer segmentation.
- Appraised the principal risks, mitigating actions and controls around operational performance.
- Approved entry into certain contracts, both with customers and suppliers, as required under the Delegation of Authority.
- Continued to receive updates at each meeting of the management's approach to a new Enterprise Resource Planning ("ERP") system, hearing from third-party consultants, and as part of their oversight, Directors shared their experiences of such change projects.

See pages 51 and 52 for more details on risk management and internal control framework.

Legal and compliance matters

- Received regular updates on whistleblowing, including an annual review of the process confirming its effectiveness.
- Approved the refreshed whistleblowing policy on recommendation from the Audit & Compliance Committee.
- Received updates on the Group's compliance and cyber security programmes.
- Considered compliance reports, and also received a benchmarking report on the number of compliance cases compared with peers.
- Considered trade sanctions and the evolving situation as part of the risk assessment process.
- Considered and approved the revised Delegation of Authority.
- As part of due diligence for the acquisition of Resco Group, received the legal assessment of the risks and structure of the deal.

Technical innovation and sustainability

- Received updates on the development of low-carbon products and market developments in carbon capture and storage.
- Received reports on sustainable recycling and digital initiatives designed to meet customer expectations and develop the Company's offering.
- Considered future strategy, partnerships with external parties, and processes to encourage innovation.
- Approved the change in climate risk appetite to moderate.

See the Sustainability Statement for more details on our decarbonisation initiatives.

Markets and sales

- Received presentations at every Board meeting from the Chief Customer Officer, hearing about key customer developments and initiatives from the pricing and sales teams.
- The Strategy team, along with EMT, presented on developments in key markets in each region, structural trends and their analysis of the demand profile and structural value-leakage.
- Discussed with management the strategic market and the sizing of market shares across the regions.
- Received updates at each meeting on sales performance, market share and progress against sales initiatives, particularly with reference to customers.
- Heard from management about the introduction and formulation of 4PRO, a holistic approach to high-performance refractory applications, based on closer collaboration with customers and enabling pursuit of sustainability objectives and circular economy initiatives.

See pages 18 and 19 for more detail on our markets

Stakeholder engagement and governance

- Approved the Notice and business of the AGM, including the appointment of the external auditor.
- Received input from the ERDs with their views on various proposals and initiatives presented by management.
- Considered the Company culture and its influence across a variety of topics.
- Received reports on investor engagement, including verbatim feedback and the discussions held.
- Approved the annual statement for the Modern Slavery Act and California Transparency in Supply Chains Act.
- Received reports on customer satisfaction levels, including Net Promoter Scores and feedback from customers.
- Remuneration Committee considered the workforce remuneration and operation of various bonus schemes in the organisation designed to incentivise good behaviours.
- Received regular updates on corporate governance and other matters from the Company Secretary, particularly on changes to the UK Listing Rules.

See our Stakeholder Report for more details on pages 26 to 31.

Board site visits

One Board session per annum, typically over a week in April, is held at a location other than the Vienna headquarters. In April 2024, the Board travelled to the India, West Asia & Africa region where they visited three plants, starting at Bhiwadi, then moving to Jamshedpur, a recently acquired plant, where they also had the opportunity to visit a customer plant, seeing how RHI Magnesita interacts and supports our customers on site, and concluded the visit in Rajgangpur, also recently acquired.

Throughout the visit they met colleagues at all levels and could discuss topics such as human resource management, shared service centre practices corporate communications, internal audit, risk and compliance, supply chain management, capex investments, and spent substantial time with the Regional Leadership Team, hearing about their challenges, priorities and plans.

At the sites, Board members met employees involved in a variety of different tasks from mining, Health & Safety, plant management, lean process management, quality assessment, supply chain management, production, capex investments as well as works council representatives. They also met cultural champions and had the opportunity to observe working practices, with a focus on Health & Safety, addressing workers in town halls about the importance of following the required safety practices and processes to deliver improved performance and delivering a culture which allowed for concerns to be raised and challenges to unsafe practices. The Non-Executive Directors of RHI Magnesita India Ltd met the Group Board and could discuss relevant shared topics and NEDs could share their impressions of the region.

Feedback on the overall trip was very positive and the experience was extremely valuable for the Board to appreciate the dynamics of the region and have first-hand experience of stakeholder priorities. In April 2025, the Board's intention is to visit the China region and understand more about the market forces and geopolitical dynamics.

Other site visits by certain Directors took place throughout 2024 and reports were provided to the rest of the Board at the following Board meetings to share learnings and perspectives from the experiences:

- One NED travelled again to India to support and facilitate workshops on female empowerment and safety, emphasising the seriousness of the topic at the highest level of the Group.
- Three NEDs visited Rotterdam for supply chain and procurement deep dives with the Group's specialists.
- The CEO met with the President of Estonia to discuss ESG matters.
- NEDs with specific experience in digital initiatives and ERP implementation projects took time to directly discuss with management, suggesting useful perspectives and routes for progress to deliver outcomes for employees and customers.
- Directors, including the CSC, visited the recycling site at Siegen, Germany, to hear progress as well as understanding the culture of the workforce of our Joint Venture there.

Culture and purpose

Cultural values support the Company purpose, underpinning the Company's engagement with stakeholders, demonstrating the Company's place within our wider environment and society.

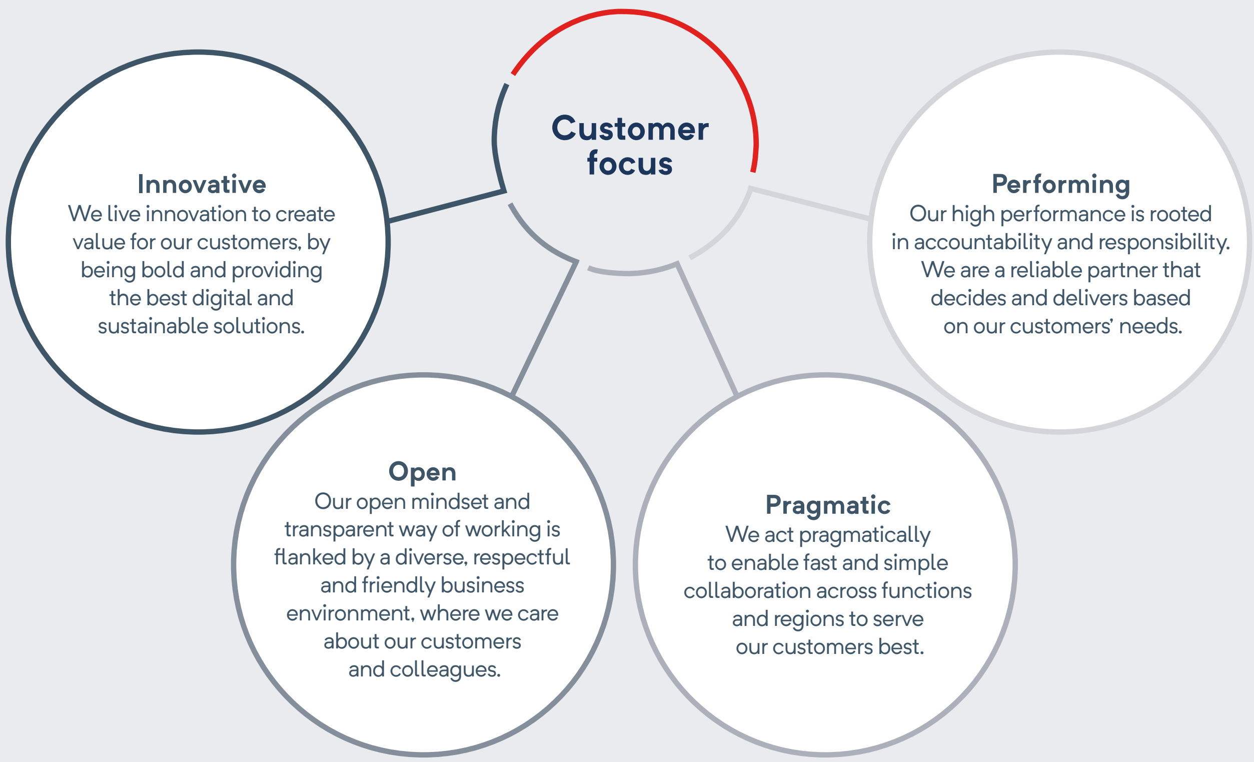
The Board took all available opportunities in 2024 to engage with colleagues in the business in order to observe and understand the culture within the Company. The Directors use the tools and inputs described in this section to assess culture and monitor progress and outcomes towards the stated desired culture.

Culture remains an integral element of Board discussions and assessment of successful outcomes, and the Board and its Committees use many sources to assess culture. Given that culture can arguably best be described as "the way we do things around here", it is difficult to use quantitative metrics that accurately communicate the culture to the Board.

Nonetheless, inputs used by the Directors to measure culture include whistleblowing reports, Code of Conduct compliance reports, talent assessment and succession planning, Health & Safety reports, responses to Internal Audit reports and the corresponding outstanding actions, and workforce remuneration. Policies reserved for Board approval include the Code of Conduct and the whistleblowing policy, being foundational tools through which to deliver the desired culture.

Directors engage regularly and directly with senior management, which enables their assessment of management culture, being that which sets the tone from the top of the organisation, in more intangible ways. When receiving presentations in meetings, the Board uses these opportunities to seek input from management, asking direct questions, particularly of those at the levels below EMT, focusing on how a team operated or a region approached problems to broaden their understanding. Observations of the relationship and interaction between the EMT and their reports can also inform the understanding of cultural tone from the top. Directors' private meetings with individual employees, the mentoring sessions with identified talents and inputs from third parties, for example dss+ on safety leadership, will also assist with their perception of the organisation's culture and whether it is the intended and desired culture (as outlined below).

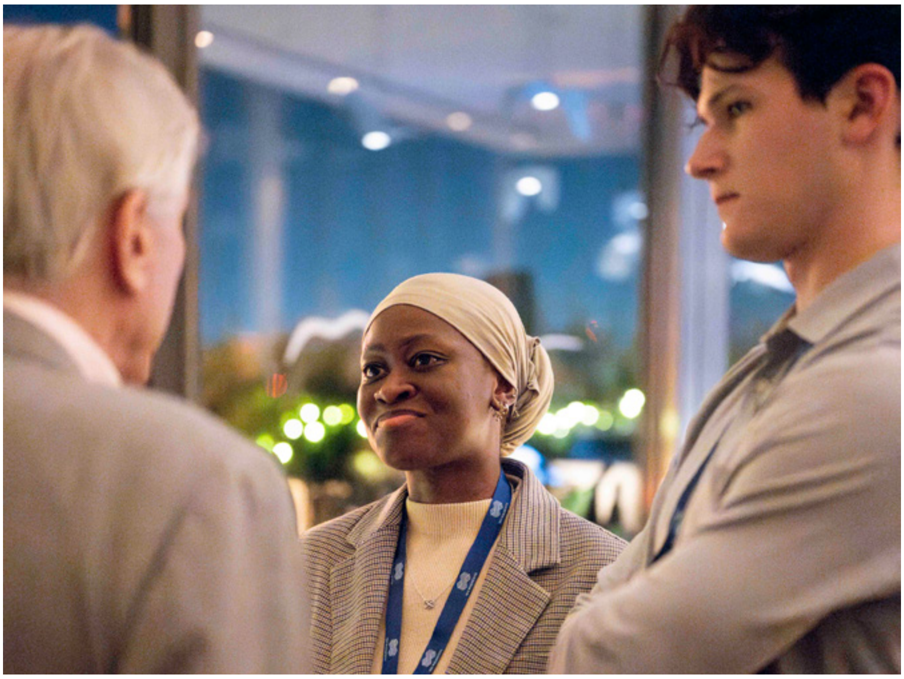
You can read more about RHI Magnesita's strategic framework, delivered by our culture on page 20 and 21.



The Matters Reserved to the Board include monitoring Group culture and workforce policies and practices to ensure these are aligned with the purpose, values and strategy of the Group, and seeking assurance that management have taken corrective action where this is not the case. In 2024, the Directors have discussed with management what corrective action has been proposed to improve culture in response to reports from compliance investigations and to improve health and safety culture following serious incidents and the fatalities (which are reported in our H&S statistics on page 22). This has included: revised processes, including Life Saving rules and operational improvements to develop better safety leadership at all levels; direct engagement with individual regional leaders to communicate expectations and assess their safety appreciation; and open and transparent communication from EMT members with the global senior leadership team to prompt reflection and consideration of individuals' actions and their contribution to the corporate culture. Directors emphasised to the EMT the importance of communicating the empathy they feel around safety to ensure, and enhance, the successful delivery of a zero-harm environment.

In early 2024, the EMT embarked on a programme to assess the Company's culture, purpose and vision, through a series of workshops led by the Cultural Champions which heard from over 3,000 colleagues across all regions at different levels in the organisation. The Board also provided input into the refreshment of the values, and these will be relaunched in 2025.

Given the significant transformational projects and ongoing safety transformation work, management and the Board were prompted to consider how culture contributed to root causes of issues and how culture would contribute as part of the solution. The CSC specifically considers behaviour and culture as being key tools to deliver successful Health & Safety campaigns and continues to guide management in recognising the behaviours which contribute to unsafe situations. On business-critical projects, the EMT ensured the Board had face time with colleagues working directly on key matters who could communicate and demonstrate the culture of the Company, as well as how this facilitated relationships with external parties such as key consultancy partners.



The Board met cultural champions in India, and the Board's interaction with the local Regional President and his team gave helpful context to their understanding of the local culture as well as the remaining journey to a strong and consistent culture, given the Company continues to grow through acquisitions.

Culture continues to be a central part of performance evaluations for employees whereby they assessed the extent to which they are living the values, are a cultural influencer or are promoting the culture. Given the multiple global locations of operations, local culture is also discussed by the Board when considering the impact and likely success of initiatives, particularly when planning the integration of newly acquired businesses. In the most serious of cases, breaches of the Code of Conduct and failure to abide by the cultural values has led to dismissal. The Internal Audit reports to the Audit & Compliance Committee demonstrate that organisational culture is a key factor in achieving compliant behaviours which protect the business and its employees from potential harm. Where there are improvements to be made, culture is a focus to enable successful implementation.

When considering key strategic decisions, and in 2024 this included the acquisition of Resco Group and the transfer of the organisation's shared services to Capgemini, the Board closely considered the cultural fit between these organisations and RHI Magnesita to assess the likely success of the proposals from management. The Board heard specific details from management based on, multiple personal interactions, on workforce policies and approaches, and also engagement with external parties who had interacted with the specific organisation. When assessing the risks of the strategic decision in question, management had recognised culture and leadership style as part of the execution factors and decided on mitigating actions accordingly. The cultural fit, combined with the additional mitigating actions, supported the Board's decisions to proceed and has set management up to deliver successful outcomes.

The Board continues to consider how best to effectively measure and assess culture at Board level. The key cultural themes (page 190) determine the actions of the Company and specifically feed into performance reviews across the Group, succession planning and risk management. The Board looks forward to the EMT's delivery of refreshed cultural values, as outlined on page 20, in 2025.

Whistleblowing

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 Company operates as well as other locations, in several languages. Contact details are advertised and are available externally on the **Company'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 Group's whistleblowing policy (the "Reporting and Investigation of Misconduct Policy") was reviewed in the course of 2024 for Board approval with changes required under various EU laws, particularly the German Supply Chain Act 2023. The Audit & Compliance Committee and Board reviews the whistleblowing processes 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. The Directors remain fully comfortable that this process has worked effectively throughout 2024.

Board workforce engagement

RHI Magnesita's governance structure has always included ERDs, being a requirement from the merger between RHI AG and Magnesita in 2017 and reflects the approach in continental Europe, particularly the DACH region. The ERDs, currently Michael Schwarz, Karin Garcia, and Martin Kowatsch, have been appointed by their respective works councils in line with the Company's Articles of Association, and, with experience of the frontline of operations, seek to directly represent the views of the workforce at the highest level of the Company.

The Board welcomes the different viewpoints they provide, bringing increased opportunity for challenge of the executive management, and holding them to account from a different perspective, being that of the workforce who are on the ground. The ERDs can attest to the impact of the executives' actions within the business and contribute to the Board accordingly. Not only do the ERDs have the ability to challenge management, but they can also contribute to the NEDs' view of management and understanding of the Company culture, strengthening the independence the NEDs have, through providing a broader knowledge of the Company.

In 2024 this has enabled better outcomes for employees and the business through cooperation and constructive challenge by ERDs of management's plan and actions to outsource the shared services to Capgemini, leading to a smoother journey and improvements for employees in line with the Company's values of being open and respectful. Discussions to close Mainzlar were also improved in quality through constructive engagement with ERDs, leading to a very strong social plan for affected employees which recognised the uncertainty of the decision making process and the impact on the community. The information and discussions at Board meetings helps the ERDs' support of the workforce and provides a mutually beneficial link between colleagues and the Board.

The effectiveness of this approach to workforce engagement is considered from time to time by the Directors.

You can read more about our stakeholder engagement on pages 26 to 31.

Board effectiveness

Board performance review

The findings of the 2023 Board review were that the Board continued to operate effectively and that there was positive progress and improvement from prior years in dynamics, strategic focus and identified areas for improvement which can be found on page 201 in the Nomination & Governance Committee report.

The 2024 review will be undertaken in Q1 2025 and will be reported on in our 2025 Annual Report. The details of the review and the outcome of 2023's review can be found on page 201 in the Nomination & Governance Committee report.

Time commitment

On appointment, and each subsequent year, NEDs are asked to assess if they have sufficient time to devote to the Company's affairs. The Nomination & Governance Committee considers, and, where thought fit, approves, any additional external commitments, and the Board is advised of any changes. You can read more about the process to consider and approve external appointments on page 201. In early 2024 the Board considered the sustained increased time required by the Company from the NEDs and the Nomination & Governance Committee agreed that the time stated in the letters of appointment should be adjusted. You can read more on this on page 200.

The Board is satisfied that, having considered the demands of the external appointments of each NED and the time requirements from the Company, all NEDs standing for re-election at the upcoming AGM are contributing effectively to the operation of the Board.

Information and support for Directors

There is an established procedure for Directors to seek independent professional advice in the furtherance of their duties if they consider this necessary.

The Company maintains Directors' and Officers' liability insurance, which provides appropriate cover for legal action brought against its Directors. In line with Dutch best practice and corporate law, at each AGM there is a resolution to release the Directors from liability for the exercise of their respective duties during the financial year.

Training sessions were delivered to the Board Directors throughout 2024 on topics such as macroeconomic and geopolitical factors, and how they would impact on the business and markets. They received briefings from specialists in matters such as developments in global trade patterns, geopolitics and population demographics, Artificial Intelligence, cost of capital and associated trends, sustainability innovations and regional developments in decarbonisation through ultra-high-voltage electricity transmission. These briefings prompted effective consideration of management's scenario planning and modelling and steered the course of management actions.

In order to build and increase the NEDs' appreciation and understanding of the Group's people, businesses, and markets, senior managers meet throughout the year with NEDs, individually or as a group, to brief them and answer questions they may have on certain points. Additional informal information-sharing sessions took place on areas such as the digital transformation work, pricing approaches, specific budget matters and M&A progress, which have helped NEDs to develop in knowledge and understanding to be able to assess the proposals by management.

The Company Secretary circulates relevant training resources and briefings on topics such as Artificial Intelligence, cyber security, risk analysis and corporate governance matters. Directors also maintain their own individual training schedule based on their known needs and interests.

Recruitment and induction

Board appointment

Per the Articles of Association, Directors, excluding ERDs, are appointed by the General Meeting by majority vote, regardless of represented capital. The Board nominates candidates for these appointments.
A Director may also be appointed by the General Meeting through a resolution that achieves an absolute majority of votes, representing over one-third of the Company's issued capital.

NEDs (excluding ERDs) are nominated for a three-year term, subject to satisfactory performance and annual reappointment by the General Meeting. ERDs are appointed for a term not exceeding four years. Each Director's term (excluding ERDs) concludes at the AGM in the year following their appointment. Directors may be reappointed for unlimited terms, with the Board considering NEDs (excluding ERDs) for a third term based on Board independence, stakeholder views, and relevant Corporate Governance Codes.

The General Meeting may suspend or remove a Director at any time through a resolution, as outlined in the Articles of Association.

Induction

Upon joining the Board, new Directors are offered a comprehensive and tailored induction programme covering the value chain, with visits to key sites and meetings with senior managers and other colleagues or advisers as required. New members to Committees are provided with the opportunity for a full and detailed induction, even if they are existing members of the Board.

In advance of her formal appointment as a NED at the 2024 AGM, Katarina Lindström undertook an induction programme which covered the Company's strategy, the details of the products it makes and where, key market factors, the details of the Operations department, supply chain processes, recent M&A and strategic considerations, finance, and balance sheet management. She was fully briefed by each EMT member about their area, the priorities and challenges and key team members. She also met with the Company Secretary to discuss duties of a Director of a dual-listed company, disclosure requirements and corporate governance matters pertinent to the Company as well as Board processes and procedures. Katarina has attended a number of the Committees to continue to broaden her understanding of the Group and Board processes. Furthermore she undertook a comprehensive site visit to the Group's plants and mines in Austria with the CTO and has had meetings with specialist colleagues to understand RHI Magnesita processes relating to product development, supply chain and operations.

Conflicts of interest

Dutch law prohibits a director from participating in Board discussions and decisions if they have a direct or indirect personal interest conflicting with the Company's interests. Pursuant to the Articles of Association and Board Rules, the Board mandates that each Director declares any personal conflict of interest to the other Directors. At the start of each Board meeting, Directors are reminded to declare any potential conflicts. There are no transactions to report under best practice provision 2.7.4 DCGC.

Share capital and shareholdings

Capital structure and rights of shareholders and depositary interest holders

The Company has one class of shares: ordinary shares. As of 31 December 2024, the issued capital comprised 49,477,705 ordinary shares, each carrying one vote. Shares held by the Company carry no voting rights. Depositary interests, issued with the Company's cooperation, are settled electronically through CREST, with beneficial ownership held by the depositary interest holders and legal title by Euroclear Nederland.

General Meetings are announced on the Company's website and via regulatory news service (RNS), with registered shareholders and depositary interest holders notified 42 days in advance. All shareholders and depositary interest holders can attend General Meetings; they must register to exercise their meeting rights and can attend in person, vote by proxy, or grant a power of attorney.

Resolutions require an absolute majority of votes to succeed, without a quorum unless specified otherwise. Shareholders or depositary interest holders representing at least 3% of the issued capital can propose agenda items, within legal boundaries. The General Meeting can resolve to amend the Articles of Association upon the Board's proposal.

Dutch law sets the record date for voting rights and shareholder meeting participation 28 days before the meeting. Shareholders and depositary interest holders registered on this date can exercise their rights, even if they sell their shares afterwards.

There are no restrictions on voting and profit rights, no securities with special control rights, and no restrictions on the transfer of shares or depositary receipts.

Major shareholdings

The Dutch Financial Supervision Act mandates that institutions and individuals with a (potential) capital and/or voting interest of 3% or more in the Company disclose their interests to the Dutch Authority for the Financial Markets ("AFM"). Filings must be updated only if interests cross the 3% or subsequent 5% thresholds.

These disclosures are processed by the AFM and made publicly available at www.afm.nl. The table of shareholdings includes interests registered with the AFM as of 24 February 2025, or the most recent information provided directly by shareholders. The percentages exclude the Company's treasury shares.

The stated interests may not reflect current holdings, as they are based on the number of shares owned at the time of notification and are not adjusted for any subsequent transactions.

In May 2023, Rhône Capital, through Ignite Luxembourg Holdings S.à r.l., initiated a Partial Offer for Shares and became a major shareholder of the Company on 13 December 2023, holding just under 20% of the Company's shares. Since then they notified of an increase to their shareholding in summer 2024 and are next required to update authorities when the threshold of 25% is reached.

Shareholder[8]	Number of shares	Total % of issued and outstanding capital [1]
MSP Stiftung [2]	13,333,340	28.25%
Rhône Capital L.L.C.[3]	9,900,868	20.98%
FMR LLC[4]	2,737,126	5.80%
E. Prinzessin zu Sayn-Wittgenstein-Berleburg[5]	2,214,537	4.69%
K.A. Winterstein[6]	2,088,461	4.42%
FEWI Beteiligungsgesellschaft mbH[7]	1,891,292	4.01%

1. These percentages have been calculated using the number of shares notified by the relevant shareholder to the AFM or the Company and the current issued and outstanding share capital of the Company (and therefore excluding treasury shares). It is noted that for purposes of the Dutch Financial Supervision Act, the calculation must be made on the basis of the issued share capital, and therefore including treasury shares, and hence the AFM's register will refer to other percentages.
2. Per the AFM register these shares are held directly by MSP Stiftung. MSP Stiftung is a foundation under Liechtenstein law, whose founder is Mag. Martin Schlaff, a related party connected to David Schlaff.
3. Per the AFM register, these shares are held via Ignite Luxembourg Holdings S.à r.l.
4. Per the AFM register, 2,542,126 shares are held via Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management Trust Company, and FMR Investment Management (UK) Limited, and 195,000 shares are held via Fidelity Management & Research Company LLC.
5. Ms. E. Prinzessin zu Sayn-Wittgenstein-Berleburg, is a related party to the Company as the spouse of Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, a Non-Executive Director. According to the AFM register, 2,088,461 of these shares are held indirectly via Chestnut Beteiligungsgesellschaft mbH (Chestnut). According to information received by the Company, the additional shares were acquired after the AFM filing was made and did not require further notification. Ms. E. Sayn-Wittgenstein made an agreement with Mr. K. A. Winterstein which allows Chestnut to exercise the voting rights of Silver Beteiligungsgesellschaft mbH (Silver) in the Company. Ms. Sayn-Wittgenstein and Mr. K.A. Winterstein share a family relationship.
6. According to the AFM register, the shares are held indirectly via Silver. The Company has been informed that Mr. Winterstein and Ms. Sayn-Wittgenstein made an agreement which allows Chestnut to exercise the voting rights of Silver in the Company. Ms. Sayn-Wittgenstein and Mr. Winterstein share a family relationship.
7. The Company has been informed that FEWI Beteiligungsgesellschaft mbH is owned by Ms. Sayn-Wittgenstein and Mr Winterstein in equal proportions.
8. The Company currently holds 2,280,436 (4.61%) of its own shares in Treasury as a result of the buybacks undertaken during the period 2019 to 2021. Shares held in Treasury cannot be voted.

Transactions with majority shareholders

There have been no transactions between the Company and MSP Stiftung, or between the Company and Rhône Capital within the meaning of best practice provision 2.7.5 of the DCGC. Since there are no other legal or natural persons who hold at least 10% of the shares in the capital of the Company, no declaration in accordance with best practice provision 2.7.5 of the DCGC has to be published.

Share authorities

Shares may be issued by a General Meeting or the Board if designated by the General Meeting, as outlined in the Articles of Association. The Company must report each share issuance to the Dutch Trade Register on a quarterly basis.

The Board generally seeks approval for issuing and repurchasing shares at each AGM, with resolutions available on **our website**. The last share buybacks occurred in 2021 and the 2024 AGM authority remains at 10% of issued capital, excluding shares held in Treasury.

As of 31 December 2024, the Company held 2,281,769 ordinary shares in Treasury, representing 4.61% of issued share capital. The Company updates when there are changes to this number by way of a Total Voting Rights RNS, made available on the Company's website and by updates to the AFM in Netherlands when the Company's holding crosses the regulatory thresholds. These shares may be used for Long-Term Incentive Plan (LTIP) awards or cancelled, subject to shareholder approval. More details are available in the Remuneration Report.

In 2024, the Board reviewed the Company's capital allocation, which included analysis of historic share buybacks and the allocation of capital to dividends. Whilst there have been no buybacks since 2021, the Board continues to keep under review share buyback programmes and/or tender offers to enhance shareholder returns, considering market conditions and capital allocation priorities.

Shares may be issued by a General Meeting or the Board if designated by the General Meeting, as outlined in the Articles of Association. The Company must report each share issuance to the Dutch Trade Register on a quarterly basis.

Stock Exchange Listings

The Company is listed within the Equity Shares (Commercial Companies) category ("ESCC") of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

The Company has a secondary listing on the Vienna Stock Exchange (Wiener Börse) in the prime market sector. This has increased the Company's visibility and accessibility to its Austrian and European investor base and does not have an impact on the Company's listing in London.

As the Company already declares compliance with a Corporate Governance Code in an EU Member State, the DCGC, it is not required to report compliance with the Austrian Corporate Governance Code. The Company's compliance with the ongoing obligations of the Wiener Börse can be found on the **Company's website** and within this report.

Outline of anti-takeover measures

No anti-takeover measures have been implemented. The Company acquired a secondary listing in 2019 on the Wiener Börse to extend regulatory protections to its shareholders, which could have been lost as a result of the UK's exit from the EU. Austria has become the Company's sole host member state, and the Netherlands continues to be the Company's home member state.

The main effect of this is that the Company notifies disclosures, such as share dealing, to each of the three authorities in the UK, the Netherlands and Austria. The Company complies with the relevant corporate and listing regulations across all three jurisdictions. The Company's governance structure continues to be primarily derived from its primary listing status in the UK, although there are minor areas in which regulations in other jurisdictions take precedence.

Code compliance

Compliance with the Dutch Corporate Governance Code 2022 ("DCGC") and the UK Corporate Governance Code 2018 ("UKCGC")

The Board has applied the principles of, complies with and intends to continue to comply with the provisions of both the DCGC and the UKCGC, save in respect of the exceptions outlined below accompanied by our explanations.

The Company does not comply with Provisions 9, 19 and 24, and reports partial compliance with Provisions 15, 40 and 41 of the UKCGC. The Company does not comply with best practice provision 2.2.2. of the DCGC but is comfortable it is in compliance with the remainder of the DCGC.

You can find the DCGC at www.mccg.nl and the UKCGC at www.frc.org.uk.

Following publication by the UK Financial Reporting Council in January 2024 of an updated UK Corporate Governance Code, the Board has been preparing for implementation and will report on its application of the updated Code in next year's report.

Deviations from the UK Corporate Governance Code in 2024

Provision 9 and 19

Provision 9 states that the Chair of the Board should be independent on appointment. The Chair was not considered independent on appointment, having served for more than nine years (including time on the Board of RHI AG prior to the merger with Magnesita) by the time he became Chair. The Chair's length of service also means the Company is not compliant with Provision 19. The Board continues to see the value that Herbert Cordt brings to the Company, being most notably continuity of corporate memory, which contextualises, and drives focus on, operational performance improvements through detailed organisational and business knowledge.

Provision 15

Provision 15 states that the Board should give prior approval to additional external appointments. Given the size of the Board and schedule of meetings, the Board has delegated authority to the Nomination & Governance Committee to approve the additional external appointments of its Directors. The Nomination & Governance Committee considers proposed appointments, with the support of the Company Secretary, to assess for conflicts of interest and overboarding. The Board is comfortable this provides oversight and governance, whilst providing a flexible and responsive approach for our Directors.

Provision 24

Provision 24 envisages that all members of an Audit Committee will be independent Non-Executive Directors. Wolfgang Ruttenstorfer is not deemed to be independent under the criteria outlined in the UKCGC, as a result of his time on the Board, which includes his role on the RHI AG Supervisory Board from 2012. However, the Board considers that Wolfgang is independent in character and judgement and that it continues to benefit greatly from his financial experience, the continuity he provides, his challenge to management using experience from the past, his detailed consideration of business cases, and ingrained understanding of the refractory business. He contributes diligently and wisely to the Audit & Compliance Committee, and as such, Wolfgang will continue to be a member of the Committee.

Provisions 40 and 41

Since the introduction of the current UKCGC in 2018, the Company has taken steps in order to be able to report compliance with the principles and provisions relating to remuneration. Following the publication of FRC guidance in 2021 titled, "Improving the quality of 'comply or explain' reporting", we report partial compliance with Provisions 40 and 41, giving explanation in the following paragraphs.

The Company benefits from employee representation on the Board, and the Board annually approves executive remuneration on the recommendation of the Remuneration Committee. This provides a mechanism for our Employee Representative Directors ("ERDs") to understand and engage on behalf of the workforce regarding the alignment of executive remuneration with wider Company pay policy and to provide feedback. As part of their induction, the ERDs met with the Chair of the Remuneration Committee, which gave background to executive remuneration and outlined the key matters the Board are required to decide upon in respect of remuneration.

Our remuneration policies and practices, including our approach to salary increases and annual bonus structure, are aligned throughout the business. Given this alignment, and the extant mechanism for engagement with the ERDs, the Board is comfortable with the existing approach and does not consider it necessary to provide any additional forms of engagement with the workforce to explain how executive remuneration aligns with wider Company pay policy. The Remuneration Committee will continue to keep this under review.

Deviations from the Dutch Corporate Governance Code in 2024

Best practice provision 2.2.2 of the DCGC recommends that, on a one-tier board, a Non-Executive Director should be appointed for a period of four years. The appointment of the NEDs (other than ERDs) has been made on the basis of nominations for three-year terms, subject to performance and annual re-election at the AGM, which is consistent with UK listed company practice. The Board feels that it does not compromise the spirit of the DCGC provision.

Corporate governance declaration

In complying with the requirements of the DCGC, the Company publishes this corporate governance statement including information relating to its compliance with the DCGC, including a further explanation of the Company's Board Diversity Policy and the way in which it is implemented in practice. The information required to be included in this statement (which also fulfils UK reporting requirements) can be found in the following sections and pages of this Annual Report and are deemed to be included and repeated in this statement:

- the information concerning compliance with the DCGC can be found on page 197;
- the information concerning the main features of the Company's internal risk management and control systems relating to the financial reporting process can be found on pages 51 and 52;
- the information regarding the functioning of the General Meeting and its main authorities, and the rights of the Company's shareholders and holders of depositary interests in respect of shares in the Company and how they can be exercised can be found on pages 195, 196 and 311;
- the information regarding the composition and functioning of the Board and its Committees can be found on pages 180 to 181;
- the Board Diversity Policy with regard to the composition of the Board and its Committees, can be found on page 201;
- the information concerning the disclosure of the following items, where they exist, may be found on pages 183 to 198:
  - participations in the Company for which a disclosure obligation exists;
  - special control rights attached to shares and the name of the person entitled to such rights;
- any limitation of voting rights, deadlines for exercising voting rights and the issue of depository interests for shares with the cooperation of the Company;
- the regulations in respect of the appointment and dismissal of Executive Directors and NEDs and amendments to the Articles of Association;
- the powers of the Board, in particular to issue shares and to acquire own shares by the Company; and
- the number of shares without voting rights and the number of shares that do not give any, or only a limited, right to share in the profits or reserves of the Company, with an indication of the powers which they confer.

UK Listing Rules and Disclosure & Transparency information

Certain information is required to be published by the UK Listing Rule, LR 6.6.1 R, and UK DTR 4.1.11 and this information can be found in the Annual Report & Accounts as set out in the table (below):

	Item	Location in this Annual Report
1.	Interest capitalised	Refer to Note 18
2.	Publication of unaudited financial information	N/A
3.	Details of long-term incentive schemes	Pages 214 – 230
4.	Waiver of emoluments by a Director	Page 223
5.	Waiver of future emoluments by a Director	N/A
6.	Non pre-emptive issues of equity for cash	N/A
7.	Item (6) in relation to major subsidiary undertakings	N/A
8.	Parent participation in a placing by a listed subsidiary	N/A
9.	Contracts of significance	N/A
10.	Provision of services by a controlling shareholder	N/A
11.	Shareholder waiver of dividends	N/A
12.	Shareholder waiver of future dividends	N/A
13.	Agreements with controlling shareholders[1]	N/A
14.	Information on any branches of the issuer	Pages 302 and 308
15.	Own shares	N/A
16.	Financial instruments per 4.1.11 DTR	Refer to Note 36

1. Details of a non-remunerated service agreement with a related party and significant shareholder can be found under Note 41.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises, among others, the Strategic Report, the Governance Report, and the Consolidated and Company Financial Statements. The information reported in the Strategic Report and the Governance Report together represent the Directors' Report ('Bestuurverslag') within the meaning of article 2:391 of the Dutch Civil Code. The Directors are responsible for preparing the Annual Report for each financial year in accordance with applicable law and regulations, including in accordance with IFRS Accounting Standards as adopted in the European Union and the provisions of Book 9 of Part 2 of the Dutch Civil Code. The Directors must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Company and its consolidated Group companies, and of the profit or loss of the Group for that period. In preparing the Annual Report, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;
b) make judgements and accounting estimates that are reasonable and prudent;
c) state whether applicable IFRS Accounting Standards as adopted by the European Union and the relevant provisions of the Dutch Civil Code have been followed, subject to any material departures disclosed and explained in the Annual Report; and
d) prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group, and enable them to ensure that the Annual Report complies with applicable law and, as regards the Consolidated Financial Statements, the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on page 310 confirm that, to the best of their knowledge:

- the Company's Financial Statements and the Consolidated Financial Statements, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and the relevant provisions of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Annual Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company and its consolidated Group companies and includes a description of the principal risks and uncertainties that they face; and
- having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

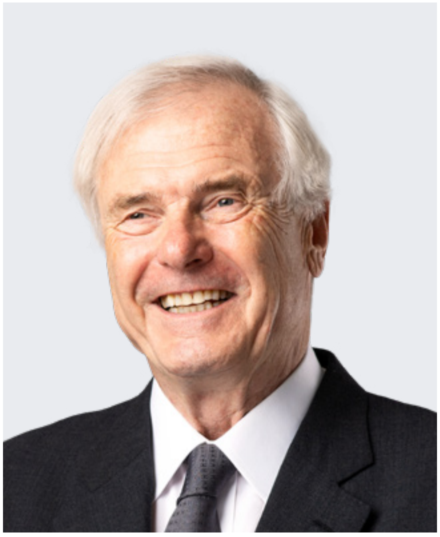
After conducting a review of management's analysis, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for the period of at least twelve months from the date of approval of the financial statements. For this reason, the Directors consider it appropriate to adopt the going concern basis in preparing the Company's Financial Statements and the Consolidated Financial Statements. Directors are also required to provide a broader assessment of viability over a longer period which can be found on page 53 (the "Viability statement") of the integrated report and accounts.

After consideration of the above matters, the Board approved and signed on 26 February 2025 as follows:

The Company Financial Statements on pages 300 to 301, and the Consolidated Financial Statements on page 232 to 237.

There are no special events that should be taken into account for these Company Financial Statements and Consolidated Financial Statements.

Effective consideration of the required governance, knowledge, skills and attributes



Herbert Cordt
Chair of the Committee

"We continue to monitor and assess Board composition within the setting of our business priorities, the expectations of our stakeholders, and future economic challenges."

Committee members and meeting attendance

Member	Attendance in 2024	Member since
Herbert Cordt (Chair)	3/3	October 2017
John Ramsay	3/3	October 2020
Karl Sevelda	3/3	June 2021

Committee purpose, roles and responsibilities

The Committee's purpose is to oversee the Company's corporate governance arrangements and ensure that the Company has the competencies and depth of skills within the Board and senior executives to meet the demands and aspirations of a global business, supporting the development of the Group's strategy, whilst paying particular attention to independence and diversity. The Company Secretary acts as Secretary to the Committee.

The Committee considers and keeps under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees, recommending any changes to the Board. Any recruitment of new Directors is led by the Committee. Succession planning, involving discussions with Board members, is a key part of identifying the character and timing of future roles on the Board. The Committee reviews the time dedicated by the NEDs in the course of a year and on behalf of the Board, considers any proposed external appointments, ensuring that sufficient time is given by the NEDs to RHI Magnesita. The Committee reviews the corporate governance of the Company and its compliance level with the UK and Dutch Corporate Governance Codes.

More detail on the duties of the Committee can be found in its Terms of Reference on the corporate governance section of our **website**.

Activities in 2024

The Committee considered the following matters in 2024:

Governance

The Company reports against two corporate governance codes, in the Netherlands and the UK, and there are an increasing number of matters for consideration in respect of corporate governance. The Committee continues to receive the details of the Company's compliance with the DCGC, given the first year of application was 2023, and the Committee may revisit aspects as it deems necessary to improve disclosure.

The Committee and the Board have considered the updated UK Corporate Governance Code and, in the same way as with the DCGC, the Committee has been overseeing the Company's actions to apply the updated UKGC in the best interests of the Company and evidence compliance, on behalf of the Board.

The Committee received a briefing on the revised UK Listing Rules and updated UK Corporate Governance Code and considered how these may affect the Company's future approach to disclosure.

NED role scope and time commitment review

As reported in our 2023 report, in early 2024 the Committee undertook a detailed review of the scope and time required of the NEDs by the Group and resolved to update the appointment letters to reflect the expanded business and governance since listing as well as sustained increase of scope and time required owing to factors including ongoing macroeconomic volatility, increased M&A activity, increasing the complexity of Company operations, risk assessment and customer offering, requiring careful oversight. These themes have continued into 2024, most notably with our acquisition of Resco Group.

In respect of 2024, the Committee considered, as it does annually, the time required from the NEDs to fulfil their duties satisfactorily, which covers meetings, required preparation time and any additional time spent outside of meetings in discussion with management. Under the updated time now required in the NEDs' appointment terms, no NED has raised significant concerns in respect of 2024.

On recommendation from the Committee, the Board is comfortable that none of the Directors standing for re-election in the 2025 AGM are compromised in the time they can dedicate to the Company.

External appointments
The Committee reviews external appointments held or proposed to be held by Directors, referencing the views of shareholders about the number and type of appointments which can feasibly be held by a Director and any potential for conflicts of interest.

In 2024 the Committee considered Marie-Hélène Ametsreiter's appointment to Erste Bank der österreichischen Sparkassen AG ("Erste Bank"). As part of its considerations the Committee reviewed the relationship between the Group and Erste Bank, seeking expert input from relevant colleagues in RHI Magnesita, and in light of Marie-Hélène's other appointments, assessed whether it was felt she could continue to commit the required time to RHI Magnesita.

Following due consideration of all these aspects, the Committee was very comfortable that Marie-Hélène would continue to be able to meet her duties to the Company and that there were no conflicts of interest or aspects of a material business relationship that would impinge on either entities' corporate governance.

Board performance review
In respect of 2023, in Q1 2024 the Board completed a questionnaire covering dynamics, performance of the Board and its Committees, overall support provided to the Directors, self-assessment of their individual performance, and strategic focus areas. The EMT also gave feedback on their relationship and perception of the Board's performance.

The findings from this internal review were that there was increased trust and improved dynamics between the Board and EMT, being a natural outcome of working together over an extended period of time and weathering challenges together, as well as the result of recommended actions from prior reviews. Relations between Board members were felt to be constructive, with opinions treated respectfully.

Business priorities were felt to be largely aligned between the Board and EMT, enabling the Company to be steered effectively in coordinated fashion. The Board's composition in terms of skills and balance was positively perceived, although it was acknowledged it would need to be considered afresh once more is known about Rhône Capital's communicated expectations. Board members felt that culture was well considered in discussions, enabling better decision outcomes. Areas identified for further improvement included ensuring that management's time and resources were safeguarded to ensure priorities could be delivered, whilst ensuring the NEDs received the information necessary to fulfil their duties to the Company. As in many boards, the tailoring of agendas, meeting logistics, and the supporting papers to enable strategic discussion could be improved. Generally though the quality of Board papers and discussion were generally felt to be of a very high standard.

For the 2024 review, Directors will undertake individual interviews with the SID & Deputy Chair, supported by the Company Secretary. The outcome will be considered in April 2025.

Board diversity
Diversity is considered regularly, both at Board level and within the organisation. The focus has, and continues to be, on gender diversity at the Board. Any future appointments to the Board will identify candidates by referring to the primary factors of the skill and experience needed by the Company at the time, the expectation of shareholders, and the benefits of diversity.

The Board Diversity Policy (available here on **our website**) outlines an aspiration of 45% female representation within the Board, and also takes account of diversity represented through an individual's background and ethnicity. This policy is being implemented, when there are opportunities arising from vacancies, by tasking executive search firms to ensure diverse candidates are found and ensuring strong female representation on shortlists.

Following the Board's focus on the importance and benefits of gender diversity in recent years, we are pleased to report that, of the collective Board Committee positions, 42% are held by women and two of the Board's Committees have a female chair, Janet Ashdown. Committee composition is considered carefully by the Committee and extant Company commitments, experience and skills are considered when making changes.

Organisational diversity
Achieving the desired female representation within senior management (being EMT and their direct reports) in a sustained manner has been challenging. As of 31 December 2024, the female representation in this group was at 26%. The CSC considers organisational diversity as part of its scope and heard from the responsible People & Culture leader on the action plan to reach the strategic goal of 33% by 2025, and the challenge expected to achieve it. Whilst it remains a core consideration in succession planning, and there have been various successful initiatives ongoing in the organisation such as executive-sponsored female mentoring schemes and an increase in female representation in the trainee intake, insufficient progress has been made to reach 33%.

Female Board members have mentored young female leaders as part of a Group wide mentoring programme which started in January 2024. As part of this, they supported the mentors throughout by sharing experiences of mentoring, the benefits it brings and ensuring colleagues understood the focus and support that the Board gives to such an initiative to develop diversity. You can read about further steps taken by the Group to improve diversity in senior management and the organisation as a whole on page 13.

The Committee and the Board will continue to support the Company's approach in facilitating people development, ensuring that talent, regardless of, amongst other diversity characteristics, age, gender and background, enjoys career progression within the Group. Diversity of nationality, culture and ethnicity are all important factors to engender diversity of thought. The Group operates in c.50 countries and, at the time of writing, 11 nationalities are represented in the senior management team. Decisions are made in the Group by groups of people who come from truly different backgrounds and bring diverse perspectives to the table. We are proud that our regionalised structure is a natural facilitator and foundation for diversity.

The Committee believes that the diversity of nationalities and culture represented amongst the Board, EMT and senior management provides a diverse and global perspective. More details on the Group's diversity and inclusion work can be found on pages 20 and 21.

Diversity Reporting

The Company has reported its diversity data, namely on gender and ethnic diversity in senior leadership, as follows in 2024:

- to the Sociaal-Economische Raad, as required by Dutch law. As at 31 December 2024, there was 26% female leadership, in a population of 50, of which 13 were women and 37 were men;
- to the UK's Parker Review whereby the Company has continued to report the data it holds on the EMT and the Board of Directors to the Parker Review. The Parker Review has confirmed that its focus is on senior management working in the UK. The Group does not have any employees in this category in the UK so has not reported any targets or data accordingly; and
- UK's FTSE Women Leaders Review and against the UK's Listing Rules on Diversity, 6.6.6R(9) to (11). In respect of both of these data submissions, the Company's reported data (below and right) shows the position as at our reference date of 31 October 2024. This position was unchanged as at 31 December 2024. The two male Executive Directors are included under the Board reporting.

As discussed in the Governance report, the ERDs are appointed by the workforce, and neither the Board nor shareholders play any role in these appointments. Therefore, the Board's view is that it is inappropriate to include the ERDs in any calculation of Board diversity, unless stipulated by law.

UK Listing Rule target	Company's position	Comment
At least 40% of the board are women.	33% (Target not yet met)	Our aspiration is to achieve 45% female representation, recognising that it requires a careful and measured approach to accommodate Board attrition, whilst maintaining the existing profile of desired skills and experience. Every appointment to the Board since listing has been of a female candidate, reflecting the commitment of the Company to finding suitably diverse candidates. After a peak of 38% in 2022, resignations from the Board has meant this number has decreased and the Committee will continue to focus on the benefits of diversity when the next vacancy arises in order to reach the 45% aspiration.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman.	0 (Target not yet met)	This is an area that, currently, would require sudden and significant change and cannot be immediately implemented without disruption to the organisation. The intention is to take this into consideration as part of succession planning. We note that Janet Ashdown holds a position of particular seniority and responsibility, as Chair of both the Corporate Sustainability Committee and the Remuneration Committee.
At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the UK Office for National Statistics).	0 (Target not yet met)	The Board continues to take ethnic diversity into account when considering appointments, as per its Diversity Policy, whilst noting it will continue to consider diversity of the Board and the Company as a whole, based on our global footprint and operations, in a way which is best aligned with our growth agenda. Being an international company, we naturally reflect many different nationalities in the Board and senior management. This is a valuable input to ensure different cultures are represented within decision makers, warding against groupthink. The Company has reported to the UK Government's Parker Review in 2024.

Table 1: Reporting table on sex/gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	10	67%	4	2	50%
Women	5	33%	0	2	50%
Not specified/prefer not to say					

Table 2: Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority – white groups)	13	87%	4	3	75%
Mixed/Multiple Ethnic Groups					
Asian/Asian British				1	25%
Black/African/Caribbean/Black British					
Other ethnic groups					
Not specified/Prefer not to say	2	13%			

Notes on data collection and the tables:
1. Data collection of the Board and the EMT was undertaken in 2022 and is undertaken subsequently when there are joiners.
2. The Board and EMT were provided with the categories above and asked to advise how they identified. This personal data has been collected once and it will be up to the individuals to advise of any changes.
3. The two Executive Directors are included in the Board figures and not in the executive management column.

Succession planning

EMT succession planning

The Board Directors monitor the development of the EMT and Regional Presidents to ensure that there is a diverse supply of senior executives and potential future Executive Directors with appropriate skills and experience. Individual Committees play their role in this, for example the Audit & Compliance Committee receives a report on the Global Finance talent profile which considers succession planning, and informal interaction between Directors and senior management aids the identification of development focus areas.

Part of succession planning involves assessing the skills and experience in the organisation with an indication of individuals' expected time to develop to the next level, and requirements in order to achieve that progression, such as experience of a different business function or additional training. Diversity and cultural fit is an established part of succession planning, and management are encouraged to incorporate measures to further generate a diverse pipeline as well as develop the desired culture.

Board succession planning and composition

The Committee considers succession planning for key roles on an ongoing basis, by way of immediate and orderly succession. The development of internal candidates for executive roles is considered by the Committee and the Board, along with the wider assessment of talent and resources to enable consideration of succession planning in the organisation. Mapping of the skills and experience needed for the roles is used to consider the profile of candidates, their level of readiness and areas for progression. This is discussed with the EVP of People & Culture to ensure the individuals receive support and development accordingly.

On an ongoing basis, the Committee considers the tenure of Directors with reference to the retirement and resignation profile, which can be found on the **Company website**. In thinking about future recruitment to the Board, the Committee continues to monitor Directors' skills and experiences, as well as diversity, to engender constructive debate and a varied mix of ideas. The Board profile is published on the **Company website**.

The membership of Board Committees can be found on page 180. In 2024, there have been no changes to Board Committee composition. The Committee, in conjunction with the Committee Chairs, continues to keep the composition of the Committees under review with reference to the skills and expertise needed to reflect the challenges that the Company faces.

Herbert Cordt
Chair of the Nomination & Governance Committee

A new roadmap for Health & Safety

Janet Ashdown
Chair of the Committee

"The Committee promotes a culture of sustainability within the Group, in order to deliver better performance and sustained success"

Committee members and meeting attendance

Member	Attendance in 2024[1]	Member since
Janet Ashdown (Chair)	3/3	June 2019
Marie-Hélène Ametsreiter	3/3	June 2021
Stanislaus Prinz zu Sayn-Wittgenstein	3/3	October 2022

1. The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2024 in addition to the above meetings.

Committee purpose, roles and responsibilities

The Committee supports and advises the Board, aiming to ensure the long-term sustainability of the business and its positive impact on communities where the Group operates. The Committee promotes a culture of sustainability within the Group, in order to deliver better performance and sustained success. It oversees risk management related to Environmental, Social and Governance ("ESG") topics including but not limited to health and safety, environment, and socio-economic development on behalf of the Board, striving to minimise the Company's negative impacts on people and the environment and to deliver benefits for its various stakeholders.

More detail can be found in the Committee's Terms of Reference available **here**.

The Committee and executive management together play a key role in steering organisational initiatives towards sustainable practices. The Chief Executive Officer ("CEO") assumes a central role, owning the ESG agenda. The CEO has responsibility for the implementation and execution of the Company's sustainability strategy and is supported in this by the Chief Technology Officer ("CTO").

Activities in 2024

Health & Safety

Reviewed the root causes of two fatalities in 2024 and the outcomes of the investigations and actions of management to improve safety.

Reviewed the dss+ Safety Culture Assessment, including verbatim feedback from shop-floor colleagues and assessment of safety leadership.

Considered the dss+ recommendations for improvements, setting a high priority to engaging the entire workforce to improve health and safety, particularly at newly acquired sites. You can read more about the dss+ work on page 29.

Discussed with management the new organisational structure for Health & Safety and where responsibility lies in the Group, in the context of the regional structure.

Monitored RHI Magnesita's Health & Safety KPIs against the prior year, considering the new proposed KPIs and shift to leading from lagging indicators.

Monitored performance at operational sites of both employees and contractors, including a visit to recycling sites in Weitefeld and Siegen, Germany, where safety was a focus topic for discussion.

Environment

Reviewed progress against Sustainability targets, including the CO_2 emissions intensity reduction targets.

Received reports on the Group's investment in and cooperation with MCi Carbon, a technology provider specialising in the mineralisation of CO_2 emissions.

Noted the refreshed organisational approach to recycling in the Group and the new project set up to deliver structural and sustained change to deliver strong outcomes.

Regularly reviewed progress in the Group's use of secondary raw materials, including the status of recycling rates and partnerships in various regions, particularly considering the challenges of maintaining progress with new assets acquired since 2021 and the higher target rate since the early achievement of the original 10% target in 2022.

Received reports on innovative processing techniques to enhance quality and recovery in order to continue progress and achieve the 15% target by 2025.

Undertook a site visit to the recycling joint venture with Mireco to see these processing techniques in action and understand more about the developments in automated and laser sorting and the commercial benefits for customers, as well as RHI Magnesita. On this visit the Committee discussed the strategic outlook for further development in this area and how further progress could be made.

Communities
Noted the new reporting lines for management of community relations.

Received an overview of RHI Magnesita's community relations investment across regions and activity to develop and maintain good local relationships.

Observed the intended areas of future spend, as well as updates on local partnerships.

Noted management's proposal to align Group community spending targets with the Indian regulatory requirements of 1% of net profit over an average of the prior three years.

Diversity, Equity & Inclusion
Received an overview of the status of gender diversity within the organisation and management's actions to reach the goal of 33% women in leadership positions by 2025.

Received a report on the strategy for Diversity, Equity & Inclusion in the organisation and the initiatives to achieve greater representation.

Sustainable Procurement
Received an overview of RHI Magnesita supply chain due diligence that includes the country-specific risk assessment tool, EcoVadis supplier assessments, and on-site supplier ESG audits and risk mitigation efforts.

Reviewed the EcoVadis Supplier Assessment spend coverage, product carbon footprint ("PCF") data and the planned approach in 2025.

Reviewed, endorsed and recommended for the Board's approval, the Modern Slavery and California Transparency in Supply Chains Act statement.

Sustainability Risks
Reviewed RHI Magnesita's sustainability risk assessment for 2024, noting the areas of focus and the increased risks arising from recent acquisitions which require some time to meet the standards required, and the insufficient safety standards in the base business, evidenced by recent fatalities.

Considered the process for Double Materiality Assessment assisted by EY Denkstatt and the findings, as well as being participants in this process to define the risks and their materiality to the Group.

Governance
Received details on the new organisational set up and approach for management of ESG topics within RHI Magnesita.

Continued to consider legal obligations and various reporting frameworks such as the German Supply Chain Act, EU Corporate Sustainability Reporting Directive ("CSRD"), EU Taxonomy, Corporate Sustainability Due Diligence Directive ("CSDDD"), especially noting the relevant actions of management to manage the Group's compliance in an effective and efficient manner.

Participated in the Double Materiality Assessment and approved the Sustainability Statement produced by management in accordance with the European Sustainability Reporting Standards ("ESRS"). As part of the process to compile and approve this report, the CSC shares the concerns raised by management, as noted on page 7, that the outcome of ESRS does not appear to bring sufficient benefits for users of sustainability data, when compared to the considerable additional time and financial burden imposed by the new regulations, as expected to be implemented in the Netherlands during 2025 with possible retroactive application.

The CSC hopes that a constructive feedback process can be carried out in 2025 to make improvements to the new reporting standards, as indicated by the European Commission's 'Competitiveness Compass' and proposed Omnibus Directive. The CSC supports management's intention to actively consult with the EU on these topics.

Received the Double Materiality findings, prepared in accordance with ESRS, and considered the 2030 Sustainability Targets.

Interacted regularly with the CEO, CTO, Head of Investor Relations and Sustainability, and other members of senior management outside of formal meetings to engage on matters arising, steer and guide activity and ensure relevant topics were considered.

Noted the relevant output from the Board performance review of 2023 to consider improvements to the Committee and particularly its reporting into the Board, as well as consideration of the role the Committee plays in safety performance.

Joint Committee meetings
As in prior years, the Committee held a joint meeting with the Audit & Compliance Committee to consider matters of overlap in scope (the "Joint Committee"). The Joint Committee was provided with an update on risks and the materiality assessment per the EU's CSRD, as well as a regulatory update covering key areas of ESG legislation which would affect disclosure requirements and sustainability data collection and analysis.

The Joint Committee approved management's recommendation to appoint PricewaterhouseCoopers Accountants N.V. to perform the limited assurance review of the Group's Sustainability Statement in 2024.

External ESG ratings
The Committee acknowledged RHI Magnesita's strong ESG ratings provided by independent analysts.

CDP: A-

EcoVadis: Gold

MSCI: AA

Sustainalytics: medium-risk exposure

Janet Ashdown
Chair of the Committee

Audit & Compliance Committee report

John Ramsay
Chair of the Committee

"Guidance and oversight to help management develop more robust internal controls"

Committee members and meeting attendance

Member	Attendance in 2024[1]	Member since
John Ramsay (Chair)	5/5	October 2017
Jann Brown	5/5	June 2021
Wolfgang Ruttenstorfer	5/5	October 2017

1. The annual joint meeting of the Corporate Sustainability Committee and Audit & Compliance Committee was held in November 2024, in addition to the above meetings.

Committee purpose, roles and responsibilities

The Committee monitors the effectiveness of the Group's corporate reporting, systems of internal control and risk management and the integrity and quality of the Group's external and internal audit processes.

The Committee's key responsibilities include but are not limited to:

Financial reporting

- advising the Board on whether, taken as a whole, the reported financial information is fair, balanced, and understandable and provides the information necessary for shareholders to assess RHI Magnesita's position and performance, business model and strategy;
- reviewing the potential impact on the consolidated financial statements of the implementation of the Company's strategy, climate change and energy transition work; and
- reviewing and discussing with management the appropriateness of judgements involving estimates, the application of accounting principles and associated disclosure requirements.

Risk management and internal control

- advising the Board on the Group's overall risk appetite, tolerance, current risk exposures and future risk mitigation strategy; and
- evaluating and advising the Board on the effectiveness of the system of risk management and internal control.

Internal audit

- monitoring the functioning and quality of the Internal Audit department;
- reviewing and approving the annual Internal Audit work plan and taking note of the findings and considerations of the Internal Audits;
- supervising compliance with recommendations and observations of the internal auditors; and
- assessing annually Internal Audit's performance and effectiveness.

Compliance and governance

- overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks;
- monitoring the changes in different jurisdictions as they applied to the scope of the Committee, with particular attention paid to the new UKCGC effective for reporting periods from 1 January 2024; and
- reviewing the adequacy and effectiveness of the Group's Compliance function.

External audit

- considering the annual external audit plan, approving related remuneration, including fees for audit and non-audit services;
- assessing the performance, qualifications, effectiveness and independence of the external auditor and the audit process, including assessing the quality of the audit;
- supervising compliance with recommendations and observations of the external auditors; and
- recommending the appointment of the external auditor to the Board for annual approval at the AGM.

Financial management

- advising the Board on the appropriateness of management's approach to capital allocation; and
- reviewing, in order to recommend to the Board, material funding proposals from management, along with consideration of the Group's liquidity profile and debt levels.

Activities during the year

Financial reporting

Financial disclosures

The Committee reviewed the half-year and annual financial statements and particularly challenged management in relation to:

- integrity of the Group's financial reporting process;
- compliance with the relevant legal and financial reporting standards;
- application of significant judgements and estimates; and
- balance and clarity of disclosures.

As part of its review, the Committee received regular updates from management and the external auditor in relation to accounting judgements and estimates, including those relating to recoverability of asset carrying values, provisions and uncertain tax treatments. This enabled the Committee to challenge the outcomes and ensure management had duly considered the relevant aspects.

Furthermore, the Committee received an update as to how management have improved compliance with the European Single Electronic Format ("ESEF") requirements in 2024.

Alternative performance measures

RHI Magnesita uses APMs to provide greater insights into its financial and operating results and provide readers with a more understandable and comparable view on underlying performance.

The Committee regularly considers the APMs used in RHI Magnesita's reporting, the reconciliations to IFRS financial statements and explanations for changes from the previous quarter. The Committee reviews the overall presentation of APMs with management to ensure they are not given undue prominence in relation to IFRS financial measures. Adjusting items proposed by management and challenges management to ensure that they are applied consistently and continue to be relevant to improve readers understanding of underlying business performance.

Fair, balanced and understandable

The Group's Annual Report and Accounts should be fair, balanced, understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee and the Board are satisfied that the 2024 Annual Report and Accounts meets this requirement, with appropriate weight having been applied to both positive and negative developments throughout the year.

To arrive at this conclusion, the Committee critically assessed drafts of the 2024 Annual Report and financial statements and sought insight from management on their drafting process in order to agree that it was appropriate and ensured that the relevant requirements were met. This process included starting from a well-established base, engaging multiple and varied experts across the business, obtaining feedback from a number of different external providers who could give an independent and critical assessment and improvements from prior year including the application of new segmental reporting disclosures and presentation of upcoming changes in IFRS.

The Committee gave detailed and helpful input, bringing the perspective of stakeholders and readers of this report. They reviewed the consistency of the narrative disclosures with the financial statements, as well as reviewing the adequacy and appropriateness of the independent assurances received on the accuracy of the information, both financial and non-financial.

Compliance

Compliance programme

The Committee reviewed the annual compliance programme, seeking to ensure that it remained effective and fit for purpose, as well as challenging management to ensure that adequate resources, capabilities and training are applied to the Compliance Programme. This involved considering the quantum of compliance work and whether other teams in the Company could assist with matters which were along the ordinary course of business, to ensure the expertise of the Compliance team could add more value to the organisation.

In 2024 the Committee placed particular emphasis on the application of trade compliance legislation across the Group. The Committee discussed investigations of cases involving alleged ethics and compliance breaches. The Committee challenged management's findings in such cases to satisfy itself that a rigorous process had been followed, and that appropriate disciplinary action had been taken where necessary and management had embedded learnings into RHI Magnesita's systems and controls.

Whistleblowing programme

The whistleblowing programme, which is monitored by the Committee and overseen by the Board of Directors, is designed to enable employees, customers, suppliers, managers, or other stakeholders to raise concerns on a confidential basis where conduct is deemed to be in violation of our Code of Conduct or contrary to the Group's values.

The Committee considered the revised policy for responding to whistleblowers which had been updated by management to take account of various changes in EU law. Upon recommendation to the Board, the revised policy has been adopted across the Group.

The Committee made enquiries of management in relation to the reports received through the whistleblowing channels in order to conclude its effectiveness during 2024. They discussed with management specifics of whistleblow reports received and the significant increase in reported cases in the year. The Committee enquired into the root causes for this increase, which was understood to be largely a result of individual grievances in relation to local employment conditions, their work environment or their relationship with their line manager. For the cases with broader relevance the Committee sought clarity on the root causes, the links to Group culture and ensured appropriate actions by management to address the root causes.

Examples of how accounting judgements and estimates were considered and addressed

Significant financial judgements and areas of estimation	How the Committee addressed these judgements and areas of estimation
Determination of operating and reportable segments	The Committee was presented with management's updated assessment of the operating segments which was revised in connection with the maturity of the regional structures over the last 18 months. Management applied judgement in considering the key features that the Chief Operating Decision Maker, i.e. the CEO, regularly reviews to evaluate performance. In the view of management, performance and allocation of resources continue to be mostly driven by customer industry and product groups as opposed to geography. Consequently, management considers that customer industries form the basis for operating segments and in review, management expanded the reportable segments to five reportable segments in 2024. The Committee challenged management's judgement in determining product group as the driving indicator for operating segments and considered how it assisted the business in its monitoring. Conclusion: The Committee was satisfied with management's explanations and agreed with the new reportable segments.
Carrying value of property, plant and equipment ("PP&E")	The Committee reviewed the assessment prepared by management on certain assets. In particular, management presented a detailed overview of the assessment of the impairment indicators of a project in South America. The Committee questioned management about the timing of the identification of the impairment and the assumptions that were used to calculate the recoverability of the asset. Conclusion: The Committee concurred with management's assessment and ensured there was adequate disclosure of this judgement in the Annual Report and Accounts.
Fair valuation of financial instruments acquired during business combination	In a number of the recently acquired businesses, the Group recognised financial liabilities in connection with the put option over the outstanding equity shares. These financial liabilities are required to be fair valued at each reporting date. The valuation of the financial liabilities is based on unobservable inputs i.e. business plan of the acquired business. Management applied judgement to assess the expected performance of the underlying businesses and presented the most recent valuations to the Committee. Conclusion: The Committee concluded that the judgements and the stress-testing scenarios and assumptions are appropriate and adequate.
Goodwill	Management provided the Committee with an update on the goodwill impairment review that is performed annually. Management makes use of various estimates and assumptions in determining the cash flow forecasts used in the impairment testing for goodwill, including terminal value, inflation, and discount rates. Conclusion: The Committee concurred with management's assessment and ensured there was an adequate disclosure of this judgement in the Annual Report and Accounts.
Accounting for Digital transformation software	Management explained the accounting for the different digital solutions that the Group is in the process of implementing. These include, amongst others, the new ERP system and integrated supply chain solution which are delivered via a Software as a Service. As the Group does not control the software application the costs are expensed as incurred, in line with accounting standards. Conclusion: The Committee sought further detail explanation on specific cases and concurred with management on the approach.
Adjusted items	Management excludes certain non-operating items from the results performance because those items do not reflect the underlying performance of the business. In 2024, management have excluded from EBITA costs associated with the digital transformation programme, the partial impairment of non-current assets, restructuring costs and M&A related costs. Similarly, management have also excluded income relating to the disposal of a Joint Venture in China, the sale of other property and the recovery of loans acquired on a business combination. Conclusion: The Committee challenged the rationale for the exclusion of digital transformation costs from Adjusted EBITA and sought further understanding of certain of the above mentioned adjustments. The Committee agreed with the conclusions reached by management that the adjustments and clear disclosure and explanation in the Annual Report was consistent with prior year approaches and accounting standards, and represented a balanced picture of underlying business performance.
Revenue recognition on certain contracts	In 2024, management conducted an analysis due to the Red Sea crisis which had concluded on a reassessment of the timing of transfer of control for shipments delivered by sea freight with third party carriers. Control is from 2024 determined to transfer as soon as the third-party carrier has issued the shipping document, if any, that allows the customer to redirect or otherwise control the shipped refractory products. Conclusion: The Committee challenged the basis for the change and considered whether the amount was material in prior year and it concluded it supported management's approach.

Risk management

How risk management was assessed

The Internal Audit, Risk & Compliance team provides key assurance to the Committee on the Group's governance, risk management and internal controls. Throughout the year, the Committee discussed reports on risk management and challenged management on whether risks had been sufficiently considered and whether appropriate risk mitigation measures had been implemented. Management took onboard the comments and adjusted assessments as necessary.

The Committee also received reports providing an overview of compliance activities and management's assessment of the effectiveness of the programme to manage risks relating to ethics and regulatory compliance in the Group's business activities. The Committee also discussed findings from investigations of cases where ethics and compliance concerns were highlighted. The Committee discussed management's findings in such cases to satisfy itself that a rigorous process had been followed, that appropriate disciplinary action had been taken, where necessary, and that management had taken forward the learnings to embed into RHI Magnesita's systems and controls.

Internal control

Management is enhancing the underlying activities relating to internal control to ensure that the Group is ready to apply Provision 29 of the new UK Corporate Governance Code with effect from 2026. Specifically, a risk assessment exercise for financial and non-financial information was performed in 2024, as well as reviewing the control design over financial reporting. Management then implemented a tool to track the operation of internal controls and have established a separate team to perform testing of the key controls over financial reporting in 2024 ('second line' of defence). This will be further embedded in 2025 and developed to encompass material non-financial controls.

In order to monitor the effectiveness of the procedures for internal control over financial reporting, compliance and operational activities, the Committee reviews reports on risks and controls, including the annual assessment of the system of risk management and internal control, which comprised a number of inputs from ISO certification, information security monitoring and supplier audits, assisted by external providers. It also included the outcomes from the Group management representation letter process, which involves each EMT member and Regional President and their direct reports conducting a structured internal assessment of compliance with internal controls, legal and ethical requirements.

The Committee discussed a number of areas where further strengthening of internal control can be achieved, and you can read more about these on pages 51 to 52.

Internal audit

Reviewing the results of Internal Audit work and the 2024 plan

The Committee reviewed the effectiveness and resources of the Internal Audit department and concluded that the Internal Audit function is effective and has adequate resources. The Committee gave particular focus to the assessment of the independence of Internal Audit within the combined departmental model of Internal Audit, Risk & Compliance, especially given the change to responsibilities of the head of department, as referred to in more detail on page 51.

The Committee recognised the range of findings from Internal Audit work, which demonstrated the required level of Internal Audit independence, and the overall high quality of the audit work performed.

The Committee satisfied itself that the 2024 internal audit plan was on track and discussed areas where control improvement opportunities had been identified, particularly enquiring into the root causes and the embedding of internal control improvements. The Committee also reviewed progress in completion of agreed management actions recommended in Internal Audit Reports.

The Committee reviewed the proposed 2025 Internal Audit plan. The Committee raised a series of challenges to the plan, focusing on any impact to Internal Audit quality and independence and, after receiving appropriate assurances and supplementary information including the scope of the work in relation to Group risks, the Committee approved the 2025 Internal Audit plan.

External audit

PricewaterhouseCoopers Accountants N.V. ("PwC") have been the External Auditor since 2017 when RHI Magnesita N.V was incorporated in the Netherlands following the merger of RHI with Magnesita.

How the Committee assessed audit risk and audit effectiveness

PwC set out its audit plan for 2024, identifying significant audit risks to be addressed during the course of the audit. These included the risks that:

- assumptions used to estimate the impairment of goodwill are not reasonable;
- assumptions used to estimate the fair value of consideration transferred in a business combination are not appropriate/reasonable;
- assumptions used in the valuation of tax contingencies in various jurisdictions are not reasonable;
- risk of fraud due to management bias in sustainability reporting (specific to the engagement on Limited Assurance in respect of the Sustainability Statement);
- management override of controls; and
- risk of fraud in revenue recognition.

The Committee reviewed and discussed the external audit plan and evaluated whether the planned materiality levels and proposed resources to execute the audit plan were consistent with the scope of the audit. The Committee asked PwC for confirmation of the scope of their audit and to assure the Committee that sufficient coverage across the Group's international footprint was achieved, especially given the Group's recent level of acquisitions.

As part of its oversight of the external auditor, the Committee annually assesses the performance and effectiveness of the external auditor and the audit process. This includes assessing the fulfilment of the agreed audit plan and variations from it, how the auditor handled key judgements, and the auditor's response to the Committee questions. The external auditor was asked to explain the risks to audit quality and how they took action to mitigate these risks. These actions were focused on audit quality governance in PwC, audit team resourcing, continuity and coaching were discussed and explained. In the course of 2024, the external auditor gave transparent and pro-active updates on matters pertaining to the Global PwC business, such as findings from the Dutch regulator, the AFM, and impacts from findings on the audit firm in China.

After each year end teams who have engaged with the auditor are asked to give feedback on the audit process to improve the effectiveness of both management and the external auditor. The Committee receives a summary of recommendations for improvement to financial reporting processes or internal controls, management's response to those recommendations and progress made against prior year recommendations.

In the course of the Committee meetings throughout the year, the Committee is able to observe relationships between management and the external auditor and can gain a sense of the working environment and culture of the teams. The Committee considers the approach and mindset of the external audit team through observing how they challenge aspects of the Group's internal controls, and how they respond to queries and feedback from the Committee, Directors and management themselves. The Committee also considers, as part of the discussions both in meetings and around topics outside of formal meeting engagement, the depth of knowledge of the external auditors and their understanding of the business of RHI Magnesita, as well as the read across and broader knowledge they can bring from their depth and breadth of experience with industrial manufacturing companies.

The Committee observed challenge by the external auditor of management on matters relating to treatment of carbon off-sets, impairment of non-current assets, segregation of duties, and goodwill. In each case the challenge was considered, and a resolution on the approach was found which, the Committee feels, improved the standard of reporting to the Company's stakeholders and will be taken forward to improve management's processes. The actions suggested by the external auditor are tracked by the Internal Audit function and progressed with leadership from the EMT.

How the Committee assessed the audit fees

The Committee reviews the fee structure, resourcing, and terms of engagement for the external auditor once a year. In addition, it reviews the non-audit services that the auditor provides to the Group half-yearly. As part of this review, the Committee considers the size of the Group, the number and location of subsidiaries, the complexity of the businesses being audited with respect to products, customers and regulation, and their own experience of auditor fees at different companies.

In 2024, additional fees were incurred with PwC, arising from their engagement to provide limited assurance under CSRD.

How the auditor's independence and objectivity were assessed

The Committee considers the reappointment of the external auditor each year in order to make a recommendation to the Board. The Committee assesses the independence and objectivity of the external auditor on an ongoing basis, taking into account various aspects such as the assurances provided by the external auditor and the level of non-audit fees, input from the management on their perception of the working relationship, private meetings with the external auditor, as well as regular check-ins between the Chair of the Committee and the lead audit partner.

Furthermore, the external auditor is required to rotate the lead partner every five years and other senior staff every five to seven years. The lead partner, Antoine Westerman, was appointed to the audit in 2022.

The Committee reviews updates to the Company's external auditor independence policy as they arise from related standards and regulatory requirements. A report of compliance is provided annually. In 2024 the Committee questioned the external auditor on its ability to conduct the Group audit in China following the restriction imposed by Chinese authorities in China. The external auditor confirmed that PwC China has a restriction in connection with statutory audit activities in China and not in relation to Group audit reporting activities.

Recommendation to reappoint

In consideration of all the above, the Committee agreed to recommend the reappointment of the external auditor to the Board for inclusion as an item at the 2025 AGM.

Audit tender

Under Dutch law, firm rotation is required after 10 years of service. PwC's expected last year of audit service is the year ending 31 December 2026. The Committee commenced competitive audit tender process during 2024 in order to ensure sufficient time for an orderly transition in the course of 2026. The Company invited large accounting firms and 'challenger' firms to participate in the tender to ensure fair competition amongst audit service providers. It is expected that the tender activities will be completed by end of 2025 and the Committee is ensuring the tender is conducted in accordance with the FRC's Audit Committees and the External Audit: Minimum Standard.

Other matters:

Tax

Management provided the Committee with general updates on the Group's tax position and more specifically on (i) the first year of OECD Global Minimum Tax ('Pillar 2') reporting in 2024, (ii) the successful negotiation of certain tax benefits with the Minas Gerais State (in Brazil) tax authorities, and (iii) the non-standard interpretation of the OECD transfer pricing rules by the Brazilian tax authorities, highlighting the risk of double taxation for the Group.

Information security risks

The Committee continued to focus on information security risks, particularly as specified in the DCGC. Cyber and information security risk is included as one of the Group's principal risks on pages 54 to 63. The Committee received presentations on the emerging risks and the associated internal controls. The Committee focused attention on the changes in the security controls. The Committee was also informed of RHI Magnesita's approach to assess and mitigate emerging risks from the usage of Artificial Intelligence, alongside the ongoing activities to further increase cyber-security awareness in the Group to implement cyber-secure behaviour.

Treasury and Pensions

The Committee receives regular overview of the Group's capital structure and liquidity planning, as well as the Group's risk management and hedging strategies for interest rates, foreign exchange, and commodities exposures. The Committee reviewed the results and the proposed strategies and agreed that the current Treasury Policy remains appropriate and with suitable delegation of authority levels. The Committee was also presented with the annual Insurance and Pensions performance review and strategy outlook. The Committee noted that the Group's captive insurance company continued to perform as expected and deliver significant financial benefit. The Committee also noted that management was undertaking an updated analysis of legacy Defined Benefit Pension liabilities, including funding status and options for further external transfer of liabilities, and would report findings back to the Committee during 2025.

Site visit during the year

In April 2024, the Directors of the Board conducted a week-long visit to sites in India and a Committee meeting took place in the course of the trip. Key areas of discussion during the site visit included Indian corporate governance and listing regime, the status of various compliance initiatives, regional P&L oversight, revenue ambitions for the region, the structure and culture of the local finance team, and the initiatives they were focusing on such as return on invested capital, and the synergies realised on recent assets acquired. The Committee benefitted from meeting the listed Indian entity audit committee members, Regional President, the recently appointed Regional CFO and key members of the regional leadership team, as well as stakeholders from the wider employee population and customers of the Group. More details on the Board site visit are provided on page 189.

Regulatory & Governance developments

Following the publication of the UK Corporate Governance Code 2024, management have been regularly updating the Committee on the progress and timeline to address the material internal control effectiveness review under Provision 29 and the Committee has given guidance on what they expect to see, with respect to the business's main areas of risk and based on their engagement with the FRC on the new Code.

The Committee continued to consider legal obligations and various reporting frameworks in particular the Corporate Sustainability Reporting Directive ("CSRD"), especially noting the status of adoption in various EU member states, and the relevant actions of management to manage the Group's compliance in an effective and efficient manner. The Committee challenge management on the number and materiality of data points to establish a streamlined reporting process for future periods.

The Committee received an update on the Company's assessment of the impact of the EU's Network and Information Security Directive (NIS 2), a currently draft regulation, which is aimed at enhancing cyber-security and ensuring that all key services are safeguarded against evolving digital threats and vulnerabilities. Whilst the Group is not directly affected by NIS 2 it is anticipated there may be necessary changes to meet the expectations of customers, being part of their supply chain. Management advised of the workstream to build a NIS 2 compatible reference structure which maps these existing controls, so any requests can be answered quickly and thoroughly. Management agreed to include this in the scope of the annual external audit.

Disclosure Committee

The Disclosure Committee, chaired by the CFO, ensures compliance with the EU Market Abuse Regime. It shares the minutes and matters considered with the Committee on an ongoing basis to provide transparency of matters considered by the management to keep the Company compliant with its disclosure requirements.

Committee performance

As part of the overall Board performance review of 2023, it was noted that the Committee performed strongly, through substantial discussions, debates and challenges. It had worked well and effectively, supporting the Board in its oversight with a focused remit and excellent quality of discussion. For the future, it was considered that the Committee could focus its oversight on the risks of the ongoing key strategic transformational projects and on strengthening interactions with the Corporate Sustainability Committee particularly in respect the supervision and reporting of non-financial metrics.

As outlined on page 201, the 2024 review is ongoing at the time of publication of this report and will be reported on in full next year.

Contact with regulators

The Committee, and the Board, noted the letter received from the AFM, the Dutch regulator, outlining their recommendations to Dutch companies to comply with the EU's CSRD. As mentioned below, the Committee considered certain regulatory aspects of sustainability reporting as part of a joint committee meeting with the CSC, in order to assess the risk and impact to the Company. For more detail on the Company's assurance and compliance with CSRD, please see the Sustainability Statement.

The Committee also considered findings by the AFM from a review of PwC's audit work for improvements to tagging of the Annual Report & Accounts per the European Single Electronic Format regulations and noted the planned improvements.

Joint Committee meetings

As in prior years, the Committee held a joint meeting with the CSC (the "Joint Committee") to consider shared scope matters. The Joint Committee was provided with an update on risks and the materiality assessment per the EU's Corporate Sustainability Reporting Directive, as well as a regulatory update covering key areas of ESG legislation which would affect disclosure requirements and sustainability data collection and analysis.

The Joint Committee approved management's recommendation to appoint PwC to perform the limited assurance review of the Group's Sustainability Statement in 2024.

John Ramsay
Chair, Audit & Compliance Committee

Remuneration Committee report

Janet Ashdown
Chair of the Committee

"Management are incentivised to improve the business's long-term foundations to deliver sustainable success for our shareholders."

Committee members and meeting attendance

Member	Attendance in 2024	Member since
Janet Ashdown (Chair)	4/4	October 2020
Karl Sevelda	4/4	October 2017
Jann Brown	4/4	December 2022

Current Committee membership and operation

All Committee members are Independent NEDs within the meaning of the UK and Dutch Corporate Governance Codes. The Company Secretary is the secretary to the Committee. Other individuals, such as the Chair of the Board, the CFO, the EMT member responsible for People, and external professional advisers may be invited to attend meetings as and when appropriate, whilst ensuring no individual is involved in discussions regarding their own remuneration. The Committee meets at least three times a year and at such other times as the Chair of the Committee shall require or as the Board may direct.

Committee purpose, roles and responsibilities

The Committee's purpose is to develop a reward package for Executive Directors, Executive Management (EMT) and senior managers that supports the delivery of our vision and strategy as a Group, and to ensure the rewards are performance based, encourage long-term shareholder value creation, and take account of the remuneration of the whole workforce. In addition, the Committee also reviews and sets the fee for the Chair of the Board.

You can find the Committee Terms of Reference here on **our website**.

Activities in 2024

The Committee met four times in 2024, and its activities included:

- Consideration and approval of the outturn of the Annual Bonus 2023.
- Consideration and approval of the vesting of the Long Term Incentive Plan (LTIP) 2021.
- Oversight of the Company performance against targets of in-flight LTIP awards.
- Review and determination of the 2024 Annual Bonus and LTIP performance conditions and targets.
- Review of the remuneration of the Executive Directors, EMT, and senior management within the context of workforce remuneration, roles performed, Company and individual performance and the external market.
- Review of the fee for the Chair of the Board.
- Overview of Directors' shareholdings and report on compliance with share ownership guidelines.
- Consideration of any changes arising to the Committee governance from the revised UK and Dutch Corporate Governance codes.
- Consideration of market practice and new proxy agency remuneration guidelines and principles and how this might apply to RHI Magnesita.
- Review of shareholder feedback and finalisation of the Remuneration Policy for 2024–2027, which was approved by shareholders at the 2024 AGM.
- Overview of the incentivisation and remuneration of the Group's wider workforce, considering its alignment with Company strategy.
- Review of the tender for remuneration advice services and consideration of the recommendation of the tender panel.
- Appointment of Willis Towers Watson ("WTW") as the new advisors to the Committee.

Dear Shareholders,

On behalf of the Board, I present our 2024 Directors' Remuneration Report. This report includes my letter to the shareholders and our Annual Report on Remuneration for the year ending 31 December 2024.

RHI Magnesita's performance during 2024

RHI Magnesita has performed well to deliver robust financial performance, along with progress on key strategic initiatives, despite the difficult conditions in our key end markets which has ultimately impacted the ability of the Group to deliver against certain financial metrics. The Group is benefitting from strategic investments made to reduce the cost base and cost of manufacturing, together with improved planning and careful management of Group assets through ongoing difficult market conditions. The Directors of the Board commend the EMT for their operational focus and the significant work undertaken to improve the foundations of the business through initiatives to improve H&S performance, plant operational processes and the preparatory work to upgrade ERP systems. This work is ongoing and is designed to improve the business's long-term foundations to deliver sustainable success for our shareholders and meet our customer expectations and needs. You can read more about this in the Chair's Statement on pages 2 to 4.

Despite the difficult trading environment the Group recorded an Adjusted EBITDA of €543 million, revenues of €3,487 million and Adjusted operating cash flows of €419 million for FY 2024. These financial results have enabled the proposal for a full-year dividend payment of €1.80 per share in respect of FY 2024. It has been within this context that the Committee has considered the incentives outcomes and overall remuneration for 2024. The ongoing, challenging outlook for 2025 to 2027 has been considered when setting the performance conditions and targets for the 2025 annual bonus and LTIP awards.

Executive Directors' remuneration 2024

Set out below is an overview of remuneration for 2024 with further details available in the Annual Report on Remuneration.

Salary and benefits

Executive Director salaries increased by 6% from January 2024, below the year-on-year salary increase for the wider Austrian workforce of an average of 7%.

Annual bonus plan

Our Executive Directors' maximum annual bonus opportunity remained at 150% of salary with performance assessed against Adjusted EBITA (45%), Adjusted operating cash flow ("OCF") (25%) and Strategic Initiatives (30%). As noted above, management delivered solid results in challenging market conditions, meeting the OCF target and most of the targets under the Strategic Initiatives metric. Our EBITA performance was robust, particularly given headwinds over the course of the year. Under the 2024 Annual Bonus, management were incentivised to deliver cash generation through OCF, which replaced inventory coverage, and OCF has been exemplary, supporting the longer-term growth in value of the business, in alignment with shareholder interests.

Exceptional progress was also made against our strategic objectives; after achieving the 2025 target of 10% for the use of secondary raw materials in 2023, management have continued to exceed the target for the use of secondary raw materials and are on track to meet the revised 15% target in 2025. We are proud to lead the way in the refractory industry in this arena and see it as a key strategic deliverable for the business to develop future solutions which are aligned to the Group's sustainability strategy and deliver financial performance. PIFOT was introduced as a strategic initiative in 2023 and since then there has been strong focus and improvement to the maximum level of the target range. The other strategic initiative in the 2024 Annual Bonus relates to the measurement of defined significant strategic projects. The measurement was defined via a scorecard which is part of the internal steering and tracking of the projects, and covers alignment to scope, delivery on time and cost management. Whilst this strategic initiative was not delivered to the target it was met in excess of the threshold and the Committee sees this performance as reflective of the difficulty of delivering such complex and transformational projects and the stretch which has been embedded in the targets.

Further details of the performance against the 2024 targets can be found on page 223.

As referred to earlier in this Annual Report there have been two fatalities in the business in 2024, one in February and one in June. We were extremely saddened by these, especially given the immediate work which had commenced in early 2024 to improve the Group's H&S standards and performance. The investigations of each incident with local authorities and RHI Magnesita's own specialist review, with support from dss+ (a leading consultancy, focusing on safety), found that the business had not been at fault, nonetheless immediate steps were taken to implement different protective technologies to prevent such situations being able to occur again. The resolve of management and the Board to see a material upgrade in the business's H&S has never been firmer. This work has continued apace with significant involvement from the CEO and his team to embed it throughout the organisation. You can read more about this work on page 29.

In our 2023 report, we advised that the Committee would consider such events when deciding on remuneration outcomes and we reported the establishment of a Health & Safety Fund to which the EMT contributed a portion of their bonus.

The Committee and the EMT have agreed that 2% of the formulaic bonus outcome for 2024 will be contributed to the Health & Safety Fund. This amount will be deducted prior to payment of bonuses and added to the fund. The level contributed reflects the nature of the accidents in 2024 which were outside of the scope of management to influence and which occurred despite the work done since 2023 and despite investigations finding that there were effective controls in place. You can read more about the Health & Safety Fund on page 5.

The Committee reviewed the formulaic outcome of the annual bonus and noted the strong performance achieved during the year, despite the extremely challenging economic environment and as such, recommended to the Board that bonuses should be paid with no adjustments, aside from the contribution to the Health & Safety Fund described above, at 63% of maximum.

Long-Term Incentive Plan ("LTIP")

The 2021 LTIP Award vested on 18 March 2024 at 62% of maximum. The metrics were adjusted earnings per share ("EPS") (50%), total shareholder return ("TSR") (25%) and use of secondary raw material ("SRM") (25%). The outturn against SRM was at maximum vesting of 100% (measured against performance to 31 December 2023) whilst the EPS metric vested at 74% (measured against performance to 31 December 2023). The TSR element was tested shortly following the end of the performance period on 14 March 2024[1], with zero vesting of this element.

The 2022 LTIP Award was assessed against Adjusted EPS (50%), absolute TSR (25%) and the reduction of CO_2 emissions against 2018 baseline (CO_2) (25%). The EPS and CO_2 targets were measured over three financial years to 31 December 2024, whereas the TSR performance period will end on the third anniversary of the date of grant in March 2025.

In respect of EPS performance, the Group achieved € 15.21 p/s against a target of € 16.50 p/s and thus 23% of this portion vested. The Group achieved a significant reduction in CO_2 emissions per tonne against the 2018 baseline and thus this portion vested at 100% of maximum. It is anticipated that the TSR vesting level will be c.6% of the total award. The actual TSR performance and the corresponding vesting level will be disclosed in the 2025 Directors' Remuneration Report. Overall, on an indicative formulaic basis, the 2022 LTIP award is projected to vest at c.54.25% of maximum.

The Committee carefully reviewed the overall formulaic vesting outcome of both the 2021 and 2022 LTIP awards in the context of the Group's underlying financial performance and the experience of shareholders, including share price and TSR performance. The Committee was also mindful of our commitment to take into account the potential for 'windfall gains' in relation to the final vesting outcome.

1. The 2023 Remuneration Report provided indicative vesting.

When determining this, the Committee considered a number of internal and external reference points, including the nil vesting of the TSR portion of the 2021 award, the share price used to determine previous LTIP awards, and macroeconomic factors influencing the Group's share price. After careful consideration, the Committee determined that the formulaic outcome of both the 2021 and 2022 awards was fair and appropriate in the context of overarching business performance and the shareholder experience. The Committee is comfortable that the Policy operated as intended during the year and that there were no deviations from the Policy or decision making process required for any exceptional circumstances.

Implementation of the Remuneration Policy for 2025

Base salaries

The base salaries of the CEO and CFO have been increased by 3% with effect from 1 January 2025. This is below the average employee salary increase in Austria of 4.8%.

Annual Bonus 2025

The maximum bonus opportunity for 2025 is unchanged at 150% of salary for Executive Directors. The targets for the Annual Bonus are set out on page 229 to the extent they are not commercially sensitive.

In line with the approach in 2024, the Annual Bonus for 2025 will continue to be based on the same metrics albeit with slightly more weighting given to strategic initiatives, given their fundamental value to the baseline operations and reduction of costs, establishing the Group's performance for the future. As such, the Annual Bonus performance areas and their weighting are adjusted EBITA (40%), strategic initiatives (35%) and OCF (25%).

The Committee continues to see adjusted EBITA as a critical performance measure for the profitability of the Group, without which delivery of the RHI Magnesita strategy would not be possible. OCF remains a key measure for the business as generating cash flows enable dividend payments and investment in business improvements and/or expansion.

The strategic element of the Annual Bonus in 2025 will be focused on use of Secondary Raw Materials, as RHI Magnesita enters the final year in which to meet its target of 15% by 2025. Management have consistently performed well against this target and it remains a key strategic pillar to deliver the desired commercial performance. The 2023 and 2024 Annual Bonuses have included PIFOT which the Committee has been pleased to see has delivered a c.15% improvement from 2022's baseline resulting in clear improvements for our customer outcomes and our cost management. With this improvement, which is embedded now in business processes, the Committee sees the benefit in ensuring management's focus is directed to other areas, and has given greater weighting to the key strategic initiatives which were included in 2024 Annual Bonus. As mentioned earlier in this letter, these are enablers for the Group's future success.

2025 LTIP

The CEO and CFO's LTIP awards for 2025 remain unchanged at 200% and 150% of salary, respectively. The performance conditions for the LTIP awards are set out on pages 223 to 225.

When setting the 2025 LTIP performance targets, the Committee decided to continue with the same performance conditions as in 2024 to ensure consistency and progress over long-term measures.

In respect of the CO_2 emission reduction targets, given its importance to the Group, it was agreed to re-baseline this metric to the emissions of FY 2024 to align with the Group's published 2030 targets and refocus performance on a more immediate time-horizon in order to reach the planned 10% intensity reduction from 2024's baseline by 2030. The 2027 LTIP target reflects the expectation that reductions in emissions will be more substantial in the later years of this range, influenced by external factors such as local government initiatives and R&D developments, with groundwork required by management over this performance period to deliver the longer-term goal. The Committee also considered that the landscape for the calculation of CO_2 emissions has changed substantially since 2018, given M&A and network footprint changes, making the methodology quite complex over a range of six years.

How our remuneration practices and performance measures support our strategy

Metrics	Strategic Pillar — Market Leadership	Strategic Pillar — Enhance Business Model	Strategic Pillar — Execute Cost Reductions	Explanation of measurement or location in this Annual Report of the explanation
Element of reward: Bonus				
Profit				See page 325 for Adjusted EBITA. This metric is currently used.
Adjusted Operating Cash Flow				Adjusted operating cash flow is calculated by taking adjusted EBITDA plus changes in working capital and in other assets/ liabilities minus capex spend. This metric is currently used.
Use of Secondary Raw Materials				See page 23. This metric is currently used.
Strategic initiatives				This metric is currently used and comprises various initiatives which change over time and currently cover digitalisation, operational improvement, and complexity reduction. Details of these are provided on pages 16 and 17. One is PIFOT — a measure which checks the delivery against customer promise and internal process adherence. It measures two dimensions in one metric i.e., shipping as per our ex-work date on-time and in full and execution of the customer order fulfilment process as per the process against a customer sales order line). It is calculated as (Number of sales order lines with deliveries issued in full or before confirmed customer ex-work date) ÷ (Total sales order lines), as well as the use of secondary raw materials and reducing conversion costs.
Element of reward: LTIP				
Earnings Per Share				See page 325. This metric is currently used.
Total Shareholder Return				A measure of share price appreciation plus dividends. This is calculated by the change in the Net Return Index for a company (as calculated by reference to Datastream or such other independent financial information provider) expressed as a percentage over the Performance Period calculated by reference to an agreed formula based on a two month average at the commencement and end of the three-year performance period. This metric is currently used.
ROIC				See page 326. For the LTIP 2024 performance condition, as outlined above, this will be taken as an average of 2025 and 2026. This metric is currently used.
Use of Secondary Raw Materials				See page 23. This metric was used in the 2021 LTIP before it became an annual bonus metric.
Reduction of CO_2 emissions				See page 22. This metric is currently used.

Read more about our strategy
Pages 12 & 13

As with the 2024 award, the EPS targets set as part of the 2025 award are stretching and require improvement at all levels of vesting and require strong improvement in the macro environment and business performance by 2027.

ROIC targets set for the 2024 award have shown themselves to be stretching and management are working to meet their commitment to these, which is to some extent outside of the control-span of internal factors, whilst managing substantial business transformation. The Committee have therefore set the ROIC targets for 2025 at the same level as 2024 in respect of the average ROIC for the last two years of the three-year performance period (being 2026 and 2027) to reflect this challenge. These targets require significant stretch for vesting across the range of targets over a period of significant uncertainty in the global macroeconomic outlook which is expected to impact the Group's ROIC. The threshold vesting point of 10.2% is above the 2024 ROIC of 9.8%. The performance period considers the projected growth rates in many of our markets and stretches across an outlook of prolonged depressed raw material prices which will impact the Group backward integration margin and thus the ROIC. The targets set will continue management's focus on returns from all invested capital from M&A, expended in the period from 2021 to early 2025, and other factors in their control such as cost savings from efficiencies to set the business up for future success. You can read more about the business outlook on page 43.

Investors should note that the Committee has the discretion to adjust the formulaic outcome of incentives and that, as part of its considerations, in determining whether it should exercise discretion, the Committee will have regard, among other matters, to the Group's TSR over the performance period of these awards.

Assurance of non-financial metrics

The Committee is comfortable that the non-financial targets in the LTIP and the annual bonus are material and stretching for the business and underpin the business's strategy in delivering commercial outcomes in the long-term through a reduction of costs and an increase in options for customers to reduce their impact on the environment. In deciding upon the targets, we receive data on the progress in these areas to date and the expected development in the coming years to reach the overall strategy. As Chair of both the Remuneration Committee and the Corporate Sustainability Committee, there is sufficient connection between the two committees to ensure oversight and alignment of progress of the sustainability activities. The targets set are quantifiable, based on regularly reported operational and management information and CO_2 emissions intensity in the target scope are assured by an independent third party. Furthermore, RHI Magnesita has ensured third-party assurance of its sustainability data over 2022 and 2023, receiving a certificate of limited assurance from Deloitte Austria. In compliance with the Corporate Sustainability Reporting Directive, PwC has provided limited assurance on our Sustainability Statement for 2024, thus, as a Committee we feel very comfortable with the oversight and assurance on these KPIs as well as their alignment to the Group's strategic approach.

Engagement with the workforce

The Board keeps up to date with the current views of our workforce through a combination of engagement methods across multiple channels at different levels of our organisation. These include townhalls, webcasts and direct engagement as part of site visits and meetings. In 2024, the Board visited several plants and offices in India in April 2024, as well as other visits to the Netherlands, Germany, Türkiye and Austria, where Directors took the opportunity to engage with employees across the Company on a number of topics relevant to our strategy and business operations. The Board also met with the incoming trainees in November 2024 and enjoyed the opportunity to hear about their motivations for joining the Group and aspirations. Jann Brown and I were also delighted to play a part in the launch of RHI Magnesita's global mentoring programme to develop female talent in the organisation in 2024 and will continue to be a part of this programme with other Directors. You can read more about employee engagement on pages 28 to 30.

Basis of presentation

This Remuneration Report is presented on the basis that RHI Magnesita has compliance obligations across three main corporate regulatory geographies, UK, Netherlands and Austria and, recognising transparency of reporting, includes certain voluntary disclosures for example, those that apply to UK incorporated companies and which are followed by RHI Magnesita, where practicable, to align to market practice. You can read more about our Corporate Governance compliance with the UK and Dutch corporate governance codes on page 197. This letter on pages 213 to 216 and the Annual Report on Remuneration on pages 220 to 230 will be presented for approval as an advisory vote at our May 2025 AGM.

Our conversations with our shareholders

Ahead of the 2024 AGM, I engaged with our largest shareholders as well as Institutional Shareholder Services, the UK Investment Association and Glass Lewis, to understand their views on our proposed new Policy and its implementation in FY 2024. Based on the feedback received, and the votes cast of 97.22% at the 2024 AGM, we can see shareholders were supportive of the changes proposed and I am grateful for their engagement.

As outlined in the Corporate Governance report on pages 183 to 199, we are reporting partial compliance with Provisions 40 and 41 of the UK Corporate Governance Code on Remuneration. We explain our partial compliance in the Corporate Governance report and will continue to keep our practices under review in respect of these provisions. Shareholders will note we have addressed compliance with Provision 36 as part of our Policy review and the introduction of a post-employment shareholding Policy.

We hope you find this report informative and we remain open to dialogue with you on remuneration matters. At the 2025 AGM, shareholders will be asked to vote on the Directors' Remuneration Report and I hope that the Committee will have your support. On behalf of the Committee, I would like to thank shareholders for their input and engagement in the year, and we welcome any comments you may have on this report.

Janet Ashdown
Chair, Remuneration Committee

Operation of policy

At a glance: Operation of Remuneration Policy for the financial year ending 31 December 2024

Policy element	Implementation
Annual Base salary from 1 January 2024	CEO — €1,211,200 CFO — €708,000
% increase from prior year	6%[1]
Retirement allowance	Allowance of 15% of base salary
Annual bonus	Up to 150% of base salary
Annual bonus metrics	Adjusted EBITA (45%), Adjusted operating cash flow (25%) and strategic initiatives (30%). The strategic initiatives were equally weighted across PIFOT improvement, Use of SRM and the performance of critical business projects.
Amount paid for threshold performance	25% of maximum annual bonus
Amount paid for target performance	50% of maximum annual bonus
Actual bonus result for 2024 performance	61% of maximum (€1,211,945[3] for the CEO and €656,411[3] for the CFO).
Payment of bonus in shares	50% of annual bonus in excess of target after tax is used by the Executive Directors to acquire shares that are held for a minimum of three years.
LTIP award	CEO — 200% of salary CFO — 150% of salary
LTIP metrics	50% of the award: Adjusted EPS (cumulative for the three-year performance period) 25% of the award: ROIC (average of the final two years of the award, 2025 and 2026) 25% of the award: Reduce CO_2 emissions per tonne
Payment for threshold performance	25%
2022 LTIP vesting	54.25% of maximum vesting[2]
Performance and post-vesting holding periods	Three years and two years respectively
Malus and clawback	Malus applies to the period prior to vesting for LTIP awards and payment of the annual bonus. Clawback applies to cash bonus and LTIP awards for a period of three years following the date of vesting and three years following any cash payment.
Dividends on vested awards	Participants are eligible for dividend equivalents on performance shares awarded under the LTIP.
Shareholding requirement	200% of base salary to be met within five years
Shareholding as % of salary at 2024 year-end	CEO — 351% CFO — 292%

1. Salary increases are 6% rounded down to the nearest 100.
2. The performance period for the TSR element of the award was not complete at the time of writing and so the level of vesting provided is estimated. The actual vesting level will be provided in the 2025 Directors' Remuneration Report.
3. 2% of formulaic outcome of the 2024 bonus was contributed to the Health & Safety Fund. Prior to the contribution, the bonus outturn for 2024 was 63% of maximum (€1,145,862 and €669,807 respectively).

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Directors' Remuneration Policy

RHI Magnesita's Directors' Remuneration Policy was presented to shareholders at the May 2024 AGM and was approved by shareholders with 97.22%. The Policy is effective from 1 January 2024 and will operate for the three-year period to 1 January 2027. You can find the Directors' Remuneration Policy ("the Policy") on **our website**. No changes have been made to the Policy since its approval.

Decision making process for determination, review and implementation of the Policy

The Committee follows the process set out below when reviewing the Policy and its operation:

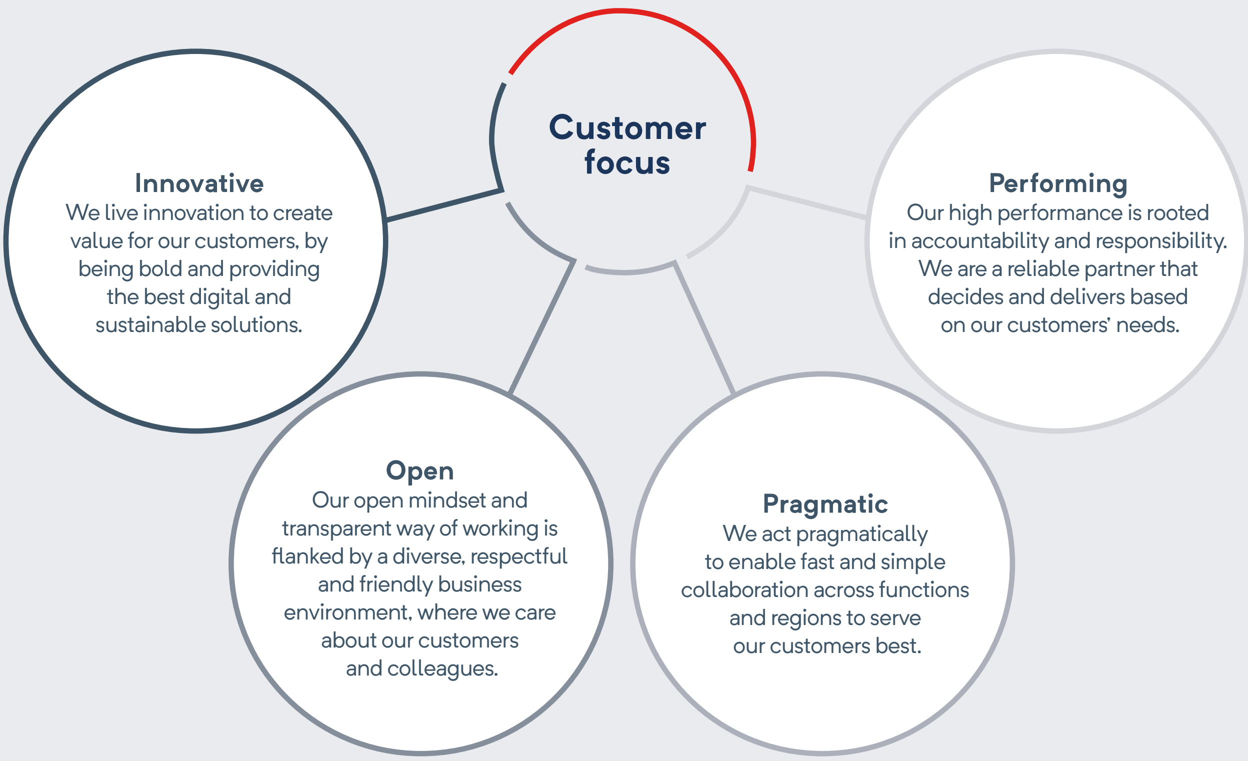
- The Committee reviews the Policy and operation of Policy, in light of the business and remuneration strategy, to ensure it continues to support and is aligned to business and remuneration strategy and considers whether any changes are required.
- The Committee considers market and governance developments (including the UK and Dutch Corporate Governance Codes and regulations) as well as wider pay context, such as pay ratios and Group reward arrangements.
- The Committee considers the guidelines of shareholder representative bodies and proxy agencies and investor expectations.
- The Committee consults with shareholders and considers their feedback as well as those of the workforce as a result of review by our Employee Representative Directors.

Alignment of the Policy to RHI Magnesita's values, mission, and long-term value creation

The Policy is aligned to and supports our cultural values which are set out below:

RHI Magnesita views itself as the driving force of the refractory industry, taking innovation to 1200°C and beyond. Achieving our mission requires high-performing senior management and the Policy is designed to motivate them to perform to a high standard and reach the stretching goals set. In addition, the remuneration arrangements for the Executive Directors contribute to long-term value creation by:

- providing a fair and appropriate level of fixed remuneration that does not result in overreliance on variable pay and undue risk-taking, thereby encouraging the executives to focus on sustained long-term value creation;
- providing a balance of short- and long-term incentives to ensure there is focus on short-term objectives that will over time build to create long-term value creation as well as long-term goals;



- requiring executives to acquire and retain shares in the Company;
- offering long-term incentives where the reward is delivered in shares which aligns executives to shareholder interests and value, as well as the performance of the Company over the longer term;
- requiring performance measures in our long-term incentives to be measured over the longer term and for shares to be held post-vesting for a further two-year period; and
- incorporating metrics focused on long-term shareholder value, such as return on invested capital and reduction of both our and our customers' carbon emissions through the increased use of secondary raw materials.

Remuneration scenarios for Executive Directors

The Policy provides that a significant proportion of remuneration is determined by Group performance. The graph below illustrates how the total pay opportunities vary under four different performance scenarios: minimum, target, maximum and maximum assuming a share price appreciation of 50% for the LTIP award during the performance period.

Assumptions

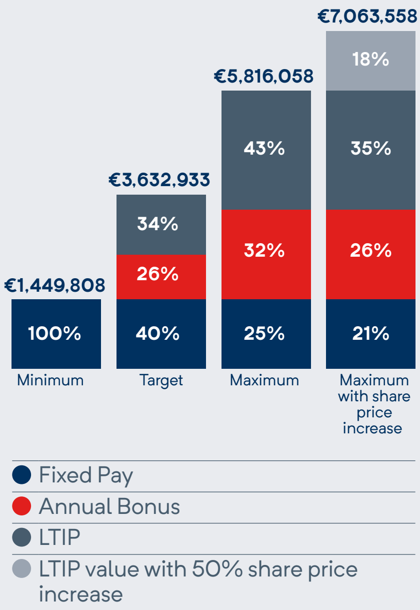
Minimum: Fixed pay only (base salary, pension and benefits, excluding relocation benefits).

Target: Fixed pay plus 50% of 2024 maximum annual bonus opportunity for the CEO and CFO with 50% vesting of the 2024 LTIP award.

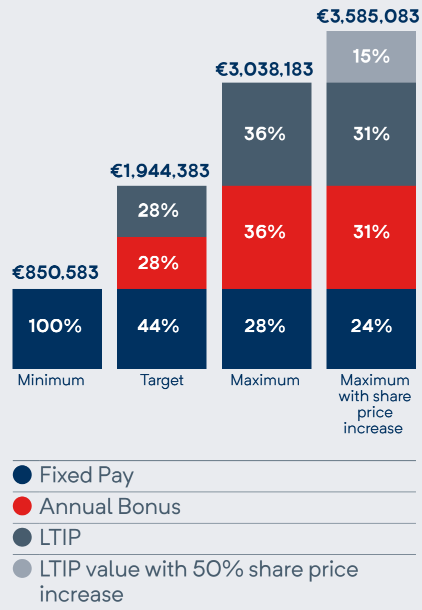
Maximum: Fixed pay plus maximum annual bonus opportunity and 100% vesting of 2024 LTIP award.

Maximum with share price increase: Fixed pay plus maximum annual bonus opportunity and 100% vesting of 2024 LTIP award with an assumed share price appreciation of 50% for the LTIP award during the performance period.

Stefan Borgas
(CEO)



Ian Botha
(CFO)



As required under the Dutch Corporate Governance Code, scenario analysis was carried out as part of the formulation of the Policy and to establish that the Policy results in appropriate and fair levels of remuneration, including that the level and ratio of fixed to variable pay does not encourage inappropriate risk-taking or over-reliance on variable pay while ensuring there is sufficient alignment to investors, the long-term performance of the Company and development of the market value of the shares of the Company.

Malus & Clawback

The Committee may, at any time within three years from the date of LTIP awards vesting or payments under the annual bonus plan, determine that malus or clawback provisions may apply. Malus enables the Committee to reduce bonus or share awards (including to nil) before they vest. Clawback enables the Committee to reclaim shares acquired from share awards and/or bonuses paid including the cash value of shares and dividends.

The Committee can also operate clawback through the reduction, including to nil, of other awards held by the individual before they vest or bonus before it is paid. The provisions apply in the following circumstances: (i) material misstatement of the Company's financial results; (ii) an error in calculating the level of grant or level of vesting or payment; (iii) a failure of risk management including the liquidation of the Group; (iv) if the participant has been guilty of fraud or gross misconduct, or the Company has been brought into disrepute. The malus/clawback provisions as set out above do not limit Article 2:135 of the Dutch Civil Code.

In 2024, there was no application of any malus and clawback provisions for the executive directors.

Annual Report on Remuneration

The following section provides details of how the Company's Directors were paid during the financial year to 31 December 2024.

As a Dutch incorporated and UK and Austrian dual-listed company RHI Magnesita is required to comply with UK, Dutch and Austrian disclosure and reporting requirements, including the UK and Dutch Corporate Governance Codes. Our Remuneration Report is therefore presented on this basis and, recognising transparency of reporting, includes certain additional voluntary disclosures for example, those that apply to UK incorporated companies and which are followed by RHI Magnesita where practicable to align to market practice.

The Committee, together with the Board, has determined to provide certain voluntary disclosures recognising the importance of transparency of reporting and investor expectations as a UK listed company to comply with the UK Directors' Remuneration Reporting Regulations. This Annual Report is compiled on this basis.

The Remuneration Committee members (Janet Ashdown, Karl Sevelda and Jann Brown), activities and meetings during the year are set out on page 212, along with the Committee's purpose, roles and responsibilities and are thereby included in this part of the report by reference.

Single total figure table (audited)

The following table shows a single total figure of remuneration in respect of qualifying services for the 2024 financial year for each Executive and Non-Executive Director of the Company, together with comparative figures for 2023.

	Salary/fees		Taxable benefits[2]		Bonus	
Director[1]	2024[9]	2023	2024	2023	2024[8]	2023
Executive Directors						
Stefan Borgas	**€1,211,200**	€1,142,700	**€15,183**	€15,008	**€1,122,945**	€1,628,348
Ian Botha	**€708,000**	€668,000	**€12,003**	€308	**€656,411**	€951,900
Non-Executive Directors						
Herbert Cordt	**£318,458**	£261,700	**–**	–	**–**	–
John Ramsay	**£232,673**	£133,100	**–**	–	**–**	–
Janet Ashdown	**£132,043**	£118,300	**–**	–	**–**	–
David Schlaff	**£83,073**	£77,100	**–**	–	**–**	–
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg	**£92,513**	£82,900	**–**	–	**–**	–
Jann Brown	**£102,633**	£94,700	**–**	–	**–**	–
Karl Sevelda	**£98,708**	£91,700	**–**	–	**–**	–
Marie-Hélène Ametsreiter	**£98,782**	£88,700	**–**	–	**–**	–
Katarina Lindström[6]	**£85,000**	£19,275	**–**	–	**–**	–
Wolfgang Ruttenstorfer	**£92,852**	£85,900	**–**	–	**–**	–
Michael Schwarz[7]	**–**	–	**–**	–	**–**	–
Karin Garcia[7]	**–**	–	**–**	–	**–**	–
Martin Kowatsch[7]	**–**	–	**–**	–	**–**	–

1. All amounts are disclosed in the currencies in which the relevant elements of pay are set. Actual payment may be made in the currency where the recipient resides using the exchange rate at the time of payment.
2. Benefits in 2024 for Stefan Borgas comprise benefits of tax advice, private health insurance and car benefits. The benefits for Ian Botha included a car benefit and insured benefits.
3. Pension figures represent the 15% of salary cash allowance received by Executive Directors.
4. The increase in share price between grant and vesting is £6.24. As a result, the value attributable to share price appreciation based is £ 279,302 (€ 335,252) for Stefan Borgas and £ 122,448 (€ 146,976) for Ian Botha. Further details are set out on page 225. Value of shares based on a three-month average share price of £32.14 (€38.72) to 31 December 2024 and an exchange rate of 0.83. Grant share price was £25.90 (€31.23) with an exchange rate of 0.83.
5. The 2021 LTIP Award vested on 18 March 2024 at a closing price of £35.12 (€41.17). The grant share price was £48.28 and so there was a decrease in share price between grant and vesting of £13.16. As the share price at the time of grant is higher than the estimated share price on vesting, none of the value is attributable to share price appreciation. Further details are set out on page 223.
6. Katarina Lindström was nominated by the Board as a Non-Executive Director to be proposed to shareholders at the AGM 2024. She was nominated with effect from 30 September 2023 and received a pro-rated fee for 2023 from that date.
7. Employee Representative Directors do not receive additional remuneration for this role as they are remunerated as employees of the Group.
8. 2% of the 2024 bonus outcome was forgone by the CEO and CFO and paid into a Health & Safety fund, therefore the amount shown reflects the amount paid to the CEO and CFO.
9. Fees for 2024 take into account the contribution to the H&S fund as disclosed in the 2023 DRR and as agreed with the respective Directors.

No loans, advances or guarantees have been provided to any Director.

LTIP		Pension[3]		Total remuneration		Total fixed remuneration		Total variable remuneration	
2024[4]	2023[5]	2024	2023	2024	2023	2024	2023	2024	2023
€1,733,107	€1,281,947	**€181,679**	€171,405	**€4,264,114**	€4,239,408	**€1,408,062**	€1,329,113	**€2,856,052**	€2,910,295
€759,802	€562,052	**€106,199**	€100,200	**€2,242,415**	€2,282,460	**€826,202**	€768,508	**€1,416,213**	€1,513,952
–	–	**–**	–	**£318,458**	£261,700	**£318,458**	£261,700	**–**	–
–	–	**–**	–	**£232,673**	£133,100	**£232,673**	£133,100	**–**	–
–	–	**–**	–	**£132,043**	£118,300	**£132,043**	£118,300	**–**	–
–	–	**–**	–	**£83,073**	£77,100	**£83,073**	£77,100	**–**	–
–	–	**–**	–	**£92,513**	£82,900	**£92,513**	£82,900	**–**	–
–	–	**–**	–	**£102,633**	£94,700	**£102,633**	£94,700	**–**	–
–	–	**–**	–	**£98,708**	£91,700	**£98,708**	£91,700	**–**	–
–	–	**–**	–	**£98,782**	£88,700	**£98,782**	£88,700	**–**	–
–	–	**–**	–	**£85,000**	£19,275	**£85,000**	£19,275	**–**	–
–	–	**–**	–	**£92,852**	£85,900	**£92,852**	£85,900	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–

Other arrangements

No remuneration has been granted and allocated by subsidiaries or other companies whose financials are consolidated by RHI Magnesita, since all members of the Board are paid directly by RHI Magnesita NV. No personal loans have been granted to the members of the Board and no guarantees or the like have been granted in favour of any of the members of the Board. No severance payments were granted to members of the Board in 2024 and no variable remuneration has been clawed back.

Statement of Directors' shareholding and share interests (audited)

Under the share ownership requirements set out in the Directors' Remuneration Policy, the Executive Directors are normally required to build and maintain over five years a shareholding equivalent to at least 200% of salary.

At the 2024 year-end, the Executive Directors each held shares in the Company as detailed below. Shares are valued using the Company's closing market share price on 30 December 2024 of £32.60 (converted to Euro using FX rate of 0.82 to = €39.39).

The table below shows how each Director complies with the shareholding guidelines on 31 December 2024:

				Options[5]						
	Shares held at 31 December 2023[2]	Shares held at 31 December 2024[2]	Shares held by connected persons	Unvested and not subject to performance conditions	Unvested and subject to performance conditions[7]	Vested but unexercised	Exercised during the year[6]	Shareholding requirement (% of salary)	Current shareholding (% of salary)[1]	Requirement met?
Executive Directors										
Stefan Borgas	**74,392**	**108,125**	1,150	–	205,296	–	30,000	200%	351%	Yes
Ian Botha	**40,623**	**52,469**	–	–	90,005	–	12,435	200%	292%	Yes
Non-Executive Directors										
Herbert Cordt	350,000	**350,000**	–	–	–	–	–	N/A	N/A	N/A
John Ramsay	4,890	**4,890**	–	–	–	–	–	N/A	N/A	N/A
Janet Ashdown	–	–	–	–	–	–	–	N/A	N/A	N/A
David Schlaff[3]	–	–	–	–	–	–	–	N/A	N/A	N/A
Stanislaus Prinz zu Sayn-Wittgenstein -Berleburg[4]	3,160,183	**3,160,183**	–	–	–	–	–	N/A	N/A	N/A
Jann Brown			–	–	–	–	–	N/A	N/A	N/A
Karl Sevelda	2,000	**2,000**	–	–	–	–	–	N/A	N/A	N/A
Marie-Hélène Ametsreiter	–	–	–	–	–	–	–	N/A	N/A	N/A
Sigalia Heifetz	–	–	–	–	–	–	–	N/A	N/A	N/A
Wolfgang Ruttenstorfer	–	–	–	–	–	–	–	N/A	N/A	N/A
Karin Garcia	–	–	–	–	–	–	–	N/A	N/A	N/A
Martin Kowatsch	1,223	**1,223**	–	–	–	–	–	N/A	N/A	N/A
Michael Schwarz	–	–	–	–	–	–	–	N/A	N/A	N/A

1. Shareholding determined using an FX rate of 0.82 for £ to € on 31 December 2024. This is then used to assess whether the shareholding requirement has been met.
2. Includes shareholdings of connected persons.
3. According to the latest disclosures by the shareholder in the AFM register, 13,333,340 shares are held directly by MSP Stiftung. MSP Stiftung is a foundation under Liechtenstein law, whose founder is Mag. Martin Schlaff a related party connected to David Schlaff.
4. According to the AFM register, Ms. E. Prinzessin zu Sayn-Wittgenstein Berleburg, who is a related party and person connected to Stanislaus Prinz zu Sayn-Wittgenstein Berleburg, holds these shares indirectly via Chestnut Beteiligungsgesellschaft mbH ("Chestnut") and via partial ownership of FEWI Beteiligungsgesellschaft mbH ("FEWI"). She holds a further holding of 126,076 shares held directly which is included in the above number. Furthermore, per the disclosures on page 195 she has an agreement with Mr. K.A. Winterstein which allows Chestnut to exercise the voting rights of Silver Beteiligungsgesellschaft mbH ("Silver") in the Company.
5. There are no unvested scheme interests in the form of shares.
6. Value realised by Stefan Borgas in the year from exercising awards granted under the LTIP 2021 was £1,053,600 (€1,235,100), based on a share price at the exercise date of £35.12 (€41.17), which was lower than the share price at the grant date of £41.38 (€48.28). Similarly, Ian Botha realised £479,458 (€562,052) from exercising awards under the LTIP 2021, also based on a share price of £35.12 (€41.17) at the time of exercise.
7. Unvested options and subject to performance conditions includes the inflight LTIP awards.

There were no changes in the Directors' shareholdings and share interests between the end of the year and 26 February 2025, being the latest possible date for the finalisation of this report.

Short-term incentives for Executive Directors

2024 Annual bonus performance against targets (audited)

The targets set for the annual bonus and performance against them are set out below.

Goal 2024 % KPI pay-out	Weighting	Threshold (25% of maximum)	Target (50% of maximum)	Max (100% of maximum)	Actual performance	Pay-out (% of max)[2]	Pay-out (% of salary)	Pay-out CEO	Pay-out CFO
Adjusted EBITA[1] €m (excluding 2024 completed M&As)	45%	399	430	461	407	31%	20.9%	€252,602	€147,657
Operating cash flow €m	25%	324	345	366	387	100%	37.5%	€454,200	€265,500
Strategic Initiatives	30%								
Big 6 Scorecard	10%	75%	90%	100%	85%	42%	6.3%	€75,700	€44,250
Recycling – use of SRM	10%	12.2%	12.9%	13.3%	14.2%	100%	15.0%	€181,680	€106,200
PIFOT	10%	€22m	12.9%	83.0%	87.7%	100%	15.0%	€181,680	€106,200
Sub-total	100%					63%	94.6%	€1,145,862	€669,807
Safety fund deduction (2%)						61%	92.7%	€22,917	€13,396
Bonus paid to Executive Directors after 2% payment to Health & Safety fund								€1,122,945	€656,411

1. Adjusted EBITA has been adjusted for FX as the bonus is determined on a constant currency basis.
2. The maximum CEO and CFO annual bonus in 2024 was 150% of salary.

The bonus earned is in excess of target and therefore the Executive Directors are required to acquire shares in the Company with 50% of the amount paid in excess of target (after tax) which will be held for a minimum period of three years, in line with the Policy. No further performance conditions apply.

Pensions and benefits (audited)

Benefits in 2024 for Stefan Borgas comprise benefits of tax advice, private health insurance and car benefits. The benefits for Ian Botha included a car benefit and insurance benefits.

Pension figures represent the 15% of salary cash allowance received by Executive Directors.

Long Term Incentives of Executive Directors

LTIP 2021 award (with vesting based on the performance periods ending 31 December 2023 (audited))

The satisfaction of the Company's LTIP awards to date have been completed using the shares the Company holds in treasury. You can find the details of these on page 195.

Executive	Grant date	Vest date	Number of shares granted	Number of shares to vest	Number of dividend equivalents[2]	Total value[1]
Stefan Borgas	15 March 2021	18 March 2024	43,579	27,018	4,119	€1,281,947
Ian Botha	15 March 2021	18 March 2024	19,107	11,846	1,806	€562,052

1. The value is based on the closing share price of 18 March 2024 on this date (£35.12) converted to €41.17.
2. Dividend equivalents is based on the number of dividends earned to 14 March 2024.

As disclosed in last year's report the performance period for the TSR element of the 2021 LTIP award ended on 14 March 2024 with the vesting outcome of the 2021 awards determined on 18 March 2024. The table below sets out the performance targets and final level of vesting.

Performance measure	Weighting	Threshold[1] (25% vesting)	Intermediate[1] (75% of vesting)	Maximum[1] (100% vesting)	Performance period[2]	Performance	Vesting as a % of max
Absolute TSR	25%	13% TSR growth over the 3 years	20% TSR growth over the 3 years	25% TSR growth over the years	15 March 2021 to 14 March 2024	9.3%	0%
Adjusted EPS	50%	€12.0/share	€14.5/share	€16.9/share	1 January 2021 to 31 December 2023	€14.4/share	74%
SRM	25%	6.5%	7.5%	8.0%		12.6%	100%

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.
2. For the TSR element, performance was assessed for a period of three years to 14 March 2024, being three years from the date of grant.

LTIP 2022 award (with vesting based on the performance periods (substantially) ending during the financial year ending 31 December 2024 (audited)

Performance against targets and vesting of LTIP awards granted on 8 March 2022 which are due to vest in 2025 is set out below:

Executive	Grant date	Vest date	Number of shares granted	Number of shares to vest	Number of dividend equivalents[1]	Total estimated value[2]
Stefan Borgas	8 March 2022	7 March 2025	70,372	38,177	6,583	€ 1,733,107
Ian Botha	8 March 2022	7 March 2025	30,852	16,737	2,886	€ 759,802

1. The estimated number of dividend equivalents is based on the number of dividends earned to 31 December 2024.
2. Value of shares based on a three-month average share price of £32.14 to 31 December 2024 and an exchange rate of 0.83 (based on the exchange rate on 30 December 2024).

Performance against targets and vesting of the LTIP awards[4] granted on 8 March 2022 which are due to vest in 2025 is set out below.

Performance measure	Weighting	Threshold[3] (25% vesting)	Intermediate[3] (75% of vesting)	Maximum[3] (100% vesting)	Performance period[2]	Performance	Vesting as a % of max
TSR[1]	25%	15%	22%	27% and above	8 March 2022 to 7 March 2025	15%	6.3%
Adjusted EPS (cumulative for the three-year performance period)[2]	50%	€14.3	€16.5	€19.3	1 January 2022 to 31 December 2024	€15.2	23%
Reduce CO_2 emissions against 2018[2]	25%	-11.5%	-12.5%	-13.0%		-14.4%	25%

1. Measured from the date of grant to third anniversary with a two-month average before each date.
2. The targets for the EPS and CO_2 Reduction were assessed against performance to 31 December 2024. For the TSR element, performance is assessed for a period of three years to 7 March 2025, three years from grant. The estimated outcome under the TSR element based on TSR performance to 26 January 2025. The actual TSR and vesting level will be provided in the 2025 Remuneration Report.
3. Awards vest on a straight-line basis between threshold, intermediate and maximum.
4. A two-year post vesting holding period applies.

2023 LTIP awards[4] Performance targets

Performance measure	Weighting	Threshold (25% vesting)[3]	Intermediate (75% of vesting)[3]	Maximum (100% vesting)[3]	Performance period[2]
TSR[1]	25%	15%	22%	27% and above	6 March 2024 to 6 March 2026
Adjusted EPS (cumulative for the three-year performance period)[2]	50%	€11.9	€12.7	€13.4	1 January 2024 to 31 December 2025
Reduce CO_2 emissions against 2018[2]	25%	-11.0%	-11.5%	-12.0%	

1. Measured from the date of grant to third anniversary with a two-month average before each date.
2. Measured over the three financial years to 31 December 2025.
3. Awards vest on a straight-line basis between threshold, intermediate and maximum.
4. A two-year post vesting holding period applies.

2024 LTIP awards made during the financial year ending 31 December 2024 (audited)

During the year, the CEO and CFO received LTIP awards as set out below.

Executive	Scheme	Basis of award	Date of award	Percentage of salary award	Share price used €[1]	Face value €000	Percentage vesting at threshold performance	Number of shares	End of performance period[3]
Stefan Borgas	LTIP	Annual award[2]	7 March 2024	200%	41.7685	2,422.4	25%	57,995	6 March 2027
Ian Botha	LTIP	Annual award[2]	7 March 2024	150%	41.7685	1,062.0	25%	25,425	6 March 2027

1. The face value of the awards was calculated using the average closing price for the five trading days prior to the award being granted being £35.75 converted to € (using average FX rate over the same five-day period of £0.86 to €1 = €41.77).
2. Awards are structured as nil cost options.
3. In line with the Policy, a two-year holding period applies after the date of vesting.

2024 LTIP awards Performance targets (audited)

Performance measure	Weighting	Threshold (25% vesting)[1]	Intermediate (75% of vesting)[1]	Maximum (100% vesting)[1]	Performance period
ROIC	25%	10.2%	10.9%	12.0%	1 January 2024 to 31 December 2026[2]
Adjusted EPS (cumulative for the three-year performance period)[2]	50%	€14.6	€15.1	€15.4	
Reduce CO_2 emissions per tonne against 2018	25%	-15.2%	-15.5%	-15.8%	

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.
2. Two-year post-vesting holding period applies.

Directors' interests in RHI Magnesita's LTIP

The table below details outstanding share awards, including the annual LTIP awards granted to the CEO and CFO during 2024.

	Scheme	Award Date	Share price used to grant the award €	Share awards held at 1 January 2024	Awarded during the year	Vested during the year	Dividend equivalents awarded during the year	Exercised during the year	Lapsed during the year	Share awards held at 31 December 2024	Vesting date
Stefan Borgas	Performance shares	15 March 2021	48.28[1]	43,579		30,000	4,119[5]	30,000	16,561	–	15 March 2024
	Performance shares	8 March 2022	31.23[2]	70,372						70,372	8 March 2025
	Performance shares	6 March 2023	29.71[3]	76,929						76,929	6 March 2026
	Performance shares	7 March 2024	41.77[4]		57,995					57,995	7 March 2027
Ian Botha	Performance shares	15 March 2021	48.28[1]	19,107		13,652	1,806[5]	13,652	7,261	–	15 March 2024
	Performance shares	8 March 2022	31.23[2]	30,852						30,852	8 March 2025
	Performance shares	6 March 2023	29.71[3]	33,728						33,728	6 March 2026
	Performance shares	7 March 2024	41.77[4]		25,425					25,425	7 March 2027

1. Award levels were calculated using the average closing price for the five trading days prior to the award being granted being £41.38 converted to € (using average FX rate over the same five-day period of £0.86 to €1 = € 48.28).
2. Award levels were calculated using the average closing price for the five trading days prior to the award being granted being £25.90 converted to € (using average FX rate over the same five-day period of £0.83 to €1 = € 31.23).
3. Award levels were calculated using the average closing price for the five trading days prior to the LTIP award being granted being £26.24 converted to € (using average FX rate over the same five days period of £0.86 to €1 = €29.71).
4. Award levels were calculated using the average closing price for the five trading days prior to the LTIP award being granted being £35.75 converted to € (using average FX rate over the same five days period of £0.86 to €1 = €41.77).
5. Dividend equivalents awarded during the year (see pages 223 and 224) for more details.

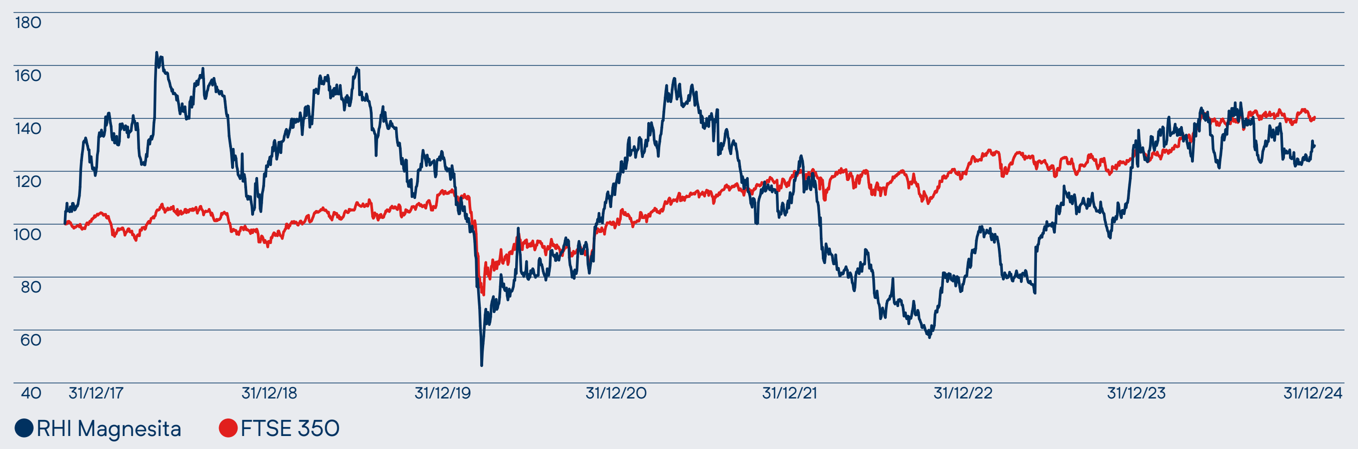
Review of past performance and CEO remuneration table

Share price performance

Shares are valued using the Company's closing market share price on 30 December 2024 of £32.60 (converted to Euro using FX rate of 0.82 to = €39.39). (2023: £34.60). During 2024, the shares traded in the range of £30.65 to £37.85.

RHI Magnesita total shareholder return

The graph below compares the Total Shareholder Return of the Company with the FTSE 350 Index from Admission date of 27 October 2017 to 31 December 2024. This is considered an appropriate comparator for RHI Magnesita because it is a constituent of the index.



Remuneration of the CEO

	2017	2018	2019	2020	2021	2022	2023	2024
Single figure of total remuneration[1]								
Stefan Borgas	€476,981	€2,073,350	€1,490,427	€1,892,862	€1,584,758	€3,286,216	€4,239,408	€4,264,114
Annual bonus payout as % of maximum[2,3]								
Stefan Borgas	83%	88%	39%	50%	24%	42%	95%[5]	61%[6]
Long-term incentive vesting rates as % of maximum[4]								
Stefan Borgas	N/A	N/A	N/A	0%	0%	50%	62%	54%

1. The 2017 Single figure of Total Remuneration relates to the period 27 October 2017 to 31 December 2017.
2. The 2017 Annual bonus payout as a % of maximum relates to bonus targets set prior to the merger of the two companies that now form RHI Magnesita NV.
3. The percentage of maximum shown for the 2020 Annual bonus is the amount paid to the CEO. The formulaic bonus outcome was 100% of maximum. However, the bonus was capped at 50% of maximum due to the impact of the pandemic.
4. A long-term incentive plan was introduced when the Company was formed in October 2017. The first 2018 LTIP award was eligible to vest in 2021.
5. The formulaic outcome under the 2023 bonus was 100% of maximum. However, 5% of the bonus was paid to a Health & Safety fund with 95% of maximum paid to the CEO.
6. The formulaic outcome under the 2024 bonus was 63% of maximum. However, 2% of the bonus was paid to a Health & Safety fund with 61% of maximum paid to the CEO.

Pay ratios

The Dutch Corporate Governance Code recommended from the financial year 2018, and the UK Directors' Reporting Regulations required from 2019, that the Committee report pay ratios, including changes from the prior year as part of its determination of executive pay and wider executive remuneration decisions. The total employee remuneration figure used for the ratio below is for all employees in all Group companies and includes countries with significantly lower levels of pay than Europe and the United States. RHI Magnesita only has around 150 employees in the UK and falls below the required threshold for UK pay ratio reporting requirements. As UK employees represent less than 1% of RHI Magnesita's employees, the Committee considers that the above approach is appropriate in these circumstances.

A significant proportion of the 'Executive Directors' remuneration is delivered through incentives, annual bonus and LTIP, where awards are linked to company performance and share price movement over the longer term. This means that the pay ratio will depend on the incentive outcome.

The table below shows the pay ratio in respect of each year from 2018 to 2024:

Pay ratio	2024	2023[1,6]	2022[2]	2021[3]	2020[4]	2019	2018
CEO	**85:1**	85:1	70:1	21:1	41:1	34:1	49:1
CFO	**45:1**	46:1	47:1	13:1	25:1	16:1[5]	N/A

1. The ratios for 2023 have been updated based on the value of the 2021 LTIP award at vesting (see page 223 for more details).
2. The CEO and CFO pay ratio increased from 2022. This is predominantly due to the vesting of the LTIP and a higher bonus outturn.
3. Pay ratio is lower due to not achieving target bonus KPIs.
4. The pay ratio rose due to the increase in base salary for the CEO and CFO in 2020.
5. CFO pay ratio is lower as Ian Botha joined the Company on 1 April 2019; with the full salary and bonus, the ratio would be 21:1.
6. The pay ratio for CEO has increased in 2023, due to the incentive outturns in 2024. Executive Directors receive higher levels of variable pay opportunity than other employees to reflect their roles in the business.

Relative importance of spend on pay

The following table sets out the change in distributions to shareholders by way of dividend and overall spend on pay in the financial year ended 31 December 2023 compared with the financial year ended 31 December 2024.

	2024 € million	2023 € million	Percentage change
Total gross employee pay	**805.3**	747.3	7.8%
Dividends	**87.3**	77.7	12.0%

Directors and employee remuneration over time

The table below shows the Directors' total remuneration year-on-year change (on a full-time equivalent basis) and includes comparators of Company performance and average FTE remuneration.

Year	Total Remuneration in FY 2024	Change % 2023 to 2024	Change % 2022 to 2023[1]	Change % 2021 to 2022[1]	Change % 2020 to 2021[1]	Change % 2019 to 2020[1]	Change % from 2018 to 2019[1]
Executive Directors							
Stefan Borgas	€4,264,114	0.6%	27.5%	90.3%[2]	(16.3)%	27.0%	(28.1)%
Ian Botha	€2,242,415	(1.8)%	0.03%	124.1%[2]	(16.5)%	N/A[2]	N/A[2]
Non-Executive Directors							
Herbert Cordt	£318,458	21.7%	4.0%	4.4%	6.1%	3.2%	–
John Ramsay	£232,673	74.8%	3.8%	4.3%	31.9%	12.9%	6.4%
Janet Ashdown	£132,043	11.6%	3.8%	9.1%	19.9%	N/A[2]	N/A[2]
David Schlaff	£83,073	7.7%	3.9%	4.4%	6.0%	3.2%	–
Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg[3]	£92,513	11.6%	11.0%	5.1%	6.0%	3.2%	–
Jann Brown[3]	£102,633	8.4%	3.5%	N/A[2]	N/A[2]	–	–
Karl Sevelda	£98,708	7.6%	3.5%	7.6%	10.0%	3.2%	–
Marie-Héléne Ametsreiter	£98,782	11.4%	5.1%	N/A[2]	N/A[2]	–	–
Katarina Lindström[6]	£85,000	N/A[2]	N/A[2]	–	–	–	–
Wolfgang Ruttenstorfer	£92,852	8.1%	3.9%	4.3%	6.0%	3.2%	–
Karin Garcia[4]	–	–		–	–	–	–
Martin Kowatsch[4]	–	–		–	–	–	–
Michael Schwarz[4]	–	–		–	–	–	–
Company performance							
Adjusted EPS	€5.3	6.8%	3.4%	6.6%	36.0%	(41.1)%	4.8%
Adjusted operating cash flow in € million	€386	(6.9)%	167.0%	165.7%	(18.7)%	1.7%	(23.0)%
Average remuneration (on a full-time equivalent basis)							
Employees of the Company[5]	€92,203	-1.6%	15.6%	8.7%	-3.4%	7.7%	4.1%

1. For notes on the change from 2018 to 2019, please see the 2019 Annual Report, for the change from 2019 to 2020 the 2020 Annual Report, 2020 to 2021 the 2021 Annual Report, 2021 to 2022 the 2022 Annual Report and 2023 the 2023 Annual Report.
2. Where the incumbent did not serve for the full year, the calculation has not been made as it is unrepresentative.
3. Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg was appointed as a member of the Corporate Sustainability Committee in November 2022. Jann Brown was appointed as a member of the Remuneration Committee in December 2022. As a result, the total fees paid increased YoY.
4. Employee Representative Directors do not receive remuneration for that role as they are remunerated as employees of the Group.
5. The group of RHI Magnesita's employees covers the Parent Company, namely all employees within the Austrian subsidiaries.
6. Katarina Lindström was nominated by the Board as an Independent Non-Executive Director with effect from 30 September 2023 and received a pro-rated fee from that date.

Payments for loss of office and to past directors (audited)

There were no payments to past directors or for loss of office.

2025 remuneration

Set out below is how the Directors' Remuneration Policy will be implemented during 2025.

Salaries and fees for 2025

Directors' salaries and fees (on a full-time equivalent basis)

The Executive Directors' salaries will be increased from 1 January 2025 by 3%. This compares to the increase to the wider workforce in Austria of an average of 4.8%.

	2025	2024	Change YoY
Executives			
Stefan Borgas	€1,247,500	€1,211,200	€36,300
Ian Botha	€729,200	€708,000	€21,200
Non-Executives			
Chair of the Board (inclusive of all Committee fees)	£325,000	£325,000	£0
Non-Executive Directors	£85,000	£85,000	£0
Deputy Chair & Senior Independent Director	£120,000	£120,000	£0
Chairs of Audit & Compliance, Remuneration, Nomination & Governance (unless held by the Chair of the Board) and Corporate Sustainability Committees	£25,000	£25,000	£0
Membership of the Audit & Compliance, Corporate Sustainability and Remuneration Committees	£10,000	£10,000	£0
Membership of the Nomination & Governance Committee	£6,000	£6,000	£0

The Company does not contribute to defined benefit pension schemes on behalf of Executive Directors or Non-Executive Directors. No Director has a prospective entitlement under a defined benefit scheme.

Annual bonus 2025

The maximum bonus opportunity for 2025 is unchanged at 150% of salary. In line with the 2024 bonus, the 2025 bonus will be based on Adjusted EBITA (40%) and strategic objectives (35%). The remainder of the bonus will be subject to Adjusted operating cash flow (25%). Both the CEO and the CFO are required to use 50% of any bonus earned in excess of target (net of tax) to acquire shares in the Company that will be held for a minimum of three years.

Performance criteria	2025	2024
Adjusted EBITA	40%	45%
Adjusted operating cash flow	25%	25%
Strategic Initiatives[1]		
Strategic projects	25%	10%
PIFOT	–	10%
Use of SRM	10%	10%

1. The specific targets relating to the 2025 bonus have not been disclosed at this stage as they are considered by the Committee to be commercially sensitive, and it is not considered in the interests of shareholders to disclose further details on a prospective basis. Details will be provided on a retrospective basis in next year's Annual Report on Remuneration.

Pensions and benefits 2025

Benefits in 2025 for Stefan Borgas will comprise benefits of tax advice, private health insurance and car benefits. The benefits for Ian Botha will include a car benefit and insurance benefits.

Pension figures represent the 15% of salary cash allowance received by Executive Directors.

2025 LTIP awards

The CEO will be granted an LTIP award over shares with a value at grant of 200% and the CFO will be granted an LTIP award over shares with a value at grant of 150% of salary. As set out in the Committee Chair's statement on pages 213 to 216 the 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 ROIC, EPS and CO_2 emissions performance conditions. The measures and the targets are set out below.

Performance measure	Weighting	Threshold (25% vesting)[1]	Intermediate (75% of vesting)[1]	Maximum (100% vesting)[1]	Performance period
ROIC	25%	10.2%	10.9%	12.0%	1 January 2025 to 31 December 2027[2]
Adjusted EPS (cumulative for the three-year performance period)[2]	50%	€15.7	€16.4	€16.9	
Reduce CO_2 emissions per tonne against 2018	25%	-2.2%	-2.6%	-3.0%	

1. Awards vest on a straight-line basis between threshold, intermediate and maximum.
2. Two-year post vesting holding period applies.

Advisers

Korn Ferry ("KF") provided valuable support to the Committee up until July 2024. KF's fees for advising the Committee during 2024 amounted to £29,000, based on the time spent providing their services. The Committee was satisfied that the controls implemented by KF were sufficient to prevent any potential conflicts of interest.

In July 2024, the Committee decided to engage a new adviser to bring fresh insights and ideas, reflecting the Company's evolution and aligning more closely with its current needs and goals. After careful consideration, Willis Towers Watson ("WTW"), a signatory to the UK Remuneration Consultants Group's Code of Conduct, was appointed. WTW's selection followed a thorough proposal process, demonstrating their expertise in executive remuneration. The Committee will review WTW's appointment annually.

WTW advises the Committee on executive and senior management remuneration in order to bring up to date market practice on incentivisation across a range of geographies to deliver the corporate strategy, bringing an informed, external viewpoint on management's proposals. The have also reviewed and advised on the remuneration report. In 2024, WTW's fees for advice to the Committee were £31,000 based on the time spent providing their services. The Committee remains confident that WTW's established controls effectively mitigate any risk of conflicts of interest. WTW provided no other services to RHI Magnesita during the year 2024.

Statement of voting at AGM

The Committee considers a number of inputs from shareholders to guide its decisions on the review and implementation of Policy. This includes the outcomes of Remuneration resolutions put to shareholders shown as follows:

Resolutions at the 2024 AGM	Votes for	% of votes cast	Votes against	% of votes cast	Total votes validly cast	Total votes cast as a % of the relevant shares in issue	Number of votes withheld
2 May 2024							
Advisory vote on the 2023 Directors' Remuneration Report (excluding the Directors' Remuneration Policy)	37,532,647	99.06	358,034	0.94	37,891,031	80.38	350
Binding vote on Directors' Remuneration Policy	36,838,330	97.22	1,052,351	2.78	37,891,031	80.38	350

For the 2024 AGM, the total voting rights of the Company on the day on which shareholders had to be on the register in order to be eligible to vote was 47,137,206. A "Vote withheld" is not a vote in law and is not counted in the calculation of the % of shares voted "For" or "Against" a resolution.

This report was reviewed and approved by the Board on 26 February 2025 and signed on its behalf by order of the Board.

Janet Ashdown
Chair of the Remuneration Committee

Our Financial Statements

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Consolidated Financial Statements 2024

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

in € million	Note	2024	2023
Revenue	(5)	**3,487**	3,572
Cost of sales	(5)	**(2,639)**	(2,715)
Gross profit		**848**	**857**
Selling and marketing expenses		**(131)**	(153)
General and administrative expenses		**(350)**	(339)
Restructuring	(6)	**(24)**	(20)
Other income	(7)	**38**	27
Other expenses	(8)	**(139)**	(39)
EBIT		**242**	**333**
Interest income	(11)	**22**	20
Interest expenses on borrowings		**(61)**	(58)
Net income/(expense) on foreign exchange effects	(12)	**11**	(30)
Other net financial expenses	(13)	**(14)**	(32)
Net finance costs		**(42)**	**(100)**
Profit before income tax		**200**	**233**
Income tax	(14)	**(46)**	(62)
Profit after income tax		**154**	**171**
RHI Magnesita N.V. shareholders		**142**	165
Non-controlling interests	(26)	**12**	6

in €			
Earnings per share – basic	(15)	**3.01**	3.50
Earnings per share – diluted	(15)	**2.94**	3.42

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

in € million	Note	2024	2023
Profit after income tax		**154**	**171**
Currency translation differences			
Unrealised results from currency translation		**(94)**	(33)
Deferred taxes thereon	(14)	**17**	0
Reclassification to profit or loss		**(8)**	0
Cash flow hedges and costs of hedging			
Unrealised fair value changes	(35)	**27**	(25)
Reclassification to profit or loss		**(18)**	(10)
Deferred taxes thereon	(14)	**(2)**	8
Remeasurement of investments in debt instruments			
Unrealised fair value changes		**(5)**	0
Reclassification to profit or loss		**5**	0
Items that may be reclassified to profit or loss in later periods		**(78)**	**(60)**
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans	(29)	**24**	(22)
Deferred taxes thereon	(14)	**(8)**	6
Items that are not reclassified to profit or loss in later periods		**16**	**(16)**
Other comprehensive (loss)/income after income tax		**(62)**	**(76)**
Total comprehensive income		**92**	**95**
RHI Magnesita N.V. shareholders		**74**	98
Non-controlling interests	(26)	**18**	(3)

Consolidated Statement of Financial Position

as at 31 December 2024

in € million	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Goodwill	(17)	**342**	339
Other intangible assets	(18)	**417**	470
Property, plant and equipment	(19)	**1,285**	1,360
Investments in joint ventures and associates		**7**	6
Other financial assets	(34)	**42**	43
Other assets	(20)	**76**	37
Deferred tax assets	(14)	**152**	152
		2,321	**2,407**
Current assets			
Inventories	(21)	**962**	1,001
Trade and other receivables	(22)	**660**	681
Income tax receivables	(14)	**40**	43
Other financial assets	(34)	**17**	14
Cash and cash equivalents	(23)	**576**	704
		2,255	**2,443**
		4,576	**4,850**

in € million	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity			
Share capital	(24)	**50**	50
Group reserves	(25)	**1,152**	1,152
Equity attributable to shareholders of RHI Magnesita N.V.		**1,202**	1,202
Non-controlling interests	(26)	**170**	162
		1,372	**1,364**
Non-current liabilities			
Borrowings	(27)	**1,474**	1,800
Other financial liabilities	(28)	**112**	133
Deferred tax liabilities	(14)	**64**	62
Net employee defined benefit liabilities	(29)	**257**	297
Provisions	(30)	**71**	92
Other liabilities		**8**	7
		1,986	**2,391**
Current liabilities			
Borrowings	(27)	**276**	149
Other financial liabilities	(28)	**27**	41
Trade payables and other liabilities	(31)	**843**	820
Income tax liabilities	(14)	**29**	51
Provisions	(30)	**43**	34
		1,218	**1,095**
		4,576	**4,850**

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

in € million	Note	2024	2023
Cash generated from operations	**(32)**	**502**	**565**
Income tax paid less refunds		**(69)**	(60)
Net cash flow from operating activities		**433**	**505**
Investments in property, plant and equipment and intangible assets		**(145)**	(180)
Investments in subsidiaries net of cash acquired		**(7)**	(313)
Cash inflows from the sale of property, plant and equipment		**16**	4
(Cash outflows) from investments in financial assets		**(27)**	(14)
Cash inflows from the sale of financial assets		**30**	0
Dividends received from non-consolidated entities		**1**	0
Investment subsidies received		**2**	2
Prepayments related to the acquisition of Resco Group		**(44)**	0
Interest received		**20**	19
Net cash used in investing activities		**(154)**	**(482)**
Payment for share issue costs in subsidiary		**0**	(3)
Proceeds from share issue in subsidiary		**0**	100
Acquisition of non-controlling interests		**(6)**	(8)
Dividends paid to RHI Magnesita N.V. shareholders		**(87)**	(77)
Dividend paid to non-controlling interests		**(3)**	(3)
Proceeds from long-term financing		**14**	336
Repayments of long-term financing		**(174)**	(16)
Changes in current borrowings and financial liabilities to associates		**(41)**	(61)
Interest payments		**(89)**	(73)
Repayment of lease obligations		**(20)**	(20)
Interest payments from lease obligations		**(3)**	(2)
Net cash (used in)/provided by financing activities	**(33)**	**(409)**	**173**
Change in cash and cash equivalents		**(130)**	**196**
Cash and cash equivalents at beginning of period		**704**	521
Reclassification of Cash and Cash equivalents	(23)	**0**	(9)
Foreign exchange impact		**2**	(4)
Cash and cash equivalents at end of period	(23)	**576**	704

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

		Group reserves									
						Accumulated other comprehensive income					
in € million	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Mandatory reserve**	**Retained earnings**	**Cash flow hedges and costs of hedging**	**Defined benefit plans**	**Currency translation**	**Equity attributable to shareholders of RHI Magnesita N.V.**	**Non-controlling interests**	**Total equity**
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)		(26)	
31.12.2023	**50**	**(111)**	**361**	**289**	**872**	**6**	**(102)**	**(163)**	**1,202**	**162**	**1,364**
Profit after income tax	**–**	**–**	**–**	**–**	**142**	**–**	**–**	**–**	**142**	**12**	**154**
Currency translation differences	–	–	–	–	–	–	–	(91)	(91)	6	(85)
Cash flow hedges and costs of hedging	–	–	–	–	–	7	–	–	7	–	7
Defined benefit plans	–	–	–	–	–	–	16	–	16	–	16
Other comprehensive income after income tax	**–**	**–**	**–**	**–**	**–**	**7**	**16**	**(91)**	**(68)**	**6**	**(62)**
Total comprehensive income	**–**	**–**	**–**	**–**	**142**	**7**	**16**	**(91)**	**74**	**18**	**92**
Dividends	–	–	–	–	(87)	–	–	–	(87)	(3)	(90)
Share transfer/vested LTIP	–	3	–	–	(3)	–	–	–	–	–	–
Other changes[1]	–	–	–	–	5	–	–	–	5	(7)	(2)
Share-based payment expenses	–	–	–	–	9	–	–	–	9	–	9
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	–	–	–	–	–	(1)	–	–	(1)	–	(1)
	–	**3**	**–**	**–**	**(76)**	**(1)**	**–**	**–**	**(74)**	**(10)**	**(84)**
31.12.2024	**50**	**(108)**	**361**	**289**	**938**	**12**	**(86)**	**(254)**	**1,202**	**170**	**1,372**

1) This mainly comprises the effects of the acquisition of non-controlling interests of Seven Refractories' Group and P-D-Refractories as well as the final adjustments to the purchase price allocations of Seven Refractories' Group and P-D Refractories, both completed in 2024.

in € million	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Cash flow hedges	Defined benefit plans	Currency translation	Equity attributable to shareholders of RHI Magnesita N.V.	Non-controlling interests	Total equity
		Group reserves									
						Accumulated other comprehensive income					
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)		(26)	
31.12.2022	**50**	**(116)**	**361**	**289**	**620**	**32**	**(86)**	**(148)**	**1,002**	**47**	**1,049**
Profit after income tax	**–**	**–**	**–**	**–**	**165**	**–**	**–**	**–**	**165**	**6**	**171**
Currency translation differences	–	–	–	–	–	–	–	(24)	(24)	(9)	(33)
Cash flow hedges	–	–	–	–	–	(27)	–	–	(27)	–	(27)
Defined benefit plans	–	–	–	–	–	–	(16)	–	(16)	–	(16)
Other comprehensive income after income tax	**–**	**–**	**–**	**–**	**–**	**(27)**	**(16)**	**(24)**	**(67)**	**(9)**	**(76)**
Total comprehensive income	**–**	**–**	**–**	**–**	**165**	**(27)**	**(16)**	**(24)**	**98**	**(3)**	**95**
Hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year	–	–	–	–	–	1	–	–	1	–	1
Dividends	–	–	–	–	(78)	–	–	–	(78)	(3)	(81)
Share transfer/vested LTIP	–	5	–	–	(5)	–	–	–	–	–	–
Additions to consolidated companies and change of non-controlling interests without a change of control	–	–	–	–	148	–	–	–	148	54	202
Change of non-controlling interests without a change of control	–	–	–	–	36	–	–	–	36	64	100
Change of non-controlling interests without a change of control	–	–	–	–	3	–	–	–	3	(3)	–
Change of non-controlling interests without a change of control	–	–	–	–	(3)	–	–	–	(3)	(4)	(7)
Hyperinflation adjustment	–	–	–	–	–	–	–	9	9	–	9
Other changes[1]	–	–	–	–	(23)	–	–	–	(23)	10	(13)
Share-based payment expenses	–	–	–	–	9	–	–	–	9	–	9
	–	**5**	**–**	**–**	**87**	**1**	**–**	**9**	**102**	**118**	**220**
31.12.2023	**50**	**(111)**	**361**	**289**	**872**	**6**	**(102)**	**(163)**	**1,202**	**162**	**1,364**

1) Mainly relating to the recognition of the financial liability and derecognition of the non-controlling interests related to the acquisition of Jinan New Emei, the recognition of the non-controlling interests related to the acquisition of Seven Refractories Group as well as P-D Group and the impacts of the fair value changes resulting from the completion of purchase price allocation related to the acquisition of Sörmaş.

Notes to the Consolidated Financial Statements 2024

1. Authorisation of Consolidated Financial Statements and Statement of Compliance with the IFRS Accounting Standards
The Consolidated Financial Statements of RHI Magnesita N.V. and its subsidiaries (collectively referred to as "RHI Magnesita" or "the Group") for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 26 February 2025 and will be submitted for adoption to the Annual General Meeting ("AGM") in May 2025. RHI Magnesita is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria. It is registered with the Dutch Trade Register under number 68991665 and listed on the London Stock Exchange, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

The Group is a global industrial group whose core activities include the development and production, sale, installation and maintenance of high-grade refractory products and systems used in industrial high-temperature processes exceeding 1,200°C.

Basis for preparation
The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. The Consolidated Financial Statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated. With the exception of specific items such as derivative financial instruments, plan assets for defined benefit obligations, financial assets measured at Fair Value through Profit or Loss (FVPL) or Other Comprehensive Income (FVOCI) and financial liabilities measured at FVPL, the Consolidated Financial Statements are prepared on a historical cost basis.

Certain comparative figures in the Consolidated Financial Statements and accompanying Notes have been revised to conform to the current year presentation as a result of certain improvements in presentation. These improvements include:

- Presentation of defined employee benefit liabilities in the Consolidated Statement of Financial Position in a single line item labelled 'net employee defined benefit liabilities'. Previously, these were presented in separate line items, namely 'provisions for pensions' and 'other personnel provisions'.
- Presentation of the effects of translating the financial statements of foreign operations and subsidiaries with a functional currency other than the Euro into the Group's presentation currency in the Consolidated Statement of Comprehensive Income in a single line item. Previously, these were presented in separate line items, namely 'unrealised results from currency translation' and 'unrealised results from net investment hedge and foreign operations'.
- Purchased emission rights which represent the permission to emit specified tons of carbon dioxide (CO_2) in a specified time period have been reclassified to Inventories in the Consolidated Statement of Financial Position. Previously, these were presented as trade and other current receivables. Due to this reclassification the comparative figure for inventories increased by €5 million and the comparative figure for trade and other current receivables decreased by the same amount.
- Realised gains and losses from settled foreign currency forward contracts have been reclassified to the cash flow from operating activities in the Consolidated Statement of Cash Flows. Previously, these were presented as part of the cash flow from financing activities. Due to this reclassification, the comparative figure for cash flow from financing activities decreased by €5 million and the comparative figure for cash flow from operating activities increased by the same amount.
- The number of reportable segments increased from two to five and the disclosures were extended to match the new segment reporting structure. Refer to Note (5) for further details.

The financial year of RHI Magnesita N.V. and the Group corresponds to the calendar year. Subsidiaries with a financial year different to the Group, due to local legal requirements, provide financial information to allow consolidation consistent with the Group's financial year. The Consolidated Financial Statements are presented in Euros, and all values are rounded to the nearest € million, except where otherwise indicated. The Group has availed of the exemption provided by section 264 paragraph 3 HGB of the German Commercial Code for the following entities: RHI Urmitz AG & Co. KG (Mülheim-Kärlich), RHI Magnesita Sales Germany GmbH (Wiesbaden), RHI Refractories Site Services GmbH (Wiesbaden), RHI Magnesita Deutschland AG (Wiesbaden), RHI Magnesita Wetro GmbH (Puschwitz) and RHI Magnesita Bochum GmbH (Bochum). According to this provision, the mentioned companies are exempt from preparing statutory financial statements, where required by the German Commercial Code, since they are included in the Consolidated Financial Statements of the Group.

Basis of consolidation
The Consolidated Financial Statements consolidate the Financial Statements of RHI Magnesita N.V. and its subsidiaries. Subsidiaries are consolidated from the date on which the Group obtains control, including when control is obtained via potential voting rights, and continue to be consolidated until the date that control ceases.

The financial information of subsidiaries is prepared for the same reporting year as the parent company, using consistent accounting policies. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the Statement of Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This treatment may mean that amounts previously recognised in OCI are recycled through the Statement of Profit or Loss. Intercompany balances and transactions, including unrealised profits arising from intragroup transactions, are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the Group's shareholders.

Please refer to the Company Financial Statements of RHI Magnesita N.V. for a list of the Company's subsidiaries, joint ventures and associates in which it holds more than 20%. Please refer to page 304 for more detail.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the Consolidated Financial Statements, the Directors have assessed the potential cash generation of the Group and considered a range of downside scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment. This assessment covers at least 12 months from the date of approval of the Consolidated Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the financial debt covenant of the Group's principal borrowing facilities. Further mitigating actions within management control would be undertaken in such scenarios, including but not limited to: working capital and SG&A reduction, deferring capital expenditure, or reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity and available facilities. As of 31 December 2024, the Consolidated Statement of Financial Position reflects cash and cash equivalents of €576 million (2023: €704 million). In addition, the Group has access to a €600 million (2023: €600 million) Revolving Credit Facility (RCF), which is currently undrawn and not relied upon for the purpose of the going concern assessment. In 2024 and the previous reporting period, the Group complied with the financial covenant of the Group's principal borrowing facilities (refer to Note (27)).

In the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the period ended 31 December 2024.

2. Impact of new financial reporting standards and interpretations

Management has assessed the impact of new or amended IFRS Accounting Standards as adopted by the European Union effective on or after 1 January 2024. Except for the amendments to IAS 7 and IFRS 7 including new disclosure requirements for the Group's existing liabilities related to supplier finance arrangements and their effects on the Group's liabilities, cash flows and exposure to liquidity risk, management assessed that the application of these has not had a material impact on the Consolidated Financial Statements for 2024. Refer to Note (31) for the new disclosures on the Group's existing supplier finance arrangements.

Furthermore, management has assessed the impact of new or amended IFRS Accounting Standards issued by the IASB that have not yet become effective. No new or amended IFRS Accounting Standards have been adopted early. Except for newly issued IFRS 18, the potential impact of which is currently being assessed, management does not anticipate any significant impact on the Consolidated Financial Statements in the period of initial application after the adoption of these amendments.

IFRS 18 'Presentation and Disclosure of Financial Statements' was published in April 2024 with the aim to enhance comparability of financial statements. The key changes introduced by IFRS 18 relate to the structure of the Consolidated Statement of Profit or Loss, disclosures related to management-defined performance measures (MPMs), aggregation and disaggregation of information disclosed in the Notes and minor changes in the Consolidated Statement of Cash Flows. IFRS 18 will replace existing guidance in IAS 1 'Presentation of Financial Statements' and some of the guidance in IAS 7 'Statement of Cash Flows'. IFRS 18 becomes effective for financial years beginning on or after January 1, 2027. European Union endorsement is still pending.

IFRS 18 introduces a defined structure for the Consolidated Statement of Profit or Loss including five categories, namely operating, investing, financing, income tax and discontinued operations. Entities are required to classify their expenses and income to these categories mainly based on the main business activities and additional guidance provided by IFRS 18. In addition, according to IFRS 18 two subtotals must be presented on the face of the Consolidated Statement of Profit or Loss after the first two categories (i.e. operating profit or loss and profit or loss before financing and income tax).

IFRS 18 stipulates new disclosure requirements related to alternative performance measures that meet the definition of MPMs according to IFRS 18. According to the new guidance, disclosures related to MPMs include, but are not limited to, a reconciliation from the MPMs to the most directly comparable IFRS 18 specific subtotal or total presented in the Consolidated Statement of Profit or Loss need to be disclosed in a single note within the Notes.

A review of the impact of IFRS 18 is being undertaken, and the impact of adopting the standard will be determined once this review has been completed. In particular the classification of expenses and income to the five P&L categories and the introduction of (new) subtotals will require an assessment at general ledger account level per legal entity. In addition, the impact of the MPM related disclosures requires an assessment of which of the Group's alternative performance measures meet the definition of MPMs according to IFRS 18 and how they can be reconciled to the most comparable IFRS 18 specific total or subtotal. Therefore, the impact of adopting IFRS 18 cannot be reliably estimated until this work is substantially complete.

3. Significant Accounting Policies, Judgements and Estimates

Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed, including any contingent consideration, are recognised at their fair values at the acquisition date. The amount of the purchase consideration and value of non-controlling interest on acquisition, if any, above the fair value of assets and liabilities is recognised as goodwill. A bargain purchase gain, if any, is recognised within other income immediately. Transaction costs related to a business combination are expensed as incurred. The acquisition of a non-controlling interest in a subsidiary and the sale of an interest are accounted for as transactions within equity unless they result in the loss of control. Sales of interests accounted for as equity transactions also include share issues in subsidiaries which dilute RHI Magnesita N.V.'s share in the subsidiary's net assets and where the dilution does not result in the loss of control. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings as a movement in equity attributable to the shareholders of RHI Magnesita N.V.

Where the Group acquires less than 100% of shares in a business combination, there is an accounting policy choice whereby non-controlling interest is either reflected at the proportionate share of the acquired identifiable net assets (excluding goodwill) or at fair value. This accounting policy choice can be exercised individually for each acquisition. If a non-wholly owned subsidiary of RHI Magnesita N.V. is the deemed acquirer in a business combination, goodwill is measured either as the excess of the full consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets or as the excess of RHI Magnesita N.V.'s share in the consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets. This accounting policy choice can be exercised individually for each acquisition too. For business combinations achieved in stages, the Group's previously held equity interest is remeasured to fair value at the acquisition date. Any gains and losses arising from such remeasurement are recognised in profit or loss.

Net assets of subsidiaries not attributable to the shareholders of RHI Magnesita N.V. are shown separately in equity as non-controlling interests.

As part of a business acquisition or subsequently, the Group may enter into agreements with non-controlling interests in the form of a call option, a put option or a forward contract to acquire the outstanding shares. A call option provides the Group with the right to acquire the outstanding shares not already owned, while a written put option allows the non-controlling interest to sell their shares to the Group. A forward contract creates a commitment for the Group to purchase and for the non-controlling interest to sell the outstanding shares at a later date. The option or forward price may be based on an earnings multiple such as EBITDA subject to contractual limits, if any, or may be fixed and exercisable at a future date. A financial liability is recognised on the written put option or forward contract at the present value of the estimated redemption amount. Where the option is assessed to result in the non-controlling interest transferring the risks and rewards of ownership to the Group, on acquisition, the financial liability forms part of the purchase consideration with no value assigned to non-controlling interests. For fixed price call and put options or fixed price forward contracts, the risks and rewards of ownership relating to the outstanding shares are assumed to have transferred to the Group.

Where the risks and rewards of ownership under the option or forward contract are not transferred to the Group, the financial liability is not considered as part of the purchase consideration and a non-controlling interest is recognised on acquisition. The financial liability is initially recognised against equity attributable to shareholders of RHI Magnesita N.V. Subsequently, the Group derecognises the non-controlling interest to the extent that it is equal or less than the financial liability, against equity attributable to shareholders of RHI Magnesita N.V.

The subsequent measurement of the financial liability is conditional on the nature of the underlying cash consideration. If the option or forward contract will be settled at a fixed cash consideration, the financial liability is subsequently measured at amortised cost. If the option or forward contract will be settled at a variable cash consideration (e.g. EBITDA multiple or similar profit or loss measures) the financial liability is subsequently measured at FVPL. Fair value changes resulting from the remeasurement of the financial liability are reflected within other net financial expenses.

If a financial liability is recognised for an option or a forward contract over outstanding shares, dividends paid to non-controlling interest are reflected as an expense within other net financial expenses unless there is a contractual right to reduce the financial liability. Dividend payments to non-controlling interest without such a financial liability reduce the non-controlling interests presented in equity without impacting the Consolidated Statement of Profit or Loss.

Goodwill may also arise upon investments in joint ventures and associates, being the surplus of the cost of investment over the Group's share of the net fair value of the identifiable net assets. Any such goodwill is recorded within the corresponding investment in joint ventures and associates.

Significant judgement: Control over Horn & Co Minerals Recovery
At the end of the reporting period, the Group holds a 55.0% interest in Horn & Co Minerals Recovery ("Mireco"). The Group assessed its respective shareholding rights and power to control in terms of the purchase agreements, founding documents of Mireco and relevant corporate laws. Based on this assessment, the Group determined that it controls Mireco and consolidated it from the date of control. The Group exercises control over Mireco as it has the power to steer the relevant activities of the business and can use this power to affect the variable returns that it is exposed to. In determining that the Group controls Mireco, judgement is applied which takes into account the Group's voting rights, management representation and the governance structure of Mireco. Control is achieved above all through the Group's voting rights and the resulting influence on directing the relevant activities of the business.

Goodwill and Other intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill recognised as an asset is reviewed for impairment at least annually.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Mining rights

Mining rights were recognised in the course of the purchase price allocation for former Magnesita Group and are amortised based on the depletion of the related mines. Depletion is calculated based on the volume mined in the period in proportion to the total estimated economically viable volume.

Customer relationships

Customer relationships arise from the acquisition of business and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Development costs

Research costs are expensed in the year incurred and included in general and administrative expenses. Development costs, including internally developed software controlled by the Group, are only capitalised as internally generated intangible assets if the costs can be measured reliably and are expected to result in future economic benefits either through use or sale. Capitalisation will also only arise when the product or process development can be clearly defined and is feasible in technical, economic and capacity terms. For internally developed software controlled by the Group, costs are capitalised when these can be directly and conclusively allocated to individual programmes and represent a significant extension or improvement on existing software. All other internally developed software costs are expensed. Development costs are amortised on a straight-line basis over their expected useful lives of up to ten years, with internally developed software amortised over a period of up to four years. Amortisation is recognised in cost of sales.

Other intangible assets

These mainly represent purchased third-party software controlled by the Group, land-use rights and patent fees and are recognised when future associated economic benefits are expected to accrue to the Group. These intangibles are initially measured at their acquisition cost and amortised over their expected useful lives.

Where the Group does not have control of cloud-based third-party software, the configuration and customisation costs as well as the recurring service subscription fee are typically expensed in the reporting period the services are received.

The useful lives of the Group's main classes of intangible assets are:

Customer relationships	6 to 20 years
Internally generated intangible assets	4 to 18 years
Other intangible assets	4 to 65 years

The useful economic lives of intangible assets are reviewed regularly and adjusted if necessary.

The carrying values of other intangible assets are assessed at each reporting period for indicators of impairments. See below for the accounting policy relating to impairment of non-current assets other than goodwill and intangible assets with indefinite useful life.

Property, plant and equipment
Property, plant and equipment is measured at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. These assets are depreciated on a straight-line basis over their expected useful life to their estimated residual values, if any, and from when they are available for use in the manner intended by management.

Construction costs of assets comprise direct costs as well as a proportionate share of capitalisable overhead costs and borrowing costs. If borrowed funds are directly attributable to an investment, borrowing costs are capitalised as a cost of the assets. If no direct connection between an investment and borrowed funds can be demonstrated, the weighted average rate on borrowed capital of the Group amounting to 2.95% (2023: 3.07%) is used as the capitalisation rate due to the central funding of the Group.

Expected demolition and disposal costs at the end of an asset's useful life are capitalised as part of its acquisition cost and recorded as a provision. The recognition criteria are: (i) a legal or constructive obligation towards a third-party and (ii) the ability to reliably estimate future cost.

Land and plant under construction are not depreciated. Depreciation of property, plant and equipment is based on the following useful lives:

Real estate, land and buildings	8 to 60 years
Technical equipment and machinery	8 to 50 years
Other plant, office equipment, furniture and fixtures	3 to 35 years

The carrying value of property, plant and equipment is assessed at each reporting period for indicators of impairments. See below for accounting policy relating to impairment of non-current assets other than goodwill and intangible assets with indefinite useful life.

The residual values and economic useful lives of property, plant and equipment, are reviewed regularly and adjusted if necessary.

When components of plant or equipment have to be replaced at regular intervals, the relevant replacement costs are capitalised when economic benefits are expected to arise for the Group. The carrying amount of the replaced components is derecognised. Regular maintenance and repair costs are expensed as incurred.

Gains or losses from the disposal of property, plant and equipment, which result from the difference between the net realisable value and the carrying amount, are recognised as income or expense in the Consolidated Statement of Profit or Loss.

Significant estimate: Useful lives of property, plant and equipment and intangible assets
Management uses its experience to estimate the remaining useful life of an asset. The actual useful life of an asset may be impacted by an unexpected event that may result in an adjustment to the carrying amount of the asset. No such events are expected to arise which would have a material impact on carrying values within 12 months from the reporting date.

Leases

A contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) is accounted for as a lease. Contracts are assessed to determine whether it is or contains, a lease at inception or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised. At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, except for low-value items or for lease terms of less than 12 months. The commencement date of a lease is the date on which the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance.

The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term and similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any pre-paid lease payment relating to the specific lease contract, less any lease incentives, and for any estimated restoration and removal costs. Right of use assets are depreciated on a straight-line basis over the useful life of the leased asset or, if this is shorter, over the lease term. The depreciation on right-of-use assets is recognised in the Consolidated Statement of Profit or Loss. Right-of-use assets are assessed for impairment indicators (see accounting policy on impairment of non-current assets).

Impairment of goodwill, property, plant and equipment and other intangible assets

Goodwill

Goodwill is reviewed at least annually for impairment. Any impairment loss is recognised as an expense immediately. For the purpose of impairment testing, goodwill is allocated to the individual Cash-Generating Units (CGUs) expected to benefit from the business combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU (including goodwill) allocated to it, the resulting impairment loss is applied first to the allocated goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset. Reversals of impairment losses on goodwill are not permitted.

Significant estimate: Determination of recoverable amounts of CGUs which include goodwill

Management makes use of various estimates and assumptions in determining the cash flow forecasts used to determine the recoverable amounts of CGUs to which goodwill is allocated for the annual impairment test. Key assumptions include discount rates used to discount cash flows, the perpetual annuity growth rate, projected revenue and projected EBIT margin of the associated CGU. For further details on impairment tests for CGUs which include goodwill, refer to Note (17).

Property, plant and equipment and other intangibles

Property, plant and equipment, including right-of-use assets and intangible assets are tested for impairment if there is any indication that the value of these items may be impaired. An asset is considered to be impaired if its recoverable amount is less than its carrying amount. In the Group, individual assets do not generate cash inflows independent of one another and assets are combined in CGUs, which largely generate independent cash inflows. These CGUs, which are combined in two strategic business units, Steel and Industrial, reflect the market presence and appearance and drive cash inflows. The organisational structures of the Group reflect these units. In addition to the joint management and control of the business activities in each unit, the sales know-how, the knowledge of the long-standing customer relationships or knowledge of the customer's production facilities and processes further support these units. Product knowledge is manifested in the application-oriented knowledge of chemical, physical and thermal properties of RHI Magnesita products. The services offered extend over the life cycle of products at the customer's plant, from the appropriate installation and support of optimal operations to environmentally sound disposal with the customer or sustainable reuse in the Group's production process. These factors determine cash inflow to a significant extent and consequently form the basis for the CGU structures.

The CGUs of the Steel business correspond to the operating segments Linings and Flow Control. These two CGUs are determined according to the production stages in the process of steel production. Each operating segment included in the Industrial business unit (Cement &Lime, Non-Ferrous Metals, Glass and Industrial Applications) corresponds to a separate CGU. All raw material producing facilities are combined in one CGU named Minerals. The new segment reporting structure, which is disclosed in Note (5), has not changed the composition or number of the Group's CGUs.

The recoverable amount of a CGU is defined as the higher of its fair value less costs of disposal and its value in use (present value of future cash flows). For the purpose of testing CGUs for impairment the Group determines the recoverable amount of the CGUs solely on the basis of value in use. In assessing value in use, the estimated future cash flows of the CGU in its present condition are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks, including country, specific to the CGU.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2025 budget, as approved by the Board, and the Long-Term Plan covering a subsequently following four-year period. The terminal value is based on a growth rate derived from the difference of the current and the possible degree of utilisation of the assets. To forecast the CGUs' cash flows, management predicts the growth rate using external sources for the development of the customers' industries and expert assumptions, including forecasts about the regional growth of steel production and the output of the non-steel clients. Growth rates are also influenced by the development of the specific refractory consumption patterns, including technological improvements.

If the carrying amount is higher than the recoverable amount, an impairment loss equivalent to the resulting difference is recognised in the Consolidated Statement of Profit or Loss. If the reason for an impairment loss recognised in the past for property, plant and equipment or for other intangible assets ceases to exist, a reversal of the impairment is recognised in profit or loss. An impairment loss is reversed only to the extent that the CGUs' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Significant judgement: Identification of impairment indicators related to individual assets and CGUs without goodwill
Management reviewed individual assets and CGUs without goodwill for indicators of impairment. These indicators included both external factors affecting the recoverable amounts, such as laws and regulations in specific countries and global and local economic conditions and internal factors, including but not limited to, useful lives of assets, major breakdowns or decisions to divest from certain businesses or abandon investment projects. Based on the impairment indicator review, certain impairment indicators were identified in the reporting period that led to impairment losses at the level of individual assets totalling € 42 million. Refer to Notes (6), (8), (18) and (19) for details.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In general, financial instruments can be classified to be measured subsequently at amortised cost, fair value through profit or loss or fair value through other comprehensive income. Classification of financial assets depends on the contractual terms of the cash flows as well as on the entity's business model for managing the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified as amortised cost, if the contractual cash flows include solely payments of principal and interest and which are held in order to collect the contractual cash flows. If the contractual cash flows include solely payments of principal and interest, but are held to collect both the contractual cash flows and sell the financial asset, then they are classified as fair value through other comprehensive income. If the contractual cash flows do not solely include payments of principal and interest, then they are classified as fair value through profit or loss.

The Group initially recognises securities on the trading date when it becomes a party to the contractual provisions of the instruments. All other financial assets and financial liabilities are initially recognised on the date when they are originated. Financial instruments, except for trade receivables, are initially recognised at fair value. Financial assets are derecognised if the entity transfers substantially all the risks and rewards or if the entity neither transfers nor retains substantially all the risks and rewards and has not retained control. Financial liabilities are derecognised when the contractual obligations are settled, withdrawn or have expired.

Investments in debt securities are subsequently measured at fair value through profit and loss if the contractual terms of cash flows do not solely include payments of principal and interest. Otherwise, they are subsequently carried at amortised cost.

Investments in equity securities, including non-consolidated subsidiaries, are of minor importance and recognised and measured either at fair value through profit or loss, or at fair value through OCI, if the latter option was exercised.

Financial assets at amortised costs are measured by applying the effective interest method.

Significant judgement: Presentation of cash flows related to investments in and divestments of special national government bonds
The Group maintains business operations in Argentina. In 2019, the Argentinian Central Bank imposed several foreign exchange restrictions on import payments, essentially preventing the Argentinian subsidiary's ability to honour its payment obligations to suppliers outside of Argentina in the usual manner. Given a change in legislation in December 2023, Argentinian companies are now allowed to settle their previously restricted import payment obligations by purchasing U.S. dollar-denominated securities issued by the Central Bank of Argentina, also called BOPREAL bonds, which can be held to maturity, transferred or sold in the secondary market. In 2024 the Group has invested €19 million in these BOPREAL bonds all of which have been sold or transferred before the reporting date. The cash proceeds realised from the sales, amounting to €13 million, were used to settle intercompany and third-party trade liabilities. The cash flows arising from the investment in and divestment of the BOPREAL bonds are presented within the investing category in the Consolidated Statement of Cash Flows. Judgement is applied in determining that this presentation is appropriate, by taking into account the IFRS Accounting Standard requirements to classify cash flows and the fact that each of the above transactions is a separate unit of account.

Trade and other current receivables
Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value and, depending on the business model, subsequently carried either at amortised cost minus any valuation allowances or at fair value through other comprehensive income minus any valuation allowances for expected or incurred credit losses. Irrespective of the measurement category, any impairment losses are recognised in the Consolidated Statement of Profit or Loss. Valuation allowances for expected credit losses are calculated in accordance with the simplified approach of the impairment model for financial instruments (see accounting policy on impairment of financial assets below).

The Group sells trade receivables to financial institutions in the scope of factoring arrangements on a recurring basis based on its liquidity needs. Prospectively, the extent and the specific trade receivables impacted by future sales cannot be identified. Therefore, trade receivables which qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose objective is collecting the contractual cash flows and selling them. These trade receivables are carried at fair value through other comprehensive income minus any valuation allowances. Whereas trade receivables which do not qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose only objective is to collect the contractual cash flows and are therefore carried at amortised cost minus any valuation allowances.

In factoring arrangements, trade receivables are derecognised where the Group transfers substantially all the risks and rewards associated with the financial assets. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, cheques received, cash at banks and short-term cash deposits with an original term of up to three months. Moreover, investments in money market funds exposed to insignificant value fluctuations due to their high credit rating and investments in short-term money market instruments that can be converted to defined cash amounts within a few days at any time, are also reflected as cash equivalents.

Borrowings
Financial liabilities include liabilities to financial institutions and other lenders and are measured at fair value less directly attributable transaction costs at initial recognition. In subsequent periods, these liabilities are measured at amortised cost applying the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged (by payment or legal release), cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The difference in the respective carrying amounts is subsequently recognised in the Consolidated Statement of Profit or Loss, including any costs or fees.

Trade payables and other current liabilities
These liabilities are initially recognised at fair value and subsequently measured at amortised cost. The Group enables selected suppliers to participate in a variety of supplier finance arrangements which include forfaiting and other supplier finance arrangements. Supplier finance arrangements give suppliers the option to receive early payment by selling their receivables to a financial institution at a discount.

The Group settles the invoice by paying the financial institution in line with the payment terms according to the supplier finance arrangements. These settlements are presented in the operating category within the Consolidated Statement of Cash Flows. Liabilities subject to supplier chain finance arrangements continue to be classified as trade payables since they represent liabilities to pay for goods or services, are invoiced or formally agreed with the supplier and are part of the working capital used in the Group's normal operating cycle.

Derivative financial instruments and hedging activities

Derivative financial instruments not designated as hedges

Derivative contracts are used in the management of interest rate risk, commodity price risk and foreign currency risk. These derivative financial instruments, which are not designated in an effective hedging relationship, are recognised initially at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value with changes in fair value reflected in the Consolidated Statement of Profit or Loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments include forward exchange contracts and embedded derivatives in open orders denominated in a currency other than the functional currency of either contracting party, with the assessment made on a case-by-case basis at the respective forward rate on the reporting date. These forward rates are based on spot rates, including forward premiums and discounts. Unrealised valuation gains or losses and results from the realisation are recognised in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects.

Forward purchase or sale arrangements for the physical delivery of non-financial assets that are entered into in line with the Group's expected purchase, sale or usage requirements ('own use') and are normally entered into to hedge the associated price risk are not recognised or measured at fair value. These forward contracts are assessed to be off-balance-sheet executory contracts due to their own use features. If the own use exemption is not met, the forward contracts will be recognised at fair value, with fair value remeasurement recorded in the Consolidated Statement of Profit or Loss.

Significant Judgement: Own use exemption on gas and power forward purchase and physical delivery CO_2-certificate forward contracts

Due to the reduction of free CO_2 emission certificates and the expected increase in CO_2 market prices, the Group hedges the associated price risk by use of physical delivery forward purchases for own use. The Group also enters into fixed price and quantity forward gas and power contracts to secure supply for its production process and reduce price volatility. The own use exemption does not require fair value recognition and measurement of the forward purchases and thus volatility in the Consolidated Statement of Profit or Loss can be avoided. The own use exemption requires contracts to be entered into and continued to be held for delivery and usage requirements of the Group. The Group settles most of these forward contracts through physical delivery and does not expect to sell any (unexpected) surplus quantities of either gas, power or CO_2 emission certificates. Management have judged that these forward purchases based on current and expected future requirements satisfy the own use exemption and have not applied fair value recognition and measurement. However, if surplus quantities of either gas, electricity or CO_2 emission certificates are expected to be sold, the corresponding forward contracts are accounted for as derivative financial instruments whose changes in fair value are recognised in the Consolidated Statement of Profit and Loss.

Derivative financial instruments designated as cash flow hedges

For derivative financial instruments which are designated as an effective cash flow hedge, hedge accounting is applied. The hedging instruments, used to hedge the underlying items, are measured at fair value with the effective part of the fair value changes recorded in OCI as an unrealised gain or loss. At the time of the realisation of the underlying transaction, the fair value changes of the hedging instrument recognised in OCI is recycled to the Consolidated Statement of Profit or Loss. Ineffective parts of the cash flow hedges are recognised immediately in the Consolidated Statement of Profit or Loss. Where the hedged item is a non-financial asset or liability, the amount accumulated in OCI is transferred to the initial carrying amount of the asset or liability. If the hedged transaction is no longer expected to take place, the accumulated amount recorded in OCI is reclassified to the Consolidated Statement of Profit or Loss. All relationships between hedging instruments and hedged items are documented, as well as risk management objectives and strategies for undertaking hedge transactions. The effectiveness of hedges is also continually assessed, and hedge accounting is discontinued when there is a change in the risk management strategy.

Impairment of financial assets

Impairment of certain financial assets is based on expected credit losses (ECL). ECL is defined as the difference between all contractual cash flows the entity is entitled under the contract and the cash flows expected to be received. The measurement of expected credit losses is generally a function of the probability of default, loss given default and the exposure at default.

Loss allowance is measured for expected credit losses on debt instruments, trade receivables and contract assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets by applying the simplified approach. The ECL on these financial assets are generally estimated using a provision matrix based on the Group's historical credit loss experience for customer groups located in different geographic regions. Forward-looking information is incorporated in the determination of the applicable loss rates for trade receivables. For the Group, the general economic development of the countries in which it sells its goods and services is relevant in determining if the adjustment of the historical loss rates is necessary.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group makes use of the practical expedient for financial instruments with an 'investment grade' rating which are assumed to be of low credit risk and have no significant increase in the credit risk. Under the practical expedient, the expected credit loss is calculated using the 12-month ECL. Among other factors, the Group considers a significant increase in credit risk to have taken place when contractual payments are more than 30 days past due.

The Group assumes that a default event has occurred when trade receivables are 180 days past due unless reasonable and supportable information confirms otherwise. For those financial instruments where objective evidence of default is present, an individual assessment of ECL takes place.

Generally, financial instruments are written off when there is no reasonable expectation of recovering amounts due.

Inventories including purchased emission rights
Inventories are stated at the lower of cost or net realisable value as of the reporting date. The determination of acquisition cost of purchased materials is based on the average cost. Finished goods and work in progress are valued at fixed and variable production cost. The net realisable value is the estimated selling price in the ordinary course of business minus any estimated cost to complete and to sell the goods. Impairments due to reduced recoverability are reflected in the calculation of the net realisable value.

In 2024, some of the inputs and assumptions used in the net realisable value calculation in relation to reduced recoverability were revised resulting in lower impairments on inventories. This constitutes a change in an accounting estimate that led to a reduction in the cost of sales of €11 million and a corresponding increase in inventories in 2024 compared to the previous calculation. The impact of this change on future periods cannot be estimated reliably.

Purchased emission allowances are presented as inventory and are initially recognised at cost und subsequently measured at the lower of cost and net realisable value. The consumption of the purchased emission allowances based on the tons of CO_2 emitted is recorded as expense in the cost of sales.

Those allowances that the Group received free of charge under the respective EU trading schemes are not recognised in the Consolidated Financial Statements.

To the extent that the CO_2 emissions emitted exceed the emission cap under the free of charge and purchased emission allowances, the Group recognises a provision calculated based on the deficit of emission allowances and measured at the market price of emission allowances prevailing at the reporting date.

Provisions
Provisions are recognised when the Group incurs a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to meet this obligation, and the amount of the obligation can be reliably estimated.

Provisions for warranties are created for individual contracts at the time of the sale of goods or after the service has been provided. The amounts of the provisions are based on the expected or actual warranty claims.

Provisions for restructuring are recognised once a detailed formal restructuring plan has been developed and announced prior to the reporting date or whose implementation was commenced prior to the reporting date.

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The Group recognises provisions for demolition and disposal costs and environmental damages. The Group's facilities and its refractory, exploration and mining operations are subject to environmental and governmental laws and regulations in each of the jurisdictions in which it operates. These laws govern, among other things, reclamation or restoration of the environment in mined areas and the clean-up of contaminated properties. These provisions include the estimated demolition and disposal costs of plants and buildings as well as environmental restoration costs arising from mining activities, based on the present value of estimated cash flows of the expected costs. The estimated future costs of asset retirements are reviewed annually and adjusted, if appropriate.

A provision for an onerous or unfavourable contract is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Provisions are measured at the present value of the unavoidable costs of meeting the obligation under the contract which exceed the economic benefits expected to arise from that contract.

Provisions for labour and civil contingencies are recognised for all risks relating to legal proceedings that represent a probable loss. Assessment of the likelihood of loss includes an analysis of available evidence, including the opinion of internal and external legal advisors of the Group.

Provisions are measured at their discounted settlement value as of the reporting date if the discounting effect is material.

If maturities cannot be estimated, they are shown within current provisions.

Significant estimate: Measurement of other provisions
The recognition and measurement of other provisions disclosed in Note (30) are based on best estimates using the information available at the reporting date. The estimates take into account the underlying legal or constructive obligation and are performed by internal experts or, when appropriate, also by external experts. Despite the best possible assumptions and estimates, cash outflows expected at the reporting date may deviate from actual cash outflows. As soon as additional information is available, the estimates made are reviewed and provisions are also adjusted. The majority of other provisions refers to an unfavourable contract which was recognised in the course of acquiring the former Magnesita Group and is mainly based on an estimate of foregone profit margins compared to market conditions. Moreover, restructuring provisions and provisions related to the rehabilitation and restoration of the mining sites or for environmental damages are recorded within other provisions. These are subject to measurement uncertainties in terms of the estimated costs to settle the obligation, estimated term until rehabilitation and restoration, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions.

Net employee defined benefit liabilities
Provisions for post-employment benefits
Pension plans
With respect to post-employment benefits relating to pensions, a differentiation is made between defined contribution and defined benefit plans.

Defined contribution plans limit the Group's obligation to the agreed contributions to earmarked pension schemes. The contributions are expensed as incurred.

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents.

Pension obligations are measured using the projected unit credit method and is netted against the fair value of the plan assets, if any. If the plan assets are not sufficient to cover the obligation, the net obligation is recognised as a liability. However, if the plan assets exceed the obligations, the net surplus recognised is limited to reductions of future contribution payments to the plan and is presented as other non-current assets in the Consolidated Statement of Financial Position. The Group restricts recognition of the net surplus by applying an asset recognition ceiling where the Group does not have an unconditional right to a refund, assuming full settlement of the liabilities. Changes in the asset ceiling are recorded in OCI.

The present value of defined benefit obligations is determined separately for each plan, annually, by independent qualified actuaries. The present value of future benefits is based on the length of service, expected wage/salary developments and pension adjustments.

The expense to be recognised in a period includes current and past service costs, settlement gains and losses, interest expenses from the interest accrued on obligations, interest income from plan assets and administration costs paid from plan assets. The net interest expense is shown separately in net finance costs. All other expenses related to defined benefit plans are allocated to the costs of the relevant functional areas.

Actuarial assumptions required to calculate these obligations include the discount rate, increases in wages/salaries and pensions, retirement starting age and probability of employee turnover and actual claims. The calculation is based on local demographic parameters.

Interest rates, which are based on high-quality corporate bonds issued with comparable maturities and currencies, are applied to determine the present value of pension obligations. In countries where there is not a sufficiently liquid market for high-quality corporate bonds, the returns on government bonds are used as a basis.

The rates of increase for wages/salaries are based on an average of past years, which is also considered to be realistic for the future, while the retirement age is based on the respective statutory provisions of the country concerned.

Remeasurement gains and losses are recorded net of deferred taxes under OCI in the period incurred.

Other post-employment benefits
Other post-employment benefits include provisions for termination benefits primarily related to obligations to employees whose employment is subject to Austrian law.

Employees who joined an Austrian company before 31 December 2002 receive a one-off lump-sum termination benefit as defined by the Austrian labour legislation if the employer terminates the employment or when the employee retires. It is regarded as a post-employment benefit and classified as a defined benefit plan. The termination payment depends on the relevant salary at the time of the termination as well as the number of years of service and ranges between two and 12 monthly salaries. These defined benefit obligations are measured using the projected unit credit method applying an accumulation period of 25 years. Remeasurement gains and losses are recorded directly in OCI after considering tax effects.

For employees who joined an Austrian company after 31 December 2002, employers are required to make regular contributions equal to 1.53% of the monthly wage/salary to a statutory termination benefit scheme. The Company has no further obligations. Claims by employees to termination benefits are filed with the statutory termination benefit scheme, while the continuous contributions are treated as defined contribution plans and included in the personnel expenses of the functional areas.

Significant estimate: Pension plans and other post-employment benefits classified as defined benefit plans
The measurement of defined benefit obligation and plan assets requires use of estimates such as discount rates, mortality rates, salary increases and inflation. These estimates are reviewed and updated when a valuation is performed by third-party experts. Further details of the estimates and assumptions together with sensitivities on changes to assumptions is reflected in Note (29). Changes in these assumptions may result in differences between cash outflows expected at the reporting date and actual cash outflows.

Other employee benefits
This includes service anniversary bonuses, payments to semi-retirees and lump-sum settlements.

Service anniversary bonuses are one-time special payments that are dependent on the employee's wage/salary and length of service. The employer is required by collective bargaining agreements or company agreements to make these payments after an employee has reached a certain number of years of uninterrupted service with the same company. Obligations are mainly related to service anniversary bonuses in Austrian and German group companies. Provisions for service anniversary bonuses are calculated based on the projected unit credit method. Remeasurement gains or losses are recorded in the personnel costs of the functional areas.

Local labour laws and other similar regulations require individual group companies to create provisions for semi-retirement obligations. The obligations are partially covered by qualified plan assets and are reported on a net basis in the Consolidated Statement of Financial Position.

Contingent liabilities
A contingent liability is disclosed, where material, if the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. A contingent liability is not disclosed if the likelihood of a material cash outflow is considered remote. The Group's contingent liabilities are reviewed on a regular basis.

Income taxes
Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in OCI or directly in equity, including tax-related impacts.

Current tax is based on the taxable profit for the period and is determined in accordance with the rules applicable in the relevant jurisdictions and includes taxes relating to prior periods. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises on initial recognition of goodwill
- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future
- For financial instruments which were issued by subsidiaries to non-controlling interests, and which are classified as a financial liability in accordance with IFRS Accounting Standards

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these can be utilised, except where the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit and loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred taxes of the Group's Austrian subsidiaries are determined at the corporation tax rate which is expected to be applicable when the temporary differences reverse (23.0% if the temporary difference reverses in 2025 or later). Deferred tax assets and liabilities of the Group's Brazilian subsidiaries are measured at 34.0%.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Where tax legislation may not be clear or result in uncertainty, the Group will determine its tax obligations and resulting income tax expense using an approach which it believes has a probable chance of being accepted by the tax authorities based on historical experience, legal advice and communication with the tax authorities, as appropriate. Where the Group adopts an approach to an uncertain tax position that it regards as having a less than probable chance of being accepted by the tax authorities, the income tax expense and resulting income and deferred tax balances are adjusted to reflect this uncertainty using either the most likely outcome method or the expected value method.

The global minimum top-up tax payable under the Pillar Two legislation is recognised as a current income tax expense when it is incurred. In accordance with the temporary exception, the Group does not recognise deferred taxes in respect of the top-up tax under the Pillar Two legislation.

Significant judgement: Uncertain tax treatments and recognition of deferred tax assets
Management makes judgements in relation to the recognition of current and deferred income taxes. In making judgements, management believes that the tax positions the Group adopts are in line with the applicable legislation and reflect the probable outcome. The tax obligations and receivables, upon audit by the tax authorities at a future date, may differ as a result of differing interpretations. These interpretations may impact the expected timing and quantum of taxes payable and recoverable.

Significant estimates: Recognition of deferred tax assets
Income tax expense is based on the tax laws applicable in the individual countries. Due to their complexity, the tax items presented may be subject to different interpretations by local tax authorities. When determining the amount of the deferred tax assets to be recognised, mainly relating to tax losses, an estimate is required of future taxable income which is influenced by factors such as prices, gross profit margins and interest rates. A 10% change in the future taxable profit from the assumption made on the reporting date within the planning period defined for the accounting and measurement of deferred taxes would not result in a significant change in the carrying amount of deferred tax assets on recognised tax losses, over a 12-month period from the date of these Consolidated Financial Statements. Refer to Note (14) for details on recognised deferred tax assets.

Revenue, income and expenses
Revenue from contracts with customers
Revenue from the sale of goods and services is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled at inception and limits the recognition of revenue subject to the variability, until it is highly probable that a significant reversal of cumulative revenue recognised will not occur. The Group does not recognise the impact of financing for payment terms as the average credit terms is currently 60 days. At contract inception, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligation. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Revenue is recognised as control is transferred, either over time or at a point of time. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Unless refractory products are delivered under specific customer contracts, whose transaction price depends on the customer's production output, revenue from the delivery of refractory products is recognised at a point in time, i.e. at the time of transfer of control. Control of the refractory products is typically passed to the customer when physical possession has been transferred. Consistent with this principle, in previous reporting periods, control of refractory products subject to a CFR ('Cost and Freight') or CIF ('Cost, Insurance and Freight') shipping agreement was determined to transfer upon arrival of the cargo at the port of destination. A thorough analysis conducted by management in 2024 due to the Red Sea crisis led to a reassessment of the timing of transfer of control for shipments delivered by sea freight with third party carriers. Accordingly, from 2024, control is determined to transfer as soon as the third-party carrier has issued the shipping document, if any, that allows the customer to redirect or otherwise control the shipped refractory products. As a result of this revised accounting policy, which is applied prospectively due to the immaterial impact on the comparative figures, the Group's revenue and gross profit increased by €42 million and €10 million respectively in 2024.

The transport service does not give rise to a separate performance obligation to which a part of revenue would have to be allocated, as this service is usually performed before control of the products is transferred to the customer.

In consignment arrangements, the Group retains control of the goods generally until a withdrawal of the products from the consignment occurs. Most of the products within consignment arrangements have a high stock turnover rate.

The Group provides services (e.g. supervision, installation) that are either sold separately or bundled together with the sale of products to a customer. Contracts for bundled sales of products and installation services usually comprise of two performance obligations being (i) the promise to transfer products and (ii) provide services which are capable of being distinct and separately identifiable in the context of the contract. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the product and service. Revenue from services is recognised over time using an input method to measure progress towards completion of the service as the customer simultaneously receives and consumes the benefits provided by the Group.

Contracts for bundled sales of refractory products and non-refractory products (e.g. machines) provided to the customer free of charge comprise two performance obligations that are separately identifiable. Consequently, the Group allocates the transaction price based on the relative stand-alone selling prices of these performance obligations and allocates revenue to the non-refractory product which is delivered free of charge.

Expected penalty fees from guaranteed durabilities on refractory products are considered as a variable consideration in the form of a contract or a refund liability. However, the estimation of the variable consideration is not subject to a constraint as the Group has significant experience with promising durabilities and as a consequence does not expect significant reversal of revenue recognised in prior periods. All other product warranties issued by the Group guarantee that the transferred products correspond to the contractually agreed specifications and are classified as assurance type warranties. Consequently, no separate distinct performance obligation to the customer exists.

If transfer of goods or services to a customer is performed before the customer pays consideration or before payment is due and is conditional on something other than the passage of time, a contract asset, excluding any amounts presented as a receivable, is recognised.

If a customer pays consideration before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made.

Contract costs, which are defined as the incremental costs of obtaining a contract, are recognised as an asset where the Group expects to recover those costs, except for those costs which are expected to be recovered within 12 months.

As the term of customer contracts is less than one year, the Group adopted the practical expedient not to disclose performance obligations for contracts with original expected duration of less than one year.

Significant Judgement: Revenue recognition
For specific customer contracts in the reportable segment Steel with variable payment arrangements where the transaction price depends on the customer's production output, (e.g. quantity of steel produced) management has determined that the commitment to transfer each of the products and services to the customer is not separately identifiable from the other commitments in the context of such contracts. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one performance obligation, being the performance of a management refractory service, exists. Revenue from the delivery of management refractory services is recognised over time and, by applying the practical expedient, corresponds to the amounts that the Group is entitled to invoice to the customer on a regular basis according to the contract terms.

Cost of sales
Cost of sales comprises the production cost of goods sold as well as the purchase price of merchandise sold. In addition to direct material and production costs, it also includes overheads including depreciation charges on production equipment, amortisation charges of intangible assets as well as impairment losses and reversals of impairment losses of inventories. Moreover, cost of sales also includes the costs of services provided by the Group or services received.

Selling and marketing expenses
This item includes personnel expenses for the sales staff as well as depreciation charges and other operating expenses related to the market and sales processes.

General and administrative expenses
General and administrative expenses primarily consist of personnel expenses for the administrative functions, legal and other consulting costs, expenses for research and non-capitalisable development costs.

Interest income and expenses
Interest income and expenses are recognised in accordance with the effective interest method.

Foreign currency translation and hyperinflation accounting
Functional currency and presentation currency
The Consolidated Financial Statements are presented in Euro, which represents the functional and presentation currency of RHI Magnesita N.V.

Consolidated subsidiary financial information is based on the currency of the primary economic environment in which it operates (functional currency).

Hyperinflation accounting
Financial Statements of subsidiaries which operate in a country whose functional currency is considered hyperinflationary are restated for the changes in the general purchasing power before translation to the reporting currency of the Group and before consolidation in order to reflect the same value of money for all items. Currently only the Financial Statements of the subsidiary operating in Argentina, Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), are restated for hyperinflation effects.

The closing balances of the non-monetary items as well as all items of the Statement of Profit or Loss are restated for the changes in the general purchasing power of its functional currency in 2024 as follows. All non-monetary items recognised in the Statement of Financial Position which are not measured at the measuring unit applicable on the reporting date are restated for the changes in the general price index from the later of the transaction date or the first-time application date to the reporting date. Non-monetary items include property, plant and equipment, intangible assets, inventories, and allocated goodwill. Monetary items are not restated. All items of the Statement of Profit or Loss are restated for the changes in the general price index from the date of initial recognition to the reporting date. Gains or losses resulting from the net monetary position are reported in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects. The Financial Statements of Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.) are therefore reported at the applicable measuring unit on the reporting date.

The price index, IPIM (Internal Index Wholesale Prices), published by the Argentinian National Institute of Statistics and Censuses is applied to determine the changes in the general purchasing power. The following table provides the level and changes of the price index for the current and the previous reporting period:

	31.12.2024	31.12.2023
Price level	**7,694.01**	3,533.19
Index movement (in %)	**118**	211

Foreign currency transactions and balances
In individual subsidiaries, joint ventures and associates, transactions in foreign currency are translated into the functional currency at the rate of exchange prevailing on the dates of the transaction. Gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies into the respective functional currency at the closing rate are recognised in the Consolidated Statement of Profit or Loss as net expense on foreign currency effects. In deviation from this, the Group designates certain intragroup monetary assets and liabilities denominated in foreign currencies such as non-current receivables or loans as part of a net investment in a foreign operation if the corresponding balances are not expected to be settled. In accordance with IFRS Accounting Standards, gains or losses from the translation of these intragroup monetary assets and liabilities into the respective functional currency are recognised in OCI. Non-monetary items, other than those measured at fair value, are carried at historical rates and not retranslated subsequent to initial recognition.

Group companies
Financial information of foreign subsidiaries with a functional currency different to the Euro are translated as follows:

Assets and liabilities of foreign subsidiaries outside the scope of hyperinflation accounting are translated at the closing rate on the reporting date, while monthly income and expenses as presented in the Statement of Profit or Loss are translated at the respective closing rates of the previous month. Differences resulting from this translation process and differences resulting from the translation of amounts carried forward from the prior year are recorded in OCI without impact on profit or loss. Monthly cash flows are translated at the respective closing rates of the previous month. Goodwill and adjustments to the fair value of assets and liabilities related to the purchase price allocations of a subsidiary outside the European currency area are treated as assets and liabilities of the respective subsidiary and translated at the closing rate.

Following the restatements in accordance with hyperinflation accounting, the assets and liabilities of foreign subsidiaries in the scope of hyperinflation accounting, as well as their income and expenses, are translated at the respective closing rate on the reporting date.

On disposal of a non-Euro functional currency subsidiary, joint venture or associate, the related accumulated foreign currency gains and losses recognised in equity are reclassified to the Consolidated Statement of Profit or Loss. In addition, when monetary items cease to form part of a net investment in a foreign operation or when in case of a net investment hedge the foreign operation is disposed, the currency translation differences previously recognised in OCI are reclassified to the Consolidated Statement of Profit or Loss.

The Euro exchange rates of the currencies of the Group's significant operations are shown in the following table:

		Closing rate		Average rate[1]	
Currencies	1 € =	31.12.2024	31.12.2023	2024	2023
Brazilian Real	BRL	**6.46**	5.37	**5.79**	5.42
Canadian Dollar	CAD	**1.50**	1.46	**1.48**	1.46
Chinese Renminbi Yuan	CNY	**7.61**	7.87	**7.79**	7.65
Indian Rupee	INR	**89.11**	92.58	**90.68**	89.20
US Dollar	USD	**1.04**	1.11	**1.09**	1.08

1) Arithmetic mean of the monthly closing rates.

4. Climate change and energy transition
In 2019 the Group announced its commitment to reduce Scope 1, 2 and 3 (raw materials) CO_2 emissions intensity by 15% by 2025, compared to a 2018 baseline. 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. The below describes how the Group has considered climate related impacts in key areas of the Consolidated Financial Statements and how this translates into the valuation of its assets and measurement of liabilities.

Note (3) includes the significant accounting estimates, judgements and key sources of estimation uncertainties and how those uncertainties have the potential to have a material effect on the Consolidated Statement of Financial Position in the next 12 months. This note describes the key areas of climate impacts that may have longer-term effects on amounts recognised at 31 December 2024.

Financial planning assumptions
As disclosed in the Sustainability Statement, climate-related risks faced by the Group include physical and transitional risks. The most material transitional risk impact is expected to be higher operating costs due to an increase in the level or scope of carbon pricing. This risk is most prominent in Europe where the existing system of allowances is to be replaced by the Carbon Border Adjustment Mechanism ('CBAM'), with all free CO_2 emission allowances currently expected to be progressively phased out by 2034.

The Group is currently already subject to the first phase ('Transitional Period') of the CBAM. Currently, the Group fully complies with the CBAM regulation on imported consumables made from steel. Management is pursuing a number of strategies to accommodate the additional impact of CBAM to its EU assets, such as considering carbon pricing in our financial planning, actively managing a hedging program to fix future prices related to the forward purchase of emission rights, increasing the use of secondary raw materials, investing in fuel switching, renewable energy and focusing on energy efficiency.

The Group has also identified climate-related opportunities, such as increased demand for its products arising from the transition by its customers to lower-carbon emitting industrial processes and increased demand for refractory products that are produced with a lower-carbon footprint.

The Consolidated Financial Statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future. The Group has decided to use Paris-aligned Mitigation and Hot House World Limited mitigation scenarios to assess the potential impact of climate change on its Consolidated Financial Statements. The largest impact from higher carbon prices as contained in these scenarios is from 2026 onwards. The negative impacts are concentrated within the Group's assets located in Europe whilst opportunities are expected to be global in nature.

The Group is investing in the research and development of new technologies for the manufacturing of refractories which may enable it over the long term to avoid or capture its CO_2 emissions and thereby mitigate the impact of higher carbon prices.

Impairment of CGUs and goodwill
The nominal growth rate used in the value in use determination is equal to the long-term rate of growth in steel/cement and/or inflation (depending on the country and business involved) and in any case no higher than the average long-term growth rate of the reference market. The Group has also taken account of the long-term impact of climate change, in particular by considering in the estimation of the terminal value a long-term growth rate in line with the change in steel/cement demand in 2030-2050 based on the specific characteristics of the businesses involved.

The expected CO_2 emission costs are considered in the 2025 budget and in the Long-Term Plan, insofar as CO_2 emissions are taxed in the respective jurisdictions, and at fixed prices, insofar as fixed price forward contracts to purchase emission rights have been contracted. In the terminal value, these CO_2 emission costs are recognised at the same level as assumed in the last year of the Long-Term Plan. Due to planning uncertainty inherent in the Group's climate transition phase which includes the extent to which CBAM will be relevant to the

Group's operations, no additional carbon emission costs have been included in the terminal value; that is to say, the phasing out of the free CO_2 emission allowances is not included.

In absence of any mitigating action by management, the gross profit could reduce by 31% from 2030, on average across the EU assets, of which 24% would be offset in regions outside the EU in a scenario where the impact of a production shift from Europe to regions outside Europe due to additional carbon tax is analysed in isolation. This scenario would not cause impairment losses for the respective CGUs in their current state due to sufficient headroom.

The Sustainability Statement outlines the theoretical path to complete decarbonisation of the Group's business activities. To achieve this, the Group would need to make significant investments in property, plant and equipment that go far beyond the investments already considered in relation to the committed reduction in Scope 1, 2 and 3 emissions by 2025. At present, neither the investments needed to achieve complete decarbonisation, nor their potential positive effects have been included in the value in use determination since the Group has not committed to complete decarbonisation and alternatives to complete decarbonisation exist.

Useful lives of property, plant and equipment
Additionally, management has assessed the useful lives of property, plant and equipment and these continue to be appropriate due to the limited refractory and other product alternatives available and considering that the customer industries that the Group serves, continue to play a significant part in the transition towards sustainable output and the transition to a green economy.

Restoration provisions
Management recognises liabilities that are expected to be incurred in relation to rehabilitation and restoration of the mining sites. As of the reporting date, the Group's mines have an expected life between eight and 100 years. The introduction of more stringent legislation could result in our mining operations becoming uneconomical earlier than anticipated, thus affecting the timing of our restoration liabilities. The discount rate used to measure asset restoration provisions is between 8-37 years term, in line with available government bond rates.

Management does not expect any reasonably possible change in the expected timing of restoration of our mines to have a material effect on the Group total provisions, assuming cash flows remain unchanged.

Deferred tax assets
In jurisdictions where new or additional climate change related legislation is enacted, our taxable profits could be affected thereby impacting the recoverability of deferred tax assets. It is expected that sufficient deferred tax liabilities and forecasted taxable profits are available for recovery of the deferred tax assets recognised at 31 December 2024. The assessment of deferred taxes is described in Note (14). For certain deferred tax assets recognised in Brazil, the period extends beyond five years. Currently, no legislation is in place in Brazil that could limit the timing and /, or the extent of the recognised deferred tax assets.

ESG-linked loans
The Group has taken out loans from financial institutions based on terms which are linked to the Group's EcoVadis ESG rating performance. On the reporting date the carrying amount of such ESG-linked financial liabilities amounts to €1,383 million (31.12.2023: €1,512 million). The financing costs may increase or decrease depending on future changes in the Group's ESG rating. The ESG rating is determined by multiple criteria covering not only the climate-related aspects but also sustainability and governance related aspects. A downgrading of the Group's ESG rating below a certain target ESG rating would lead to higher financing costs. Such a downgrade is currently not foreseeable due to sufficient headroom.

5. Segment reporting
The Group's business activities are organised according to the customer industries it serves and by region based on the Group's sales markets. Customer industries are defined as Steel, Cement & Lime, Non-Ferrous Metals, and Process Industries which comprises several customer industries addressing industrial applications. The regions comprise EU & CIS and Türkiye, North America, South America, China & East Asia and India, West Asia & Africa. The management structure including the internal reporting to the Executive Management Team follows this two-dimensional organisation and provides for distinct responsibilities for the customer industry related functions and regional functions.

The customer industry forms the basis for determining the Group's operating and reportable segments. Each customer industry is assigned to one reportable segment. In addition, the business activities subsumed into the organisational unit Minerals are designated as a further reportable segment. The Group therefore has five reportable segments.

The Steel reportable segment aggregates two operating segments, namely Steel Linings and Steel Flow Control, which are named after the two most important product lines. In determining that aggregation is appropriate, judgement is applied which considers the economic characteristics of these operating segments which include a similar nature of products, customers, production processes and long-term average gross margins. The Steel reportable segment provides refractory products with a lifetime ranging from hours to several months, services and technologies that are essential for steel production and the steel-processing industry. The Steel Linings product line comprises refractory bricks in various shapes and chemical compositions, as well as mixes and castables lining the customers' furnaces, ladles, and converters. The Steel Flow Control refractory products are used primarily in the final stages of the steel production process and include specialised refractory products and systems including slide gate systems, plates and submerged entry nozzles. In addition to refractory products, the Steel reportable segment delivers services such as refractory engineering solutions (drawings or design of a Linings concept), installation, supervision, maintenance and recycling. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is offered to customers, including systems, sensors, machinery and digital products.

The Cement & Lime reportable operating segment provides refractory products with a lifetime of one year, services and technologies that are essential to produce cement and lime.

The Non-Ferrous Metals reportable operating segment provides refractory products with a lifetime ranging from one year to ten years, services and technologies that are essential to produce base metals and ferroalloys for the production from primary (ores, concentrates) or secondary (recycling) raw materials.

The Process Industries reportable segment, with its two operating segments Glass and Industrial Applications, provides refractory products with a lifetime ranging from one to twenty years, services and technologies for customers operating in the Glass, Environment, Energy, Chemicals, Foundry and Aluminium Industries.

The refractory products offered to customers in the Cement & Lime, Non-Ferrous Metals and Process Industries reportable segments include refractory bricks in various shapes and chemical compositions, as well as mixes, mortars and castables and other specialised refractory products lining customer industry specific furnace types and aggregates. In addition to refractory products, services such as refractory engineering solutions (drawings or design of a Linings concept), installation, supervision, maintenance and recycling are delivered. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is offered to customers, including systems, sensors, machinery and digital products.

In addition, the Group engages in the sale of internally produced raw materials such as magnesite ore, dead-burned magnesia and fused magnesia within the Group and to external customers to the extent that these are not utilised internally. These business activities are subsumed into the organisational unit Minerals, which is designated as a reportable segment.

The Chief Executive Officer has the responsibility over allocation of resources and evaluates the performance of each operating segment and is therefore the Chief Operating Decision Maker ("CODM") at Group level. Revenue and Gross Profit are the key internal performance measures provided to and used by the CODM to evaluate performance on operating segment level and allocate resources. These are prepared using the same accounting policies as the Consolidated Financial Statements and reported after elimination of any inter-segment transactions.

Each reporting period the appropriateness and decision usefulness of the Group's segment reporting structure is reassessed. This reassessment has resulted in a change of the Group's segment reporting structure which aims to provide a more detailed insight into the financial performance of the Cement & Lime, Non-Ferrous Metals and Process Industries reportable segments, which had formed part of the former Industrial reportable segments until the previous reporting period. The comparative figures have been restated in accordance with IFRS 8 to reflect the new segment reporting structure.

The following tables show the financial information for the reportable segments for the year 2024 and the previous year:

	Steel	Industrial			Minerals	
2024 in € million		**Cement & Lime**	**Non-Ferrous Metals**	**Process Industries**		**Group 2024**
Revenue	**2,373**	**376**	**247**	**426**	**65**	**3,487**
Gross profit	**551**	**83**	**110**	**101**	**3**	**848**
EBIT						**242**
Net finance costs						(42)
Profit before income tax						**200**

	Steel	Industrial			Minerals	
2023 in € million		Cement & Lime	Non-Ferrous Metals	Process Industries		Group 2023
Revenue	**2,461**	**424**	**281**	**326**	**80**	**3,572**
Gross profit	**550**	**105**	**119**	**74**	**9**	**857**
EBIT						**333**
Net finance costs						(100)
Profit before income tax						**233**

No single customer contributed 10% or more to consolidated revenue in 2024 and in 2023. Companies that are known to be part of a group are treated as one customer.

In the below breakdown of revenue by type of product or service, a distinction is made in refractory products between shaped (e.g. hydraulically pressed bricks, fused cast bricks, isostatically pressed products), unshaped (e.g. repair mixes, building mixes and casting mixes), flow control (e.g. distributors, ladle slides, ladles) and other refractory products.

In the reporting year, revenue is classified by type of product or service as follows:

	Steel	Industrial			Minerals	
in € million		Cement & Lime	Non-Ferrous Metals	Process Industries		Group 2024
Shaped refractory products	1,097	311	204	314	0	1,926
Unshaped refractory products	579	51	21	57	0	708
Flow control refractory products	553	0	0	0	0	553
Other refractory products	27	5	3	18	0	53
Systems, sensors, machinery and digital products	19	3	8	5	0	35
Services	88	6	9	32	0	135
Raw materials	10	0	2	0	65	77
Revenue	**2,373**	**376**	**247**	**426**	**65**	**3,487**

In 2023, revenue was classified by type of product or service as follows:

	Steel	Industrial			Minerals	
in € million		Cement & Lime	Non-Ferrous Metals	Process Industries		Group 2023
Shaped refractory products	1,177	340	231	233	0	1,981
Unshaped refractory products	591	63	32	45	0	731
Flow control refractory products	555	0	0	0	0	555
Other refractory products	32	6	3	15	0	56
Systems, sensors, machinery and digital products	21	4	7	3	0	35
Services	71	10	6	30	0	117
Raw materials	14	1	2	0	80	97
Revenue	**2,461**	**424**	**281**	**326**	**80**	**3,572**

The revenue is based on the locations of the customers.

in € million	2024	2023
Netherlands	**15**	14
USA	**584**	612
India	**445**	477
Brazil	**353**	371
China	**260**	260
Other countries	**1,830**	1,838
Revenue	**3,487**	**3,572**

The carrying amounts of goodwill, other intangible assets and property, plant and equipment are classified based on the location of the Group companies:

in € million	31.12.2024	31.12.2023
Brazil	**407**	503
India	**392**	383
Austria	**343**	368
USA	**235**	225
Germany	**205**	212
China	**188**	201
Other countries	**274**	277
Goodwill, intangible assets and property, plant and equipment	**2,044**	**2,169**

6. Restructuring

Summary of restructuring and write-down expenses/income recognised as follows:

in € million	2024	2023
Restructuring (expenses)	**(32)**	(20)
Restructuring income	**8**	0
Restructuring (expenses) – net	**(24)**	**(20)**

2024

Restructuring expenses mainly relate to the €25 million provision associated with the closure of the Mainzlar plant in Germany. This includes the provision of impairment losses on property, plant and equipment in the amount of €5 million. The impaired assets mainly formed part of the Non-Ferrous Metals and Process Industries reportable segments. The recoverable amount of zero was based on fair value less costs of disposal.

The €8 million gains were recognised from the sale of property, plant and equipment, as well as other intangible assets, resulted from the plant closures in Kruft, Germany and Dashiqiao, China, which were announced in the previous years.

2023

Restructuring includes €12 million of termination costs following the transfer of certain global functions to the regions. In addition, it includes €5 million of plant closure costs, which mainly reflect €2 million of costs in Dashiqiao plant, China.

In Brazil, an impairment loss was recognised on fixed assets of €1 million which was partially caused by a flood at the Contagem plant.

7. Other income

in € million	2024	2023
Net amortisation of Oberhausen provision	**14**	11
Gains from the disposal of non-current assets	**6**	3
Bargain purchase gain	**0**	8
Miscellaneous income	**18**	5
Other income	**38**	**27**

The net amortisation of the Oberhausen provision includes a utilisation of €10 million (2023: €10 million) for the performance against the onerous contract, and €4 million (2023: €1 million) arising from updated estimates. In 2024, miscellaneous income mainly includes €9 million related to the disposal of the Dashiqiao plant in China and a cash inflow of €6 million related to receivables previously written down to zero.

8. Other expenses

in € million	2024	2023
Expenses for strategic projects	**(75)**	(16)
Impairment of property, plant and equipment and intangible assets	**(37)**	0
Losses from the disposal of non-current assets	**(3)**	(7)
Miscellaneous expenses	**(24)**	(16)
Other expenses	**(139)**	**(39)**

Expenses for strategic projects amounting to €24 million (2023: €16 million) mainly include legal and consulting fees related to M&A activities and integration costs for newly acquired businesses. Additionally, the Group incurred Software as a Service costs, which are expensed as incurred, amounting to €45 million and costs amounting to €6 million to develop an integrated supply chain planning solution.

An impairment loss of €29 million corresponds to a full write-down of property, plant and equipment under construction of a project in Brazil which was abandoned in 2024 consequent of the Resco Group acquisition. The impaired assets formed part of the Steel and Cement & Lime reportable segments. The recoverable amount of zero was based on fair value less costs of disposal. In addition, the Group recorded an impairment loss of €8 million for capitalised development costs recognised as intangible assets. This impairment loss is due to the reduction of the project scope. The impaired intangible assets formed part of all reportable segments except Minerals. The recoverable amount of €14 million was based on value in use.

Miscellaneous expenses mainly consist of €12 million of expenses related to investments in and losses from the disposal of special Argentinian government bonds (refer to Note (3)) and €4 million from pre-merger related litigation costs.

9. Expense categories

The presentation of the Consolidated Statement of Profit or Loss is based on the function of expenses. The following table shows a classification by expense category for 2024 and the previous year:

in € million	2024	2023
Cost of materials	**(1,352)**	(1,375)
Personnel costs	**(806)**	(747)
Energy costs	**(225)**	(257)
Freight expenses	**(201)**	(229)
Depreciation and amortisation charges	**(175)**	(178)
External services	**(173)**	(164)
Changes in inventories, own work capitalised	**(11)**	(54)
Write-down expenses	**(42)**	(1)
Other income and expenses	**(260)**	(234)
Total expenses	**(3,245)**	**(3,239)**

Cost of materials includes expenses for raw materials and supplies and purchased goods of €1,307 million (2023: €1,311 million) and expenses for services received amounting to €45 million (2023: €64 million). Research and development costs amounted to €51 million

(2023: €51 million), of which €5 million (2023: €8 million) in development costs were capitalised. Amortisation and impairment of development costs recognised within cost of sales was €10 million (2023: €3 million).

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised as an expense in the Consolidated Statement of Profit or Loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment, office furniture and other small items. Expenses for short-term, low-value and variable lease payments in 2024 amount to €7 million (2023: €5 million).

Please refer to Note (8) for details on write-down expenses.

Other income of €53 million (2023: €36 million) mainly comprises gains on disposal of non-current assets, income from research grants which amounted to €4 million (2023: €4 million), insurance reimbursements and amortisation of grants related to assets; also included are €9 million related to the disposal of Dashiqiao plant in China and €6 million related to receivables previously written-down. Other expenses mainly consist of external consulting fees, IT costs, travel expenses and repairs and maintenance expenditure.

10. Personnel costs

Personnel costs consist of the following components:

in € million	2024	2023
Wages and salaries	**(634)**	(579)
Social security contribution	**(121)**	(113)
Fringe benefits	**(32)**	(33)
Pension and other post-employment benefits		
Defined contribution plans	**(12)**	(11)
Defined benefit plans	**(4)**	(4)
Other expenses termination benefits	**(3)**	(7)
Personnel expenses (without interest expenses)	**(806)**	**(747)**

Average employee numbers

The average number of employees of the Group based on full time equivalents amounts to:

	2024	2023
Salaried employees	**7,426**	7,063
Waged workers	**8,626**	7,953
Number of employees on annual average	**16,052**	**15,016**

108 full time equivalents of salaried employees work in the Netherlands (2023: 120 employees).

11. Interest income

Includes interest income on cash at banks and similar income amounting to €22 million (2023: €19 million).

12. Net income/(expense) on foreign exchange effects

The net income comprises the foreign exchange effects from translating foreign currency balances into the functional currency, the results from derivative financial instruments, such as forward exchange contracts and derivatives in open orders, as well as the loss on the net monetary position related to hyperinflation accounting (IAS 29) and can be detailed as follows:

in € million	2024	2023
Foreign exchange gains/(losses)	**30**	(44)
(Losses)/gains on forward exchange contracts and derivatives in open orders	**(18)**	11
(Loss)/gain on net monetary position	**(1)**	3
Net income/(expense) on foreign exchange effects	**11**	**(30)**

The foreign exchange gains in the current reporting period mainly result from the depreciation of the functional currencies of subsidiaries with a net asset foreign currency exposure against USD and the appreciation of the functional currencies of subsidiaries with a net liability foreign currency exposure against USD.

13. Other net financial expenses
Other net financial expenses consist of the following items:

in € million	2024	2023
Net interest expense relating to personnel provisions	**(12)**	(12)
Unwinding of discount of provisions and payables	**(7)**	(8)
Interest income/(expense) on non-controlling interest liabilities	**1**	(7)
Interest expense on lease liabilities	**(3)**	(2)
Income from the revaluation of NCI put options	**21**	7
Other interest and similar income and expenses[1)]	**(14)**	(10)
Other net financial expenses	**(14)**	**(32)**

1) Mainly includes costs associated with the trade receivables factoring programme of €10 million (2023: €12 million).

14. Taxation
Income tax
Income tax consists of the following items:

in € million	2024	2023
Current tax expense	**(51)**	(67)
Deferred tax (expense)/income relating to		
temporary differences	**(4)**	9
tax loss carryforwards	**9**	(4)
	5	5
Income tax	**(46)**	**(62)**

The current tax expense includes tax income for prior periods of €5 million (2023: €5 million net expense).

In recognising deferred tax assets, the Group has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects of economic volatility and (iii) the Group's latest forecasts and assumptions used for goodwill impairment testing and viability statement assessment. The Group's forecast period is four years with the fifth year being the final year, consistent with goodwill impairment testing. In Brazil, a longer time frame is used due to the annual limitation for use of losses (30% of the taxable profits of the relevant year) which requires a longer-term prediction. Information on tax contingencies is provided under Note (38).

In addition to the income taxes recognised in the Consolidated Statement of Profit or Loss, a tax income of €7 million (2023: €15 million tax), was recognised in OCI mainly relating to currency translation cash flow hedges and measurement gains and losses on post-employment employee benefits.

A reconciliation of the difference between the income tax expense, which would result from the application of the Austrian corporate tax rate of 23% on the profit before income tax (the Austrian tax rate being used as holding company RHI Magnesita N.V. is tax resident in Austria), and the income tax reported is shown below:

in € million	2024	2023
Profit before income tax	**200**	**233**
Income tax expense calculated at 23% (2023: 24%)	**46**	**56**
Different foreign tax rates	**8**	2
Expenses not deductible and additions to tax base, non-creditable taxes	**22**	28
Non-taxable income and tax benefits	**(30)**	(28)
Tax losses and temporary differences of the financial year not recognised	**5**	1
Utilisation of previously unrecognised loss carryforwards and temporary differences	**(5)**	(1)
Deferred tax expense due to tax rate changes	**1**	2
Deferred income tax relating to previous periods	**4**	(7)
Income tax relating to foreign currency translation of local currency to functional currency	**0**	4
Current income tax relating to prior periods	**(5)**	5
Recognised tax expense	**46**	**62**
Effective tax rate (in %)	**23.0%**	**26.7%**

Below is the summary of major effects on the effective tax rate reconciliation:

In 2024, expenses not deductible and additions to the tax base include: transfer pricing adjustments mainly related to Argentina of €4 million (2023: transfer pricing adjustments and inventory revaluation in Brazil of €5 million); share-based payments and other employee costs and write-up of treasury shares in Austria of €3 million (2023: €5 million); non-creditable withholding taxes in Austria of €2 million (2023: €2 million) and non-deductible subsidiary related expenses of €3 million (2023: €1 million).

In 2024, non-taxable income and tax benefits mainly include: tax incentives in Brazil of €2 million (2023: €8 million); additional tax depreciation in Austria of €7 million (€2023: €7 million) relating to historical acquisitions; inflationary adjustments in South America and Türkiye of €6 million (2023: €4 million); gains on the measurement of liabilities related to the fixed term or puttable non-controlling interests of €6 million; income of €2 million related to receivables previously written down to zero and gains from the disposal of foreign operations of €2 million.

Tax losses and temporary differences of the financial year for which no deferred tax assets have been recognised because sufficient taxable profits are not expected in the near future include a tax loss realised in China of €4 million (2023: €1 million) and the utilisation of previously unrecognised temporary differences in China of €5 million (2023: €1 million).

In the United States a change in the tax rate from 24.19% to 24.57% led to a deferred tax expense of €1 million (2023: deferred tax income due to a tax rate change from 25.65% to 24.19% amounting to €1 million). The tax rate change in Slovenia from 19% to 22% led to a deferred tax expense of €1 million (2023: no tax rate change in Slovenia).

Deferred taxes expense relating to prior periods based on information obtained in the reporting period arises mainly from Mexico amounting to a deferred tax expense of €2 million (2023: deferred tax expense of €1 million) and from India amounting to a deferred tax expense of €3 million.

The current tax income relating to prior periods of €5 million mainly relates to Peru (€3 million) and Chile (€2 million) where, respectively, there was a reversal of a tax risk provision due to a court case judgement, and return-to-provision reconciliations.

Deferred taxes

Deferred taxes are related to the following significant balance sheet items and tax loss carryforwards:

	31.12.2024		2024	31.12.2023		2023
in € million	Deferred tax assets	Deferred tax liabilities	(Expense)/Income	Deferred tax assets	Deferred tax liabilities	(Expense)/Income
Property, plant and equipment, intangible assets	**28**	**107**	**8**	29	121	3
Inventories	**26**	**10**	**4**	24	10	0
Trade receivables, other assets	**14**	**22**	**(10)**	12	9	12
Pensions and other personnel provisions	**35**	**0**	**(1)**	45	0	(5)
Other provisions	**23**	**0**	**(2)**	30	0	2
Trade payables, other liabilities	**39**	**5**	**(3)**	28	6	(3)
Tax loss carried forward	**67**	**0**	**9**	67	0	(4)
Offsetting	**(80)**	**(80)**	**0**	(83)	(83)	0
Deferred taxes	**152**	**64**	**5**	**152**	**63**	**5**

For temporary differences and tax loss carryforwards of subsidiaries which have generated tax losses either in the current or previous reporting period deferred tax assets amounting to €101 million (2023: €5 million) have been recognised in the Consolidated Statement of Financial Position, as sufficient taxable income is expected to be generated in the future.

The total tax loss carryforwards of the Group amount to €347 million at 31 December 2024 (2023: €402 million). For tax loss carryforwards of €235 million (2023: €221 million) deferred tax assets are recognised while no deferred tax assets are recognised for the remaining amount of €112 million (2023: €181 million).

The following table shows the origin of tax loss carryforwards per country for which no deferred tax assets are recognised:

in € million	31.12.2024	31.12.2023
Country		
Brazil	**51**	61
Luxembourg	**0**	61
China	**37**	24
UK	**6**	18
Dubai	**4**	4
Germany	**6**	6
France	**5**	4
Others	**3**	3
Total	**112**	**181**

The following table shows the tax loss carryforwards by year of expiry:

in € million	31.12.2024	31.12.2023
Year of expiry		
2024	**0**	6
2025	**1**	2
2026	**2**	2
2027	**10**	8
2028	**6**	6
2029	**19**	0
2030 or later	**0**	1
Not subject to expiration	**74**	156
Total unrecognised tax losses	**112**	**181**

No deferred tax assets were recognised on temporary differences totalling €123 million (2023: €176 million), which are expected to reverse by 2034. These temporary differences mainly relate to Austria: €120 million (2023: €151 million).

Taxable temporary differences of €1,477 million (2023: €1,241 million) and temporary deductible differences of €96 million (2023: €50 million) were not recognised on shares in subsidiaries as the distributions of profit or the sale of the investments are controlled by the Group.

The Group is subject to global minimum tax rules (i.e., OECD Pillar Two). The calculation following the OECD Pillar Two rules as well as the newly enacted local legislation of Austria (where the ultimate parent entity is resident) has not led to inclusion of additional tax expense for the countries the Group operates in.

Income tax receivables
Income tax receivables amounting to €40 million (2023: €44 million) are mainly related to tax prepayments and deductible withholding taxes.

Income tax liabilities
Income tax liabilities amounting to €29 million (2023: €51 million) primarily include income taxes for the current year and previous years.

15. Earnings per share
Earnings per share is calculated by dividing the profit or loss attributable to the shareholders of the Group by the weighted average number of shares outstanding during the financial year.

	2024	2023
Profit after income tax attributable to RHI Magnesita N.V. shareholders (in € million)	**142**	165
Weighted average number of shares for basic EPS	**47,170,570**	47,078,254
Effects of dilution from share options	**1,154,648**	1,014,964
Weighted average number of shares for dilutive EPS	**48,325,218**	48,093,218
Earnings per share basic (in €)	**3.01**	**3.50**
Earnings per share diluted (in €)	**2.94**	**3.42**

The weighted average number of shares for basic and dilutive EPS considers the effect of changes in treasury shares during the reporting period.

16. Dividend payments and proposed dividend
The final proposed dividend is subject to the approval of the AGM in May 2025 and was not recognised as a liability in these Consolidated Financial Statements. The final proposed dividend for 2024 will amount to €1.20 per share (2023: €1.25 per share).

In line with the Group's dividend policy, the Board paid out an interim dividend in the second half of 2024 of €0.60 per share for the first half of 2024 amounting to €28 million. The total dividend for 2024, which includes the proposed final dividend, yet to be approved by shareholders, amounts to €1.80 per share (2023: €1.80 per share).

Based on a resolution adopted by the AGM in May 2024, the final dividend for 2023 amounted to €1.25 per share and was paid out in June 2024, amounting to €59 million. The total dividend for 2023 amounted to €1.80 per share.

17. Goodwill

in € million	2024	2023
Carrying amount at beginning of year	**339**	137
Business combinations and PPA finalisation	**3**	197
Currency translation	**(3)**	(2)
Hyperinflation adjustment	**3**	7
Carrying amount at year-end	**342**	**339**

Impairment of CGUs with significant goodwill

Goodwill is tested for impairment at least annually based on the CGU to which it is allocated. The Group's significant goodwill is assigned to the Steel CGUs and to the Industrial Cement & Lime CGU as shown in the table below.

The impairment test is based on the value in use; the recoverable amount is determined using the discounted cash flow method and incorporates the terminal value. The Group is subject to environmental and other laws and regulations and has established environmental policies and procedures aimed at compliance with these laws. Impairment testing incorporated considerations for increased energy and raw material prices in its budget and the Long-Term Plan and estimates the total increase in investments in research and development costs at approximately €48 million. Current technology used by the customer industries requiring advanced heat-resistant materials for their production depend on refractory materials and in our view will remain in use in the observable future.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2025 budget, as approved by the Board, and the Long-Term Plan, covering a four-year period. The cash flows are geared to a steady-state business development, which balances out possible economic or other non-sustainable fluctuations in the detailed planning period and forms the basis for the calculation of the terminal value.

The key assumptions used in determining the value in use are:

- Revenue: projected sales were built up with reference to markets and product categories incorporating projections of developments in key markets.
- EBIT margin: projected margins reflect historical performance, our expectations for future cost inflation and the impact of all completed projects to improve operational efficiency.
- Discount rate before tax: a discount rate that is calculated taking into account the weighted average cost of capital of comparable companies; the corresponding parameters are derived from capital market information. In addition, country-specific risk premiums are considered in the weighted average cost of capital.
- Perpetual annuity growth rate: for the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity was applied immediately at the end of the fifth-year detailed planning period comprising the 2025 budget and the subsequent four-year period covered by the Long-Term Plan. As in the previous year, the terminal value is based on a growth rate derived from the difference between the current and possible degree of asset capacity and utilisation.

Forecast EBIT has been projected using:

- Expected future sales are based on the strategic plan, which was constructed at a market level with input from regional commercial managers. An assessment of the market using external sources for the development of the customer's industries; regional growth rates of the steel production and output of the non-steel clients in combination with the development of the specific refractory consumption including technological improvements.
- Current cost structure and production capacity, which include our expectations for future cost inflation. The assumptions were updated considering the latest economic developments, including energy, freight, and raw material prices. The forecasts include cash flows from future investments related to capacity maintenance while expansion investments are excluded.

Working capital is included in the carrying amount of the CGUs; therefore, the recoverable amount only takes into account changes in working capital.

The following table shows the perpetual annuity growth rates and discount rates before tax applied in the value in use determination for CGUs to which significant goodwill is allocated:

	2024			2023		
	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million
Steel – Linings	9.7%	0.9%	218	9.9%	0.9%	213
Steel – Flow Control	10.3%	0.9%	67	10.0%	0.9%	67
Industrial – Cement & Lime	10.7%	0.9%	56	10.5%	0.9%	55

As a sensitivity, the effect of the following downside scenarios to the key assumptions would, in isolation, not result in an impairment of the above CGUs to which significant goodwill is allocated:

- increase of the estimated discount rate by 10%
- decrease of the perpetual annuity growth rate by 50%
- decrease of EBIT margin by 10%
- decrease of revenue by 2.5%

18. Other intangible assets

in € million	Mining rights	Customer relationship	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2023	152	284	87	170	22	715
Currency translation	(10)	3	(1)	0	0	(8)
Additions	0	0	5	1	0	6
Initial consolidation and PPA finalisation	0	(2)	0	0	0	(2)
Retirements and disposals	0	0	(1)	(16)	0	(17)
Reclassifications	3	0	0	3	(6)	0
Cost at 31.12.2024	**145**	**285**	**90**	**158**	**16**	**694**
Accumulated amortisation 31.12.2023	17	64	53	111	0	245
Currency translation	(1)	0	0	(1)	0	(2)
Amortisation charges	2	20	3	14	0	39
Impairment charges	0	0	7	0	0	7
Retirements and disposals	0	0	0	(12)	0	(12)
Accumulated amortisation 31.12.2024	**18**	**84**	**63**	**112**	**0**	**277**
Carrying amounts at 31.12.2024	**127**	**201**	**27**	**46**	**16**	**417**

in € million	Mining rights	Customer relationship	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2022	152	132	79	157	0	520
Currency translation	1	(5)	0	(2)	0	(6)
Additions	0	0	8	2	0	10
Additions initial consolidation	0	159	0	6	8	173
Retirements and disposals	(1)	0	0	(1)	0	(2)
Reclassifications	0	(2)	0	8	14	20
Cost at 31.12.2023	**152**	**284**	**87**	**170**	**22**	**715**
Accumulated amortisation 31.12.2022	15	45	49	94	0	203
Currency translation	(1)	(1)	0	1	0	(1)
Amortisation charges	3	20	4	17	0	44
Reclassifications	0	0	0	(1)	0	(1)
Accumulated amortisation 31.12.2023	**17**	**64**	**53**	**111**	**0**	**245**
Carrying amounts at 31.12.2023	**135**	**220**	**34**	**59**	**22**	**470**

Internally generated intangible assets comprise capitalised software and product development costs. Other intangible assets include in particular acquired patents, trademark rights, software, and land-use rights.

The following table shows the individually material intangible assets acquired and their remaining useful lives:

in € million	Remaining useful life in years	31.12.2024 Net book value	31.12.2023 Net book value
Mining rights			
Brazil	49	**63**	77
US	46	**61**	58
Customer relationships			
RHI Magnesita India Refractories Ltd and RHI Magnesita Seven Refractories Ltd	8–18	**91**	95
Former Magnesita Group	4–8	**48**	55
Seven Refractories Group	14	**21**	26
RHI Magnesita India / Hi-Tech Chemicals Ltd	4	**21**	22
Land use rights	13–53	**20**	24

There are no restrictions on the sale of intangible assets.

19. Property, plant and equipment

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2023	758	1,231	417	267	134	2,807
Currency translation	(13)	(10)	(9)	(25)	(3)	(60)
Additions[1]	6	49	9	68	29	161
Initial consolidation and PPA finalisation	5	(2)	0	(1)	0	2
Retirements and disposals	(31)	(97)	(42)	(6)	(13)	(189)
Reclassifications	26	106	32	(167)	0	(3)
Cost at 31.12.2024	**751**	**1,277**	**407**	**136**	**147**	**2,718**
Accumulated depreciation 31.12.2023	304	814	271	1	57	1,447
Currency translation	(1)	(2)	(3)	(1)	(3)	(10)
Depreciation charges	21	61	32	0	22	136
Impairment charges	0	9	0	26	0	35
Retirements and disposals	(29)	(93)	(41)	0	(12)	(175)
Accumulated depreciation 31.12.2024	**295**	**789**	**259**	**26**	**64**	**1,433**
Carrying amounts at 31.12.2024	**456**	**488**	**148**	**110**	**83**	**1,285**

1) Including €3 million capitalised borrowing costs.

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2022	712	1,143	393	232	112	2,592
Currency translation	(1)	(2)	1	3	0	1
Additions[1]	14	19	11	127	14	185
Additions initial consolidation	52	51	6	6	22	137
Retirements and disposals	(35)	(24)	(15)	0	(14)	(88)
Reclassifications	16	44	21	(101)	0	(20)
Cost at 31.12.2023	**758**	**1,231**	**417**	**267**	**134**	**2,807**
Accumulated depreciation 31.12.2022	317	768	252	1	50	1,388
Currency translation	0	0	0	0	1	1
Depreciation charges	17	67	30	0	20	134
Impairment charges	0	0	1	0	0	1
Retirements and disposals	(30)	(21)	(13)	0	(14)	(78)
Reclassifications	0	0	1	0	0	1
Accumulated depreciation 31.12.2023	**304**	**814**	**271**	**1**	**57**	**1,447**
Carrying amounts at 31.12.2023	**454**	**417**	**146**	**266**	**77**	**1,360**

1) Including €8 million capitalised borrowing costs.

Prepayments made and plant under construction includes €106 million (2023: €259 million) mainly relating to the expansion and production optimisation of the plants in Brazil during 2024. The spend in 2023 mainly related to the expansion of a production plant in Austria and a magnesite plant in Brazil.

Please refer to Note (27) for the restrictions on the sale of property, plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounts to €6 million (2023: €9 million).

Please refer to Note (8) for details regarding the impairment charges.

The Right-of-use assets per category developed as follows as of 31 December 2024:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2023	91	30	13	134
Currency translation	(1)	(2)	0	(3)
Additions	17	3	9	29
Retirements and disposals	(5)	(5)	(3)	(13)
Cost at 31.12.2024	**102**	**26**	**19**	**147**
Accumulated depreciation 31.12.2023	30	20	7	57
Currency translation	0	(2)	(1)	(3)
Depreciation charges	12	5	5	22
Retirements and disposals	(5)	(5)	(2)	(12)
Accumulated depreciation 31.12.2024	**37**	**18**	**9**	**64**
Carrying amounts at 31.12.2024	**65**	**8**	**10**	**83**

The Right-of-use assets per category developed as follows as of 31 December 2023:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2022	69	33	10	112
Additions	9	1	4	14
Additions initial consolidation	21	1	0	22
Retirements and disposals	(8)	(5)	(1)	(14)
Cost at 31.12.2023	**91**	**30**	**13**	**134**
Accumulated depreciation 31.12.2022	25	19	6	50
Currency translation	0	1	0	1
Depreciation charges	12	5	3	20
Retirements and disposals	(7)	(5)	(2)	(14)
Accumulated depreciation 31.12.2023	**30**	**20**	**7**	**57**
Carrying amounts at 31.12.2023	**61**	**10**	**6**	**77**

The average lease term is 10 years for land and buildings, five years for technical equipment and machinery and four years for other equipment, furniture and fixtures. Impacts resulting from extension and termination options, as well as residual value guarantees are immaterial. Detail on lease liabilities is in Note (28).

20. Other assets

in € million	31.12.2024	31.12.2023
Prepayments related to the acquisition of Resco Group	**46**	0
Deferred mine stripping costs	**13**	12
Tax receivables	**11**	14
Other non-current assets	**6**	11
Other non-current assets	**76**	**37**

21. Inventories

in € million	31.12.2024	31.12.2023
Raw materials and supplies	**264**	274
Work in progress	**215**	220
Finished products and goods	**464**	489
Prepayments made	**14**	13
Emission rights[1]	**5**	5
Inventories	**962**	**1,001**

1) With effect from 1 January 2024 "Other current receivables" excludes "Emission rights" which are now presented in "Inventories". Prior period comparatives have been revised to conform with current year presentation.

Net write-down expenses amount to €0 million (2023: €12 million). Please refer to Note (3) for details on the change in an accounting estimate related to the calculation of net realisable value in relation to reduced recoverability.

22. Trade and other receivables

in € million	31.12.2024	31.12.2023
Trade receivables	**530**	538
Contract assets	**3**	4
Other tax receivables	**87**	95
Prepaid expenses	**9**	8
Other current receivables[1]	**31**	36
Trade and other current receivables	**660**	**681**
thereof financial assets	**533**	542
thereof non-financial assets	**127**	139

1) With effect from 1 January 2024 "Other current receivables" excludes "Emission rights" which are now presented in "Inventories". Prior period comparatives have been revised to conform with current year presentation.

The Group enters into factoring agreements and sells trade receivables to financial institutions. Trade receivables sold at the end of the year was €237 million (2023: €259 million). These have been derecognised as substantially all risks and rewards as well as control have been transferred. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Other tax receivables include primarily VAT, as well as receivables from energy tax refunds, and tax research subsidies.

Other current receivables mainly relate to advances for insurance, IT services as well as custom and import-related services and costs.

23. Cash and cash equivalents

in € million	31.12.2024	31.12.2023
Cash at banks and in hand	**530**	644
Money market funds	**46**	60
Cash and cash equivalents	**576**	**704**

Cash and cash equivalents include amounts not available for use by the Group totalling €3 million at 31 December 2024 (2023: €10 million). Cash not available for use by the Group is mainly comprised of deposits for credit lines and bank guarantees.

24. Share capital

At 31 December 2024, the authorised share capital of RHI Magnesita N.V. amounts to €100,000,000 divided into 100,000,000 ordinary shares and remained unchanged compared to prior year. Thereof 47,195,936 (2023: 47,130,338) fully paid-in ordinary shares are issued. In addition, there are 2,281,769 (2023: 2,347,367) treasury shares held by the Company. All issued RHI Magnesita shares grant the same rights. The shareholders are entitled to dividends and have one voting right per share at the AGM. There are no shares with special control rights.

25. Group reserves

Treasury shares

At 31 December 2024, RHI Magnesita treasury shares amount to 2,281,769 (2023: 2,347,367).

Additional paid-in capital

At 31 December 2024, as well as at 31 December 2023, additional paid-in capital comprised premiums on the issue of shares less issue costs by RHI Magnesita N.V.

Mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger between former RHI Group and former Magnesita Group in 2017. No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Accumulated other comprehensive income
Cash flow hedge reserves include gains and losses from the effective part of cash flow hedges less tax effects. The accumulated gain or loss from the hedge allocated to reserves is only reclassified to the Statement of Profit or Loss if the hedged transaction also influences the result or is terminated.

Reserves for defined benefit plans include the gains and losses from the remeasurement of defined benefit pension and termination benefit plans taking into account tax effects. No reclassification of these amounts to the Statement of Profit or Loss will be made in future periods.

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries, unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes, as well as the effective portion of foreign exchange gains or losses when a financial instrument is designated as the hedging instrument in net investment hedge in a foreign operation.

26. Non-controlling interests

Subsidiaries with material non-controlling interests
RHI Magnesita India Ltd., based in New Delhi, India, is a listed company on the BSE Limited and NSE Limited. RHI Magnesita India Ltd. is the (direct or ultimate) parent company of RHI Magnesita India Refractories Ltd., RHI Magnesita Seven Refractories Ltd. and Intermetal Engineers (India) Private Ltd which together form the Subgroup India. The Subgroup India is included in all reportable segments of the Group and the share of the non-controlling interests amounts to 43.9% (2023: 43.9%). Aggregated financial information of the Subgroup India as of 31 December 2024 is provided below:

in € million	31.12.2024	31.12.2023
Non-current assets	**432**	420
Current assets	**260**	258
Non-current liabilities	**(24)**	(18)
Current liabilities	**(123)**	(152)
Net assets before intragroup eliminations	**545**	**508**
Intragroup eliminations	**(1)**	(2)
Net assets	**544**	**506**
Carrying amount of non-controlling interests	**162**	**149**

The aggregated Statement of Profit or Loss and Statement of Comprehensive Income of the Subgroup India for financial year 2024 are shown below:

in € million	2024	2023
Revenue	**430**	427
Operating expenses, net finance costs and income tax	**(406)**	(410)
Profit after income tax before intragroup eliminations	**24**	**17**
Intragroup eliminations	**1**	(2)
Profit after income tax	**25**	**15**
thereof attributable to non-controlling interests	**11**	6

in € million	2024	2023
Profit after income tax	**24**	15
Other comprehensive income/(expense)	**26**	(33)
Total comprehensive income	**50**	**(18)**
thereof attributable to non-controlling interests	**22**	(8)

The following table shows the summarised Statement of Cash Flows of the Subgroup India for financial year 2024:

in € million	2024	2023
Net cash flow from operating activities	**38**	38
Net cash flow from investing activities	**(13)**	(123)
Net cash flow from financing activities	**(26)**	75
Total cash flow	**(1)**	**(10)**

Net cash flow from financing activities includes dividend payments to non-controlling interests amounting to €2 million (2023: €3 million).

Change of non-controlling interests without a change of control
In April 2024, the Group acquired non-controlling interests of Seven Refractories' Group for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

In July 2024, the Group acquired non-controlling interests of P-D Group for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

27. Borrowings
Borrowings include all interest-bearing liabilities due to financial institutions and other lenders.

In March 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. Loan proceeds were used for the acquisition of the Resco Group (refer to Note (42) for details). The term loan remained fully undrawn per 31 December 2024.

In April 2024, the Group prepaid €100 million from a €150 million bilateral term loan, which matures in April 2026, to optimise the Group's capital structure, maturity profile, and reduce excess cash.

Resulting from the Group's strong EcoVadis ESG rating upgrade in June 2024, with an improvement by four points to a total score of 76, the margin payable on the Group's ESG-linked financings amounting to €1,983 million (including the fully undrawn €600 million RCF) was reduced by 3bps,

The principal borrowing facilities, including the Syndicated & Term Loan as well as the Bonded Loans, are subject to a financial covenant, being the ratio of net debt excluding lease liabilities to Adjusted EBITDA of a maximum of 3.5 times. Compliance with the financial covenant is measured on a semi-annual basis and its calculation is shown in Note (37). If the financial covenant of the Syndicated & Term Loans is breached, the lenders have the right for immediate loan repayment. If repayment of the Syndicated & Term Loans is demanded, the Bonded

Loans will also become due. If the Syndicated & Term loans' financial covenant is breached but the full repayment is waived, the Bonded Loans interest margin payable will increase.

The Group complied with the financial covenant in 2024 and 2023. There are no indications that the Group will have difficulties complying with the financial covenant in the 12 months following the reporting date. The breakdown of borrowings is presented in the following table:

in € million	Total 31.12.2024	Current	Non-current
Syndicated & Term Loan	976	233	743
Bonded loans ("Schuldscheindarlehen")	720	0	720
Other credit lines and other loans	44	42	2
Total liabilities to financial institutions	**1,740**	**275**	**1,465**
Other financial liabilities	11	1	10
Capitalised transaction costs	(1)	0	(1)
Borrowings	**1,750**	**276**	**1,474**

in € million	Total 31.12.2023	Current	Non-current
Syndicated & Term Loan	1,114	45	1,069
Bonded loans ("Schuldscheindarlehen")	755	35	720
Other credit lines and other loans	63	60	3
Total liabilities to financial institutions	**1,932**	**140**	**1,792**
Other financial liabilities	18	9	9
Capitalised transaction costs	(1)	0	(1)
Borrowings	**1,949**	**149**	**1,800**

Including interest swaps, 73% (2023: 69%) of the liabilities to financial institutions carry fixed interest and 27% (2023: 31%) carry variable interest.

The following table shows the fixed interest terms and conditions, including interest rate swaps, without liabilities from deferred interest:

Interest terms fixed until	Effective annual interest rate	Currency	31.12.2024 Carrying amount in € million	Interest terms fixed until	Effective annual interest rate	Currency	31.12.2023 Carrying amount in € million
2025	**EURIBOR + margin**	**EUR**	**444**	2024	EURIBOR + margin	EUR	573
	0.50%	**EUR**	**150**		3.10%	EUR	35
	Various – Variable rate	**Various**	**35**		Various – Variable rate	Various	34
2026	**3.61%**	**EUR**	**264**	2025	0.50%	EUR	150
2027	**2.41%**	**EUR**	**715**	2026	3.63%	EUR	264
2028	**1.87%**	**EUR**	**119**	2027	2.44%	EUR	744
2029	**1.52%**	**EUR**	**8**	2028	1.90%	EUR	119
2031	**1.25%**	**EUR**	**5**	2029	1.52%	EUR	8
				2031	1.28%	EUR	5
			1,740				**1,932**

The table above shows how long the interest rates are fixed for, rather than the maturity of the underlying instruments.

Shares of Jinan New Emei Industries Co Ltd. in the amount of €13 million have been pledged as security for a local loan in China.

28. Other financial liabilities
Other financial liabilities include the negative fair value of derivative financial instruments as well as lease liabilities and fixed-term and puttable non-controlling interests payable in Group companies. Additional explanation on derivative financial instruments is provided under Note (35).

			31.12.2024			31.12.2023
in € million	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Forward exchange contracts	**1**	**0**	**1**	1	0	1
Interest rate derivatives	**0**	**4**	**4**	0	2	2
Commodity swaps	**2**	**3**	**5**	1	10	11
Derivatives in open orders	**0**	**0**	**0**	3	0	3
Derivative financial liabilities	**3**	**7**	**10**	**5**	**12**	**17**
Lease liabilities	**17**	**60**	**77**	18	52	70
Fixed-term or puttable non-controlling interests	**7**	**45**	**52**	18	69	87
Other financial liabilities	**27**	**112**	**139**	**41**	**133**	**174**

In line with the Group's accounting policy, the carrying amount of non-controlling interest is reduced to nil and replaced with a financial liability where the Group has provided a written put option (usually together with a call option) or has entered into a forward contract to acquire the shares not controlled by the Group. The carrying amount of the financial liabilities represents the discounted value of the expected settlement for the following non-controlling interest:

in € million	**Ownership interest held by NCI**	**31.12.2024**	**31.12.2023**
Horn & Co. Minerals Recovery GmbH & Co.KG	45.00%	**4**	8
RHI Magnesita Czech Republic a.s.	3.13%	**1**	0
RHI Magnesita (Chongqing) Refractory Materials Co., Ltd.	49.00%	**11**	15
Jinan New Emei Industries Co. Ltd.	35.00%	**21**	30
Liaoning RHI Jinding Magnesia Co., Ltd.	16.67%	**4**	23
RHI Refractories Liaoning Co., Ltd.	34.00%	**11**	11
Liabilities to fixed-term or puttable non-controlling interests		**52**	**87**

The following table shows the reconciliation from the opening balances to the closing balances of the liabilities to the fixed-term or puttable non-controlling interests:

in € million	**31.12.2024**	**31.12.2023**
Liabilities at beginning of the year	**87**	68
Currency translation[1]	**2**	(5)
Interest accrued[2]	**(1)**	7
Remeasurement gains[2]	**(21)**	(7)
Dividends paid	**(6)**	(8)
Additions	**1**	0
Additions from initial consolidation	**0**	32
Derecognition related to Liaoning RHI Jinding Magnesia Co., Ltd.	**(10)**	0
Liabilities at year-end	**52**	**87**

1) Recognised in OCI.
2) Recognised in profit or loss as other net financial expenses.

In 2024 the termination of the Joint Venture Agreement related to Liaoning RHI Jinding Magnesia Co., Ltd was confirmed in an arbitration procedure that was initiated by the Group in the previous reporting period. Due to this confirmation the termination has become legally effective and allows derecognition of the portion of the financial liability towards the minority shareholder that is no longer payable as a result of the confirmed termination. The derecognised amounts include accrued dividend payments related to previous periods, the value of the outstanding shares held by the minority shareholder subject to an expired call option and a liability related to land-use-rights.

Sensitivities in respect of the significant non-observable inputs used to measure the fair value of the financial liabilities related to fixed-term or puttable non-controlling interests are presented below. These sensitivities show the hypothetical impact of a change in each of the listed inputs in isolation.

in € million	Financial liabilities increase by	Financial liabilities decrease by
Profit measure increases by 15%	6	
Profit measure decreases by 15%		6

29. Net employee benefit liabilities

Pension provisions

The net liability from pension obligations in the Consolidated Statement of Financial Position is as follows:

in € million	31.12.2024	31.12.2023
Present value of pension obligations	**377**	421
Fair value of plan assets	**(182)**	(186)
Deficit of funded plans	**195**	**235**
Asset ceiling	**5**	5
Net liability from pension obligations	**200**	**240**
Overfunded pension plans	(1)	(2)
Other pension plans	**201**	242

The present value of pension obligations by beneficiary groups is as follows:

in € million	31.12.2024	31.12.2023
Active beneficiaries	**62**	62
Vested terminated beneficiaries	**41**	44
Retirees	**274**	315
Present value of pension obligations	**377**	**421**

The pension obligations are measured using the following actuarial assumptions for the key countries in which the Group operates:

in %	31.12.2024	31.12.2023
Interest rate		
Austria and Germany	**3.4%**	3.3%
Brazil	**12.2%**	10.1%
United Kingdom	**5.5%**	4.5%
USA	**5.5%**	4.8%
Future salary increase		
Austria	**2.7%**	3.9%
Germany	**2.5%**	2.5%
Brazil	**5.8%**	4.5%
United Kingdom[1)]	**n/a**	n/a
USA	**3.3%**	3.3%
Future pension increase		
Austria	**3.3%**	5.3%
Germany	**2.0%**	2.2%
Brazil	**4.3%**	4.5%
United Kingdom	**3.1%**	3.0%
USA	**2.0%**	2.0%

1) No active plan members.

These are average values which were weighted with the present value of the respective pension obligation.

The calculation of the actuarial interest rate for the Eurozone countries is based on a yield curve for returns of high-quality corporate bonds denominated in EUR with an average rating of AA, which is derived from pooled index values. The calculation of the actuarial interest rate for the USD and GBP currency area is based on a yield curve for returns of high-quality corporate bonds denominated in USD and GBP with an average rating of AA, which is derived from pooled index values. Where there are very long-term maturities, the yield curve follows the performance of bonds without credit default risk. The interest rate is calculated annually at 31 December, taking into account the expected future cash flows which were determined based on the current personal and commitment data.

The calculation in Austria was based on the AVÖ 2018-P demographic calculation principles for salaried employees from the Actuarial Association of Austria. In Germany, the Heubeck Richttaffeln 2018 G actuarial tables were used as a basis. In the other countries, country-specific mortality tables were applied.

The main pension regulations are described below:

The Austrian group companies account for €68 million (2023: €80 million) of the present value of pension obligations and for €8 million (2023: €9 million) of the plan assets. The agreed benefits include pensions, invalidity benefits and benefits for surviving dependents. Commitments in the form of company or individual agreements depend on the length of service and the salary at the time of retirement. For the majority of commitments, the amount of the pension subsidy is limited to 75% of the final remuneration including a pension pursuant to the General Social Insurance Act (ASVG). The Group has concluded pension reinsurance policies for part of the commitments. The pension claims of the beneficiaries are limited to the coverage capital required for these commitments. Pensions are predominantly paid in the form of annuities and are partially indexed. For employees joining the company after 1 January 1984, no defined benefits were granted. Rather, a defined contribution pension model is in place. In addition, there are commitments based on the deferred compensation principle, which are fully covered by pension reinsurance policies and commitments for preretirement benefits for employees in mining operations.

The pension plans of the German group companies account for €113 million (2023: €119 million) of the present value of pension obligations and for €1 million (2023: €1 million) of the plan assets. The benefits included in company agreements comprise pensions, invalidity benefits and benefits for surviving dependents. The amount of the pension depends on the length of service for the majority of the commitments and is calculated as a percentage of the average monthly wage/salary of the last 12 months prior to retirement. In some cases, commitments to fixed benefits per year of service have been made. The pensions are predominantly paid in the form of annuities and are adjusted in accordance with the development of the consumer price index for Germany. The pension plans are closed for new entrants, except one contribution-based plan. There is no defined contribution model on a voluntary basis. Individual commitments have been made, with major part of them being retired beneficiaries.

The pension plan of the US group company Magnesita Refractories Company, York, USA, accounts for €71 million (2023: €71 million) of the present value of pension obligations and for €69 million (2023: €63 million) of the plan assets. The pension plan is a non-contributory defined benefit plan covering a portion of the employees of the company. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective 21 June 1999, the company offered the participants the opportunity to elect to participate in a single enhanced defined contribution plan. Participants who made this election are no longer eligible for future accruals under this plan. All benefits accrued as of the date of transfer will be retained. Employees hired after 21 June 1999 and employees that did not meet the plan's eligibility requirements as of 21 June 1999 are not eligible for this plan. The pensions are predominantly paid in the form of annuities and are adjusted annually based on the US consumer price index.

The pension plan of the UK group company Magnesita Refractories Ltd., Dinnington, United Kingdom, accounts for €37 million (2023: €42 million) of the present value of pension obligations and holds €42 million (2023: €46 million) of assets, although no plan assets are reflected on the balance sheet due to the application of International Financial Reporting Interpretations Committee 14 (IFRIC 14) (asset ceiling). The company sponsors a funded defined benefit pension plan for qualifying UK employees. The plan is administered by a separate Board of Trustees which is legally separate from the company. The trustees are composed of representatives of both the employer and employees, plus an independent professional trustee. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits. Under the plan, employees are entitled to annual pensions on retirement at age 65. During 2022, the Board of Trustees agreed to a buy-in of the defined benefit obligation with a third-party insurer in the United Kingdom. In terms of the buy-in, the insurer assumed the obligations relating to the plan from July 2022 while the plan assets were liquidated and transferred to the insurer at a value of around €62 million. Until the defined benefit scheme is wound up (the buy-out), the Group will continue to recognise the pension obligation and the value of the insurance policy as a plan asset equal to the pension obligation. The surplus plan assets of €5 million, at 31 December 2024 are not recognised due to the application of IFRIC 14 and the asset ceiling requirements. It is expected that the remaining surplus, net of adjustments, tax payments and other minor expenses will be refunded to the Group once the plan will be wound up.

The pension liabilities of the Brazilian group company Magnesita Refratários S.A. account for €35 million (2023: €55 million) of the present value of pension obligations and for €25 million (2023: €31 million) of the plan assets. These liabilities relate to a Defined Benefit (DB) plan, which was frozen in 2009. The obligations correspond to the accrued rights of the remaining plan participants. The agreed benefits include lifetime retirement pensions, disability benefits, and benefits for surviving dependents. Currently, the Brazilian group companies offer their employees a defined contribution plan as an optional benefit. Under this plan, employees contribute a percentage of their salary, and the company matches these contributions at a rate of 1.5 times the employee's contribution. Employees who leave the plan before retirement may be entitled to receive up to 75% of the company's final contribution, depending on their length of service. Upon retirement, employees can choose to receive a portion of the total contribution amount as a lump sum or in proportional monthly instalments, with various payout options available. The defined contribution plan is structured on a fully funded basis, ensuring that payouts are exclusively derived from accumulated contributions and their respective investment returns. This structure effectively eliminates the risk of deficits or the creation of long-term financial obligations.

The following table shows the development of net liability from pension obligations:

in € million	2024	2023
Net liability from pension obligations at beginning of year	**240**	**213**
Currency translation	**(5)**	2
Additions initial consolidation	**0**	11
Pension cost	**12**	12
Remeasurement (gains)/losses	**(25)**	23
Benefits paid	**(19)**	(17)
Employers' contributions to external funds	**(3)**	(4)
Net liability from pension obligations at year-end	**200**	**240**

The present value of pension obligations developed as follows:

in € million	2024	2023
Present value of pension obligations at beginning of year	**421**	**396**
Currency translation	**(5)**	4
Additions initial consolidation	**0**	11
Current service cost	**2**	2
Interest cost	**18**	19
Remeasurement losses/(gains)		
from changes in demographic assumptions	**0**	(1)
from changes in financial assumptions	**(25)**	28
due to experience adjustments	**(3)**	(3)
Benefits paid	**(32)**	(35)
Employee contributions to external funds	**1**	1
Plan amendments	**0**	(1)
Present value of pension obligations at year-end	**377**	**421**

The movement in plan assets is shown in the table below:

in € million	2024	2023
Fair value of plan assets at beginning of year	**186**	**187**
Currency translation	**0**	1
Interest income	**9**	9
(Losses)/gains on plan assets less interest income	**(3)**	3
Benefits paid	**(14)**	(19)
Employers' contributions to external funds	**3**	4
Employee contributions to external funds	**1**	1
Fair value of plan assets at year-end	**182**	**186**

The changes in the asset ceiling are shown below:

in € million	2024	2023
Asset ceiling at beginning of year	**5**	**4**
Losses from changes in asset ceiling less interest expense	**0**	1
Asset ceiling at year-end	**5**	**5**

At 31 December 2024, the weighted average duration of pension obligations amounts to 10.3 years (2023: 10.5 years).

The following amounts were recorded in the Consolidated Statement of Profit or Loss:

in € million	2024	2023
Current service cost	**2**	2
Interest cost	**19**	19
Interest income	**(9)**	(9)
Pension expense recognised in profit or loss	**12**	**12**

The remeasurement results recognised in OCI are shown in the table below:

in € million	2024	2023
Accumulated remeasurement losses at beginning of year	**118**	**95**
Remeasurement (gains)/losses on present value of pension obligations	**(28)**	24
Losses/(gains) on plan assets less interest income	**3**	(2)
Losses from changes in asset ceiling less interest expense	**0**	1
Accumulated remeasurement losses at year-end	**93**	**118**

The present value of plan assets is distributed to the following classes of investments:

			31.12.2024			31.12.2023
in € million	**Active market**	**No active market**	**Total**	**Active market**	**No active market**	**Total**
Insurances	**0**	**73**	**73**	22	55	77
Equity instruments	**46**	**0**	**46**	40	0	40
Debt instruments	**41**	**1**	**42**	44	0	44
Cash and cash equivalents	**12**	**0**	**12**	9	1	10
Other assets	**9**	**0**	**9**	15	0	15
Fair value of plan assets	**108**	**74**	**182**	**130**	**56**	**186**

The present value of the insurances to cover the Austrian pension plans corresponds to the coverage capital. Insurance companies predominantly invest in debt instruments and to a low extent in equity instruments and properties.

Plan assets do not include own financial instruments or assets utilised by the Group.

The Group works with professional fund managers for the investment of plan assets. They act on the basis of specific investment guidelines adopted by the pension fund committee of the respective pension plans. The committees consist of management staff of the finance department and other qualified executives. They meet regularly in order to approve the target portfolio with the support of independent actuarial experts and to review the risks and the performance of the investments. In addition, they approve the selection or the extension of contracts of external fund managers.

The largest part of the other assets is invested in pension reinsurance, which creates a low counterparty risk towards insurance companies. In addition, the Group is exposed to interest risks and longevity risks resulting from defined benefit commitments.

The Group generally endows the pension funds with the amount necessary to meet the legal minimum allocation requirements of the country in which the fund is based. Moreover, the Group makes additional allocations at its discretion from time to time. In the financial year 2025, the Group expects employer contributions to external plan assets to amount to €4 million and direct payments to entitled beneficiaries to €18 million. Employer contributions of €5 million and direct pension payments of €17 million had been expected for the financial year 2024.

The following sensitivity analysis shows the change in present value of the pension and termination benefit obligations if one key parameter changes, while the other influences are maintained constant. In reality, it is rather unlikely that these influences do not correlate. The present value of the pension obligations for the sensitivities shown was calculated using the same method as for the actual present value of the pension obligations (projected unit credit method).

		31.12.2024		31.12.2023	
in € million	**Change of assumption in percentage points or years**	**Pension plans**	**Termination benefits**	**Pension plans**	**Termination benefits**
Present value of the obligations		**377**	**39**	421	36
Interest rate	+0.25	**(9)**	**(1)**	(10)	(1)
	(0.25)	**10**	**1**	10	1
Salary increase	+0.25	**1**	**1**	1	1
	(0.25)	**(1)**	**(1)**	0	(1)
Pension increase	+0.25	**6**		8	
	(0.25)	**(7)**		(7)	
Life expectancy	+ 1 year	**6**		3	
	(1) year	**(5)**		(2)	

These changes would have no immediate effect on the result of the period as remeasurement gains and losses are recorded in OCI without impact on profit or loss. The assumptions regarding the interest rate are reviewed semi-annually; all other assumptions are reviewed at the end of the year.

Other personnel provisions

in € million	**31.12.2024**	**31.12.2023**
Termination benefits	**35**	34
Service anniversary bonuses	**20**	19
Semi-retirements	**4**	2
Other personnel provisions	**59**	**55**

Provisions for termination benefits
The provision for termination benefits relates mainly to employees that joined an Austrian company before 1 January 2003 and are subject to a one-off lump-sum termination benefit under Austrian legislation. This is regarded as a post-employment benefit and accounted for consistently with pensions benefits described above.

Provisions for the Austrian termination benefits, which account for over 83.0% of the balance (2023: 81.0%) were based on the following measurement assumptions:

in %	**31.12.2024**	**31.12.2023**
Interest rate	**3.4%**	3.3%
Future salary increase	**3.4%**	3.3%

The interest rate for the measurement of termination benefit obligations in the Eurozone was determined taking into account the Company specific duration of the portfolio.

Provisions for termination benefits developed as follows:

in € million	**2024**	2023
Provisions for termination benefits at beginning of year	**34**	**32**
Additions initial consolidation	**0**	2
Current service cost	**1**	2
Interest cost	**1**	1
Remeasurement losses	**1**	0
Benefits paid	**(2)**	(3)
Provisions for termination benefits at year-end	**35**	**34**

Payments for termination benefits are expected to amount to €2 million in the year 2025. In the previous year, the payments for termination benefits expected for 2024 amounted to €2 million.

The following remeasurement gains and losses were recognised in OCI:

in € million	2024	2023
Accumulated remeasurement losses at beginning of year	**18**	**18**
Remeasurement losses	**1**	0
Accumulated remeasurement losses at year-end	**19**	**18**

At 31 December 2024 the average duration of termination benefit obligations amounted to 10.5 years (2023: 10.6 years).

Provisions for service anniversary bonuses
The measurement of provisions for service anniversary bonuses relating to employees in Austria and Germany is based on an interest rate of 3.4% (2023: 3.3%) in Austria and 3.4% (2023: 4.2%) in Germany and considers salary increases of 5.1% (2023: 5.2%) in Austria and 2.5% in Germany (2023: 2.5%).

Provisions for semi-retirement
The funded status of provisions for obligations to employees with semi-retirement contracts is shown in the table below:

in € million	31.12.2024	31.12.2023
Present value of semi-retirement obligations	**5**	4
Fair value of plan assets	**(1)**	(1)
Provisions for semi-retirement obligations	**4**	**3**

External plan assets are ring-fenced from all creditors and exclusively serve to meet semi-retirement obligations.

30. Provisions
The development of provisions is shown in the tables below for 2024 and 2023:

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Other	Total
31.12.2023	67	11	30	9	9	126
Currency translation	(9)	(2)	(1)	0	0	(12)
Reversals	(6)	(3)	(2)	0	(3)	(14)
Additions	2	3	6	16	3	30
Additions interest	5	1	1	0	0	7
Use	(13)	(2)	(1)	(5)	(3)	(24)
Reclassifications	0	0	0	0	1	1
31.12.2024	**46**	**8**	**33**	**20**	**7**	**114**
non-current	35	8	28	0	0	71
current	11	0	5	20	7	43

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Other	Total
31.12.2022	**62**	**9**	**23**	**12**	**4**	**110**
Currency translation	3	0	0	0	0	3
Reversals	(2)	(3)	(1)	(1)	(1)	(8)
Additions	11	6	8	3	7	35
Additions interest	6	1	1	0	0	8
Use	(13)	(2)	(1)	(5)	(1)	(22)
Reclassifications	0	0	0	0	0	0
31.12.2023	**67**	**11**	**30**	**9**	**9**	**126**
non-current	52	11	28	0	0	91
current	15	0	2	9	9	35

In November 2017, the Group sold a plant located in Oberhausen, Germany, in order to satisfy the conditions imposed by the European Commission in their approval of the merger of RHI Refractories and Magnesita. Under the terms, the Group remains obligated to provide raw materials at cost and recognised a provision for unfavourable contracts as part of the purchase price allocation to reflect the foregone profit margin. The non-current portion of this contract obligation amounts to €32 million as of 31 December 2024 (2023: €48 million) and the current portion to €9 million (2023: €11 million). In addition, provisions for other unfavourable contracts amount to €5 million (2023: €8 million), mainly in Türkiye and Europe.

The provision for labour and civil contingencies primarily comprises labour and civil litigation amounting to €8 million (2023: €8 million) arising mainly in Brazil.

The provision for demolition and disposal costs and environmental damages primarily includes provisions for the estimated costs of mining site restoration of several mines in Brazil amounting to €7 million (2023: €9 million), various sites in Europe amounting to €15 million (2023: €10 million) and in the USA amounting to €7 million (2023: €6 million).

Provisions for restructuring costs amounting to €20 million at 31 December 2024 (2023: €9 million) primarily consist of estimated benefit obligations to employees due to termination of employment and dismantling costs. €15 million (2023: €3 million) relates to the remaining redundancy costs at Mainzlar, Germany, €3 million (2023: €3 million) relates to the plant closure in Trieben, Austria and €1 million (2023: €2 million) pertains to the termination of employment as a result of the Group's reorganisation of certain global functions to regional ones.

Other consists mainly of provisions for claims arising from warranties and other similar obligations from the sale of refractory products.

31. Trade payables and other liabilities

in € million	31.12.2024	31.12.2023
Trade payables	**455**	414
Trade payables subject to supplier finance arrangements	**117**	84
Contract liabilities	**59**	65
Liabilities to employees	**111**	136
Taxes other than income tax	**31**	33
Capital expenditure payable	**22**	33
Payables from commissions	**10**	9
Other current liabilities	**38**	46
Trade payables and other current liabilities	**843**	**820**
thereof financial liabilities	**619**	561
thereof non-financial liabilities	**224**	259

The payment terms of trade payables subject to supplier finance arrangements other than forfaiting lie within a range of 60 to 150 days compared to the range of payment terms of 30 to 120 days for trade payables not subject to supplier finance arrangements. The payment terms of trade payables subject to forfaiting extend up to 360 days. The carrying amount of trade payables subject to supplier finance arrangements of which suppliers have received payment from financial institutions amounts to €98 million. The Group provides corporate parental guarantees, disclosed as part of the Group's contingent liabilities, to the financial institutions as security for supplier finance arrangements.

Contract liabilities mainly consist of prepayments received on orders. In 2024 €65 million (2023: €62 million) revenue was recognised that was included in the contract liability balance at the beginning of the period.

The item liabilities to employees primarily consists of obligations for wages and salaries, payroll taxes and employee-related duties, performance bonuses, unused vacation and flextime credits. The increase in liabilities to employees is primarily driven by the newly acquired entities, higher bonus accruals and underlying inflationary effects in wages and salaries.

32. Cash generated from operations

in € million	2024	2023
Profit after income tax	**154**	171
Adjustments for		
income tax	**46**	62
depreciation	**136**	134
amortisation	**39**	44
impairment of property, plant and equipment and intangible assets	**42**	1
(income) / expense from financial assets excluding trade and other receivables	**3**	(23)
(gains)/losses from the disposal of property, plant and equipment	**(5)**	4
(gains)/losses from the disposal of foreign operations	**(8)**	1
net interest expense, interest rate derivatives and remeasurement of liabilities to the fixed-term or puttable non-controlling interest	**43**	63
other non-cash changes	**(10)**	42
Changes in working capital		
inventories	**25**	183
trade receivables	**2**	2
trade payables	**83**	(118)
contract liabilities	**(5)**	(14)
Changes in other assets and liabilities		
other receivables and assets	**7**	13
provisions	**(28)**	(25)
other liabilities	**(22)**	25
Cash generated from operations	**502**	**565**

Other non-cash changes include share-based payments of €9 million (2023: €9 million), net interest expenses for defined benefit obligations amounting to €12 million (2023: €12 million) and the unrealised portion of the net income on foreign exchange effects amounting to €31 million (2023: the unrealised portion of the net expense on foreign exchange effects of €36 million). Refer to Note (12) for details on the compositions of the net income or expense on foreign exchange effects.

33. Net cash flow from financing activities

The reconciliation of movements of financial liabilities and assets to cash flows arising from financing activities for the current and the prior year is shown in the tables below:

in € million	31.12.2023	Cash changes	Non-cash changes					31.12.2024
			Changes in foreign exchange rates	**Interest and other fair value changes**	**Reclassifications**	**Additions from initial consolidation**	**Additions and modifications of leases (IFRS 16)**	
Borrowings	(1,949)	201	(1)	(1)	0	0	0	(1,750)
Lease liabilities	(70)	20	2	0	0	0	(29)	(77)
Cash and cash equivalents	704	(130)	2	0	0	0	0	576
Marketable securities	11	(10)	(1)	0	0	0	0	0
Net debt	**(1,304)**	**81**	**2**	**(1)**	**0**	**0**	**(29)**	**(1,251)**
Liabilities to fixed-term or puttable non-controlling interests[1]	(87)	6	(2)	22	9	0	0	(52)

1) Refer to Note (28) for details.

in € million	31.12.2022	Cash changes	Non-cash changes					31.12.2023
			Changes in foreign exchange rates	**Interest and other fair value changes**	**Reclassifications**	**Additions from initial consolidation**	**Additions and modifications of leases (IFRS 16)**	
Borrowings	(1,620)	(257)	1	1	0	(74)	0	(1,949)
Lease liabilities	(64)	23	1	(3)	0	(12)	(15)	(70)
Cash and cash equivalents	521	196	(4)	0	(9)	0	0	704
Marketable securities	0	11	0	0	0	0	0	11
Net debt	**(1,163)**	**(27)**	**(2)**	**(2)**	**(9)**	**(86)**	**(15)**	**(1,304)**
Liabilities to fixed-term or puttable non-controlling interests[1]	(68)	8	5	0	0	(32)	0	(87)

1) Refer to Note (28) for details.

34. Additional disclosures on financial instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities by measurement category and the allocation to the measurement category. In addition, carrying amounts are shown aggregated according to measurement category.

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2024	Fair value as of 31.12.2024
Financial assets							
Non-current financial assets	12	15	7	8	0	42	42
Trade and other receivables	0	0	46	487	127	660	660
Current financial assets	13	4	0	0	0	17	17
Cash and cash equivalents	0	0	0	576	0	576	576
	25	**19**	**53**	**1,071**	**127**	**1,295**	**1,295**
Financial liabilities							
Borrowings	0	0	0	1,750	0	1,750	1,737
Other financial liabilities	9	38	0	92	0	139	139
Trade payables and other liabilities	0	0	0	619	224	843	843
	9	**38**	**0**	**2,461**	**224**	**2,732**	**2,719**

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2023	Fair value as of 31.12.2023
Financial assets							
Non-current financial assets	21	14	5	3	0	43	43
Trade and other receivables	0	0	31	510	139	681	681
Current financial assets	0	12	0	2	0	14	14
Cash and cash equivalents	0	0	0	704	0	704	704
	21	**26**	**36**	**1,219**	**139**	**1,441**	**1,441**
Financial liabilities							
Borrowings	0	0	0	1,949	0	1,949	1,937
Other financial liabilities	13	58	0	103	0	174	174
Trade payables and other liabilities	0	0	0	561	259	820	820
	13	**58**	**0**	**2,613**	**259**	**2,943**	**2,931**

Non-current financial assets as well as current financial assets comprise marketable securities, derivative financial instruments, shares and other interests. Marketable securities, derivative financial instruments and shares are measured at fair value.

Borrowings and other financial liabilities excluding liabilities related to fixed-term or puttable non-controlling interests are carried at amortised cost in the Consolidated Statement of Financial Position. Liabilities related to fixed-term or puttable non-controlling interests based on a fixed consideration are recognised at amortised cost whereas those liabilities based on a variable consideration are recognised at fair value. The carrying amount of other financial liabilities approximate their fair value at the reporting date.

Trade and other current receivables, trade payables and other liabilities as well as cash and cash equivalents are predominantly short-term. Therefore, the carrying amounts of these items approximate fair value at the reporting date.

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between market participants in an arm's length transaction on the day of measurement. When the fair value is determined it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either in the main market for the asset or liability, or in the most favourable market if there is no main market. The Group considers the characteristics of the asset or liability to be measured which a market participant would consider in pricing. It is assumed that market participants act in their best economic interest.

The Group takes into account the availability of observable market prices in an active market and uses the following hierarchy to determine fair value:

Level 1:	Prices quoted in active markets for identical financial instruments.
Level 2:	Measurement techniques in which all important data used are based on observable market data.
Level 3:	Measurement techniques in which at least one significant parameter is based on non-observable market data.

The table below analyses the fair value of financial instruments held by the Group by measurement technique:

				31.12.2024				31.12.2023
in € million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Non-current financial assets	**12**	**12**	**8**	**32**	12	20	5	37
Current financial assets	**0**	**16**	**0**	**16**	11	1	0	12
Liabilities								
Borrowings	**0**	**1,727**	**0**	**1,727**	0	1,920	0	1,920
Other financial liabilities	**0**	**10**	**52**	**62**	0	17	87	104

The fair value of securities and shares is based on price quotations at the reporting date (Level 1), where such quotations exist. In other cases, a valuation model (Level 3) would be used for such instruments with an exception if such instruments are immaterial to the Group, in which case cost serves as an approximation of fair value.

The fair value of interest derivatives in a hedging relationship (interest rate swaps) is determined by calculating the present value of future cash flows based on current yield curves taking into account the corresponding terms (Level 2).

The fair value of foreign currency derivative contracts corresponds to the market value of the forward exchange contracts and the embedded derivatives in open orders denominated in a currency other than the functional currency. These derivatives are measured using quoted forward rates that are currently observable (Level 2).

The fair value of commodity swaps for natural gas reflects the difference between the fixed contract price and the closing quotation of the natural gas price (EEX Base) as of the respective due date of the transaction. The closing price on the stock exchange is used as the input (Level 2).

The fair value of liabilities related to fixed-term or puttable non-controlling interests based on a variable consideration is measured at the present value of the expected redemption amount based on the relevant earnings measure and the current business plan of the respective company which is not observable (Level 3). The fair value of borrowings is only disclosed and corresponds to the present value of the discounted future cash flows using yield curves that are currently observable (Level 2).

No contractual netting agreement of financial assets and liabilities were in place as at 31 December 2024 and 31 December 2023.

Net results by measurement category in accordance with IFRS 9
The effect of financial instruments on the income and expenses recognised in 2024 and 2023 is shown in the following table, classified according to the measurement categories defined in IFRS 9:

in € million	2024	2023
Net gain from financial assets and liabilities measured at fair value through profit or loss	**5**	18
Net (loss) from financial assets and liabilities measured at amortised cost	**(1)**	(4)

The net gain from financial assets and liabilities measured at fair value through profit or loss includes income from securities and shares, income from the disposal of securities and shares, impairment losses and income from reversals of impairment losses, fair value gains and losses on the measurement of liabilities to fixed-term or puttable non-controlling interests, fair value gains and losses and realised results of derivative financial instruments outside the scope of hedge accounting.

The net loss from financial assets and liabilities measured at amortised cost includes changes in valuation allowances and losses on derecognitions. Net finance costs include interest income amounting to €22 million (2023: €20 million) and interest expenses of €76 million (2023: €75 million), which result from financial assets and liabilities measured at amortised cost.

Other financial assets
Other financial assets consist of the following items:

			31.12.2024			31.12.2023
in € million	Current	Non-current	Total	Current	Non-current	Total
Marketable securities and shares	**0**	**20**	**20**	11	17	28
Interest rate derivatives and commodity swaps	**0**	**12**	**12**	0	21	21
Restricted cash	**0**	**8**	**8**	0	3	3
Other interests	**0**	**2**	**2**	0	2	2
Loans	**0**	**0**	**0**	2	0	2
Derivatives in open orders and forward exchange contracts	**17**	**0**	**17**	1	0	1
Other financial assets	**17**	**42**	**59**	**14**	**43**	**57**

The marketable securities and shares include €7 million (2023: €5 million) investment representing a minority stake in MCi Carbon Pty Ltd..

35. Derivative financial instruments

Interest rate derivatives

The Group has concluded interest rate swaps and one interest rate collar to hedge the cash flow risk associated with financial liabilities carrying variable interest rates. The combination of the interest rate swaps, and the underlying variable interest debt instruments creates synthetic fixed interest debt instruments without exposure to variability in cash flows due to changes of interest rates. The combination of the interest rate collar and the underlying variable interest debt instruments limits the variability of the debt instruments' cash flows due to changes of interest rates to a predetermined range. The Group has designated all interest rate swaps and the interest rate collar as hedging instruments with the variable interest cash flows of the underlying debt instruments as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedging instrument and the hedged item is determined by comparing the critical terms (nominal value, currency, interest payment date, interest reset dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and hedged items. Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all interest rate derivatives was €6 million at the reporting date (2023: €18 million) and is shown in other non-current financial assets in the Consolidated Statement of Financial Position. For the reporting period of 2024, €6 million gain (2023: €15 million loss) has been recognised in OCI as fair value movements of the hedging instrument and €18 million (2023: €10 million) has been reclassified from OCI to profit or loss and recognised within other net financial expenses reflecting the settlement of the hedging instrument when interest on the underlying debt instrument is paid. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged item and the hedging instrument for the year 2024 and 2023 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2024	**6**	**Other non-current financial assets (liabilities)**	**6**	**EUR 1,052 million**
2023	18	Other non-current financial assets (liabilities)	(15)	EUR 1,081 million

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2024	**6**	**5**
2023	18	14

Commodity swaps

In order to hedge the cash flow risk associated with commodity price of gas and oil, the Group has entered into financial commodity swaps. The Group has designated all commodity swaps as hedging instruments with expected purchases of commodities used in production as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedged item and the hedging instrument is deemed upfront based on the expectations that the values of the hedged item and the hedging instrument will typically move in opposite directions in response to the hedged risk determined by comparing the critical terms (nominal value, currency, commodity purchase date, commodity swaps settlement dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and the hedged items. For oil hedges a source of potential ineffectiveness is different but similar underlying (crude oil vs fuel oil). Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all commodity swaps was negative €3 million at the reporting date and is shown in other non-current and current financial liabilities in the Consolidated Statement of Financial Position. For the reporting period of 2024, a €8 million gain has been recognised in OCI as fair value movements of the hedging instrument and €1 million has been removed from cash flow hedge reserve and included directly in the carrying amount of the inventory reflecting the net settlement of the hedging instrument when the underlying inventory is purchased. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged items and the hedging instruments for the year 2024 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2024	**(3)**	**Other current and non-current financial assets (liabilities)**	**8**	**Gas 1,536 GWh Oil 624,033 bbl Power 117 GWh**
2023	(11)	Other current and non-current financial assets (liabilities)	(11)	Gas 1,141 GWh Oil 700,297 bbl Power 30 GWh

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2024	(3)	**(2)**
2023	(11)	(8)

The average commodity prices hedged by the commodity swaps derivatives are as follows:

		31.12.2024	
Hedging instrument		up to 1 year	1 to 5 years
Commodity swaps – gas	Notional amount (Gwh)	214	1,322
	Average hedged price per MWh	53.15	34.93
Commodity swaps – oil	Notional amount (bbl)	346,342	277,691
	Average hedged price per bbl	75.14	73.47
Commodity swaps – power	Notional amount (Gwh)		117
	Average hedged price per MWh		72.10

		31.12.2023	
Hedging instrument		up to 1 year	1 to 5 years
Commodity swaps – gas	Notional amount (Gwh)	20	1,121
	Average hedged price per MWh	58.40	40.17
Commodity swaps – oil	Notional amount (bbl)	406,324	293,973
	Average hedged price per bbl	76.67	75.28
Commodity swaps – power	Notional amount (Gwh)		30
	Average hedged price per MWh		89.45

Forward exchange contracts

Foreign exchange forward contracts are entered into to reduce the Group's cash flow exposure to currency movements based on the internal risk assessment and analysis conducted. Hedge accounting is not applied to these economic hedges.

The nominal value and fair value of forward exchange contracts as of 31 December 2024 are shown in the table below:

			31.12.2024	
Purchase	**Sale**	**Nominal in**	**Nominal value in million**	**Fair value in € million**
MXN	USD	MXN	420	0
EUR	USD	USD	75	0
USD	INR	USD	15	0
EUR	ZAR	ZAR	175	0
USD	BRL	USD	7	0
CLP	USD	USD	17	0
EUR	INR	EUR	26	0
CZK	EUR	EUR	11	(1)
Forward exchange contracts				**(1)**

The nominal value and fair value of forward exchange contracts as of 31 December 2023 are shown in the table below:

			31.12.2023	
Purchase	**Sale**	**Nominal in**	**Nominal value in million**	**Fair value in € million**
EUR	ZAR	ZAR	175	0
MXN	USD	MXN	670	0
USD	INR	USD	20	0
EUR	USD	USD	150	(1)
BRL	USD	USD	30	0
CLP	USD	USD	19	0
EUR	INR	EUR	33	0
CZK	EUR	EUR	16	0
Forward exchange contracts				**(1)**

In 2024, the Group signed a share purchase agreement with the intention to acquire the Resco Group. The acquisition was closed after the reporting date (refer to Note (42) for details). The cash outflow related to the acquisition is payable in USD but is funded in EUR. This exposes the Group to foreign currency risk in the form of potential variability in the EUR equivalent of the USD cash outflow due to changes in the USD/EUR exchange rate between the signing date and the closing date of this acquisition. To hedge this foreign currency exposure, the Group entered a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of USD 360 million at the time of signing the share purchase agreement. The Group has designated the deal contingent forward as hedging instrument with the EUR equivalent of the USD cash outflow stemming from the intended acquisition as hedged item in a hedging relationship recognised as cash flow hedge.

In terms of its structure, the deal contingent forward is a 'plain vanilla' forward exchange contract buying USD and selling EUR at a fixed exchange rate, whose settlement is conditional on the successful closing of the acquisition, providing protection against USD/EUR exchange rate movements until the acquisition closed. When the business combination was closed, the forward exchange contract was settled as it would usually be on the closing date of the acquisition, by applying an off market forward exchange rate at the closing date. However, had closing failed, the rights and obligations associated with the forward exchange contract would have disappeared at no cost and there would have been no obligation for the Group and the counterparty to settle it, which would have allowed the Group to exit the forward contract at zero cost. The disappearance of the forward exchange contract's rights and obligations in a scenario where closing would have failed is referred to as a 'knock-out' feature. The forward exchange rate considering the knock-out feature amounted to USD/EUR 1.0834 on the reporting date.

The method for assessing hedge effectiveness applied for commodity hedges is applied analogously to this hedging relationship. The main source of hedge ineffectiveness is the 'knock-out' feature embedded in the deal contingent forward, which does not exist in the hedged item.

The fair value of the deal contingent forward amounts to €13 million at the reporting date and is shown in other current financial assets in the Consolidated Statement of Financial Position. For the reporting period of 2024, a hedging gain of €13 million has been recognised in OCI as fair value movement of the hedging instrument. The corresponding balance of the cash flow hedge reserve, net of tax, amounts to €10 million at the reporting date.

36. Financial risk management

Financial risks are incorporated in the Group's corporate risk management framework and are centrally controlled by Corporate Treasury.

None of the following risks have a significant influence on the going concern premise of the Group.

Credit risks

The maximum credit risk from recognised financial assets amounts to €1,168 million (2023: €1,302 million) and is primarily related to investments with banks and receivables due from customers.

The credit risk with banks related to investments (especially cash and cash equivalents) is reduced as business transactions are only carried out with prime financial institutions with a good credit rating. Individual counterpart exposures limits are assigned to each financial institution based on a matrix composed of the credit rating (S&P or Moody's) and balance sheet assets.

Trade receivables are hedged as far as possible through credit insurance and collateral arranged through banks (guarantees, letters of credit) in order to mitigate credit and default risk. Credit and default risks are monitored continuously, and valuation allowance are recognised for risks that have occurred and are identifiable.

The credit exposure from trade receivables and contract assets, which is partially hedged by existing credit insurance and letters of credit, is shown in the following table:

in € million	31.12.2024	31.12.2023
Trade receivables and contract assets – gross	**533**	**542**
Credit insurance and letters of credit	**(258)**	(235)
Trade receivables and contract assets – net	**275**	**307**

The movement in the valuation allowance in respect of trade receivables and contract assets during the year and the previous year was as follows:

	2024		2023	
in € million	Individually assessed – credit impaired	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Collectively assessed – not credit impaired
Accumulated valuation allowance at beginning of year	**52**	**1**	**29**	**1**
Currency translation	**(2)**	**0**	0	0
Additions initial consolidation	**0**	**0**	9	0
Addition	**3**	**0**	19	0
Use	**(2)**	**0**	(4)	0
Reversal	**(4)**	**0**	(1)	0
Accumulated valuation allowance at year-end	**47**	**1**	**52**	**1**

For trade receivables and contract assets, for which no objective evidence of impairment exists, lifetime expected credit losses have been calculated using a provision matrix as shown below. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

in € million	Trade receivables and contract assets					
31.12.2024	not past due	less than 30 days	more than 31 days	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Total
Expected credit loss rate in %	0.03 – 0.54%	0.09-1.24%	0.77 – 85.52%			
Gross carrying amount invoiced	371	25	19	416	122	538
Lifetime expected credit loss	(1)	0	0	(1)		(1)
Valuation allowance – credit impaired					(47)	(47)
Carrying amount with either expected credit loss or incurred loss allowance						**490**
Carrying amount without expected credit loss or incurred loss allowance						43
Total trade receivables and contract assets						**533**

in € million	Trade receivables and contract assets					
31.12.2023	not past due	less than 30 days	more than 31 days	Collectively assessed – not credit impaired	Individually assessed – credit impaired	Total
Expected credit loss rate in %	0.01 – 0.57%	0.05-1.22%	0.30 – 59.13%			
Gross carrying amount invoiced	414	28	17	459	90	549
Lifetime expected credit loss	(1)	0	0	(1)		(1)
Valuation allowance – credit impaired					(52)	(52)
Carrying amount with either expected credit loss or incurred loss allowance						**496**
Carrying amount without expected credit loss or incurred loss allowance						46
Total trade receivables and contract assets						**542**

Liquidity risk

Liquidity risk refers to the risk that financial obligations cannot be met when due. The Group's financial policy is based on long-term financial planning and is centrally controlled and monitored continuously at the Group. The liquidity requirements resulting from budget and medium-term planning are secured by concluding appropriate financing agreements. As of 31 December 2024, the Group has a committed RCF of €600 million, which was unutilised (2023: committed RCF was €600 million and was also unutilised). The RCF is a syndicated facility with multiple international banks and matures in 2028. The liquidity of the Group's subsidiaries is managed regionally but with central steering. Access to liquidity and optimised cash levels is ensured by Corporate Treasury, which supports business needs and lowers borrowing costs. Refer to Note (27) for a description of the consequences if financial covenants embedded in loan agreements are breached. Refer to Note (4) for a description of the potential impacts on the finance costs of ESG-linked loans if the Group's ESG rating gets downgraded.

Non-derivative financial liabilities
An analysis of the terms of non-derivative financial liabilities based on undiscounted cash flows including the related interest payments shows the following expected cash outflows:

in € million	Carrying amount 31.12.2024	Cash outflows	Remaining term: up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	403	417	157	252	8
variable interest	1,337	1,466	167	1,269	30
Other financial liabilities	10	10	1	9	0
Lease liabilities	77	87	19	41	27
Liabilities to fixed-term or puttable non-controlling interests	52	84	7	27	50
Trade payables and other current liabilities	619	619	619	0	0
Non-derivative financial liabilities	**2,498**	**2,683**	**970**	**1,598**	**115**

in € million	Carrying amount 31.12.2023	Cash outflows	Remaining term: up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	433	455	49	391	15
variable interest	1,499	1,736	154	1,364	218
Other financial liabilities	17	23	14	9	0
Lease liabilities	70	77	18	34	25
Liabilities to fixed-term or puttable non-controlling interests	87	181	18	13	150
Trade payables and other current liabilities	561	561	561	0	0
Non-derivative financial liabilities	**2,667**	**3,033**	**814**	**1,811**	**408**

Derivative financial instruments
The remaining terms of derivative financial instruments as of 31 December 2024 and 31 December 2023 are shown in the table below:

in € million	Carrying amount 31.12.2024	Cash flows	Remaining term: up to 1 year	1 to 5 years	over 5 years
Receivables from derivatives with net settlement					
Interest rate swaps	10	10	0	10	0
Commodity swaps	2	2	0	2	0
Forward exchange contracts	14	14	14	0	0
Derivatives in open orders	3	3	3	0	0
Liabilities from derivatives with net settlement					
Commodity swaps	5	5	2	3	0
Interest rate derivatives	4	4	0	4	0
Forward exchange contracts	1	1	1	0	0

in € million	Carrying amount 31.12.2023	Cash flows	Remaining term up to 1 year	1 to 5 years	over 5 years
Receivables from derivatives with net settlement					
Interest rate derivatives	20	20	0	20	0
Commodity swaps	1	1	1	0	0
Forward exchange contracts	0	0	0	0	0
Liabilities from derivatives with net settlement					
Commodity swaps	11	11	1	10	0
Derivatives in open orders	3	3	3	0	0
Interest rate derivatives	2	2	0	1	1
Forward exchange contracts	1	1	1	0	0

Foreign currency risks
Foreign currency risks arise where business transactions (operating activities, investments, financing) are conducted in a currency other than the functional currency of a company. They are monitored at Group level and analysed with respect to hedging options. Usually, the net position of the Group in the respective currency serves as the basis for decisions regarding the use of hedging instruments.

Foreign currency risks arise in financial instruments which are denominated in a currency other than the functional currency and are monetary in nature. These include trade receivables and payables, cash and cash equivalents as well as financial liabilities as shown in the Consolidated Statement of Financial Position. Investments in equity instruments are not of a monetary nature, and therefore not linked to a foreign currency risk in accordance with IFRS 7 'Financial Instruments: Disclosures'.

The majority of foreign currency financial instruments in the Group result from operating activities and intragroup financing transactions. Significant provisions denominated in foreign currencies are also included in the analysis of risk.

The following table shows the foreign currency positions in the Group's major currencies as of 31 December 2024 and 31 December 2023:

31.12.2024 in € million	USD	EUR	ZAR	TRY	Other	Total
Financial assets	579	82	11	22	15	709
Financial liabilities, provisions	(426)	(44)	0	(6)	(20)	(496)
Net foreign currency position	**153**	**38**	**11**	**16**	**(5)**	**213**

31.12.2023 in € million	USD	EUR	GBP	INR	Other	Total
Financial assets	729	60	8	3	48	848
Financial liabilities, provisions	(470)	(95)	(15)	(1)	(22)	(603)
Net foreign currency position	**259**	**(35)**	**(7)**	**2**	**26**	**245**

The disclosures required by IFRS 7 for foreign exchange risks include a sensitivity analysis that shows the effects of hypothetical changes in the relevant risk variables on profit or loss and equity. The relevant risk variables are the financial assets and financial liabilities recognised on the reporting date that are denominated in a currency other than the functional currency of the respective reporting entity. The effects on a particular reporting period are determined by applying the hypothetical changes in these risk variables to the financial instruments held by the Group as of the reporting date. It is assumed that the positions on the reporting date are representative for the entire year. The sensitivity analysis does not include the foreign exchange differences that result from translating the net asset positions of the group companies with a functional currency other than Euro into the Group's reporting currency, the Euro.

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2024 would have had the following effect on profit or loss and equity (both excluding income tax):

	Appreciation of 10%		Devaluation of 10%	
31.12.2024 in € million	**(Loss)/gain**	**Equity**	**Gain/(loss)**	**Equity**
USD	(14)	(14)	17	17
EUR	(3)	1	4	(1)
ZAR	(1)	(1)	1	1
TRY	(1)	(1)	2	2
Other currencies	0	0	(1)	(1)

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2023 would have had the following effect on profit or loss and equity (both excluding income tax):

	Appreciation of 10%		Devaluation of 10%	
31.12.2023 in € million	**(Loss)/gain**	**Equity**	**Gain/(loss)**	**Equity**
USD	(22)	(20)	27	25
EUR	2	6	(2)	(7)
Other currencies	(2)	(2)	2	2

The effect in equity also includes the foreign exchange effects related to certain intragroup monetary assets and liabilities recorded directly in OCI (refer to Note (3) for details.

Interest rate risks
The interest rate risk in the Group is primarily related to debt instruments carrying variable interest rates, which may lead to fluctuations in results and cash flows. At 31 December 2024, one interest rate collar with a nominal value of €180 million (2023: €180 million) and interest rate swaps with a nominal value of €872 million (2023: €901 million) existed with the interest rate swaps converting the variable interest rate of the hedged debt instrument into a fixed interest rate. Further information is provided in Note (35).

The exposure to interest rate risks is presented through sensitivity analysis in accordance with IFRS 7. This analysis shows the effects of changes in market interest rates on interest payments, interest income and interest expense and on equity.

The Group measures fixed interest financial assets and financial liabilities at amortised cost and did not use the fair value option – a hypothetical change in the market interest rates for these financial instruments at the reporting date would have had no effect on profit and loss or equity.

Changes in market interest rates on debt instruments designated as cash flow hedges to protect against interest rate-related payment fluctuations within the scope of hedge accounting have an effect on equity and are therefore included in the equity-related sensitivity analysis. If the market interest rate as of 31 December 2024 had been 25 basis points higher or lower, equity would have been €2 million (2023: €2 million) higher or lower considering tax effects.

Changes in market interest rates have an effect on the interest result of primary variable interest debt instruments whose interest payments are not designated as hedged items as a part of cash flow hedge relationships against interest rate risks and are therefore included in the calculation of the result-related sensitivities. If the market interest rate as of 31 December 2024 had been 25 basis points higher or lower, the interest result would have been €0 million (2023: €0 million) lower or higher.

Commodity price risk
The Group manages its exposure to commodity prices, namely gas and electricity purchases in Europe, by entering into forward fixed price take or pay contracts with various suppliers to mitigate and reduce the impact of price volatility and secure the energy supply for its production process. These contracts are mainly accounted for as executory contracts as the commodities purchases are for own use purposes. The Group's Energy Risk policy sets out thresholds for fixing quantities based on the expected usage which is usually over a five-year period with lower levels of forward purchases in the outer years.

In line with the above strategy, the Group may also enter into financial commodity swap contracts to fix prices for expected purchases not covered by the fixed price take or pay contracts within the overall defined thresholds. Further information is provided under Note (35).

Other market price risk
The Group holds certificates in an investment fund amounting to €12 million (2023: €12 million) in order to provide the legally required coverage of personnel provisions of its Austrian subsidiaries. The market value of these certificates is influenced by fluctuations of the worldwide volatile stock and bond markets.

37. Capital management
The objectives of the capital management strategy of the Group are to continue as a going concern and to provide a capital base from which to finance growth and investments, to service debt, and to increase shareholders value, including the payment of dividends to shareholders.

The Group manages its capital structure through careful monitoring and assessment of the overall economic framework conditions, credit, interest rate and foreign exchange risks and the requirements and risks related to operations and strategic projects.

	31.12.2024	31.12.2023
Net debt (in € million)[1]	**1,251**	1,304
Net gearing ratio (in %)	**91.2%**	95.6%
Net debt to Adjusted EBITDA	**2.30x**	2.40x

1) Further information is provided under Note (33).

Net debt, which reflects borrowings and lease liabilities net of cash and cash equivalents, and short-term marketable securities held for trading, is managed by Corporate Treasury. The main task of the Corporate Treasury department is to execute the capital management strategy, secure liquidity to support business operations on a sustainable basis, use banking and financial services efficiently and limit financial risks while at the same time optimising earnings and costs.

The net gearing ratio is the ratio of net debt to total equity.

Net debt excluding lease liabilities/Adjusted EBITDA is the main financial covenant of loan agreements. The key performance indicator for net debt in the Group is the group leverage, which reflects the ratio of Net debt to Adjusted EBITDA, including lease liabilities. It is calculated as follows:

in € million	31.12.2024	31.12.2023
EBIT	**242**	333
Amortisation	**40**	44
Restructuring and write-down expenses	**24**	20
Other operating income and expenses	**101**	12
Adjusted EBITA	**407**	**409**
Depreciation	**136**	134
Adjusted EBITDA	**543**	**543**
Total debt	**1,750**	1,949
Lease liabilities	**77**	70
Less: Cash and cash equivalents	**576**	704
Less: Marketable securities	**0**	11
Net debt	**1,251**	**1,304**
Net debt excluding IFRS 16 lease liabilities	**1,174**	**1,234**
Net debt to Adjusted EBITDA	**2.30x**	**2.40x**
Net debt to Adjusted EBITDA excluding IFRS 16 lease liabilities	**2.16x**	**2.27x**

In both 2024 and the previous reporting period, the Group complied with the financial covenant of the Group's principal borrowing facilities (refer to Note (27)). The Group has sufficient liquidity headroom within its committed debt facilities.

Alternative Performance Measures (APMs) are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Adjusted EBITA and adjusted EBITDA are key non-IFRS measures that the Executive Management Team and Directors use internally to assess the underlying performance of the Group. Adjusted EBITDA is defined as EBIT, as presented in the Condensed Consolidated Statement of Profit or Loss, before amortisation, depreciation, and excluded Items. Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets on the Group. Excluded items are other income, other expenses and restructuring expenses as reflected on the Statement of Consolidated Profit or Loss, which are non-recurring in nature and not reflective of the underlying operational performance of the business. The excluded items presented as other income, and other expenses are explained and broken down in Notes (7) and (8).

38. Contingent liabilities

Contingent liabilities have a remaining term of between one and five years. Based on historical experience, the future probability that contingent liabilities are realised is considered to be low.

At 31 December 2024, warranties, performance guarantees and other guarantees amount to €78 million (2023: €71 million). The Group is subject to lawsuits and disputes in the normal course of the business; the Group has assessed these positions and recorded provisions where necessary.

Uncertain tax treatments

The calculation of income taxes is based on the tax laws applicable in the individual countries in which the Group operates. Due to their complexity, the tax items presented in the Consolidated Financial Statements may be subject to different interpretations by local finance authorities. In this context it should be noted that a tax provision is generally recognised when the Group has a present obligation as a result of a past event, and when it is considered probable that there will be a future outflow of funds.

The Group is continually adapting its global presence to improve customer service and maintain its competitive advantage, and leads open discussions with tax authorities about, for example, transfer of functions and related profit between related parties and exit taxation. In this regard, disputes may arise, where the Group management's understanding differs from the positions of the local tax authorities. In such cases, where an appeal is available, management's judgements are based on a likely outcome approach, taking into consideration previous experience and advice from professional firms when assessing the risks.

The Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €117 million (2023: €272 million). These tax proceedings are as follows:

Income Tax relating to historical corporate transactions

There were three proceedings in which Brazilian Federal Tax Authorities issued tax assessments which rejected the deduction of goodwill generated in two corporate transactions that were undertaken in 2007 and 2008, for Corporate Income Taxes. The tax authorities issued assessments arguing that such transactions cannot generate deductions as they do not fulfil the requirements provided by law. Those three proceedings ended in administrative courts in 2024, reducing the cash exposure to €33 million (2023: €177 million). Such exposure is limited to the fiscal tax years up to 2018 at which stage all available goodwill tax deductions had been made, and the Group is currently disputing the remaining amounts in the judicial courts. The proceedings are expected to last for at least five years.

Royalties

The Group is party to 38 proceedings where the Brazilian Mining Authorities ("ANM") challenged the criteria used for calculating and paying the Financial Compensation for Exploration of Mineral Resources, which are mining royalties payable by every mining company. The authorities have mainly disputed the basis of production costs estimates used in the determination of the royalties that are payable. The claims relate to fiscal years up to 2017, following which the legislation for royalties was changed. The Group, together with its technical and legal advisors continues to challenge ANM assessments. Most of the procedures are ongoing within the ANM administrative courts. Final decisions of the first cases are expected within three to four years. At 31 December 2024, the potential risk amounts to €28 million (2023: €32 million), including interest and penalties.

Corporate income and other taxes

There are several tax audits ongoing in Brazil mainly relating to: offsetting federal tax payables and receivables, social security contributions, as well as offsetting certain federal tax debts with corporate income tax credits. The potential cash outflow resulting from the outcome of these tax audits amount to €57 million (2023: €63 million).

39. Independent Auditor's remuneration

in € million	2024	2023
Fees in respect of the audit of the Consolidated and Parent Company Financial Statements[1]	**(1)**	(1)
Other audit fees, in respect of subsidiaries' audit, to PwC network firms	**(2)**	(2)
Total audit fees	**(3)**	**(3)**
Other non-audit services[1)2)]	**(1)**	(1)
Total fees	**(4)**	**(4)**

1) Total fees to PricewaterhouseCoopers Accountants N.V. totalled €1 million (2023: €1 million).
2) Other non-audit services mainly include Interim review fees of €0.3 million (2023: €0.2 million) and fees for limited assurance on Sustainability Statement of €0.3 million (2023: €0.0 million).

40. Business Combinations

Acquisitions completed in 2023

In July 2023 the Group completed the acquisition of Seven Refractories Group. The purchase price allocation is final. Compared to the preliminary amounts recognised for the acquired assets and liabilities in last year's Consolidated Financial Statements, the intangible asset related to identified customer relationships decreased by €3 million accompanied by a reduction in deferred tax liabilities of €1 million. These adjustments were reflected against goodwill and non-controlling interests, in line with IFRS 3, and mainly result from the reassessment of valuation parameters used in the measurement of the intangible asset.

In October 2023 the Group completed the acquisition of P-D Refractories. The purchase price allocation is final and does not materially differ from the purchase price allocation disclosed in the last year's Consolidated Financial Statements.

Acquisitions completed in 2024

In June 2024 the Group, through its non-wholly owned subsidiary Horn & Co. RHIM Minerals Recovery GmbH, completed the acquisition of 100% of the equity shares of Refrattari Trezzi S.r.l., a company engaged in the refractory recycling business. The acquisition means that a strategic production facility has been added to the Group's existing plant network. The strengthened presence in Italy will enable an increased supply of high-value secondary raw materials and customised services to extend the Group's full-line services portfolio for the customers. The consideration paid in cash amounts to €5 million.

41. Transactions with related parties

Related companies include joint ventures, associates and MSP Stiftung, Liechtenstein, as a shareholder of RHI Magnesita N.V., since it exercises significant influence based on its shareholding of more than 25%. The personnel welfare foundation of Stopinc AG, Switzerland, as well as Chestnut Beteiligungs GmbH, Germany and FEWI Beteiligungs GmbH, Germany (shareholders of the Group, which are related to a director) are considered related companies.

Related persons are persons having authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel) and their close family members. Key management personnel comprise members of the Board of Directors of RHI Magnesita N.V. and the Executive Management Team (EMT).

Related companies

In 2024 and 2023, the Group conducted the following transaction with its related companies:

	Joint ventures	
in € million	2024	2023
Revenue from the sale of goods and services	**2**	2
Purchase of raw materials	**6**	6
Trade liabilities	**0**	1

In 2024 and 2023, no transactions were carried out between the Group and MSP Stiftung, FEWI Beteiligungs GmbH or Chestnut Beteiligungs GmbH, with the exception of the dividend paid.

A service relationship with respect to the company pension scheme of the employees of Stopinc AG exists between the personnel welfare foundation of Stopinc AG and the fully consolidated subsidiary Stopinc AG. Stopinc AG makes contribution payments to the plan assets of the foundation to cover pension obligations. The pension plan is recognised as a defined benefit plan and is included in Note (29). In the past reporting period, employer contributions amounting to €1 million (2023: €1 million) were made to the personnel welfare foundation. At 31 December 2024, a net asset from overfunded pension plans of €1 million (2023: €2 million) is recognised.

Related persons
Remuneration of key management personnel of the Group comprises the remuneration of the Board of Directors and the EMT.

in € million	2024	2023
Executive Directors and EMT		
Short-term employee benefits	**9**	10
Share-based payments	**4**	6
Total	**13**	**16**
Non-Executive Directors[1)]	**2**	1

1) Compensation paid to Non-Executive Directors reflects fees for services as Directors.

Employee representatives acting as Non-Executive Directors do not receive additional compensation for these services and are not included in the above table.

Share dealing reports of persons discharging managerial responsibilities are published on the website of RHI Magnesita N.V. and announced via regulatory news services. The Group maintains Directors' & Officers' liability insurance for the Board of Directors and Company officers.

There is a non-remunerated consultancy agreement in place between RHI Magnesita and a close relative of a Non-Executive Director to advise the Group in respect of political and/or strategic analysis in countries outside the European Union and Brazil.

42. Material events after the reporting date
In March 2024, the Group signed a share purchase agreement stipulating its acquisition of 100% of the shares of Balmoral Refractories Holdings, Inc., USA, and its six wholly owned subsidiaries, together referred to as the Resco Group. The acquisition was closed on 28 January 2025 which is the acquisition date.

The Resco Group is a producer of shaped and unshaped refractories, including products for use in the petrochemical, cement, aluminium, and steel making industries. It operates seven plants and two raw material sites in the US and two plants in the United Kingdom and Canada.

The acquisition of the Resco Group aims to increase RHI Magnesita's local production in the US and Canada by transferring significant production volumes from non-US plants to the Resco Group's production facilities in the US, thereby improving supply chain security, reducing production lead times and stabilising working capital. In addition, this acquisition continues the Group's strategic growth trajectory in alumina-based refractories by providing US customers with an enhanced product offering. Moreover, synergies are expected to be generated through supply chain improvements, production network optimisation, working capital reduction, logistics efficiencies, supply integration, technology transfer, increased recycling opportunities and procurement savings. Following the integration, the Resco Group will form part of all reportable segments.

The preliminary cash consideration amounts to USD315 million (€300 million) and is subject to post-closing adjustments in relation to Resco Group's working capital and net debt. Additionally, the Group repaid borrowings and liabilities for acquisition-related costs totalling USD100 million (€96 million) on behalf of the Resco Group and acquired cash amounting to USD6 million (€6 million) on closing of the acquisition resulting in a preliminary net cash outflow related to the acquisition totalling USD409 million (€390 million). Of this amount, USD48 million (€44 million) was paid before the reporting date, and the remainder was paid after the reporting date.

The settlement of the deal contingent forward exchange contract disclosed in Note (36) to hedge against the potential variability in the cash outflow due to changes in the USD/EUR exchange rate resulted in a realised gain of €13 million. This gain reduces the EUR equivalent of the net preliminary cash outflow related to the acquisition and goodwill, in accordance with the cash flow hedge accounting requirements.

At the time the Consolidated Financial Statements were authorised for issue, the purchase price was not allocated to the assets acquired and liabilities assumed since the Financial Statements of the Resco Group as of the acquisition date were not available. Therefore, the amounts recognised for each major class of assets acquired and liabilities assumed, the determination of preliminary goodwill as well as information on the income tax deductibility of goodwill and the composition of goodwill are not disclosed.

Company Financial Statements of RHI Magnesita N.V.

Company Balance Sheet as at 31 December 2024
(before appropriation of result)

in € million	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Non-current financial assets	(A)	**1,193**	1,196
Securities		**1**	1
Deferred tax assets		**11**	7
Total non-current assets		**1,205**	**1,204**
Current assets			
Receivables from group companies		**1**	9
Other current receivables		**4**	1
Cash and cash equivalents	(B)	**0**	1
Total current assets		**5**	**11**
Total assets		**1,210**	**1,215**
EQUITY AND LIABILITIES			
Equity			
Share capital	(C)	**50**	50
Treasury shares	(D)	**(108)**	(111)
Additional paid-in capital	(E)	**361**	361
Legal and mandatory reserves	(F)	**86**	86
Other reserves		**671**	651
Result for the period	(J)	**142**	165
Shareholders' Equity		**1,202**	**1,202**
Current liabilities			
Current liabilities	(G)	8	13
Total liabilities		8	**13**
Total equity and liabilities		**1,210**	**1,215**

Company Statement of Profit or Loss for the period 1 January 2024 to 31 December 2024

in € million	Note	2024	2023
General and administrative expenses	(H)	**(25)**	(30)
Result before taxation		**(25)**	**(30)**
Loss before income tax		**(25)**	**(30)**
Income tax		**3**	(3)
Net result from investments	(I)	**164**	198
Net result for the period	**(J)**	**142**	**165**

Movements in Shareholders' Equity

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves: Cash flow hedges	Legal and mandatory reserves: Currency translation	Legal and mandatory reserves: Mandatory reserve	Other reserves: Retained earnings	Net result	Equity attributable to shareholders
31.12.2023	**50**	**(111)**	**361**	**6**	**(163)**	**289**	**605**	**165**	**1,202**
Appropriation of prior year result	–	–	–	–	–	–	165	(165)	–
Net result	–	–	–	–	–	–	–	142	142
Share transfer / Vested LTIP	–	3	–	–	–	–	(3)	–	–
Share-based expenses	–	–	–	–	–	–	9	–	9
Dividends	–	–	–	–	–	–	(87)	–	(87)
Net income / (expense) recognised directly in equity	–	–	–	6	(91)	–	21	–	(64)
31.12.2024	**50**	**(108)**	**361**	**12**	**(254)**	**289**	**710**	**142**	**1,202**

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves: Cash flow hedges	Legal and mandatory reserves: Currency translation	Legal and mandatory reserves: Mandatory reserve	Other reserves: Retained earnings	Net result	Equity attributable to shareholders
31.12.2022	**50**	**(116)**	**361**	**32**	**(148)**	**289**	**378**	**156**	**1,002**
Appropriation of prior year result	–	–	–	–	–	–	156	(156)	–
Net result	–	–	–	–	–	–	–	165	165
Share transfer / Vested LTIP	–	5	–	–	–	–	(5)	–	–
Share-based expenses	–	–	–	–	–	–	9	–	9
Dividends	–	–	–	–	–	–	(78)	–	(78)
Net income / (expense) recognised directly in equity	–	–	–	(26)	(15)	–	145	–	104
31.12.2023	**50**	**(111)**	**361**	**6**	**(163)**	**289**	**605**	**165**	**1,202**

Notes to the Company Financial Statements 2024

General
The Financial Statements of RHI Magnesita N.V. for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 26 February 2025. RHI Magnesita N.V. (the "Company"), is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria, registered with the Dutch Trade Register under number 68991665.

The shares of RHI Magnesita N.V. (ISIN code NL0012650360) are listed within the Equity Shares (Commercial Companies) category of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index. The Company holds a secondary listing on the Vienna Stock Exchange (Wiener Börse).

Basis of preparation
The Company Financial Statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Section 362, subsection 8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company Financial Statements on the basis of the same accounting principles as those applied for the Consolidated Financial Statements. Valuation is based on recognition and measurement requirements of IFRS Accounting Standards as adopted by the EU and as explained further in the Notes to the Consolidated Financial Statements.

Fiscal Unity
For corporate income tax purposes, RHI Magnesita N.V., Vienna Branch, acts as the head of a corporate tax group in Austria with the following companies:

- Lokalbahn Mixnitz-St. Erhard GmbH
- Radex Vertriebsgesellschaft m.b.H
- Refractory Intellectual Property GmbH
- RHI Refractories Raw Material GmbH
- Veitsch-Radex GmbH
- Veitsch-Radex Vertriebgesellschaft m.b.H
- Veitscher Vertriebsgesellschaft m.b.H

According to the Group and tax compensation agreement, which forms a legal requirement for the Austrian corporate tax group, tax compensation payments within the corporate tax group are calculated based on the stand-alone method, without charging negative tax compensations. In case of a taxable profit, the respective tax group member has to pay a tax compensation to RHI Magnesita N.V. as the head of the corporate tax group amounting to the legally applicable corporate tax rate (23.0% for 2024). In case of a taxable loss, the respective tax group member does not receive a negative tax compensation by RHI Magnesita N.V., but rather the taxable loss is carried forward internally and reduces the calculation base for any future tax compensation payment by the respective tax group member to RHI Magnesita N.V. (group internal carry forward of losses). Any tax compensation payment by tax group members to RHI Magnesita N.V. is reduced by withholding taxes paid by the respective group member, which RHI Magnesita N.V. could credit against any corporate income tax due in Austria. For cases of termination of the corporate tax group or cases in which a tax group member leaves the corporate tax group, the group and tax compensation agreement foresees a final tax compensation true-up.

The corporate income tax rate for the Company is 23.0% (2023: 24.0%). The effective tax rate is negative 1.9% (2023: 1.9%) with an income tax income of €3 million (2023: €3 million expense) on a profit before income tax of €139 million (2023: €168 million). Overall, a taxable income of €5 million deriving from movement in deferred tax positions is offset by a tax expense of €2 million which stems from the consolidation of the results of subsidiaries which are part of the fiscal unity; RHI Magnesita N.V. is the head of this fiscal unity. The low effective income tax rate is mainly attributable to a substantial non-taxable income derived from investments in subsidiaries (€164 million).

All income and expenses are settled through their intercompany (current) accounts.

Significant accounting policies
Non-current financial assets
In the Company Financial Statements, investments in Group companies are stated at net asset value, in accordance with the equity method, if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. In case the net asset value of an investment in a Group company is negative, any existing loans to Group companies considered as net investment are impaired. A provision for any remaining equity deficit is recognised when an outflow of resources is probable and can be reliably estimated.

Receivables from Group companies
Accounts receivables are measured at fair value and are subsequently measured at amortised cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value.

Net result from investments
The share in the result of investments comprises the share of the Company in the result of these investments.

Non-current financial assets
(A) Non-current financial assets
The financial fixed assets comprise investments in:

		31.12.2024	31.12.2023
Name and country of incorporation of the company	Country of core activity	Share in %	Share in %
RHI Magnesita Deutschland AG, Wiesbaden, Germany	Germany	**12.5**	12.5
RHI Refractories Raw Material GmbH, Vienna, Austria	Austria	**25.0**	25.0
RHI Magnesita GmbH, Vienna, Austria	Austria	**100.0**	100.0

The investments have developed as follows:

in € million	2024	2023
At beginning of year	**1,196**	943
Transactions with non-controlling interests without change of control	**5**	161
Changes from currency translation and cash flow hedges	**(84)**	(40)
Changes from defined benefit plans	**16**	(16)
Dividend distribution	**(104)**	(50)
Net result from investments	**164**	198
Balance at year-end	**1,193**	**1,196**

The following list, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Sections 379), shows all companies in which RHI Magnesita N.V. holds a direct or indirect share of at least 20%:

		31.12.2024		31.12.2023	
Ser. no.	**Name and country of incorporation of the company**	**Share-holder**	**Share in %**	**Share-holder**	**Share in %**
1.	RHI Magnesita N.V., Arnhem, Netherlands				
2.	Agellis Group AB, Lund, Sweden	**32.**	**100.0**	32.	100.0
3.	Baker Refractories Holding Company, Delaware, USA	**22.**	**100.0**	22.	100.0
4.	Baker Refractories I.C., Inc., Delaware, USA	**3.**	**100.0**	3.	100.0
5.	Didier Société Industrielle de Production et de Construction - "D.S.I.P.C.", Valenciennes, France	**47.**	**100.0**	47.	100.0
6.	Dutch Brasil Holding B.V., Arnhem, Netherlands	**90.**	**100.0**	90.	100.0
7.	Dutch MAS B.V., Arnhem, Netherlands	**47.**	**100.0**	47.	100.0
8.	Dutch US Holding B.V., Arnhem, Netherlands	**90.**	**100.0**	90.	100.0
9.	Foreign Enterprise "VERA", Dnepropetrovsk, Ukraine	**32.**	**100.0**	32.	100.0
10.	GIX International Limited, Dinnington, United Kingdom	**94.**	**100.0**	94.	100.0
11.	Horn & Co. RHIM Minerals Recovery GmbH, Siegen, Germany	**48.**	**55.0**	48.	51.0
12.	Intermetal Engineers (India) Private Limited, Mumbai, India	**49.**	**100.0**	49.	100.0
13.	Jinan New Emei Industries Co. Ltd., Jinan, China	**43.**	**65.0**	43.	65.0
14.	Liaoning RHI Jinding Magnesia Co., Ltd, Dashiqiao, China1)	**32.**	**100.0**	32.	100.0
15.	Lokalbahn Mixnitz-St. Erhard GmbH, Vienna, Austria	**69.**	**100.0**	69.	100.0
16.	LWB Refractories Holding France S.A.S., Valenciennes, France 3)	**33.**	**100.0**	n/a	100.0
17.	Magnesita Asia Refractory Holding, Limited, Hong Kong, Hong Kong	**16.**	**100.0**	16.	100.0
18.	Magnesita Malta Finance Ltd., St. Julians, Malta 3)	**19.**	**100.0**	n/a	100.0
19.	Magnesita Malta Holding Ltd., St. Julians, Malta 3)	**48.**	**100.0**	n/a	100.0
20.	Magnesita Mineração S.A., Brumado, Brazil	**28.**	**100.0**	28.	100.0
21.	Magnesita Refractories (Dalian) Co., Ltd., Dalian, China 3)	**43.**	**100.0**	n/a	100.0
22.	Magnesita Refractories Company, York, USA	**33.**	**100.0**	33.	100.0
23.	Magnesita Refractories Limited, Dinnington, United Kingdom	**3.**	**100.0**	3.	100.0
24.	Magnesita Refractories México, S.A. de C.V., Monterrey, Mexico	**3.,4.**	**100.0**	3.,4.	100.0
25.	Magnesita Refractories Middle East Free Zone Establishment, Dubai, United Arab Emirates 3)	**6.**	**100.0**	n/a	100.0
26.	Magnesita Refractories S.C.S., Valenciennes, France 3)	**16.,33.**	**100.0**	n/a	100.0
27.	Magnesita Refractories S.R.L., Milano, Italy 3)	**33.**	**100.0**	n/a	100.0
28.	Magnesita Refratários S.A., Contagem, Brazil	**6.**	**100.0**	6.	100.0
29.	Magnesita Resource (Anhui) Company Ltd., Chizhou, China	**43.**	**100.0**	43.	100.0
30.	P-D Refractories CZ a.s., Velké Opatovice, Czech Republic	**48.**	**96.9**	48.	86.8
31.	Producción RHI México, S. de R.L. de C.V., Ramos Arizpe, Mexico	**64.,94.**	**100.0**	64.,94.	100.0
32.	Radex Vertriebsgesellschaft m.b.H., Leoben, Austria	**92.**	**100.0**	92.	100.0
33.	Rearden G Holdings Eins GmbH, Wiesbaden, Germany 3)	**6.**	**100.0**	n/a	100.0
34.	Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), San Nicolás, Argentina	**6.,8.,94.**	**100.0**	6.,8.,94.	100.0
35.	Refractarios Magnesita Colombia S.A.S., Sogamoso, Colombia	**6.**	**100.0**	6.	100.0
36.	Refractarios Magnesita Perú S.A.C., Lima, Peru	**6.**	**100.0**	6.	100.0
37.	Refractory Intellectual Property GmbH, Vienna, Austria	**48.**	**100.0**	48.	100.0
38.	Refractory Intellectual Property GmbH & Co KG, Vienna, Austria	**37.**	**100.0**	37.	100.0
39.	Refrattari Trezzi S.r.l., Merlino, Italy	**11.**	**100.0**	-	0.0
40.	RHI Canada Inc., Burlington, Canada	**94.**	**100.0**	94.	100.0

		31.12.2024		31.12.2023	
Ser. no.	Name and country of incorporation of the company	Share-holder	Share in %	Share-holder	Share in %
41.	RHI Chile S.A., Santiago, Chile	**10.,34.,94.**	**100.0**	10.,34.,94.	100.0
42.	RHI Italia S.R.L., Brescia, Italy	**48.**	**100.0**	48.	100.0
43.	RHI Magnesita (China) Co., Ltd., Shanghai, China	**32.**	**100.0**	32.	100.0
44.	RHI Magnesita (Chongqing) Refractory Materials Co., Ltd., Chongqing, China	**43.**	**51.0**	43.	51.0
48.	RHI Magnesita GmbH, Vienna, Austria	**1.**	**100.0**	1.	100.0
49.	RHI Magnesita India Limited, New Delhi, India	**6.,8.,94.**	**56.1**	6.,8.,94.	56.1
50.	RHI Magnesita India Refractories Limited, Rajgangpur, India	**49.**	**100.0**	49.	100.0
51.	RHI Magnesita RE Limited, Guernsey, United Kingdom	**32.**	**100.0**	32.	100.0
52.	RHI Magnesita Sales Germany GmbH, Wiesbaden, Germany	**75.**	**100.0**	75.	100.0
53.	RHI Magnesita Seven Refractories Limited, Dseven, India	**50.**	**100.0**	50.	100.0
54.	RHI Magnesita Switzerland AG, Hünenberg, Switzerland	**32.,47.**	**100.0**	32.,47.	100.0
55.	RHI Magnesita Trading B.V., Rotterdam, Netherlands	**48.**	**100.0**	48.	100.0
56.	RHI Magnesita Turkey Refrakter Ticaret Anonim Sirketi, Eskisehir, Türkiye[2)]	**15.,32.,90.**	**100.0**	15.,32.,90.	100.0
57.	RHI Magnesita Vietnam Company Limited, Ho Chi Minh City, Vietnam	**63.**	**100.0**	63.	100.0
58.	RHI Magnesita Wetro GmbH, Puschwitz, Germany	**48.**	**100.0**	48.	100.0
59.	RHI Marvo S.R.L., Bucharest, Romania	**32.,90.**	**100.0**	32.,90.	100.0
60.	RHI Refractories (Dalian) Co., Ltd., Dalian, China	**43.**	**100.0**	43.	100.0
61.	RHI Refractories Africa (PTY) LTD, Sandton, South Africa	**32.**	**100.0**	32.	100.0
62.	RHI Refractories Andino, C.A., Puerto Ordaz, Venezuela	**94.**	**100.0**	94.	100.0
63.	RHI Refractories Asia Pacific Pte. Ltd, Singapore, Singapore	**48.**	**100.0**	48.	100.0
64.	RHI Refractories España, S.L., Lugones, Spain	**7.,47.**	**100.0**	7.,47.	100.0
65.	RHI Refractories France SA, Valenciennes, France	**47.,52.,81.**	**100.0**	47.,52.,81.	100.0
66.	RHI Refractories Ibérica, S.L., Oviedo, Spain	**81.**	**100.0**	81.	100.0
67.	RHI Refractories Liaoning Co., Ltd., Bayuquan, China[1)]	**43.**	**100.0**	43.	100.0
68.	RHI Refractories Nord AB, Stockholm, Sweden	**81.**	**100.0**	81.	100.0
69.	RHI Refractories Raw Material GmbH, Vienna, Austria	**1.,32.,48.**	**100.0**	1.,32.,48.	100.0
70.	RHI Refractories Site Services GmbH, Wiesbaden, Germany	**47.**	**100.0**	47.	100.0
71.	RHI Refractories UK Limited, Bonnybridge, United Kingdom	**47.**	**100.0**	47.	100.0
72.	RHI Refratãrios Brasil Ltda., Contagem, Brazil	**6.,28.**	**100.0**	6.,28.	100.0
73.	RHI Trading (Dalian) Co., Ltd, Dalian, China	**43.**	**100.0**	43.	100.0
74.	RHI Ukraina LLC, Dnepropetrovsk, Ukraine	**32.,90.**	**100.0**	32.,90.	100.0
75.	RHI Urmitz AG & Co. KG, Mülheim-Kärlich, Germany	**47.,70.**	**100.0**	47.,70.	100.0
76.	RHI US Ltd., Delaware, USA	**8.**	**100.0**	8.	100.0
77.	RHI Wostok Limited Liability Company, Moscow, Russia	**32.,48.**	**100.0**	32.,48.	100.0
78.	RHI Wostok Service Limited Liability Company, Moscow, Russia	**32.,48.**	**100.0**	32.,48.	100.0
79.	RHIM Mireco Mitterdorf GmbH, St.Barbara im Mürztal, Austria	**11.**	**100.0**	11.	100.0
80.	RHI-Refmex, S.A. de C.V., Ramos Arizpe, Mexico	**55.,64.,94.**	**100.0**	64.,94.	100.0
81.	Sapref AG für feuerfestes Material, Basel, Switzerland	**94.**	**100.0**	94.	100.0
82.	Seven Refractories (UK) Ltd, Rotherham, United Kingdom	**83.**	**100.0**	83.	76.0
83.	Seven Refractories d.o.o, Divača, Slovenia	**48.**	**100.0**	48.	100.0
84.	Seven Refractories Deutschland GmbH, Düsseldorf, Germany	**48.**	**100.0**	48.	100.0
85.	Seven Refractories Holding, Inc., Huron, USA	**83.**	**100.0**	83.	100.0

		31.12.2024		31.12.2023	
Ser. no.	**Name and country of incorporation of the company**	**Share-holder**	**Share in %**	**Share-holder**	**Share in %**
86.	Seven Refractories Limited, Nicosia, Cyprus	**83.**	**100.0**	83.	51.0
87.	Seven Refractories S.r.l., Castellazzo Bormida, Italy	**83.**	**100.0**	83.	100.0
88.	Sipra S.p.A., Bergamo, Italy	**83.**	**52.0**	83.	52.0
89.	Sörmaş Söğüt Refrakter Malzemeleri Anonim Şirketi, Söğüt / Bilecik, Türkiye	**32.**	**91.3**	32.	91.0
90.	Veitscher Vertriebsgesellschaft m.b.H., Vienna, Austria	**48.**	**100.0**	48.	100.0
91.	Veitsch-Radex GmbH, Vienna, Austria	**48.**	**100.0**	48.	100.0
92.	Veitsch-Radex GmbH & Co OG, Vienna, Austria	**48.**	**100.0**	48.	100.0
93.	Veitsch-Radex Vertriebsgesellschaft m.b.H., Vienna, Austria	**48.**	**100.0**	48.	100.0
94.	VRD Americas B.V., Arnhem, Netherlands	**32.,48.**	**100.0**	32.,48.	100.0
95.	Zimmermann & Jansen GmbH, Wiesbaden, Germany	**47.**	**100.0**	47.	100.0
96.	Dr.-Ing. Petri & Co. Unterstützungs-Gesellschaft m.b.H., Wiesbaden, Germany	**47.**	**100.0**	47.	100.0
97.	Horn & Co Polska sp. z o.o., Chorzów, Poland	**11.**	**100.0**	11.	100.0
98.	Magnesita Refractories Private Limited, Mumbai, India [3]	**33.**	**100.0**	n/a	100.0
99.	Minerals and Metals Recovering - Mireco Aktiebolag, Fagersta, Sweden	**11.**	**100.0**	11.	100.0
100.	Mireco SARL, Entzheim, France	**11.**	**100.0**	11.	100.0
101.	Mireco SH.P.K, Lebushe, Kosovo	**11.**	**100.0**	11.	100.0
102.	Rudgruvans Industrier Aktiebolag, Fagersta, Sweden	**11.**	**100.0**	11.	100.0
	Equity-accounted joint ventures and associated companies				
103.	Chongqing Boliang Refractory Materials Co., Ltd., Chongqing, China	**43.**	**51.0**	43.	51.0
104.	Magnesita-Envoy Asia Ltd., Kaohsiung, Taiwan	**3.**	**50.0**	3.	50.0
105.	P-D Kremen d.o.o., Šentjernej, Slovenia	**30.**	**50.0**	30.	50.0

1) In accordance with IAS 32, fixed-term or puttable non-controlling interests are shown under liabilities.
2) Further shareholder is VRD Americas B.V., Arnhem, Netherlands.
3) 2023 Shareholder(s) have been merged and are consequently no longer part of this list.

Current assets

(B) Cash and cash equivalents

Cash and cash equivalents are at RHI Magnesita N.V.'s free disposal.

Equity

(C) Share capital

The Company's authorised share capital amounts to €100,000,000, comprising 100,000,000 ordinary shares, each of €1 nominal value. As at 31 December 2024, RHI Magnesita N.V.'s issued and fully paid-in share capital consists of 47,195,936 ordinary shares (2023: 47,130,338 ordinary shares). For additional information on treasury shares see (D).

(D) Treasury shares

As at 31 December 2024, RHI Magnesita treasury shares amount to 2,281,769 (2023: 2,347,367).

(E) Additional paid-in capital

Additional paid-in capital comprises premiums on the issue of shares less issue costs by RHI Magnesita N.V.

(F) Legal, mandatory and other reserves

Cash flow hedges

The item cash flow hedges include gains and losses from the effective part of cash flow hedges less tax effects. Further information on hedge accounting is included in Note (35) and Note (36) of the Consolidated Financial Statements.

Currency translation

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes. If foreign companies are deconsolidated, the currency translation differences are recognised in the Statement of Profit or Loss as part of the gain or loss from the sale of shares in subsidiaries. In addition, when monetary items cease to form part of a net investment in a foreign operation, the currency translation differences of these monetary items previously recognised in OCI are reclassified to profit or loss.

The cash flow hedge reserve and the currency translation reserve are legal reserves and are restricted for distribution.

Legal and mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger of RHI Refractories and Magnesita in 2017.

No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Legal and mandatory reserves represent legal and statutory reserves in line with Chapter 7 'Decree on financial statements formats' of the Dutch Civil Code.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Net income recognised directly in equity represents the change of non-controlling interests without a change of control through the year (€5 million) and the defined benefit plans (€16 million).

Current liabilities

(G) Current liabilities

in € million	31.12.2024	31.12.2023
Trade payables	**0**	1
Payables to group companies	**3**	5
Accrued liabilities	**5**	7
Total current liabilities	**8**	**13**

The current liabilities are due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

(H) General and administrative expenses

in € million	2024	2023
External services/consulting expenses	**(2)**	(6)
Personnel expenses	**(21)**	(21)
Other expenses	**(2)**	(3)
Total general and administrative expenses	**(25)**	**(30)**

in € million	2024	2023
Wages and salaries	**(18)**	(18)
Social security charges	**(1)**	(1)
Pension contributions	**(1)**	(1)
Other employee costs	**(1)**	(1)
Total wages and salaries	**(21)**	**(21)**

(I) Net results from investments
In 2024, the full year results of the investments amount to a profit of €164 million (2023: €198 million) and are recognised in the Company Statement of Profit or Loss.

(J) Net result for the period
In 2024, there are no differences in the result between the Company Financial Statements and the Consolidated Financial Statements.

Proposed appropriation of result
It is proposed that, pursuant to Article 27 clause 1 of the Articles of Association of the Company, as approved in the AGM 2023, the result shown in RHI Magnesita N.V. income statement is appropriated as follows:

in € million	2024
Profit attributable to shareholders	**142**
In accordance with Article 27 clause 1 to be transferred to reserves	**0**
At the disposal of the General Meeting of Shareholders	**142**

For 2024, the Board of Directors will propose a final dividend of €1.80 per share for the shareholders of RHI Magnesita N.V. The proposed dividend is subject to approval by the AGM in May 2025.

Other notes
Number of employees
The average number of employees of RHI Magnesita N.V. during 2024 amounts to 9 (2023: 9); all employees are working outside the Netherlands.

Off balance sheet commitments
RHI Magnesita N.V., as an ultimate parent company, provided a corporate guarantee of €1,783 million (2023: €2,008 million) for the borrowings of the Group. The Borrowings are as disclosed in Note (27) of the Consolidated Financial Statements. Additionally, €44 million (2023: €20 million) of corporate guarantees are issued in favour of customers and suppliers of the Group.

The Company has issued a declaration of joint and several liability as referred to in section 403, Book 2 of the Dutch Civil Code in respect of one of its consolidated participations, namely RHI Magnesita Trading B.V., meaning that the company is liable in case of default.

Other information
Information regarding independent auditor's fees, the number of employees of RHI Magnesita Group and the remuneration of the Board of Directors is included in Note (39), (10) and (41) of the Consolidated Financial Statements.

The Company opened a branch (RHI Magnesita N.V.) in Vienna, Austria and, as of February 2020, started to employ staff in the branch office and undertake services.

The following branches are part of subsidiaries which are directly or indirectly controlled by RHI Magnesita N.V.: "Magnesita Asia Refractory Holding Limited Company (Korea branch)", Gyeongsangbuk-do (Jidok-dong), Republic of Korea; Sipra S.p.a. Branch office nr. BG-2, Filago, Italy; Magnesita Resource (Anhui) Company Ltd., ChangLong Gang Dolomite Quarry, Chizhou, China; RHI Refractories Asia Pacific Ptd Ltd Taiwan Branch, Kaohsiung, Taiwan; RHI Refractories Asia Pacific Pte Ltd Korea Branch, Gyeongsangbuk-do, Republic of Korea; RHI Refractories Site Services GmbH-Niederlassung Unterwellenborn, Unterwellenborn, Germany; Veitsch-Radex Vertriebsgesellschaft m.b.H. (Spólka z ograniczona odpowiedzialnoscia) Oddzial w Polsce, Zabrze, Poland; Veitsch-Radex Vertriebsgesellschaft m.b.H. Podružnica Jesenice, Jesenice, Slovenia; Veitsch-Radex Vertriebsgesellschaft mbH - Oman Operations, Vienna, Austria; Veitsch-Radex VertriebsgmbH - branch Morocco, Casablanca, Morrocco.

Material events after the reporting date

There were no material events after the reporting date other than those disclosed in Note (42) of the Consolidated Financial Statements.

Vienna, 26 February 2025

Board of Directors

Executive Directors

Stefan Borgas

Ian Botha

Non-Executive Directors

Herbert Cordt

John Ramsay

Janet Ashdown

David Schlaff

Stanislaus Prinz zu Sayn-Wittgenstein Berleburg

Janice "Jann" Brown

Karl Sevelda

Marie-Hélène Ametsreiter

Wolfgang Ruttenstorfer

A. Katarina Lindström

Employee Representative Directors

Karin Garcia

Martin Kowatsch

Michael Schwarz

Other information

Provisions of the articles of association on profit and distributions
The stipulations of Article 27 and 28 of the Articles of Association concerning profit and distributions are:

27 Profit and distributions
27.1 The Board may resolve that the profits realised during a financial year will fully or partially be appropriated to increase and/or form reserves. With due regard to Article 26.2, a deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

27.2 The allocation of profits remaining after application of Article 27.1 shall be determined by the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution of profits shall be dealt with as a separate agenda item at the General Meeting.

27.3 Distribution of profits shall be made after adoption of the annual accounts if permitted under the law given the contents of the annual accounts.

27.4 The Board may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company, other than the Mandatory Reserve.

27.5 Distributions on shares may be made only up to an amount which does not exceed the amount of the Distributable Equity. If it concerns an interim distribution, the compliance with this requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the Dutch Trade Register within eight days after the day on which the resolution to make the distribution is published.

27.6 Distributions on shares payable in cash shall be paid in Euro, unless the Board determines that payment shall be made in another currency.

27.7 The Board is authorised to determine that a distribution on shares will not be made in cash but in kind or in the form of shares, or to determine that shareholders may choose to accept the distribution in cash and/or in the form of shares, all this out of the profits and/or at the expense of reserves, other than the Mandatory Reserve, and all this if and in so far the Board has been designated by the General Meeting in accordance with Article 6.1. The Board shall set the conditions under which such a choice may be made.

28 Release for payment
Distributions of profits and other distributions shall be made payable four weeks after adoption of the relevant resolution, unless the Board or the General Meeting at the proposal of the Board determine another date.

Independent auditor's report

To: the general meeting of RHI Magnesita N.V.

Report on the audit of the financial statements 2024
Our opinion
In our opinion:

- the consolidated financial statements of RHI Magnesita N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of RHI Magnesita N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying financial statements 2024 of RHI Magnesita N.V., Arnhem. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following statements for 2024: the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company statement of profit or loss for the period 1 January 2024 to 31 December 2024; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of RHI Magnesita N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach
We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context
RHI Magnesita N.V. is a global supplier of high-grade refractory products, systems and solutions. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

The Group experienced a year of weak market conditions as a result of the reduced demand from its steel and cement customers for refractories. In response, the Group focussed on benefits to be achieved through operational excellence and network efficiencies, but also had to incur sizeable restructuring and impairment expenses as a result of network optimalisation decisions made in 2024. In 2024 the Group also incurred significant expenses in relation to the implementation of digital transformation projects. However, mainly due to the positive contribution of the various acquisitions completed in 2023, revenues, margins and profitability in 2024 remained relatively stable compared to 2023. These developments affected the scope of our group audit and our audit procedures, as described in the sections 'The scope of our audit' and 'Key audit matters'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, among others, the assumptions underlying the physical and transition risks related to climate change.

In note 3 of the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in respect of the valuation of goodwill and the recognition and valuation of uncertain tax positions, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

RHI Magnesita N.V. furthermore assessed the risks and opportunities of climate change on its financial position; refer to the sections 'Principal risks' and 'Sustainability Statement' of the Group's Strategic Report where management defined potential physical as well as transitional risks, risk mitigating activities, risk governance, strategy and metrics. Reference is also made to note 4 of the consolidated financial statements, where management further assessed the key areas of climate change impacts that potentially have longer-term effects on amounts recognised at 31 December 2024. These areas are the impairment of goodwill, useful lives of property, plant and equipment, recognition of restoration provisions, valuation of deferred tax assets and the finance cost with respect to ESG linked loans.

We discussed RHI Magnesita N.V.'s above-mentioned assessment and governance thereof with the board of directors as well as the Audit & Compliance Committee and evaluated the potential impact on the financial position including underlying assumptions and estimates, for example with respect to the valuation of goodwill. Please also refer to the Key audit matter 'Valuation of goodwill' where the impact and the approach thereon is described.

Apart from key audit matters and the impact from the climate change on our audit, as described above, other areas of focus in our audit were the impairment considerations regarding a significant construction project that was suspended in the previous years, the closure of a European plant, material changes in estimates and the change in reportable segments. We furthermore discussed with management, based on review of contracts and research of authoritative accounting guidance, the accounting for digital transformation related implementation costs in respect of IT systems and processes.

And finally, we performed audit procedures on the items marked as 'audited' in the 2024 Annual Report on Remuneration.

We ensured that the audit teams at both the group and component level included the appropriate skills and competences which are needed for the audit of an international industrial products group. We therefore included experts and specialists in the areas of, among others, valuations, employee benefits, IT and corporate income taxes in our team.

The outline of our audit approach was as follows:

Materiality
- Overall materiality: €15.6 million.

Audit scope
- We conducted audit work in 11 locations.
- Site visits were conducted in Austria, Brazil, India and the United States of America.
- Audit coverage: 78% of consolidated revenue, 78% of consolidated total assets and 76% of consolidated profit before tax.

Key audit matters
- Valuation of goodwill; and
- Recognition and valuation of uncertain tax positions.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€15.6 million (2023: €14 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of profit before tax adjusted for certain non-operating items.
Rationale for benchmark applied	We used profit before tax adjusted for certain non-operating items (e.g. restructuring costs, digital transformation implementation costs and impairments of non-current assets recorded as Other income or Other expense) as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that profit before tax adjusted for non-operating items is the most relevant metric for assessing the financial performance of the Group.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €1.5 million and €12.5 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors and the Audit & Compliance Committee that we would report to them any misstatement identified during our audit above €1 million (2023: €1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit
RHI Magnesita N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of RHI Magnesita N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected 10 components to audits of their complete financial information, as those components are considered significant due to risk or size. Additionally, we selected 16 components for specified audit procedures to achieve appropriate coverage on selected financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	78%
Total assets	78%
Profit before tax	76%

None of the remaining components represented more than 3% of total group revenue or total group assets.

The group engagement team performed full scope audit procedures for the parent company RHI Magnesita N.V., specified audit procedures for the subsidiary RHI Magnesita Trading B.V. and specified audit procedures for the Global Shared Services activities in Spain on areas such as property, plant & equipment, cash and cash equivalents and certain aspects of accounts payable and accounts receivable. In addition, the group engagement team performed audit work over the headquarter-related activities in Vienna. This included the audit of IT systems, group consolidation, inventory valuation, financial statement disclosures, remuneration disclosures and several complex accounting items, such as goodwill impairment testing, share based compensation accounting, as well as compliance of emerging accounting positions taken by the Group in accordance with IFRS Accounting Standards as adopted by the EU.

For the remaining components we used component auditors who are familiar with the local laws and regulations to perform the audit work. Where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work. We furthermore:

- Issued group audit instructions to component auditors to set expectations for the component auditor's work and facilitate our direction and supervision of the component auditor and review of their work.
- Participated in discussions with component auditors as part of planning the engagement, including determining the nature, timing and extent of audit responses to identified and assessing the risks of material misstatements.
- Communicated with component auditors throughout the course of the group audit, either virtually by leveraging technology solutions, in-person meetings (e.g., as part of a site visit to the component auditor's territory), or through a combination of these, in order to monitor the progress of the component auditor's work. These ongoing communications included matters affecting the execution, completion and reporting of the group audit.
- Reviewed relevant parts of the component auditor's work including the component auditor's communication of matters relevant to our conclusion with regard to the group audit. Our review of the component auditor's work took place throughout the engagement. This included on-site and/or virtual reviews, including of the component auditor's working papers.
- Had individual calls with each of the component audit teams in scope for their complete financial information both during the year and upon conclusion of their work. During these calls, we discussed the financial performance of the components, significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements.
- Visited the RHI Magnesita N.V. business operations and finance functions in Austria, Brazil, India and the United States of America, given the size of these operating locations. During these visits we met with local management and component auditors, discussed strategy and financial performance of the local businesses, significant business developments, accounting matters and the areas of significant risks.

By performing the procedures outlined above at the components, combined with additional procedures exercised at Group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of RHI Magnesita N.V. and its environment and the components of the internal control system. This included the board of directors' (fraud) risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system. We refer to section 'Effective risk management' of the Group's Strategic report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud, and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures and incident registration process, among other things.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Our evaluation included the following procedures:

- We performed an inquiry of the Audit & Compliance Committee as to fraud risks and related party transactions to identify the areas of their concerns in relation to fraud.
- We inquired with the Chief Audit Executive about fraud cases identified throughout the year and reviewed the reports of the Internal Audit Function relevant to the reporting period. Where deemed appropriate, we performed followed-up procedures on these fraud cases. We also assessed the matters reported through the Group's whistleblowing and complaints procedure as well as the results of management's investigation and follow-up on such matters.
- We inquired with the board of directors, the executive management team and local executives as well as sales managers, as to whether they have any knowledge of actual or suspected fraud, their views on overall fraud risks within the Group and their perspectives on the Group's mitigating controls addressing the risk of fraud.
- We assessed the IT environment around key systems. We paid specific attention to access safeguards in the IT system and potential violations of the segregation of duties within such systems.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of management override of controls It is generally presumed that management is in a unique position to perpetrate fraud because of the opportunity to manipulate accounting records and prepare fraudulent financial statements by overriding manual controls, such as those related to journal entries, related party transactions, significant accounting estimates, etc. Adjusted EBITDA and adjusted EBITA are key financial measures that the board of directors and the executive management team use to assess the performance of the Group. Adjusted EBITA and adjusted operating cash flow are furthermore key financial incentives for the executive directors. A strong focus on meeting these financial targets could potentially provide management an incentive for overriding controls.	Where relevant to our audit, we evaluated the design and effectiveness of controls in the processes of generating and processing journal entries. We assessed whether deficiencies in controls may create additional opportunities for fraud and incorporated respective corroborative procedures in our audit approach. We considered the outcome of our audit procedures over the estimates and significant accounting areas and assessed whether control deficiencies and misstatements identified could be indicative of fraud. Where necessary, we planned and performed additional audit procedures to ensure that fraud risks are sufficiently addressed in our audit. We paid specific attention to the access safeguards in the IT systems and the set-up of the segregation of duties in systems and processes. Together with management we assessed the business rationale for conflicting user rights when these were identified within the IT environment. We performed data analysis focused on journal entries using defined fraud risk-criteria identified as part of our fraud risk assessment. Where we identified instances of unexpected journal entries, we performed additional audit procedures. In addition we performed substantive testing procedures over the consolidation entries. We evaluated key accounting estimates and judgements used in accounting areas where management judgement is applied (e.g. recognition and valuation of provisions, eligibility of capitalisation of expenses) for biases, including retrospective reviews of prior year's estimates where possible. In this context we also paid specific attention to the support for the change in method for determining inventory provisions as detailed in Note 3 of the consolidated financial statements. We evaluated the business rationale of the significant transactions concluded in 2024. We incorporated an element of unpredictability in the nature, timing, and extent of audit procedures. Our audit procedures did not identify indications of fraud or suspicions of fraud with respect to management override of controls.
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we considered the risk of fraud in revenue recognition. This relates to the presumed management incentive that exists to overstate revenue in order to meet financial targets, guidance provided to the market or shareholder expectations	We discussed and inquired with the board of directors, the Audit & Compliance Committee and the executive management team about their views on overall fraud risks within the Group, their perspectives on the Group's mitigating controls addressing the risk of fraud in revenue and whether they have any knowledge of (suspected) fraud. Where relevant to our audit, we have evaluated the design of the internal control measures, including automated revenue related controls in the relevant IT systems, that are intended to mitigate the risk of fraud in revenue recognition and assessed the operating effectiveness of those measures.

Identified fraud risks	Our audit work and observations
	Through data analysis using defined risk-criteria, we tested unexpected journal entries across all relevant revenue streams. We tested, on a sample basis, the performance and transaction prices of revenue transactions based on sales agreements, delivery documents, sales invoices and/or cash receipts. We tested the receivable balances at year end via external confirmations or alternative procedures if these were not received. We also paid specific attention to the appropriateness of the change in application for determining the moment of revenue recognition for products sold under CIF/CFR incoterms as detailed in Note 3 of the consolidated financial statements. We did not identify specific indications of fraud or suspicion of fraud in respect of revenue recognition

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern
As disclosed in the section 'Going concern' of note 1 of the consolidated financial statements the board of directors performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the board of directors' going-concern assessment included, among others:

- Review of the board of directors' going-concern assessment and related sensitivity analysis. We corroborated the board of directors' assessment with the approved budget 2025 as well as information that came to our attention as a result of our audit procedures;
- Review of the board of directors' debt analysis including the appropriateness of the forecasted levels of net debt, the access to available undrawn borrowing facilities, assessed compliance with debt covenants and the overall debt maturity profile;
- Review of the consistency between the board of directors' going-concern assessment and the analysis of the forecasted levels of net debt with the future cash flow forecasts as incorporated in the goodwill impairment test. In evaluating the board of directors' net debt and cash flow forecasts we performed look-back analyses to assess the accuracy of the forecasting process;
- Inquiries of the board of directors, the executive management team and other Group and local management as to their knowledge of going-concern risks beyond the period of the board of directors' going-concern assessment.

Our procedures did not result in outcomes contrary to the board of directors' assumptions and judgements used in the application of the going-concern assumption.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matter 'recognition and valuation of purchase price allocation balances resulting from acquisitions' was no longer included in 2024, since no significant acquisitions were completed during 2024. The key audit matters with respect to the valuation of goodwill and the recognition and valuation of uncertain tax positions identified in previous year's report continue to be relevant and important for the audit of the financial statements.

Key audit matter	**Our audit work and observations**
Valuation of goodwill *Refer to notes 3, 4 and 17 of the consolidated financial statements* The Group recognised goodwill of €342 million, which is allocated to various cash-generating units ('CGUs'). At least on an annual basis, these goodwill balances per CGU are tested for possible impairment. The Group prepares the goodwill impairment test using cashflow projections including next year's budget and the long-term planning covering four subsequent years. The key assumptions used in the projections are: projected sales (growth), EBIT margin, discount rate and terminal value growth rate. As disclosed in note 4 of the consolidated financial statements, the Group has considered the long-term impact of climate change, in particular by considering a long-term growth rate in the estimation of the terminal value in line with the change in steel and cement demand on the longer term based on the specific characteristics of the businesses involved. Management also considered and modelled the potential impact of the European Carbon Border Adjustment Mechanism (CBAM) regulation on its assets located within Europe. The goodwill impairment test did not result in an impairment. We identified the valuation of goodwill as a key audit matter due to significant estimates and assumptions used with respect to, among others, discount rates, profitability forecasts and growth rates.	In the context of the annual goodwill impairment test, we have performed various procedures which varied in depth per CGU based on our risk assessment with respect to the related goodwill balances as compared to our materiality used. Our audit procedures included, among others: • Assessing the appropriateness of management's identification of the Group's CGUs based on management's monitoring of the business and decision making processes as well as the allocation of goodwill and carrying values to these CGUs. • Evaluating and challenging the composition of management's future cash flow forecasts and the process by which they were drawn up as well as the key assumptions underlying the valuation model used by the Group, which includes, among others, the projected sales growth rates, the projected EBIT margin, the discount rate and terminal value growth rate. We have compared and challenged management's assumptions against available external benchmarks, available competitor information and our own accumulated industry knowledge. • Performing a retrospective review of the prior year estimates by comparing the current year actual results to those projected in the prior year. • Assessing the appropriateness of the valuation methodology applied against generally accepted valuation techniques as well as reperforming the calculations made to determine the respective carrying and recoverable values resulting from the model. • Assessing the adequacy of the Company's disclosures regarding assumptions and sensitivities as included in Note 17 to the consolidated financial statements. Based on the audit procedures performed, we found the assumptions to be reasonable and supported by available evidence.
Recognition and valuation of uncertain tax positions *Refer to notes 3 and 38 of the consolidated financial statements* As described in Note 38 of the consolidated financial statements, the Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €117 million. Given that the tax legislation in Brazil is complex and unpredictable, and is also going through a major reform, this could give rise to significant uncertainties and the Group's estimate of tax liabilities may differ from interpretations by the relevant tax authorities as to how regulations should be applied to actual transactions. Judgement is therefore required by management to determine whether it is probable that an uncertain tax position should be recognised. Due to the inherent level of uncertainty, the significant judgement involved as well as the potential limitations in the recoverability of uncertain tax positions, we considered the recognition and valuation of uncertain tax positions to be a key audit matter for our audit.	With regard to the recognition and valuation of uncertain tax positions we have requested and obtained management's assessment of such uncertain tax positions taken, reviewed correspondence with the tax authorities, reviewed independent legal and tax opinions as well as the latest available tax filings. We corroborated the assessment made with Group management and the local auditors as well as internal tax specialists. We also analysed the recent resolutions of tax disputes in Brazil. Based on the audit procedures performed, we found the Group's estimates and judgement used in the recognition and valuation of uncertain tax positions to be appropriately supported. We furthermore assessed the disclosures made in the consolidated financial statements to be adequate and appropriate.

Report on the other information included in the annual report
The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements, except for the audit procedures performed on information in the Annual Report on Remuneration marked 'audited'.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of RHI Magnesita N.V. This followed the passing of a resolution by the shareholders at the annual general meeting held on 4 October 2017. Our appointment has been renewed annually by the shareholders and now represents a total period of uninterrupted engagement of 8 years.

European Single Electronic Format (ESEF)

RHI Magnesita N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by RHI Magnesita N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included, among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 39 to the consolidated financial statements.

Responsibilities for the financial statements and the audit
Responsibilities of the board of directors
The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements
Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 26 February 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A. F. Westerman RA

Appendix to our auditor's report on the financial statements 2024 of RHI Magnesita N.V.
In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements
We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit and compliance committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Limited assurance report of the independent auditor on the consolidated sustainability statement

To: the general meeting of RHI Magnesita N.V.

Our limited assurance conclusion

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of RHI Magnesita N.V. and its subsidiaries ('the Group') for 2024 is not, in all material respects,

- Prepared in accordance with the European Sustainability Reporting Standards ('ESRS') as adopted by the European Commission and in accordance with the process, carried out by the Group, to identify the information to be reported pursuant to the ESRS; and
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 ('the Taxonomy Regulation').

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the 2024 consolidated sustainability statement of RHI Magnesita N.V., Arnhem, included in section 'Sustainability Statement' of the 'Strategic Report' within the Group's Annual Report and Accounts 2024, including the information incorporated in the consolidated sustainability statement by reference.

In the consolidated sustainability statement, references are made to external sources or websites. The information on these external sources or websites is not subject to our limited assurance procedures for the consolidated sustainability statement. We therefore do not provide assurance on this information.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the limited assurance engagement on the consolidated sustainability statement' of our report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of RHI Magnesita N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of ethics for professional accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of ethics for professional accountants).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Emphasis of matter

Emphasis on the double materiality assessment process

We draw attention to section ESRS 2 General disclosure of the consolidated sustainability statement. The disclosure in this section explains possible future changes in the ongoing due diligence and double materiality assessment process, including engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Group's strategy, business model, activities, business relationships, operating, sourcing and selling contexts relevant for stakeholders as a group. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The consolidated sustainability statement may therefore not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important in its own assessment.

Our conclusion is not modified in respect of this matter.

Corresponding information not subject to assurance procedures

The corresponding information in the consolidated sustainability statement and thereto related disclosures with respect to previous years have not been subjected to reasonable or limited assurance procedures.

Inherent limitations in preparing the consolidated sustainability statement

In reporting forward-looking information in accordance with the ESRS, the board of directors of the Group is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Calculations to determine information as included in the consolidated sustainability statement could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

Responsibilities for the consolidated sustainability statement and for the limited assurance procedures thereon

Responsibilities of the board of directors for the consolidated sustainability statement

The board of directors of RHI Magnesita N.V. is responsible for the preparation of the consolidated sustainability statement in accordance with ESRS, including the development and implementation of the double materiality process, which is a process to identify the information reported in the consolidated sustainability statement in accordance with the ESRS and for disclosing this process in the consolidated sustainability statement.

This responsibility includes:

- Understanding the context in which RHI Magnesita N.V.'s activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions and estimates that are reasonable in the circumstances.

The board of directors is also responsible for preparing the disclosures in compliance with the reporting requirements provided in the Taxonomy Regulation.

Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the consolidated sustainability statement that is free from material misstatement, whether due to fraud or error.

The board of directors is responsible for overseeing the Group's sustainability reporting process including the double materiality process carried out by the Group.

Our responsibilities for the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the consolidated sustainability statement is free from material misstatements, and to issue a limited assurance conclusion in our report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated sustainability statement. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

Our other responsibilities in respect of the limited assurance engagement on the consolidated sustainability statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures performed
We have exercised professional judgement and have maintained professional scepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst others, the following:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Group, its activities and the value chain and its key intangible resources to assess the process to identify the information to be reported carried out by the Group as the basis for the consolidated sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Group's processes for gathering and reporting entity-related and value chain information, the information systems and the Group's risk assessment process relevant to the preparation of the consolidated sustainability statement and for identifying the Group's activities, determining eligible and aligned activities and prepare the disclosures provided for in the Taxonomy Regulation, without testing the operating effectiveness of controls.
- Assessing the double materiality process carried out by the Group and identifying and assessing areas of the consolidated sustainability statement, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. We designed and performed further assurance procedures aimed at determining that the consolidated sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the process to identify the information to be reported in the consolidated sustainability statement made by the board of directors appears consistent with the process carried out by the Group.
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether the Group's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation at the level of the Group (including other entities or value chain from which the information may stem) for selected disclosures.
- Reading the other information in the Annual Report and Accounts 2024 to identify material inconsistencies, if any, with the consolidated sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives, reconcile with the underlying records of the Group and are consistent or coherent with the consolidated sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical criteria are met, and whether the accompanying key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented.
- Reconciling the relevant financial information to the financial statements.
- Considering the overall presentation, structure and the balanced content of the consolidated sustainability statement, including the reporting requirements provided for in the Taxonomy Regulation.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the consolidated sustainability statement as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with ESRS.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the limited assurance engagement and significant findings that we identify during our limited assurance engagement.

Rotterdam, 26 February 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by

A. F. Westerman RA

Alternative performance measures (APMs)

Definitions of APMs used by the Group are set out below. These definitions cover the purpose and usefulness of each APM, and give a reconciliation to the nearest IFRS equivalent measure, or a reference to a reconciliation appearing elsewhere in this document.

In general, APMs are presented externally to meet investor and analyst requirements and to give clarity and transparency of the Group's underlying financial performance. APMs are also used internally in the management of the Group's business performance, budgeting and forecasting. APMs are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Commentary within the Annual Report, including the Financial Review, the Consolidated Financial Statements and the accompanying notes, should be referred to in order to fully appreciate all the factors and context affecting the Group's financial performance. Readers are strongly encouraged not to rely on any single financial measure and to carefully review the Group's reporting in its entirety.

Performance APMs

Adjusted EBITDA

Adjusted EBITDA is a key non-IFRS measure that the Executive Management Team (EMT) and Directors use internally to assess the underlying financial performance of the Group and is viewed as relevant to capital intensive industries. The ratio of Net Debt to Adjusted EBITDA is used as a measure of financial gearing.

Adjusted EBITDA is defined as EBIT, as presented in the Consolidated Statement of Profit or Loss, before amortisation, depreciation, and Excluded Items (see definition below).

Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

Adjusted EBITA

Adjusted EBITA is a key non-IFRS measure that the EMT and Directors use internally to assess the underlying performance of the Group.

Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets.

Adjusted EPS

Adjusted EPS is a key non-IFRS measure and one of the Group's KPIs. Adjusted EPS is used to assess the Group's underlying operational performance, post tax and non-controlling interests on a per share basis.

This measure is based on Adjusted EBITA after finance income and expenses, taxes, share of profit or loss from associates and joint ventures and non-controlling interest. Share of profit or loss from associates and joint ventures is adjusted to exclude impairments and gains or losses recognised on disposals.

Adjusted EPS excludes finance income and expenses and certain foreign exchange effects, that are not directly related to operational performance. This includes the non-cash present value adjustments for the Oberhausen provision.

Taxes are calculated by applying the effective tax rate normalised for restructuring expenses and impairments.

Excluded items

Items that are excluded (Excluded Items) in arriving at the Group's Adjusted measures of Adjusted EBITA, EBITDA and EPS include:

Other income, other expenses and restructuring expenses as reflected on the Consolidated Statement of Profit or Loss as well as gains and losses within interest income, interest expenses and other net financial expenses that are non-recurring in nature and not reflective of the underlying operational performance of the business. Excluded items include restructuring related provisions, costs in relation to corporate transactions and other non-recurring costs. The tax impacts of the above Excluded Items are also adjusted for.

Cash flow performance measures

Adjusted operating cash flow and Free cash flow

Adjusted operating cash flow is a key non-IFRS measure used by the EMT and the Directors to reflect the operational cash generation capacity of the Group before the cash impacts of Excluded Items (see definition above).

Adjusted operating cash flow is defined as Adjusted EBITDA adjusted for working capital items, changes in other assets and liabilities and capital expenditure and other non-cash items, such as share based payments. This APM is reconciled to Net Cash flow from operating activities as follows:

€m	2024	2023
Adjusted operating cash flow (APM)	**419**	**418**
Capital expenditure[1]	145	180
Income Taxes paid[1]	(69)	(60)
Other income/expenses and restructuring items[1]	(62)	(33)
Net cash flow from operating activities[1]	**433**	**505**

1. As reflected in the Consolidated Statement of Cash Flows.

Free cash flow is determined from the IFRS measures of Net cash flow from operating activities, net cash used in investing activities and net cash (used in)/provided by financing activities and excludes the cash impacts of purchases and disposals of business and subsidiaries, dividends paid to equity shareholders of the Group, share capital transactions with shareholders, proceeds and repayment of borrowings and current borrowings and repayment of leases.

Free cash flow is reconciled to Cash changes in Net debt in the table in the 'Cash flow and working capital' section. Cash changes in Net debt is reconciled to Change in cash and cash equivalents in the Net Debt APM reconciliation.

Balance sheet

Liquidity

Liquidity comprises cash and cash equivalents, short term marketable securities and undrawn committed credit facilities.

€m	2024	2023
Cash and cash equivalents[1]	576	704
Revolving credit facility	600	600
Syndicated term loan	200	0
Liquidity	**1,376**	**1,304**

1. As reflected in the Consolidated Statement of Cash Flows.

Net Debt

Net Debt is the excess of current and non-current borrowings, associated debt derivatives for which hedge accounting is applied and lease liabilities over cash and cash equivalents and short-term marketable securities. The Board uses this measure for the purpose of capital management. A reconciliation of Net Debt is included in Note 33 to the Consolidated Financial Statements.

€m	2024	2023
Cash changes in Net debt	**80**	**(41)**
Proceeds from borrowings[1]	14	336
Repayment of borrowings[1]	(174)	(16)
Change in current borrowings[1]	(41)	(63)
Repayment of lease obligations[1]	(20)	(20)
Cash inflow from financial assets[1]	11	0
Change in cash and cash equivalents[1]	**(130)**	**196**

1. As reflected in the Consolidated Statement of Cash Flows.

Working capital

Working capital consists of inventories plus trade receivables and other receivables minus trade payables and other payables. Working capital intensity provides a measure of how efficient the Company is in managing operating cash conversion cycles. It is measured as Working capital divided by trailing three-month revenues (annualised) and is expressed as a percentage.

€m	2024	2023
Inventories (Note 21)	**962**	**1,001**
Trade receivables (Note 21)	**530**	**538**
Contract assets (Note 21)	3	4
Contract liabilities (Note 31)	(59)	(65)
Accounts receivable	**474**	**477**
Trade payables (Note 31)	**(572)**	**(498)**
Total working capital	**864**	**980**

1. As reflected in the Consolidated Statement of Financial Position.

Return on invested capital ("ROIC")

ROIC reflects the annualised return on invested capital of the Group. ROIC is calculated as NOPAT (net operating profit after tax) divided by average invested capital of the year.

€m	2024	2023
Revenue[1]	3,487	3,572
Cost of sales[1]	(2,639)	(2,715)
Selling and marketing expenses[1]	(131)	(153)
General and administrative expenses[1]	(350)	(339)
Income taxes paid[2]	(69)	(60)
NOPAT	298	305

€m	2024	2023
Goodwill[3]	342	339
Other intangible assets[3]	417	470
Property, plant and equipment[3]	1,285	1,360
Investments in joint ventures and associates[3]	7	6
Other non-current assets[3]	76	37
Deferred tax assets[3]	152	152
Inventories[3]	962	1,001
Trade and other receivables[3]	660	681
Income tax receivables[3]	40	43
Deferred tax liabilities[3]	(64)	(62)
Trade and other current liabilities[3]	(843)	(820)
Income tax liabilities[3]	(29)	(51)
Current provisions[3]	(43)	(34)
Invested capital	**2,962**	**3,122**
Average invested capital	3,043	2,854
Return on invested capital[4]	**9.8%**	**10.7%**

1. As reflected in the Consolidated Statement of Profit and Loss.
2. As reflected in the Consolidated Statement of Cash Flows.
3. As reflected in the Consolidated Statement of Financial Position.
4. NOPAT divided by average invested capital of the year.

Glossary

AFM	Dutch Authority for the Financial Markets
AGM	Annual General Meeting
AI	Artificial Intelligence
APM	Alternative Performance Measures
BOF	Basic Oxygen Furnace
BRICS	Intergovernmental organization consisting of five emerging economies: Brazil, Russia, India, China, and South Africa.
CapEx	Capital Expenditure
Capgemini	Capgemini Consulting, a renowned provider of consulting, technology services and digital transformation solutions.
CBAM	Carbon Border Adjustment Mechanism
CCO	Chief Customer Officer
CCU	Carbon Capture & Utilisation
CDP	Global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO_2	Carbon dioxide
CoGS	Cost of Goods Sold
CoRe	Complexity Reduction Programme
COVID-19	Coronavirus disease 2019
CIS	Commonwealth of Independent States
CREST	Certificateless Registry for Electronic Share Transfer
CSC	Corporate Sustainability Committee
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DACH	Three Central European countries of Germany (D), Austria (A), and Switzerland (CH)
DBM	Dead Burned Magnesia
DBRL	Dalmia Bharat Refractories Limited
DEI	Diversity, equity and inclusion
DCGC	Dutch Corporate Governance Code 2022
DMA	Double Materiality Assessment
DNSH	Do-No-Significant-Harm criteria
DRI	Direct Reduced Iron
dss+	DSS Sustainable Solutions, a leading consultancy firm, focused on safety
DTR	Disclosure & Transparency Rules (UK)
EAF	Electric Arc Furnace
EBIT	Earnings Before Interest and Taxes
EBITA	Earnings Before Interest, Taxes and Amortisation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EMT	Executive Management Team
EPS	Earnings Per Share
ERD	Employee Representative Director
ERP	Enterprise Resource Planning system
ESCC	Equity Shares (Commercial Companies) category of the Official List on the Main Market of the London Stock Exchange
ESEF	European Single Electronic Format
ESF	Electric Smelting Furnace
ESG	Environmental Social & Governance
ESRS	European Sustainability Reporting Standards
Ethixbase360	Anti-bribery standard-setting organisation
ETPs	Effluent Treatment Plants
ETR	Effective Tax Rate
ETS	Emissions Trading Schemes
EU	European Union
EU Taxonomy	EU Taxonomy Regulation
FCA	UK Financial Conduct Authority
FRC	UK Financial Reporting Council
FTE	Full-time equivalent
FTSE	Financial Times Stock Exchange
FX	Foreign Exchange
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse Gas Protocol
GSS	Global Shared Services
H&S	Health & Safety
Hi-Tech	Hi-Tech Chemicals Ltd
IARC	Internal Audit, Risk & Compliance
IAS	International Accounting Standards
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMS	Integrated Management System
IPCC	Intergovernmental Panel on Climate Change
IRO	Impact, risk and opportunity
Jinan New Emei	Jinan New Emei Industries Co. Ltd
KF	Korn Ferry
KPI	Key Performance Indicator
LTIF	Lost Time Injury Frequency
LTIP	Long-Term Incentive Plan
MCi Carbon	Mineral Carbonation International Pty Ltd.
M&A	Mergers and Acquisitions
MPMs	Management-defined performance measures
MIRECO	Horn & Co. RHIM Minerals Recovery GmbH

MSCI	Morgan Stanley Capital International
MSS	Minimum Social Safeguards
MT	Metrics and Targets
NACE	The 'statistical classification of economic activities' in the European Community. The term NACE is derived from the French title: *Nomenclature statistique des activités économiques dans la Communauté européenne*.
NAM	One of the RHI Magnesita's strategic regions including North America and Central America
NCI	Non-Controlling Interest
NED	Non-Executive Director
NFRD	Non-financial reporting Directive
NG	Natural Gas
NGOs	Non-governmental organisations
NOx	Nitrogen oxides
NOPAT	Net Operating Profit After Tax
NPS	Net Promoter Score
OCF	Operating Cash Flow
Oberhausen	Unfavourable contract required to satisfy EU remedies at the time of the combination of RHI and Magnesita to form RHI Magnesita
OECD	Organisation for Economic Co-operation and Development
OeKB	Oesterreichische Kontrollbank AG
OES	Operations Excellence System
OIE	Other Income and Expenses
OMV	Austrian petroleum company — OMV AG
OT	Operations Technology
PCF	Product Carbon Footprint
P-D Refractories	P-D Refractories CZ a.s.
PIFOT	Process In Full On Time
PPE	Personal Protective Equipment
PP&E	Property Plants & Equipment
PwC	PricewaterhouseCoopers Accountants N.V.
QIP	Qualified Institutional Placement, a mechanism used for equity issuance in India
Resco	Resco Group
R&D	Research & Development
RCF	Revolving Credit Facility
RHI Magnesita HELP Fund/H&S Fund/Health & Safety Fund	*RHI Magnesita HELP — Verein zur Unterstützung von Arbeitnehmern in Notsituationen*, an independent non-profit association that supports individuals, and their direct family members, who have been affected by occupational, work-related accidents, or fatalities
Rhône Capital	Refers to the group of a number of limited partnerships, parallel investment and co-investment vehicles which are ultimately controlled by Rhône Capital L.L.C.
ROIC	Return On Invested Capital
RM	Raw material
RR	Recycling Rate
SAM	One of the RHI Magnesita strategic regions: South America
SAR+	Refractory Application System

SBTi	Science Based Targets initiative
SDGs	United Nations Sustainable Development Goals
Seven Refractories	Seven Refractories d.o.o.
SFDR	Sustainable Finance Disclosure Regulation
SIF	Serious injuries and fatalities
SIFp	Preventive Ratio, Near Misses, Unsafe Situations, Serious Injuries & Fatalities
SG&A	Selling, General and Administrative Expenses
SID	Senior Independent Director
SMART	SMART maintenance uses digital tools to make maintenance and servicing more efficient
SOx	Sulphur oxides
Sörmaş	Söğüt Refrakter Malzemeleri Anonim Şirketi
SKUs	Stock keeping units
SRM	Secondary Raw Materials
SS	Scrap Steel
STPs	Sewage treatment plants
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2	Tonnes of CO_2
TRACE	TRACE International, a leading anti-bribery standard-setting organisation, is now named Ethixbase360
TRI	Total recordable injuries
TRIF	Total Recordable Injury Frequency
TRL	Technology Readiness Level
TSC	Technical Screening Criteria
TSR	Total Shareholder Return
UK	United Kingdom
UKCGC	UK Corporate Governance Code 2018
UN	United Nations
UNGC	United Nations Global Compact
UNGPs	United Nations Guiding Principles on Business and Human Rights
US/USA	United States of America
WC	Works Council
Workvivo	RHI Magnesita employee mobile application for corporate communications
WTW	Willis Towers Watson
WSA	World Steel Association
WWF	World Wide Fund for Nature

Shareholder information

RHI Magnesita N.V. is a public company with limited liability under Dutch law and was incorporated on 20 June 2017.

It has its corporate seat in Arnhem, the Netherlands, its administrative seat in Vienna, Austria and its registered office at Kranichberggasse 6, 1120 Vienna, Austria.

The telephone number of the Issuer is +43 50 2136200.

The Company shares, represented by depository interests, of RHI Magnesita N.V, are listed within the Equity Shares (Commercial Companies) category ("ESCC") of the Official List on the Main Market of the London Stock Exchange and RHI Magnesita N.V holds a secondary listing on the Prime Segment of the Vienna Stock Exchange (Wiener Börse).

Ticker symbol: RHIM
ISIN Code: NL 0012650360

Investor information

The Company's website www.rhimagnesita.com provides information for shareholders and should be the first port of call for general queries. The Investors section here contains details on the current and historical share price, analyst presentations, shareholder meetings as well as a "Shareholders Information" section. Annual and Interim Reports can also be downloaded from this section.

You can also subscribe to an "Investors mail alert service" to automatically receive an email when significant announcements are made.

Shareholding information

To manage your shareholding, you should contact your bank, broker or nominee, who will administer your shareholding on your behalf.

The shares traded on the London Stock Exchange are settled as Depositary Interests. Depositary Interests for RHI Magnesita are issued by our Depositary, Computershare Investors Services plc, who can be contacted using the below details:

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The Pavilions
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United Kingdom

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Financial calendar

Q1 Trading Update	7 May 2025
Annual General Meeting	7 May 2025
Half Year Results	30 July 2025

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Forward looking statements

This Annual Report contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this Annual Report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Annual Report is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward looking statements, which apply only as of the date of this announcement. No statement in this Annual Report is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The Company has no obligation or undertaking to update or revise the forward-looking statements contained in this Annual Report to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable regulations. The numbers presented throughout this Annual Report may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

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