

DUE DILIGENCE IN TERMS OF HUMAN RIGHTS

Introduction

Involvement of Re Alloys sp. z o.o. in respect for human rights has been described in this document. It has been drafted based on the United Nations Guiding Principles on Business and Human Rights. It includes regulatory framework related to respect for human rights referring to the UN reporting framework. At the end hereof, there is a table prepared based on the UN reporting framework in terms of the guiding principles. Application of the UN Guiding Principles along with the UN reporting framework enables Re Alloys to provide complete and meaningful information compliant with the global standards of respect for human rights.

Re Alloys, exercising due diligence in terms of monitoring respect for human rights, has implemented a potential or actual breaches reporting procedure that circumscribes the rules of reporting breaches of law.

1. Undertaking of Re Alloys to respect human rights

1.1. Top management's declaration on human rights

A declaration on human rights with respect to Re Alloys is made by the Company's Management Board (Corporate Social Responsibility).

In the declaration it is stated that, as a company of heavy industry sector, Re Alloys is aware of its social responsibility. The Company undertakes to take account of respect for human rights in all its activities and business objectives. The Company constantly seeks to monitor and determine the influence of its business activity on human rights and it takes measures aiming at preventing human rights violation.

Re Alloys expresses and reaffirms its undertaking to observe the UN Global Compact and other international standards in the areas of human rights.

1.2. Maintaining the international standards in terms of human rights as a minimum requirement in conducting business activity.

Apart from observing national laws and regulations, Re Alloys undertakes to observe the principles listed in the following international reference instruments:

- the United Nations Guiding Principles on Business and Human Rights
- the United Nations Global Compact
- Children's rights and business rules
- the Universal Declaration of Human Rights
- the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- the Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises

1.3. Re Alloys' involvement in internal regulations and processes

Re Alloys, by ensuring coherence arising from responsibility for respect for human rights and principles stemming therefrom, implements internal regulations which are provide compliance with human rights and contribute to business relationships with contractors.

Principles of human rights at Re Alloys are covered in the key regulations, such as:

- Diversity Policy,
- Cyber-security Instruction,
- Data Protection Policy,
- Anti-mobbing Policy,
- Code of Ethics and Code of Business Conduct,
- Policy on countering unfair practices,
- Employment policy,
- Policy on reporting actual or potential breaches,
- Rules of Procedure for suppliers,

The above-mentioned regulations present human rights as a key element of the company's value and they contribute to embedding the human rights in corporate culture at Re Alloys. They also specify the expectations towards our Stakeholders in terms of meeting the obligation of observance the human rights as minimum criteria of the applied standards.

Criteria for human rights are integrated with various processes and systems specific for metallurgy, what contributes to preventing breaches of employees', customers' and local community's rights and provides compliance with internal regulations and policies adopted by Re Alloys'.

All the above-described undertakings of Re Alloys in terms of human rights are public and available at the company's website, also they are distributed internally to all employees, business partners, suppliers and interested parties.

2. Risk Mapping in Human Rights

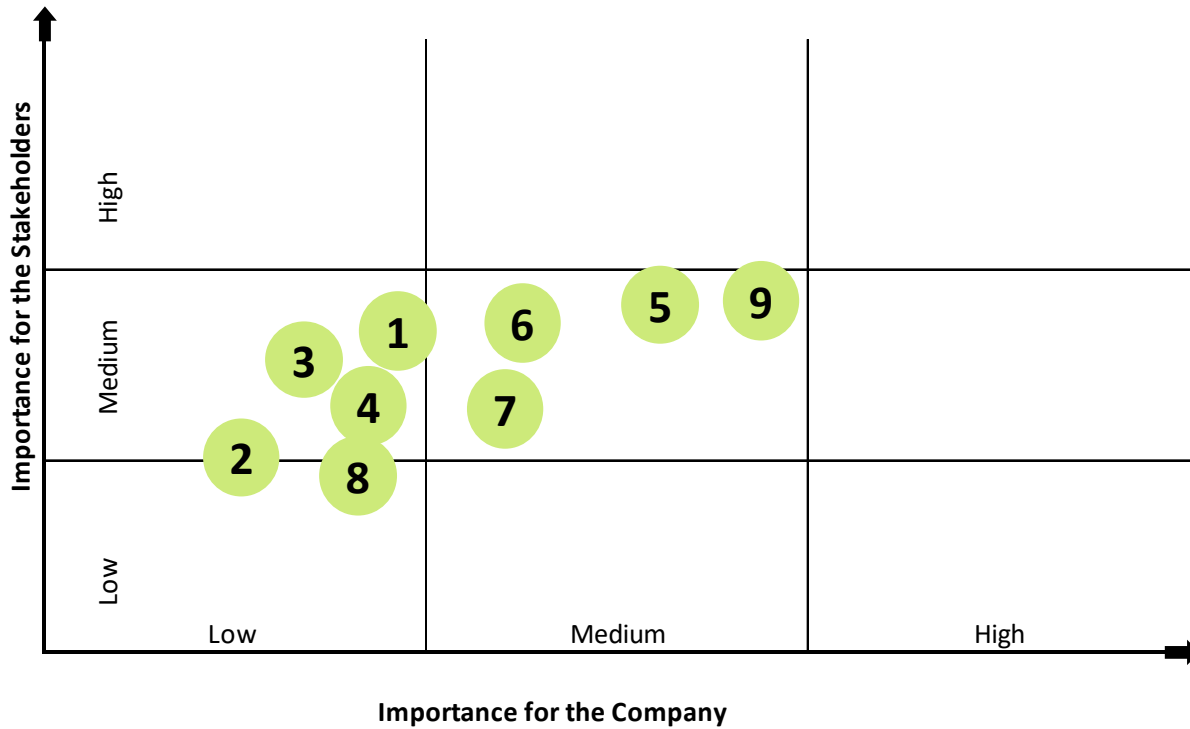
2.1. Identification of all risks related to human rights in the value chain

Identification of risks is pursued by internal self-assessment at the company's significant organisational levels particularly related to respect for human rights.

Re Alloys assumes that this cyclical self-evaluation will be updated every two years.

Risk mapping within the two-year self-assessment should be pursued in the areas included in the below figure.

Risk mapping in terms of human rights



Key:

- | | |
|--|--|
| 1 - proper cooperation with suppliers | 6 - environmental protection |
| 2 - respect for diversity | 7 - anti-corruption and anti-bribery measure |
| 3 - forced labour, human trafficking, child labour | 8 - discrimination, mobbing |
| 4 - freedom of association | 9 - occupational health and safety |
| 5 - working hours and remuneration | |

2.2. Defining the most essential areas in terms of human rights

Re Alloys defines essential areas of human rights adhering to UN guidelines with respect to requirements set for enterprises when it comes to human rights and identification of risks posed to people and environment.

Re Alloys identifies the following main threats that may have adverse impact on people and environment:

- threats brought by poor quality of products
- threats brought by failure to provide personal protective equipment or to observe the OHS guidelines
- threats related to failure to comply with the basic rights of the workers
- threats related to negative impact of the production on the environment

2.3. Mapping of risk linked to failure to comply with the workers' rights in terms of practices applied by suppliers of Re Alloys.

Risk mapping among the suppliers is pursued in key areas, i.e., health, security, environment and human rights.

Once a year, Re Alloys conducts research among the key suppliers in order to verify whether the human rights and principles arising from the Rules of Procedure for Suppliers are observed.

What is expected is the situation where the Re Alloys' suppliers meet the standards specified in the Rules of Procedure for Suppliers and undertake to adhere to it, in particular in terms of respect for human rights.

3. Manners of minimising the risk related to human rights

Re Alloys has designed and implemented internal regulations to minimise the risks linked to human rights violation and it has undertaken to regularly verify possible new risks, also to review if the human rights standards are followed in the company.

3.1. Dedicated measures aiming at managing the most significant human rights issues

- human rights related to employees' security

The company's employees' security is a priority in the day-to-day operation; therefore, the management monitors the employees' equipment on an ongoing basis, based on the highest safety standards for work in high temperature environment.

We have the highest quality equipment and we train our employees in administration of first aid.

- Human rights matters related to environmental protection and minimising the impact on the local community:

Minimisation of the use of natural resources by the company's operation is the objective of the environmental policy of Re Alloys. Therefore, at every stage of the production process, we ensure the maximum use of production waste and the least interference with the nature. Environmental measures are our priority.

Within our current goals we are seeking to introduce innovative technical solutions to enable energy and other utilities efficiency, rational consumption of raw materials and minimisation of releases to the environment and full economic utilisation of generated waste.

3.2. Training of senior management and operational management staff in terms of human rights.

Pursuing implementation of the visions and approach of Re Alloys when it comes to human rights in day-to-day duties and employees' correct understanding of due diligence in terms of human rights, the company provides regular trainings.

The company undertakes to carry out regular trainings in this regard, every three years.

3.3. Stakeholders’ involvement

We believe that one of the key factors for the success of human rights respect promotion in business is to ensure that all stakeholders are informed of their individual and collective rights and aware of their obligations.

Re Alloys is convinced that continued and gradual response to the stakeholders’ recommendations with respect to human rights constitute a foundation of constant improvement of internal regulations in the field of human rights.

4. Manners of reporting breaches

4.1. Procedure on reporting actual or potential breaches

All the Re Alloys’ employees have an access to the Procedure on reporting actual or potential breaches applicable in the company. The Procedure sets out in detail the manners of reporting breaches. Adequate audit and internal control units are responsible for collecting reports and their verification.

Such reports may be made also anonymously.

5. Monitoring of the due diligence in terms of human rights

Management of the due diligence process in terms of human rights is performed by Corporate Governance Manager who coordinates and implements actions. Corporate Governance Manager cooperates closely with HR department and relevant units carrying tasks of audit and internal control department. Audit and internal control department.

Monitoring of risk management measures and complaint handling mechanisms is provided by responsible organisational units. Re Alloys discloses performance indicators in terms of human rights, including those developed by Global Reporting Initiative (GRI), in its annual ESG reports.

SELECTED INDICATORS BASED ON THE REPORTING FRAMEWORK RELATED TO KEY ELEMENTS OF UN GUIDELINES AND IN LINE WITH 5 STEPS OF THIS REPORT

REPORTING FRAMEWORKS IN TERMS OF UN GUIDELINES	CORRESPONDENCE WITH THE SECTIONS OF THIS REPORT
UNDERTAKING REGARDING THE COMPANY'S POLICY A1 What is publicly declared by the company with regard to its undertaking to respect human rights?	see I. Undertaking (PAGE 2)
INCORPORATION OF THE UNDERTAKING TO RESPECT HUMAN RIGHTS INTO THE COMPANY'S ACTIVITIES A2 What is the manner the company manifests the importance it attaches to pursuing its undertaking to respect human rights?	see I. Involvement (PAGE 2-3) and III. Manners of minimising the risk related to human rights (PAGE 4-5)

REPORTING FRAMEWORKS IN TERMS OF UN GUIDELINES	CORRESPONDENCE WITH THE SECTIONS OF THIS REPORT
C1 Does the company have any particular policies referring to its most significant matters related to human rights, if so, what are they?	
ASSESSMENT OF THE IMPACT B1 List of the most significant matters B2 Definition of the most significant matters B3 Selection of the main locations B4 Additional serious cases of negative impact	see II. Risk mapping for human rights (PAGE 3-4)
C2 What is the company's approach towards cooperation with the stakeholders with reference to each of the most significant matters within the scope of human rights? C3 What is the manner the company identifies any changes in the nature of each of the most significant matters within the scope of human rights over time?	
INTEGRATION OF ARRANGEMENTS AND TAKING MEASURES C4 In what manner does the company incorporate its arrangements regarding each of the most significant matters within the scope of human rights to the process of decision making and measures taken?	see III. Manners of minimising the risk related to human rights (PAGE 4-5)
MONITORING OF ACTIONS EFFECTIVENESS AND RESULTS C5 How does the company know that its actions taken to resolve each of the most significant matters within the scope of human rights are successful in practice?	see III Manners of minimising the risk related to human rights (PAGE 4-5) and V. Monitoring of the due diligence in terms of human rights (PAGE 6)
COMMUNICATION EFFECTIVENESS Application of the UN reporting frameworks regarding guiding principles REMEDIAL MEASURES C6 What is the manner the company facilitates effective application of remedial measures if as a result of its actions or decisions in relation to each of the most significant matters within the scope of human rights people are suffering?	see IV Manners of reporting breaches (PAGE 5)

Policies regarding Human Rights, i.e., Respect for Human Rights, Code of Ethics and Code of Business Conduct, Diversity Policy, Anti-mobbing Policy, Rules of Procedure for Suppliers and Procedure on reporting actual or potential breaches are available at our website: www.realloys.pl