



**REPORT ON NON-FINANCIAL INFORMATION
BORYSZEW S.A. AND BORYSZEW CAPITAL
GROUP FOR 2021**



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Scope of the report

This non-financial information report (the "Report") is drafted both at a separate report for Boryszew S.A. (the "Company") and as a consolidated report for Boryszew Capital Group ("Boryszew Group", "Group", "BCG") for **2021**.

The report does not include data for companies that were sold during 2021, i.e.

- Elana Pet Sp. z o. o. based in Toruń (sold to a third party investor on 30 August 2021),
- companies of FŁT Polska Sp. z o. o. Group based in Warsaw (sold to a third party investor on 29 October 2021)

and companies which at the date of the report are under liquidation (ICOS GmbH, Theysohn Kunststoff GmbH and Theysohn Formenbau GmbH, HMM Szopienice S.A. in liquidation),

where the financial data in the paragraph below "Key Data" for Boryszew Group include data of Elana Pet Sp. z o. o., FŁT Polska Sp. z o. o. (till the date of their disposal), ICOS GmbH, Theysohn Kunststoff GmbH as well as Theysohn Formenbau GmbH, in order to make the values presented in this report comparable to the values presented in the Consolidated Financial Statement of Boryszew Group for 2021.

The report is drafted in accordance with Art. 49b section 1 and Art. 55 section 2b-e of the Accounting Act of 29 September 1994, with subsequent amendments (the "Accounting Act"), which implements the guidelines of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on disclosure of non-financial and diversity information by certain large undertakings and groups.

Methodology and reporting standard

The Report was prepared in the following stages:

- 1) verification of the scope of last year's Report,
- 2) updating the scope of significant non-financial aspects and information on diversity,
- 3) updating the set of indicators on the above aspects,
- 4) updating the list of significant risks and methods of their mitigation,
- 5) collecting information from Boryszew Group companies on the level of implementation of the reported indicators,
- 6) collecting information from Boryszew Group companies on the implementation of policies and procedures, results of applied policies and actions,
- 7) consolidation of the collected information and preparation of the Report.

This report was prepared by Boryszew S.A. based on its own rules, taking into consideration the nature and diversity of activities of Boryszew Group companies. The ratios describing the non-financial activity of Boryszew S.A. and the Group were prepared as per the GRI guidelines. GRI indicators used in this report are described below.

Boryszew Capital Group considers the expectations of a broad group of recipients of non-financial reporting and does not exclude the extension of applied methodology with new required content in the future.

Organisation of Boryszew Capital Group

About Boryszew Capital Group

Boryszew Capital Group is one of the largest industrial groups in Poland. It operates in three main segments, which are: Automotive, Metals and Chemicals segments.

When conducting our operations, we take into consideration the internal industry regulations, internal procedures established at various organisational levels as well as rules resulting from other sources.

Given the internal diversity of Boryszew Group companies and Boryszew S.A. branches, it is advisable to apply different methods of action, proportional to both the identified key risks as well as the nature of a specific company or branch.

Boryszew S.A. as the parent company of the Capital Group acts as the initiator and coordinator of procedures which are then implemented, with some modifications reflecting the nature of relevant entities, in operating units. It is often the case that the initiative in the scope of creation of due diligence procedures is also on the part of entities in which the need for introduction of regulation arose.

In connection with the aforementioned, the scope of formalised policies in the scope of ESG is diversified in the particular entities.

Key data

Boryszew Group

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Revenue	PLN million	6 264 000	5 554 579	709 421	12.8%
EBITDA	PLN million	344 407	249 381	95 026	38.1%
Investment outlays	PLN million	161 828	175 101	13 273	-7.6%
Net debt	PLN million	665 056	872 104	-207 048	-23.7%
Sales volume	tons	501 408	494 255	7 153	1.4%
Number of employees	employees	8 977	9 880	-903	-9.1%
EBITDA per employee	EUR PLN/employee	38.4	25.2	13.1	52.0%

For comparability of data in this report and the consolidated financial statements of Boryszew Group, the above mentioned values include the data of Impexmetal S.A. (2020), Elana Pet Sp. z o. o. and FŁT Polska Sp. z o. o. (2021) respectively.

Boryszew S.A.

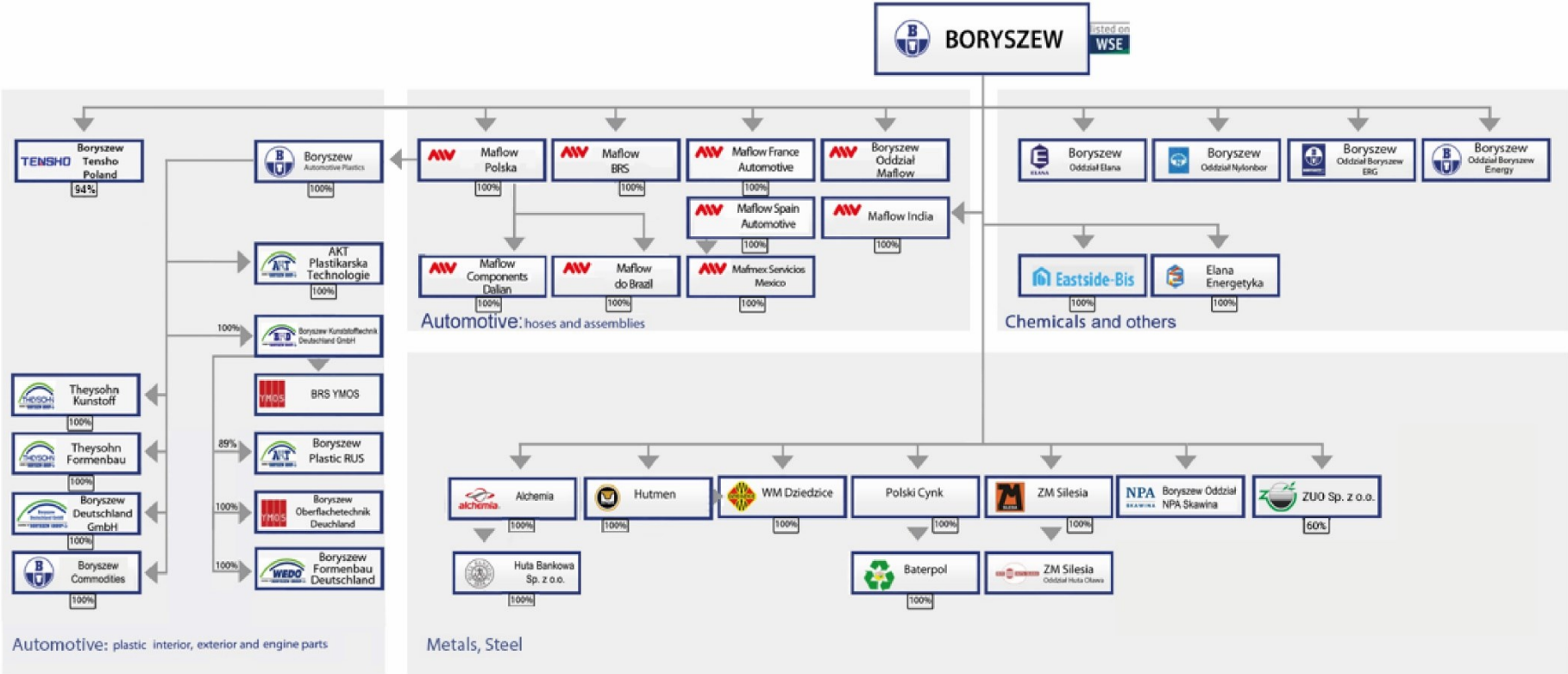
	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Revenue	PLN million	1 917 725	1 183 300	734 425	62.1%
EBITDA	PLN million	137 724	1 029 641	-891 917	-86.6%
Investment outlays	PLN million	43 352	37 432	5 920	15.8%
Net debt	PLN million	342 177	438 730	-96 553	-22.0%
Sales volume	tons	89 377	68 964	20 413	29.6%
Number of employees	employees	2 817	2 808	9	0.3%
EBITDA per employee	EUR PLN/employee	48.9	366.7	-317.8	-86.7%

Definitions of selected indicators

Indicator	Unit	Definition
Investment outlays	PLN million	Expenditures on the acquisition of own fixed assets, WN and investment property
EBITDA	PLN million	Operating profit plus depreciation (without one-off events)
Net debt	PLN million	non-current liabilities + short-term liabilities (from loans and borrowings + from the issue of debt securities + leasing) less cash and cash equivalents
Sales volume	tons	segment sales calculated in tonnes (related to Chemicals and Metals segment)
Number of employees	persons	Average employment in the reporting period

Business model

Capital Group's diagram



Operating segments and the value chain within operating segments

Boryszew Group operates in the following operating segments:

- Automotive Segment,
- Metals Segment,
- Chemicals segment,

Other companies not allocated to the above segments are involved in management of the capital group and trade in electricity, trade in natural gas as well as real estate management and sale, etc.

The table below presents the most important features of operating segments (entities, products, customers, locations of companies):

	Automotive Segment	Metals Segment	Chemicals segment
Key entities	Boryszew S.A. Maflow Branch and Companies of the Maflow Group Companies of the BAP Group	Boryszew S.A. Branch Nowoczesne Produkty Aluminiowe Skawina WM Dzierżycze S.A. Hutmen Sp. z o. o. ZM SILESIA S.A. Baterpol S.A. Alchemia S.A. Huta Bankowa Spółka z o.o. ZUO Spółka z o.o.	Boryszew S.A. Branch Boryszew ERG Boryszew S.A. Elana Branch Boryszew S.A. Nylonbor Branch Elimer Sp. z o. o.
Key products	automotive fluid handling systems including: air conditioning and high-pressure rubber ducts Internal and external plastic car parts, including: galvanised, bulky and movable parts	aluminium wire rods, aluminium wires, overhead conductors, extruded products copper, brass, zinc and lead products, lead recycling, seamless steel tubes, long products, rings and rims, ingots	cooling and de-icing fluids, synthetic fibres, plasticisers packaging
Customers	Automotive industry	Automotive industry, packaging material, electrical and technical industry, construction industry	Automotive industry, packaging material, construction industry
Location	Europe, China, India, Brazil, Mexico, Russia	Poland	Poland

AUTOMOTIVE

Boryszew Group is the largest Polish manufacturer of automotive parts supplied to OEMs (*Original Equipment Manufacturers*). This is the most international business segment of the Group. In this sector, Boryszew Capital Group has two groups of enterprises dealing respectively with manufacture of automotive air-conditioning ducts (Maflow Group) and manufacture of plastic automotive components (Boryszew Automotive Plastics Group).

The automotive branch has become one of the sectors of Boryszew business that grew mainly through acquisitions of overseas companies (including from bankruptcy receivers), and then their effective restructuring. The increase of automotive production was also supported by organic growth, for instance investments in new plants of the Maflow Group in Mexico (Guanajuato/Leon) and Toruń, as well as investments in new plants of the BAP Group: Boryszew Oberflächentechnik Deutschland GmbH in Prenzlau (Germany) and Boryszew Plastics Rus Ltd. in Dzierżyńsk (Russia).

MAFLOW GROUP

Maflow Group offers rubber-aluminium and rubber-steel cables for various automotive systems:

- the air conditioning system,
- of the clutch system,
- brake system,
- power steering,
- active suspension system,
- engine oil cooling system,
- fuel system,
- air pipes for turbochargers,
- mobile refrigeration systems.

The entities of the Maflow Group are divided into manufacturers of air conditioning ducts and other applications ensuring the transport of liquids and gases in passenger and commercial vehicles (Tier 2) and entities (Tier 1) assembling them into a final product sold to car manufacturers (OEM).

In 2021, Maflow Group's share in the global market remained constant at 7%. On the European market, the shares of Maflow Group in the production remained on the level comparable to that in 2020, reaching 23-24%.

Suppliers

The Maflow Group companies purchase aluminium and steel pipes, machined components (blocks, valve bodies), sensors and rubber mixtures for the production of air conditioning ducts. These are mainly purchased abroad.

Production

Manufacture in the Maflow Group is dispersed in the plants located in four continents (Europe, Asia, North America and South America) LOCATED near the OEM's plants:

1. Maflow branch - running three production facilities in Poland: Tychy, Chełmek 1, Chełmek 2 and Toruń;
2. Maflow France Automotive S.A.S. - operating in France, manufacturing almost entirely for the European markets with some small volumes going to Latin America;
3. Maflow Spain Automotive S.L. - operating in Spain, manufacturing for the European markets with the main markets being Spain and Portugal; The key client of the company is VW Group, buying air conditioning ducts from the company;

4. Maflow do Brazil Ltda - with registered office in Brazil, a partner to the VW Group operating on the same territory where Maflow do Brazil Ltda sells air conditioning ducts. In addition, the facility in Brazil is a manufacturing site for air brake hoses for Scania in Brazil;
5. Maflow Components Dalian Co. Ltd - based in China, manufacturing air conditioning hoses for passenger cars and rubber hoses for air conditioning and power steering installations. Currently, the company is involved in projects for Volvo and BMW, however, the overall share of Maflow Group in the market of Chinese air conditioning ducts for passenger cars is insignificant and the Group has no share in the market for trucks;
6. Maflow India Private Limited - operating in India, manufacturing air conditioning ducts for VW and Renault India;
7. MEFMEX S. de R. L. de C.V. - based in Mexico, in the reporting period manufactured air conditioning ducts for Volkswagen, Audi and Navistar.

Many of the products offered by Maflow are manufactured on the basis of their own technical solutions, which determines the competitive position of this entity against leading groups of customers.

Maflow Group companies work in liaison with each other in the production process. From a formal perspective, the Company which sells products to the end customer bears contractual liability, while the other companies of the Maflow Group are subcontractors who carry out parts of the supply chain and produce semi-finished products (mainly rubber hoses and endings).

Customers

VW Group is still the biggest customer for Maflow Group products. Important customers, but with lower sales volumes, are: VCC, BMW, and Renault. Maflow still maintains its third position on the European market just after ContiTech and Hutchinson.

Contracts for the manufacture of components are concluded with OEMs for periods of several years through the so-called nominations (appointments).

Management

Strategic and management functions of Maflow Group (including R&D activities) are located in Boryszew S.A. Maflow Division in Tychy.

BORYSZEW AUTOMOTIVE PLASTICS GROUP

Boryszew Automotive Plastics Group (BAP Group) consists of entities specializing in series production of high quality plastic parts for automotive sector. The Group's products are internal and external car parts, including galvanized and lacquered plastic decorative elements and injection moulds for the production of these elements. Examples of BAP Group products are

- engine lids and covers
- dashboard components, including indicator housings and air vents,
- internal post covers and threshold covers,
- elements of door panels and seats,
- compartments,
- door handles,
- lock casings,
- release buttons,
- luggage securing systems,
- battery holders,
- wheel recess covers,
- chassis covers,
- bulkhead walls,
- light casings,

- trunk elements.

In addition, BAP Group manufactures plastic products for house appliances sector and hardware for doors and windows.

The BAP Group companies are:

1. AKT plastikářská technologie Cechy, spol. s r.o. - based in the Czech Republic, manufacturing for the Czech, with customers including Skoda and also for the German market where the main customers of the company are Daimler, Audi and VW;
2. Boryszew Kunststofftechnik Deutschland GmbH and - based in Germany, operates predominantly on the German market, manufacturing for VW and Audi, to smaller extent for the Slovak market with the main customer Faurecia, Czech market in cooperation with Antolino Group and Polish market where the customer is VW Poznan;
3. Boryszew Plastic Rus Ltd. - based in Russia, manufacturing for VW, Toyota, Magna, Lear and Volvo;
4. Boryszew Tensho Poland sp. z o.o. - operating in Poland, mainly for local VW production facilities located in Poznań and Września and Toyota facility in Wałbrzych. In Europe the main customers of the company include VW in Sachsen, Hannover and Wolfsburg, as well as Toyota in France;
5. Boryszew Oberflächentechnik Deutschland GmbH based in Germany and manufacturing mainly for such customers as: IAC, PSA or Rehau.

On 13 October 2021 bankruptcy proceedings were initiated of ICOS GmbH, THEYSOHN Kunststoff GmbH and THEYSOHN Formenbau GmbH ("ICOS Group"). These proceedings are carried out as per German insolvency law under self-administration.

Suppliers

BAP Group companies purchase pure raw materials and mixes based on polypropylene, ABS, polycarbonate, polyethylene, polyamides, etc. In addition, the Group procures ZnAl alloys, paints and materials for galvanising plastics. Suppliers of the aforesaid raw materials are global chemical corporations or manufacturers of zinc alloys.

Production

The production facilities of BAP Group are located in Central Europe (Germany, Poland, the Czech Republic) and Eastern Europe (Russia).

BAP Group companies are both manufacturers of injection moulds as well as manufacturers of car equipment elements made of plastics and non-ferrous metal alloys. The most important production processes at the BAP Group include:

- plastic injection moulding (single and multi-component),
- injecting supported with gas,
- overmoulding of metal parts with plastics,
- paint coating,
- chromium plating of plastics,
- ZnAl die-casting,
- injection mould construction,
- pad printing,
- plastic welding,
- assembly.

Plastic parts and tools for their manufacture (moulds) are manufactured according to end customer's specifications; these customers include: automotive manufacturers (OEMs), external first-tier suppliers for the automotive market (Tier-1), BAP Group companies.

Customers

Customers for products of BAP Group are global automotive corporations such as VW, Daimler, Toyota Motors, Volvo Trucks with several-year contracts. Non-automotive customers include Miele, Schüco, Siegenia. BAP Group is working towards diversification of its customer portfolio, by obtaining nominations from Asian and European companies in both the automotive and non-automotive sectors.

Management

Management functions over Boryszew Automotive Plastics Group as of December 2020 are performed by Boryszew S.A. MAFLOW Branch in Tychy. Central functions are located in Boryszew Automotive Plastics Sp. z o.o. in Tychy.

METALS

Boryszew Capital Group is Poland's largest manufacturer in the non-ferrous metals sector. Boryszew Group business in the Metals Segment is concentrated in the following entities:

Area	Units	Products
Aluminium	Boryszew S.A. Branch of NPA Skawina	aluminium wire rod wires
Copper	Hutmen Sp. z o. o. (until December 2021) Walcownia Metali Dziedzice S.A.	copper tubes casting alloys rods and wires coin blanks for coin-making
Zinc and Lead	ZM Silesia S.A. Branch Katowice ZM Silesia S.A. Oława Steelworks Branch Baterpol S.A.	zinc wire zinc sheets zinc oxides lead oxides refined and alloyed lead
Steel	Alchemia S.A. Huta Bankowa Sp. z o.o.	seamless steel tubes long products rings and rims ingots forged products
Trade and other segments	Zakład Utylizacji Odpadów Sp. z o.o.,	waste disposal

Suppliers

The basic raw materials for production in the metal segment include aluminium pig sows, steel scraps as well as aluminium scraps, which are imported (pure metal, alloys) or purchased at home (copper cathodes, zinc, scraps).

The Group diversifies its supply sources, purchasing the basic raw materials from the well-known producers of aluminium (Glencore International AG) or copper (KGHM) as well as steel input materials (ArcelorMittal Poland S.A.) and supplements them with the purchase of aluminium and copper scrap.

Production

This segment includes aluminium (Boryszew S.A. branch NPA Skawina), copper (Hutmen Sp. z o. o. until 10.2021, WM Dzierżycze S.A.) as well as zinc and lead (Baterpol, ZM Silesia S.A.) and steel (Alchemia S.A. Huta Bankowa Spółka z o.o.) processing companies that have been present on the market for several dozen years. All manufacturing entities from the metal segment are located in the territory of Poland.

Customers

Main groups of aluminium products include wire rods and wires of aluminium and aluminium alloys.

Aluminium products manufactured by Metals Segment companies are primarily used in the automotive industry, construction industry as well as electrotechnical industry, power engineering.

Copper products in the form of rods, wires, pipes, tapes and numismatic discs are delivered to customers from the civil engineering, electronic, electrotechnical, metallurgic industry sectors and mints.

On the other hand, zinc and lead products are delivered to manufacturers of batteries, roof covers and metal sheet processing, tyre, pharmaceutical and feed industry.

Steel products are used in the oil, gas, chemical, power generation, construction, infrastructure, machinery and general engineering industries

This segment also includes a company involved in storage and disposal of waste (including hazardous waste) - ZUO Spółka z o.o.

Management

Metals segment are companies controlled by Boryszew S.A. and Alchemia S.A.

CHEMICAL PRODUCTS

The entities operating in the chemistry sector are the most diverse, in terms of products and recipients, as well as the oldest part of the Boryszew Group and Boryszew S.A. company itself (ERG, Nylonbor and Elana branches). The activity of Boryszew Group in the Chemicals Segment is concentrated in the following entities:

Units	Products
Boryszew S.A. Branch Boryszew ERG	fluids for the automotive industry disinfectants liquids for the aviation sector fluids for refrigeration systems PP/EPS packaging plasticisers
Boryszew S.A. Elana Branch	polyester fibres
Boryszew S.A. Nylonbor Branch:	structural polyamides, means simulating a battlefield

Suppliers

Due to differentiation of activity inside the segment, the supplier group is large and mainly includes manufacturers of raw materials and chemical semi-finished products.

Production and customers

All segment entities are located in Poland (in Sochaczew and Toruń).

The main business of Chemicals Segment companies is production and sales of:

- fluids for the automotive industry (mainly radiator fluids, sold under the well-known Borygo brand, as well as brake fluids and windscreen washer fluids),
- car cosmetics, the answer to the expectations of customers who appreciate high quality and care for their cars.
- fluids for the aviation sector (used for de-icing aircraft and runways),
- fluids for refrigeration systems,
- hand and surface disinfectant liquids that respond to the market demand in the wake of the Covid-19 pandemic outbreak, other products, such as products battlefield simulation used, for instance, for special effects in film materials.
- construction polyamides (universal plastics used, among others, in conveyor rolls and stretching rolls, gears, tracks, etc.),
- construction materials (including wall siding, doors, coffers),
- packaging (among others: Styrofoam moulds, polyethylene drums),

Management

Segment management is carried out in the particular entities outside the scope of competences reserved for the Management Board of the Boryszew Capital Group.

Other business

The segment of other objects of operation covers, first and foremost, the Headquarters of Boryszew S.A. in Warsaw which is the top tier decision level within the framework of strategic management of the entire Boryszew Capital Group.

Moreover, other business segment also includes companies dealing with property management, IT service and joint procurement of energy for the entire Boryszew Group (Boryszew S.A. Boryszew Energy branch is involved in central purchasing of electricity and natural gas for production facilities of the Group as well as third party customers).

Social aspects

Description of the area

Boryszew S.A. as a company with long tradition and experience, using effective communication and creating an atmosphere of mutual respect. These are, in the Group's view, key elements for running a responsible business based on innovation and trust. Only then a company as large as Boryszew Group, operating through dozens of plants in Poland and Europe, is able to support their employees and partners in various fields and identify their needs on an ongoing basis.

Boryszew Group companies focus on maintaining good relations with local communities, based on agreement. At the same time, the goal is to support local labour markets and provide attractive employment opportunities as well as conditions for current and potential employees.

According to the Company, business should be run in accordance with ethical standards so as to respond to the needs of the society and the environment. One of the rules adopted by Boryszew S.A. is to pay taxes where the income is generated. This means that the company pays its taxes in Poland. This is fair to the local community and the country in which the company sells its products and services.

The key initiatives for the Boryszew Group are the initiatives to the communities where its factories are located. This helps build a bond between the local community and the Company, which leads to increased trust in both the Group and its projects. Hence all of the company's activities are focused on local activities carried out by Group entities. No less important for the Company are their relationships and openness in communication with employees at various levels. This brings about positive operating practices and perception of the company both domestically and internationally.

KPIs (Key Performance Indicators)

Boryszew Group

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of supported social initiatives	number of initiatives	17	14	3	21.4%

Boryszew S.A.

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of supported social initiatives	number of initiatives	3	3	0	0

Definitions of selected indicators

Indicator	Unit	Definition	Interpretation
Number of supported social initiatives	number	Number of social initiatives for the benefit of local and broadly understood communities	The indicator reflects the degree of involvement of the unit (company) in supporting the community

Boryszew Group is a company committed to helping and supporting the communities in the cities where their plants are located. The number of social initiatives in Boryszew Group increased by 47% in comparison to the previous year

The aim of social activities of Boryszew Group is to spread help for needy social groups, children, health protection and support of local initiatives and events. Boryszew ERG branch again this year, following the successive waves of COVID-19 pandemic, gave their support by donating disinfectant liquids to different units. Maflow Polska on the other hand, on the occasion of St. Nicholas Day took part in "Pajacyk", an action where by giving away Sodexo gift cards the company provided 136 meals for malnourished children participating in Pajacyk of the Polish Humanitarian Action scheme.

Companies of Boryszew Group also support educational activities for future specialists and allowing them to see how companies look "from behind the scenes". Walcownia Rur Andrzej, a branch of Alchemia S.A. took 4 students under its wings for a month's internship as part of improving skills and gaining professional experience. Maflow Polska company became a sponsor of the industry class in the Complex of Schools No. 6 in Tychy where they founded scientific scholarships for the best students in the profession of automotive technicians. Boryszew Group, as an entity developing their own technologies and designing innovations, also supports the development of other sciences, including medicine. This year Boryszew S.A. supported financially an association for development of neurological sciences in Warsaw - Proneuro and a foundation for fighting infectious diseases in Bydgoszcz.

Not only Boryszew Group as an industrial group is active, but also their employees, who often engage in aid actions on their own. The Management Board and employees of Laboratorium Badań Batory took part in the "Give of Yourself to Others - Collect Caps" action of the "Wspólna Nadzieja" Foundation in Chorzów. Boryszew Group's branches also help young people to make their dreams come true, support activities of local sports clubs, including Sports club Zagłębie Dąbrowa Górnicza or by co-financing the purchase of a heating boiler, to improve the conditions in the meeting venue of the scouts in Dąbrowa Górnicza (Huta Bankowa).

Also overseas branches of Boryszew Group engage in local social initiatives. Maflow China, ensuring equal accessibility and employment conditions for marginalised groups, has welcomed two people with disabilities into their team. At the same time, Maflow China engaged in educational activities for employees on mental health and everyday issues affecting people with disabilities. With the health of its employees in mind, the branch also repaired the access roads to the workplace, which apparently contributed to a reduction in car accidents and an increase in the overall safety of the area. On the other hand, the employees of Maflow Brasil organised an in-house collection of personal hygiene products that were given to the needy cancer patients in the hospital in Curitiba.

In Boryszew Group we believe that supporting local communities and their initiatives brings about increased trust towards the brand and its projects. Engaging in social activities also improves the bonds between the company and the residents of the towns where our facilities are located, and builds stronger social capital.

Policies and procedures

Boryszew Group pursues the following policies, procedures and internal regulations for its engagement in social issues:

- Boryszew Code of Ethics - setting the rules of conduct in such areas of the UN Global Compact programme as observance of fundamental human rights, sustainable development policy, ethics in business and professional ethics,
- Supplier Sustainability Policy requires that all suppliers apply safe work standards according to OHSAS 18001 and conducting activities in terms of environmental protection in accordance with requirements of standard ISO 14001,
- Business and human rights policy.

Results of policies and engagement

The operating activity of the Boryszew Group does not generate any particular burdensome factors for local communities. Operations of individual Group companies are conducted in conformity with the regulations on the impact of plant operation on the immediate environment (in particular with regard to emissions and noise), as well as in conformity with procedures and instructions being the elements of integrated management systems, with which the impact on the external environment is rationally limited.

Sponsoring activity of the Group is focused on promoting the image of individual companies and the entire Boryszew Group. The Group gets involved in a number of activities for the benefit of the wider community, and the main areas of assistance/support include:

- education, training and upbringing, including science and higher education,
- physical culture and tourism, including support for and dissemination of physical culture, tourism and sightseeing,
- nature protection, including greenery in towns and villages, as well as ecology and animal protection and protection of natural heritage.
- health, support for medical centres, support for people with disabilities

The Group also helps local communities in charity activities, supporting them, inter alia, through donations.

Risks

Most important risks involved with social issues and their mitigation:

Risk	Risk mitigation
Negative perception of Boryszew Group by the social environment.	Working with local communities to promote a positive image of Boryszew Group as a socially responsible partner.
Negative perception of Boryszew Group contractors by the social environment.	Introduction to the general terms and conditions of agreements concluded with Group companies, suppliers' commitment to observe the ethical principles of the Code of Ethics.
Lack of positive reaction of local communities to CSR activities by Boryszew Group.	Additional communication at the level of Boryszew Group and individual organisational units.

Employee issues and human rights

Description of the area

Boryszew S.A. and companies of Boryszew Group respect human rights according to the assumptions of the UN Global Compact program. This is expressed, among other things, in their enforcement of laws and established prohibitions. This is in particular true when it comes to the right to a safe working environment, prohibition of discrimination, prohibition of child labour, and zero tolerance for sexual and psychological harassment in the workplace. Breach of any of the aforementioned prohibitions would not only violate the law, but also the Group's principles and ethics.

Boryszew S.A. relies in their actions on open communication with employees, thus providing them with comfortable and healthy work environment. The company encourages their employees to speak freely about the workplace and share ideas to improve the company's operations. In 2021 Boryszew Group Communication Team was established with representatives of each Company. The team's tasks include improving internal communication in Boryszew Group and ensuring efficient flow of information between the sites, which are often geographically distant from each other and specialise in different fields. The team, through a newsletter distributed to all employees, keeps employees informed of successes and completed projects.

The Company supports employees' commitment and efforts by increasing the scope and autonomy of their activities and enabling them to participate in training and other processes to improve their professional skills.

Since 2020, an additional challenge for the company and the entire Group has been to protect employees from infection with the SARS COV-2 virus. For this Group's sites ensured access to the necessary protective equipment for employees and carried out an information campaign on the prevention and risks of the disease. People were also sent to work remotely wherever possible.

As an international company, the Group values and respects the cultural diversity of their customers, business partners and employees. The Group realises the opportunity for cross-cultural exchange of experience and knowledge from different markets and regions of the world. Boryszew S.A. takes also an active part in vocational training programmes by creating opportunities for interested persons to take up apprenticeships and traineeships at the company.

KPIs (Key Performance Indicators)

Boryszew Group

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of employees at the end of the reporting period	FTEs	8 896.64	9 320.30	-423.66	-4.5%
Employment structure by gender					
- Females	FTEs	3 061.01	3 195.25	-134.24	-4.2%
18-30 years	FTEs	422.68	443.00	-20.33	-4.6%
31-60 years	FTEs	2 528.53	2 633.70	-105.17	-4.0%

61 years and more	FTEs	109.80	118.55	-8.75	-7.4%
- Males	FTEs	5 835.63	6 125.05	-289.42	-4.7%
18-30 years	FTEs	890.00	990.50	-100.50	-10.1%
31-60 years	FTEs	4 385.63	4 586.05	-200.42	-4.4%
61 years and more	FTEs	560.00	548.50	11.50	2.1%
- Females	%	34%	34%	0.00	0.4%
- Males	%	66%	66%	0.00	-0.2%
Number of newly hired employees	FTEs	1 152.45	713.60	438.85	61.5%
Number of employees who left the company	FTEs	1 524.50	1 123.85	400.65	35.6%
- employees who have left on their own	FTEs	907.25	731.35	175.90	24.1%
- employees dismissed	FTEs	617.25	392.50	224.75	57.3%
Number of employees with disabilities at the end of the period	FTEs	313.80	326.80	-13.00	-4.0%
Percentage share of disabled employees in total employment	%	4%	4%	0.00	0.6%
Number of employees belonging to trade unions	FTEs	2 445.00	2 750.00	-305.00	-11.1%
Percentage share of employees belonging to trade unions	%	27%	30%	-0.02	-6.9%
Number of employees covered by collective labour agreements	FTEs	2 743.10	2 590.00	153.10	5.9%
Percentage of employees covered by collective labour agreements	%	31%	28%	0.03	11.0%
Equal pay index	"	30.3%	27.8%	0.03	9.2%

Employment in Boryszew Group remained on similar level in 2021 and 2020, the difference was the decrease in 2021 about 4,5% of employees. Indicators in 2021 were significantly impacted by employee

turnover. It was sizable in 2021, with a 35.6% increase in the number of employees who left in 2021 compared to 2020 with a 61.5% increase in new hires in 2021 (versus 2020).

Boryszew S.A.

HR	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of employees at the end of the reporting period	FTEs	2 835.64	2 837.05	-1.41	-0.05%
Employment structure by gender					
- Females	FTEs	1 413.51	1 419.25	-5.74	-0.4%
18-30 years	FTEs	210.68	221.00	-10.33	-4.7%
31-60 years	FTEs	1 176.53	1 163.45	13.08	1.1%
61 years and more	FTEs	26.30	34.80	-8.50	-24.4%
- Males	FTEs	1 422.13	1 417.80	4.33	0.3%
18-30 years	FTEs	264.50	265.00	-0.50	-0.2%
31-60 years	FTEs	1 014.13	1 014.80	-0.67	-0.1%
61 years and more	FTEs	143.50	138.00	5.50	4.0%
- Females	%	50%	50%	0.00	-0.4%
- Males	%	50%	50%	0.00	0.4%
Number of newly hired employees	FTEs	347.70	183.10	164.60	89.9%
Number of employees who left the company	FTEs	362.50	400.10	-37.60	-9.4%
- employees who have left on their own	FTEs	235.50	294.10	-58.60	-19.9%
- employees dismissed	FTEs	127.00	106.00	21.00	19.8%
Number of employees with disabilities at the end of the period	FTEs	150.80	167.80	-17.00	-10.1%
Percentage share of disabled employees in total employment	%	5%	6%	-0.01	-10.1%

Number of employees belonging to trade unions	FTEs	566.00	583.00	-17.00	-2.9%
Percentage share of employees belonging to trade unions	%	20%	21%	-0.01	-2.9%
Number of employees covered by collective labour agreements	FTEs	313.10	352.00	-38.90	-11.1%
Percentage of employees covered by collective labour agreements	%	11%	12%	-0.01	-11.0%
Equal pay index	%	43.3%	45.1%	-0.02	-3.9%

In 2021 the employment rate in Boryszew S.A. remained stable compared to the previous year. 2021 saw an increase in new hires by 89% to offset the percentage of employees who decided to leave. Importantly, also, the number of FTEs of people who quit is negative versus 2020.

Definitions of selected indicators

Indicator	Indicator number as per GRI	Unit	Definition	Interpretation
Number of employees at the end of the reporting period	GRI 401	FTEs	Total number of persons employed at the end of the calendar year expressed in FTE.	Size of the organisation in terms of human resources, basis for calculation of indicators.
Employment structure by gender	GRI 405	%	Percentage of employees by gender	This indicator describes the level of diversity in human capital.
Number of newly hired employees	GRI 401	FTEs	Total number of persons employed during a calendar year, expressed in FTE.	This indicator, together with the number of employees, shows the dynamics of human capital and thus helps target measures aimed at the balanced integration of newly hired staff in the organisation.
Number of employees who left	GRI 401	FTEs	Total number of employees who left the company	The indicator helps assess the relative attractiveness of the

the company, expressed in FTE.			during a calendar year, expressed in FTE.	Group as an employer on the market and its ability maintain employed persons. One significant reservation is related to the industrial nature of the dominant part of positions offered by the Group and, thus, higher rotation that, for instance, in the area of white-collar jobs.
Percentage share of disabled employees in total employment	GRI 401	%	Total number of employees with certified disability expressed in FTE / total number of persons employed at the end of the calendar year expressed in FTE.	The indicator reflects openness to cooperation with persons whose access to the employment market is hindered.
Number of employees belonging to trade unions	GRI 102	FTEs	Number of employees belonging to trade unions	As a responsible employer, we focus on social dialogue the measure of which is, among other things, cooperation with professional self-governing bodies (including those designated by trade unions).
Percentage of employees belonging to trade unions	GRI 102	%	Number of employees belonging to trade unions / Total number of employees at the end of the calendar year, expressed in FTE	The indicator reflects the degree of unionisation of the crew.
Equal pay index	GRI 405	%	Equal pay indicator means the difference between the average salary (including	The index shows what the earnings gap is between men and women.

			bonuses, awards and other benefits)	
			of men and women at the company during the reporting period	

Policies and procedures

Boryszew Group pursues the following policies, procedures and internal regulations in labour and human rights issues:

- Code of Ethics - setting the rules of conduct in such areas of the UN Global Compact programme as observance of fundamental human rights, sustainable development policy, ethics in business and professional ethics,
- Collective agreements and their overseas equivalents (such collective agreements or tariff agreements in German companies),
- Anti-mobbing Policy at Boryszew S.A. Maflow Branch,
- Work regulations,
- Internal procedures, instructions and orders.

Results of policies and engagement

Boryszew S.A. pursues transparent rules of conduct towards its employees. The Company, both at the level of Boryszew S.A. and the Capital Group companies, introduced regulations such as the Code of Ethics, in order to prevent possible violations in respecting employee and human rights. It also verifies personnel management processes and maintains organisational culture at the highest level.

The company's task is to ensure stable and attractive working conditions while introducing and enforcing regulations to counteract such phenomena as bullying or discrimination. In order to build the image of a good employer inside and outside the company, the Company creates an engaging work environment that increases the effectiveness of employees.

Risks

Most important risks involved with labour and human rights issues and their mitigation:

Risk	Risk mitigation
Availability of employees and subcontractors (mainly in the Automotive segment)	<i>Employer branding</i> activities on leading recruitment portals, close cooperation with recruitment companies and temporary employment agencies.
Risk of losing key employees	Providing employees with stable forms of employment and ensuring a satisfactory level of remuneration.
Ensuring adequate employee training and development	Training plans at the level of organisational units (companies or branches), allocation of budgets for training.

Accidents at work leading to death or damage to health	Preventive actions (such as ensuring an adequate level of training) and ex-post actions (assessment of incidents and correction of rules of conduct).
Risk of violation of laws (such as labour law) and internal regulations	Internal control and monitoring systems, also with the participation of employee representatives.

Protection of the environment

Description of the area

In this era of ongoing climate change, it is imperative that businesses are aware of the environmental impact of their operations. One of the key priorities of Boryszew S.A., in the context of dynamic changes of our planet, is environmental protection and introduction of sustainable business practices. The Company implements these assumptions by measures such as limiting the consumption of natural resources, reducing emissions of substances harmful to the atmosphere and appropriate, responsible waste management.

Boryszew Group, in order to meet dynamic market changes and increasing eco awareness of consumers, introduces innovative solutions to their products, including: lighter aluminium elements, advanced plastic products with reduced weight and new alloys of non-ferrous metals. Through these changes, the company contributes to reducing energy consumption by end users. Moreover, through Demand Side Response services, the Group actively participates in measures to maintain stability in the National Power System (NPS). This is particularly important in cases of difficult balancing situations or peak electricity demand hours.

The company not only focuses on the impact of their activities, but also runs them in such a way that they do not have a negative impact on the environment. Accordingly, it regularly monitors the consumption of energy supplied in the form of electricity and gas, as well as water consumption and waste generation.

In line with the permits granted, Group companies monitor the following areas:

- emissions to air (measuring stations, measuring range, measuring methodology),
- water and sewage management (groundwater intake),
- amount of surface water used,
- amount of discharged household, industrial, rainwater and snowmelt wastewater, waste management,
- noise,
- production processes.

Boryszew Group has within their structure companies involved in waste management: Elana in Toruń, Baterpol in Świątchłowice and Zakład Utylizacji Odpadów (ZUO) in Konin. These companies deal with different types of waste, using more than average solutions, including: lead recovery from waste lead-acid batteries and other lead-bearing materials by Baterpol. Special attention is also given to recycling opportunities that involve metal scrap and plastic waste processing.

In 2021, managing waste, especially the most dangerous, infectious waste, became a huge challenge for the industry given the COVID-19 pandemic and its subsequent waves. Disposal of medical waste should be carried out in accordance with the "proximity" principle, thus the plant in Konin, as the only one of its kind, experienced facility in Wielkopolskie province, disposed of medical waste from almost all medical facilities in the region. The dramatically increased stream of infectious waste forced the development of a new logistics plan for efficient transport and prompt disposal of hospital-generated waste. Moreover, in 2022, ZUO Konin will launch an investment process involving the construction of a new hazardous waste incineration line. The duration of the investment along with obtaining necessary administrative decisions is planned for 4 years. The aim of the project is to increase the capacity of the currently operating plant by 10 000 Mg/year. The plant would dispose of medical waste, including the so-called ecological bombs, which are increasingly becoming a serious threat to the environment and human life.

Companies of Boryszew Group also carried out a number of pro-eco investments this year, with the purpose of decreasing the consumption of raw materials and production materials, reduction of energy consumption and limitation of pollution emission, etc.

Boryszew Group optimizes not only its own operations but also pays attention to practices applied by its business partners and intermediaries, e.g.: applies sustainable development policy for suppliers. The company requires suppliers to apply safe work standards in accordance with OHSAS 18001 and to carry out environmental activities in accordance with ISO 14001.

Work at the Group's production facilities is carried out at a suitable distance from areas of natural value, such as national parks, promotional forest complexes, health resorts and "world heritage" sites as well as Natura 2000 sites. In 2021 Group companies caused no environmental losses. No significant areas of impact, other than listed above, occurred.

KPIs (Key Performance Indicators)

Boryszew Group

Energy and material consumption	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Total energy consumption	MWh	1 161 863.47	1 052 988.52	108 874.95	10.3%
Total water consumption	m3	2 882 797.35	2 641 427.45	241 369.90	9.1%
Total mass of waste	tons	181 013.89	185 364.69	-4 350.81	-2.3%
• hazardous	tons	56 904.37	68 326.68	-11 422.32	-16.7%
• non-hazardous	tons	124 109.52	117 038.01	7 071.51	6.0%

Energy and water consumption at Boryszew Group increased in 2021, which is caused by higher production volume.

Boryszew S.A.

Energy and material consumption	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Total energy consumption	MWh	150 571.83	131 254.69	19 317.14	14.7%
Total water consumption	m3	418 519.00	325 493.00	93 026.00	28.6%
Total mass of waste	tons	8 026.49	8 825.08	-798.59	-9.0%
• hazardous	tons	3 753.28	3 462.57	290.70	8.4%
• non-hazardous	tons	4 273.21	5 362.51	-1 089.30	-20.3%

Similarly as in Boryszew Group, also Boryszew S.A. saw 2021 an increase of energy and materials consumption, which is caused by higher production volume.

Definitions of selected indicators

Indicator	Indicator number	Unit	Definition	Interpretation
Total energy consumption	GRI 302	MWh	Total consumption of all energy carries (electricity, gas, process steam, etc.) expressed in gigajoules, in a calendar year. It does not include energy purchased for subsequent resale.	The indicator helps assess the energy intensity of economic activity (this category includes consumption of electricity, heat, gas and steam).
Total water consumption	GRI 303	m3	Total water consumption in cubic metres measured in a calendar year, including own water intakes and pipelines.	The indicator helps assess the scale of water consumption in the course of business activity.
Total mass of waste	GRI 306	tons	Total mass of all waste categories generated in a calendar year, expressed in metric tonnes.	The indicator helps assess the scale of waste generation in the course of business activity.
Mass of reprocessed metals	GRI 301	tons	Total mass of recycled input materials (such as scrap) expressed in metric tonnes.	The indicator shows the level of reuse, in the production process, of recycled materials (metals).
Mass of re-cycled plastic	GRI 301	tons	Total mass of recycled input materials (such as PET bottles) expressed in metric tonnes.	The indicator shows the level of reuse, in the production process, of recycled materials (plastics).

Additional indicators

Boryszew Group

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Production volume	tons	548 854.26	473 212.89	75 641.37	16.0%
Energy efficiency indicator	MWh/tonne of production	2.12	2.23	-0.11	-4.9%
Water efficiency indicator	m ³ /tonne of production	5.25	5.58	-0.33	-5.9%
Recycling rate indicator	%	22%	23%	0.00	-2.1%
Waste management efficiency indicator	kg of waste/tonne of production	329.80	391.72	-61.91	-15.8%

The volume of production in 2021 increased at Boryszew Capital Group by 16% versus 2020. This was caused by recovery of production after the COVID-19 pandemic, which led to reduction in production in 2020

Boryszew S.A.

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Production volume	tons	55 824.00	43 001.00	12 823.00	29.8%
Energy efficiency indicator	MWh/tonne of production	2.70	3.05	-0.36	-11.6%
Water efficiency indicator	m ³ /tonne of production	7.50	7.57	-0.07	-1.0%
Recycling rate indicator	%	0.02	0.01	0.01	121.3%
Waste management efficiency indicator	kg of waste/tonne of production	143.78	205.23	-61.45	-29.9%

In the case of Boryszew S.A., the explanation for the increase in production volume can also be explained by the suspension of production in 2020 due to the COVID-19 pandemic.

EMISSIONS

Boryszew Group

Gaseous emissions	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Emissions - Total dust	tons	28.58	35.47	-6.90	-19.4%
Emissions - Carbon monoxide (CO)	tons	2 964.63	2 562.42	402.21	15.7%
Emissions - carbon dioxide (CO ₂)	tons	163 498.75	157 440.76	6 058.00	3.8%
Emissions - Methane (CH ₄)	tons	4.66	4.66	0.00	0.0%

Emissions - Nitrogen oxides (N2O)	tons	210.52	240.45	-29.94	-12.5%
Emissions - Hydrofluorocarbons (HFCs)	tons	0.20	0.17	0.03	19.4%
Emissions - Perfluorocarbons (PFCs)	tons	0.00	0.00	0.00	0.0%
Emissions - Sulphur hexafluoride (SF6)	tons	0.00	0.00	0.00	0.0%

Decrease of gas emission at Boryszew Group in 2021 is mainly due to Boryszew S.A. Boryszew ERG Branch in Sochaczew, which replaced the coal boiler house with a gas-fuelled one.

Boryszew S.A.

Gaseous emissions	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Emissions - Total dust	tons	5.14	16.40	-11.26	-68.6%
Emissions - Carbon monoxide (CO)	tons	16.77	52.17	-35.40	-67.9%
Emissions - carbon dioxide (CO2)	tons	13 533.13	27 853.65	-14 320.52	-51.4%
Emissions - Methane (CH4)	tons	0.00	0.00	0.00	0.0%
Emissions - Nitrogen oxides (N2O)	tons	11.36	40.85	-29.49	-72.2%
Emissions - Hydrofluorocarbons (HFCs)	tons	0.00	0.00	0.00	0.0%
Emissions - Perfluorocarbons (PFCs)	tons	0.00	0.00	0.00	0.0%
Emissions - Sulphur hexafluoride (SF6)	tons	0.00	0.00	0.00	0.0%

Significant decrease of gas emission at Boryszew S.A. came from Boryszew ERG Branch in Sochaczew.

Definitions of selected indicators

Indicator	Unit	Definition	Interpretation
Energy efficiency indicator	GJ/tonne of production	Total consumption of all energy carries (electricity, gas, process steam, etc.) expressed in gigajoules, in a calendar year against the total annual production volume expressed in tonnes	The indicator helps assess the energy intensity of business activity against the production volume (this category includes consumption of electricity, heat, gas and steam).

Water efficiency indicator	m ³ /tonne of production	Total water consumption in cubic metres measured in a calendar year, including own water intakes and pipelines against the total annual sales volume, expressed in tonnes	The indicator helps assess the scale of water consumption in the course of business activity against production volume.
Recycling rate indicator	%	Total use, in a calendar year, of recovered raw materials in the production process expressed in metric tonnes against the total annual production volume in tonnes	The indicator shows the level of reuse, in the production process, of recycled materials (metals, plastics) and impact on the reduction of waste in the environment.
Raw materials management efficiency indicator	kg of waste / ton of production	Total mass of all waste categories generated in a calendar year, expressed in kilograms against the total annual production volume expressed in tonnes	The indicator helps assess the scale of waste generation in the course of business activity against production volume.
Emissions	tons	Pollutants emitted to the environment	The indicator helps assess the scale of Group's impact on the natural environment.

Policies and procedures

Boryszew Group pursues the following policies, procedures and internal regulations for its engagement in environmental protection:

- integrated environmental permits,
- ISO 14001 environmental management systems
- quality management systems in the supply chain TS 16949

Obtained based on the audits carried out by independent organisations are an important form of confirming the high standards of corporate management.

They may constitute a significant form of competitive advantage, but most often they decide for considering the Boryszew Group a contractor by major international corporations, which are clients of the Boryszew Group. Boryszew Group companies hold the following certificates:

Certification	Certified organisational units
ISO 9001 (certificate of quality management system within the organisation)	Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział NPA, ZM Silesia S.A., Baterpol S.A., WM Dzierżycze S.A., Hutmen Sp. z o. o., Boryszew Formenbau Deutschland GmbH, Boryszew Plastics Rus Ltd., Boryszew Tensho Poland Sp. z o.o.,
ISO/TS 16949 (supply chain quality management system certificate)	Boryszew S.A. Oddział Maflow, spółki Grupy Maflow, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Kunststofftechnik GmbH, Boryszew Oberflächentechnik GmbH, Boryszew Plastics Rus Ltd., Boryszew Tensho Poland Sp. z o. o.,
ISO 14001 (environmental management system certificate)	Boryszew S.A. Maflow Branch, Boryszew S.A. NPA Branch, Baterpol S.A., Hutmen Sp. z o.o., WM Dzierżycze S.A., Boryszew Oberflächentechnik GmbH and Boryszew Tensho Poland Sp. z o.o.
ISO 50001 (energy management system certificate)	Boryszew Formenbau Deutschland GmbH, Boryszew Kunststofftechnik GmbH, Boryszew Oberflächentechnik GmbH, Boryszew Linstofftechnik Deutschland GmbH Oddział Ymos
OHSAS 18001 (occupational health and safety management system certificate)	Baterpol S.A., Boryszew S.A. NPA Branch
ISO 17025:2005 (testing laboratory certificate)	Laboratoria Badań Batory Spółka z o.o.

Boryszew Group companies strictly follow the provisions of REACH Regulation (Registration, Evaluation and Authorisation of Chemicals) of European Parliament and Council and have fulfilled the obligation to register all the chemical substances contained in the products manufactured by them. The REACH system guarantees maintenance of high standards of human health and environmental protection. The idea of the Regulation is based on the principle that the manufacturers ensure that the substances they produce do not have a harmful effect on human life or the environment.

Results of policies and engagement

The Group companies introduce energy-efficient technologies and maintain a legally permissible level of pollution and waste emission to counter the risks associated with exceeding the permissible emission levels of environmental permits. Boryszew regularly monitors the consumption of water, energy supplied in the form of electricity and gas, as well as the production of waste.

Boryszew Group has properly identified, in its operations, the risks, therefore it pays special attention to the opportunities for recycling in metal scrap and plastic waste processing (refer to the Recycling rate indicator, table Additional indicators):

- Alchemia S.A. reuses over 93 thousand tons of metal in its production process. Additionally, in order to reduce water consumption in two Branches of Alchemia S.A., i.e. Walcownia Rur Batory and Stalownia Batory that utilise two circuits, i.e. drinking water and closed industrial water circulation, sewage from drinking water consumed by the Branches is used to supplement losses in industrial water circuits (such as due to evaporation, losses in industrial water network, losses on fan coolers etc.),
- Baterpol S.A. operates buy-back and processing of scrap batteries and the technological solutions applied by the company close the battery recycling cycle and enable further use of over 95% of the obtained scrap mass; the technological process involves cutting-edge technological solutions that guarantee “green” recycling of used batteries in conditions meeting the requirements of national and Union standards of safety and environment protection.
- Boryszew S.A. branch NPA Skawina and WM Dziedzice S.A. use aluminium, copper and brass scrap respectively as a significant part of their production input,
- Zakład Utylizacji Odpadów Konin collects various categories of hazardous waste for storage and processing in an environmentally sound manner or treats it in a waste incineration plant (thermal processing of waste).

The elements of coherent environmental policy of the Group companies mentioned above prove that we notice climate change. The measures undertaken are aimed at limiting the negative impact of individual Group companies on the environment. Boryszew Group is constantly trying to introduce new technologies and enhance old solutions in order to optimise the production process in terms of natural resources utilised.

The Group companies try to use as few raw materials as possible, which not only reduces production costs but also reduces their negative impact on the environment. We recognise that some aspects of our business need to change, so solutions to minimise the environmental impact of our operations are constantly being introduced.

Risks

Most important risks involved with environmental protection and their mitigation:

Risk	Risk mitigation
Pollution of natural environment (soil, water or air)	Monitoring of emissions to the environment, ex-ante and ex-post actions to reduce emissions.
Production process which follows environmental standards	Monitoring of the production process, schemes aimed at prevention of industrial accidents.
Production process in an energy inefficient way	Monitoring of energy consumption in the production process, continuous implementation of initiatives increasing energy efficiency, ISO 50001 certification in other plants of the Boryszew Group.
Lack of timely adaptation to changes in legal regulations or customer expectations regarding environmental protection	Review of planned changes in environmental regulations (in units exposed to this risk), allocation of budgets for operating costs and capital expenditure related to adjustment to these changes.

Climate issues

Climate issues are considered by the Company as an important factor affecting the business environment, including in particular the operational processes, industry prospects, demand factors, legal regulations or possible structural changes in the value chain.

Bearing in mind the importance of climate issues, the integration of climate aspects into management processes and strategy of Boryszew will be considered, following relevant assessment. In the business model, the Group cooperates mainly in B2B channels and thus the shape of the product offer is associated with production technologies and solutions currently used in relevant industry.

The Group identifies the following areas of possible impact on the climate environment:

- direct consumption of raw materials and indirect impact resulting from the consumption of purchased electricity and heat - in this aspect, regardless of climate requirements, the Group's intention is to invest in production technologies that limit the consumption of energy and raw materials;
- indirect impact resulting from production and logistics activities within the supply chain;
- possible industry initiatives with the participation of Group companies to build climate awareness in the value chain.

At the same time, climate issues have (or may have in the future) an impact on Boryszew Group in the following areas:

- legislative changes imposing on specific industries the obligation to incur capital expenditure limiting the energy intensity of specific operating processes;
- the need to adjust the product offer to the regulatory requirements, which are determined by the industry standards (in particular in the automotive industry) as well as the requirements resulting from the growing climate awareness of the final product clients in the supply chain with Boryszew Group;
- the impact of climate issues that may influence the development of demand factors in specific sectors (such as initiatives by cities to discourage the use of cars as a means of transport);
- the possibility of frequent local, violent weather events that may result in physical destruction of operational locations as well as the supply chain;
- availability and potential increase in energy and raw material prices;
- potentially higher insurance premiums associated with physical damage to assets;
- availability of bank products for energy-efficient initiatives.

Boryszew S.A. believes that none of the assets of Boryszew Group are particularly exposed to the risk associated with climate factors.

EU non-financial taxonomy

For the purpose of this report, an analysis of the share of qualifying business activities and business activities not qualifying for the EU Non-Financial Taxonomy systematics in total turnover, capital expenditure and operating expenditure as well as relevant qualitative information insofar as it relates to the aforementioned indicators for fiscal year 2021 was performed. The indicators presented refer to both systematics related to climate change mitigation and adaptation.

Conformity with the systematics is not disclosed for the purposes of this report.

With respect to the indicators presented, the Group does not have comparative data for 2020. The Group has not yet developed or implemented the plan referred to in point 1.1.2.2. of Annex no. 1 of the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to art. 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Regulation 2178).

Boryszew Group does not have investments in equity settled in joint ventures according to IFRS 11 or IAS 28.

Turnover ratio

turnover ratio - percentage of turnover eligible for systematics		
	revenues (PLN million)	percentage of revenue (%)
Operations eligible for systematics	385.60	6%
Operations not eligible for systematics	5 878.40	94%
TOTAL	6 264 000	100%

For the turnover ratio:

- the denominator of the turnover ratio was the consolidated net revenues from sales of Boryszew Group in 2021;

Companies of Boryszew Group have not issued green bonds or debt securities in order to finance relevant identified types of activities in accordance with the systematics.

Activity No.	Description	value (million PLN)	share in systematics capital expenditure (%)
3.4	Recycling of used batteries, recovery of raw materials	373.01	97%
other	n/d	12.59	3%
	TOTAL	385.60	100%

Capital expenditure ratio

capital expenditures ratio - the percentage of capital expenditures eligible for systematics		
	investment outlays (PLN million)	percentage of total capital expenditure (%)
Operations eligible for systematics	13.89	9%
Operations not eligible for systematics	147.94	91%
TOTAL	161.83	100%

For the capital expenditure ratio :

- the denominator was investment outlays at Boryszew Group in total amount of about PLN 161.83 million for 2021 calculated according to IAS/IFRS provisions indicated in the Annex to Regulation 2178;
- for the purpose of the numerator analysis, capital expenditure on activities included in the EU Non-Financial Taxonomy were identified in the amount equivalent to approximately PLN 13.89 million.

The investment expenditure qualified for systematics at Boryszew Group include the below mentioned types of activity.

Activity No.	Description	value (million PLN)	share in systematics capital expenditure (%)
3.4	Recycling of used batteries, recovery of raw materials	4.9	35%
3.3	Manufacturing, repairing, maintaining, upgrading, repurposing and retrofitting low-emission transportation vehicles, rolling stock and vessels.	5.47	40%
other	n/d	3.52	25%
	TOTAL	13.89	100%

Boryszew Group had no investment plan for capital expenditure mentioned in point 1.1.2 of Annex no 1 to Regulation 2178. The Group companies issued no green bonds or other securities to finance certain identified systematics qualifying capital expenditure.

Operating expense ratio

operating expenditure ratio - the percentage of operating expenditure eligible for systematics		
	operating expenditure (million PLN)	percentage of total operating expenditure (%)
Operations eligible for systematics	19.51	27%
Operations not eligible for systematics	51.68	73%
TOTAL	71.19	100%

For the operating expenditure indicator, an analysis of the components of operating expenditure as defined by the EU Non-Financial Taxonomy was performed, resulting in a denominator value of PLN 719.49 million.

The value indicated above covers in particular of

- non-capitalised expenses on restoration of buildings in the amount of app. PLN 0.64 million
- non-capitalised expenses on short-term leasing in the amount of PLN 9.08 million;
- non-capitalised expenses no maintenance of assets in the amount of app. PLN 5.66 million.

Operating expenditure qualified for systematics include the expenditure categories indicated below.

Activity No.	Description	value (million PLN)	share in operating expenditure (%)
6.5	Purchase, financing, renting, leasing and operating vehicles in M1 and N1 categories	9.08	47%
7.2	Renovation of existing buildings	0.64	3%
other	n/d	9.79	50%
	TOTAL	19.51	100%

Carbon footprint and greenhouse gas emissions intensity (Scope 1 and Scope 2)

Boryszew Group chose in 2022 to publish information about carbon footprint in relation to the consumption of fossil fuels by Group's companies (Scope 1) and in relation to indirect emissions, associated with energy used, generated outside Group's companies that relate to the stage of production of electricity and heat purchased by them (Scope 2). Presented issues concern all operating companies within Boryszew Group which have together over 90% share in total employment of Boryszew Group. The remaining companies have virtually no operations and thus their share of emissions is negligible. Presented combustion of fuels and consumption of electric and thermal energy by Boryszew Group in at least 95% took place in Poland. For the purpose of calculating emissions from fuels and electricity, simplification was assumed through the use of emission factors provided by the National Centre for Balancing and Emission Management, while for heat energy emission factors were adopted based on the study "Heat Engineering in Figures - 2020" of the Energy Regulatory Office. In addition, emission factors presented by the EPA U.S. Environmental Protection Agency were used for the refrigerants included in scope one.

Table - Scope 1

Direct GHG emissions from sources that are owned or managed by the company, including: stationary fuel combustion, fleet emissions, fugitive emissions (such as leaks from refrigeration and air conditioning equipment), and emissions resulting from industrial processes.

Capital Group	Unit of measure	2021	2020
GHG emissions (Scope 1)	Mg CO ₂ e	120.380	126.925

Table - Scope 2

Indirect greenhouse gas emissions from the generation of purchased and consumed electricity, steam, heat or cooling.

Capital Group	Unit of measure	2021	2020
Purchased electricity	Mg CO ₂ e	810.981	734.986
Purchased thermal energy	Mg CO ₂ e	6.622	5.537
Purchased steam	Mg CO ₂ e	5.976	4.583
Purchased cooling energy	Mg CO ₂ e	1.240	1.467
Total	Mg CO ₂ e	824.818	746.574

Boryszew Group is taking steps to increase energy efficiency and switch to renewable sources of energy. These measures are aimed at significant decrease of greenhouse gas emission in coming years by Boryszew Group.

Occupational health and safety

Description of the area

Boryszew Capital Group is one of the largest industrial groups in Poland. Currently, the Group has more than 30 production facilities located on four continents: in Europe, Asia and the Americas, employing about 9 000 people. We owe our leading position on the Polish industrial market mainly to our employees, whose passion and commitment are our greatest asset.

As employer, we care about the health and safety of the workplace, follow health and safety guidelines, and provide stable employment conditions. We believe that an investment in employees and their development is an investment in the success of the entire company. We are convinced that open communication and support for our employees in different fields leads to their increased motivation and engagement at work. We conduct systematic, dedicated employee health and safety training, fire training and first aid training. We believe that proper training and preparation of employees prevents a large proportion of occupational accidents and health diseases.

It is the company's policy that every employee has the right to refuse unsafe work. Each employee is also provided personal protective equipment depending on the type and degree of hazards of the work performed.

Through preventive and educational measures we aim at making Boryszew Group a friendly workplace. We also constantly take care of the flow of good practices and knowledge from the HR industry. Engaging employees in innovative projects enables us to see their potential and guide their development path.

Proof of the effectiveness of the practices and the sharing of the Group's values by employees is the team of approximately 9 000 professionals in different fields. We are grateful for their loyalty and trust they put in us while developing their careers under the wings of Boryszew Group.

KPIs (Key Performance Indicators)

Boryszew Group

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of accidents at work	number of accidents	135.00	122.00	13.00	10.7%
Accident frequency rate per 1000 employees	number of accidents	15.17	13.09	2.08	15.9%
Number of fatal accidents	number of accidents	0.00	0.00	0.00	0.0%
Number of days of incapacity for work due to accident	number of days	6 643.00	5 897.00	746.00	12.7%
Accident severity index	number of days	414.38	612.02	-197.65	-32.3%

Boryszew Group monitors accidents as this kind of information has an impact on the development and investments in safety procedures, aimed at constant reduction of the amount of hazardous factors in our production facilities. The most common causes of accidents at work are associated with work organisation and human behaviour. These include: insufficient focus on the work performed, improper limb handling in danger zones and unexpected events. Accidents are primarily associated with manual activities (operation of machines, manual transport of material or using equipment, cleaning work). Contracts concluded by the companies with subcontractors contain clauses whereby subcontractors must comply with health and safety regulations in force at Group companies.

Our internal security procedures are treated very strictly. Owing to the procedures implemented and consistently followed at our production facilities, our business has a negligible number of accidents, compared to similar facilities in Europe and worldwide.

Boryszew S.A.

	Unit of measure/description	2021	2020	Change 2021 vs. 2020	Change 2021 vs. 2020 (%)
Number of accidents at work	number of accidents	24.00	24.00	15.00	9.00
Accident frequency rate per 1000 employees	number of accidents	55.96	55.96	27.96	28.00
Number of fatal accidents	number of accidents	0.00	0.00	0.00	0.00
Number of days of incapacity for work due to accident	number of days	1 053.00	1 053.00	685.00	368.00
Accident severity index	number of days	128.15	128.15	163.00	-34.85

Definitions of selected indicators

Indicator	Unit	Definition	Interpretation
Number of accidents at work	number of accidents	Total number of registered accidents at work in the reporting period.	The indicator shows the absolute number of accidents in the reporting period and is the basis for the calculation of derived indicators
Accident frequency rate per 1000 employees	number of accidents	Total number of recorded occupational accidents during the reference period/ (Total number of persons employed at the end of the calendar year on a full-time equivalent basis *1000)	The indicator shows the relative number of accidents in the reporting period against the size of the organisation, for internal comparisons between units within the Boryszew Group, as well as for external comparisons with other units.
Number of fatal accidents	number of accidents	Total number of registered accidents at work in the reporting period ending with loss of life.	The indicator shows the absolute number of fatal accidents in the reporting period.
Number of days of incapacity for work due to accident	number of days	Total number of days over which employees involved in an accident were unfit	The indicator helps assess lost working time and thus lower than expected employment effectiveness.

		for work during the reporting period	
Accident severity index	number of days	Total number of days of incapacity for work in the reporting period/ Total number of accidents in the reporting period	The indicator helps assess the average severance of the effects of accidents that took place during the reporting period (number of days of incapacity for work per one accident)

Policies and procedures

Boryszew Group pursues the following policies, procedures and internal regulations for its engagement in occupational health and safety:

- Work regulations,
- internal health and safety instructions,
- internal instructions in the event of industrial accident or fire.

Results of policies and engagement

Group's activities are aimed at reducing the number of accidents. To this end, the management boards of Boryszew Group companies maintain a constant dialogue with employees' organisations and trade unions.

Despite the increase in the frequency of accidents per 1000 employees at Boryszew Group, the accident severity rate dropped as a result training sessions conducted in 2021 on health and safety, fire protection and first aid for our employees, contractors and guests. We believe that continuous education and making employees aware of the dangers at the workplaces, make it easier to avoid them. To increase safety, employees may refuse to perform dangerous work, which gives them the choice and opportunity to make a decision on their own.

An additional form of supporting a safe work environment is, for example, introduction of process innovations (such as automation of production processes, implementation of Industry 4.0 model in the Automotive segment). These activities ensure to our employees not only safety, but also comfort in performing their tasks for the Company. Furthermore, ensuring protective equipment for our employees is the basis priority for our company. We want working conditions in Boryszew to be of the highest level.

Risks

Most important risks involved with OHS and their mitigation:

Risk	Risk mitigation
Accidents at work leading to death or damage to health	Preventive actions (such as ensuring an adequate level of training) and ex-post actions (assessment of incidents and correction of rules of conduct).

Fire within the production facility, leading death or damage to health or property.	Preventive measures to minimise the risk of fire.
Violation of health and safety regulations by employees or contractors.	Regular health and safety training for employees and (where appropriate) for contractors or visitors.

Anti-corruption and anti-bribery measures

Description of the area

In order to prevent any forms of bribery and corruption at the company, the internal audit of Boryszew Group regulates prohibited practices based on the annual action plan.

Boryszew prohibits accepting from customers or suppliers any gifts or other gratuities with a value other than symbolic, regardless of their form. In addition, the Company prohibits providing any monetary, material or other gratuities to supplier's or customer's representatives for the purpose of obtaining a contract signature or any other commercial or financial benefit. It is also strictly prohibited to offer gifts to current or potential customers and suppliers or to offer them any discount or benefit of more than symbolic value.

Boryszew S.A. while choosing suppliers of services and products pays attention to: conformity of their practices with company's internal regulations, quality of services and price. It is the Company's policy that the first priority of employees conducting and supervising negotiations with suppliers should be acting in the interests of the company, within the legal framework. Any preference for friends and acquaintances is excluded, as are discriminatory practices.

KPIs (Key Performance Indicators)

No key performance indicators were defined for "Anti-corruption and anti-bribery measures". Boryszew S.A. and Boryszew Group aim at total elimination of such cases.

Policies and procedures

Measures of the Group aimed at counteracting corruption and bribery are determined by the following policies, procedures and internal regulations:

- Code of Ethics of Boryszew S.A.
- Conformity rules in Boryszew Group
- Instructions for anonymous reporting of credible information on compliance violations (whistle blowers)

Results of policies and engagement

2021 saw no potential violations of ethical standards in Group companies and no cases of corruption were identified.

Risks

Most important risks involved with corruption and bribery and their mitigation:

Risk	Risk mitigation
Conflicts of interest in the conduct of business transactions, preference for specific suppliers or customers	Procedures for the disclosure of potential conflicts of interest
Acceptance of financial benefits by employees	Procedures excluding such practices
Execution of transactions contrary to legal regulations	Procedures regulating the process of concluding contracts/ incurring liabilities that reduce the risk of such transactions as much as possible

Approval of the report on non-financial information of Boryszew S.A. and Boryszew Capital Group for 2021

This Report on non-financial information of Boryszew S.A. and Boryszew Capital Group for 2021 was approved by the Management Board of Boryszew S.A. on 27 April 2022.

Wojciech Kowalczyk - President of the Management Board

Mikołaj Budzanowski - Member of the Management Board
