



## FERROGLOBE PLC

### SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018

In its Code of Conduct, Ferroglobes PLC (**Ferroglobes** or the **Company** or **we**) clearly expresses its commitment to the highest standards of integrity, ethical behaviour, transparency, safety and corporate citizenship. This includes its belief that fundamental human rights be respected, its support for the UN Guiding Principles on Business and Human Rights and its undertaking to encourage all those with whom the Company deals to act consistently with Ferroglobes's commitment in this.

Ferroglobes is the parent company of the Ferroglobes Group (**Group**), a global leader in the production of silicon metal and silicon- and manganese-based specialty alloys. The Group also has operational quartz mining activities in Spain, the United States, Canada, South Africa and Mauritania, low-ash metallurgical quality coal mining activities in the United States, interests in hydroelectric power plants in Spain and France and a carbon electrodes plant in China. The Group has a diverse customer base worldwide and sells from production centres in North America, Europe, South America, Africa and Asia. It owns a significant portion of the operations supplying the raw material necessary for its production processes and procures coal, manganese ore, quartz, petroleum and metallurgical coke, electrodes and most additive metals through a central procurement function headquartered in Madrid, Spain with all other raw materials being procured locally by the procurement or plant manager for the relevant facility or country. The Group employs over 4,000 employees globally. For the year ended 31 December 2017 the turnover of the Group was \$1,741,693,000.

### OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to making every effort to ensure that there is no slavery or human trafficking in our supply chain or in any part of our business. As part of our initiative to identify and minimise risk a new Code of Conduct was introduced in 2017 and its roll-out initiated across the Group, accompanied by mandatory training for all employees. The Code of Conduct clearly expresses our support for the UN Guiding Principles on Business and Human Rights and our express intent to implement, wherever possible, procedures to identify and allow us to minimise the risk of slavery and human trafficking within our business or our supply chain.

### DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

To assist in the identification and assessment of the risk of human slavery in our business and our supply chain, in 2018 we have:

1. reached out to each responsible manager within our business to:
  - ensure that they understand the red flags which may indicate slavery or human trafficking within their plant, facility or operation;
  - ensure that they have appropriate processes in place to identify, encourage the reporting of and minimise the risk of slavery or human trafficking within their plant, facility or operation; and
  - confirm – as they have done - that there have been no reports or allegations of slavery or human trafficking within their plant, facility, operation or business.
2. surveyed the principal suppliers of each of our businesses and our central procurement function to gauge their level of awareness and understanding of the risks of slavery and human trafficking and how these may be and are being mitigated against in their own business and the supply chains that they operate. We have also sought express confirmation from them that they are committed to standards of ethical behaviour no less rigorous than our own and specifically that they:
  - have policies or procedures in place to identify, guard against and deal with any instances of slavery or human trafficking in their business or supply chains and
  - have had no reported instances of slavery or human trafficking within their business or supply chains.

## OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

The indicators (KPIs) we use to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains include:

- a) **Confirmation:** the number of responsible managers who have confirmed their understanding and the procedures in place with their plant, facility or operation to identify and guard against slavery and human trafficking within our business;
- b) **Vetting and screening:** the number of suppliers who have engaged with us and provided reasonable assurances to us of their commitment to combatting slavery and human trafficking in their business or supply chains;
- c) **Whistleblowing:** we have established a confidential whistleblowing hotline accessible to all employees to whom it is lawful to provide access which employees may use to report any allegations or suspicions of wrongdoing within the Group, including slavery or human trafficking. Any such allegations would be fully investigated. The number of reported breaches is one of our KPIs;
- d) **Remedial action taken:** the instances of remedial action needed.

In 2018, 100% of our responsible managers have provided confirmation under 1 above and up to 63% of the suppliers approached have engaged with us on slavery and human trafficking within their business or supply chain. We have had no whistleblowing reports involving allegations of slavery or human trafficking and no remedial action required.

### FURTHER STEPS

Our internal compliance team will build upon the responses received from our suppliers to inform the next stage in developing further our policies and procedures on identifying and combating modern slavery and human trafficking in our supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015.



Pedro Larrea Paguaga  
Chief Executive Officer

Date: *August 3, 2018.*