

**REPORT ON NON-FINANCIAL INFORMATION OF
BORYSZEW GROUP AND BORYSZEW S.A. FOR 2018**



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Scope of the declaration

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 2018.

The report covers all the companies of the Boryszew Capital Group subject to full consolidation in the consolidated financial statement.

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.

Part of the Boryszew Group is Impexmetal Capital Group, whose parent company (Impexmetal S.A.) is listed on the Warsaw Stock Exchange. Under provisions of Article 49b section 11 and Article 55 section 2e of the Accounting Act both Impexmetal Group as well as Impexmetal S.A. opted for exemption from drafting a separate report on non-financial information.

Part of the Boryszew Group consists is Walcownia Metali Dzierżycze S.A. which fulfils the criteria of Art. 49b section 1 of the Accounting Act, and which also opted for exemption from drafting a separate report on non-financial information, which instead is an integral part of the report on operations.

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 were 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 (G4) 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 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.

Boryszew S.A. created a function of the Compliance Officer with responsibilities covering conformity of the applicable rules in compliance risk management and corruption risk management in the Group.

Key information

Boryszew Group

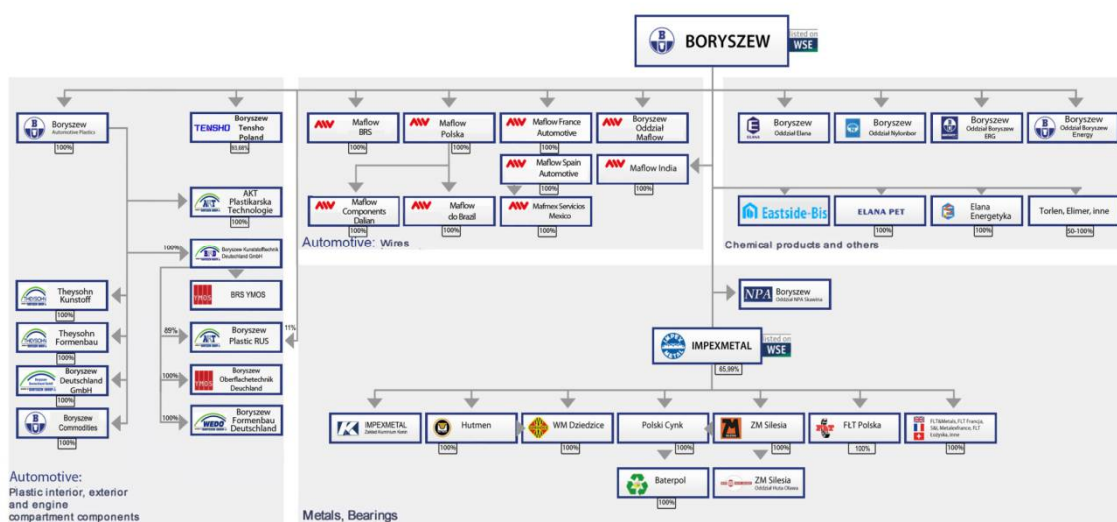
		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Total	PLN million	6 100	6 290	-191	-3.0%
EBITDA	PLN million	379	469	-91	-19.3%
Investment outlays	PLN million	158	193	-34	-17.8%
Net debt	PLN million	1 149	930	219	23.6%
Sales volume	tons	321 372	323 452	-2 080	-0.6%
Number of employees	employees	9 520	10 135	-615	-6.1%
EBITDA per employee	PLN thousand/employee	39.8	46.3	-6.5	-14.1%

Boryszew S.A.

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Total	PLN million	1 541	1 513	28	1.9%
EBITDA	PLN million	108	127	-20	-15.4%
Investment outlays	PLN million	28	24	5	19.2%
Net debt	PLN million	570	508	62	12.3%
Sales volume	tons	92 287	95 250	-2 963	-3.1%
Number of employees	employees	3 218	3 291	-73	-2.2%
EBITDA per employee	PLN thousand/e employee	33.5	38.7	-5.2	-13.5%

Business model

Simplified organisational chart of the Capital Group



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 conduct, activities that involve: management of the capital group, production and trade in electricity, trade in natural gas, real estate management and sale.

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	Companies of the Maflow Group Companies of the BAP Group	Impexmetal S.A. Boryszew S.A. Branch Nowoczesne Produkty Aluminiowe Skawina WM Dziedzice S.A. Hutmen S.A. ZM SILESIA S.A. Baterpol S.A. FŁT Group	Boryszew S.A. Branch Boryszew ERG Boryszew S.A. Elana Branch Elana PET Spółka z o.o.
Key products	Automotive fluid handling systems including: air conditioning and high-pressure rubber hoses Internal and external plastic car parts, including: galvanised, bulky and movable parts	Products of aluminium and its alloys, products of copper, brass, zinc and lead, lead recycling, trade in bearings	Cooling and de-icing liquids, synthetic fibres, plasticisers, packaging
Customers	Car manufacturers	Automotive industry, packaging material, electrical and technical industry, construction industry	Automotive industry, packaging material, construction industry
Location	Europe, China, India, Brazil, Mexico, Russia	Europe	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 our Group. In this sector, Boryszew Capital Group has two groups of enterprises dealing respectively with manufacture of automotive air-conditioning tubes (Maflow Group) and manufacture of plastic automotive components (Boryszew Automotive Plastics Group).

The automotive industry has become one of the sectors of Boryszew business mainly due to acquisitions of overseas companies (including from bankruptcy receivers), and then their effective restructuring. The development 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 in Dzierżyńsk (Russia).

Maflow Group

The Maflow Group offers high-pressure rubber-aluminium hoses for various automotive systems, including:

- air conditioning system
- cooling system,
- clutches,
- brake system,
- power steering system,
- active suspension system,
- engine oil system,
- fuel system,
- turbo-compressors (turbochargers),
- refrigeration systems.

Maflow Group companies are divided into manufacturers of air conditioning hoses as well as assemblies for transport of fluids and gases in passenger and utility cars as well as entities performing their installation in the final product sold to car manufacturers (OEM).

Suppliers

For the purpose of production of air-conditioning tubes, companies of Maflow Group purchase mainly rubber mixes, aluminium and steel pipes, sensors. 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) near the OEM's plants.

- Poland (Tychy, Torun, Chełmek)
- France (Chartres),
- Spain (Guarnizo),
- Italy (Ascoli Piceno),
- Brazil (Curitiba),
- Mexico (Guanajuato/Leon),
- India (Pune),
- China (Dalian).

Many of the products offered by Maflow are based on our own patented solutions, which determines the competitive position of this entity to the 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, is contractually liable, while other companies of the Maflow Group are subcontractors that execute parts of the supply chain and manufacture semi-finished products (mainly rubber hoses, terminals).

Customers

The main customers of Maflow products are leading international automotive corporations. The most important customers include the Volkswagen Group, Renault Nissan, PSA Peugeot Citroen, Volvo Car Corporation, BMW, Volvo GTT, Scania. None of the customers is a dominant customer.

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 the Maflow Group (including research and development activities) are located in the Maflow Boryszew S.A. Branch in Tychy.

BORYSZEW AUTOMOTIVE PLASTICS GROUP

Boryszew Automotive Plastics Group ("BAP Group") is a group of companies involved in series production of high quality plastic parts for the automotive sector, used in vehicle interior and exterior, including galvanized and varnished plastic parts and injection moulds for the production of these elements. Examples of the BAP Group products include: motor covers, indicator housings, vents, storage compartments, handles, lock casings, release buttons, luggage systems, battery bases, wheel recesses, chassis panels, lighting casings.

BAP Group companies are:

- Companies manufacturing parts
 - Boryszew Kunststofftechnik Deutschland GmbH (BKD) – manufacturer of plastic components for automotive equipment (internal, engine peripheral components), including inter alia components of dashboards, compartments, ventilation nozzles, elements of bonnets, doors.
 - Theysohn Kunststoff GmbH (TKS) - manufacturer of exterior plastic parts for automotive equipment (wheel arches, chassis covers, etc.)
 - AKT Plastikarska Technologie s.r.o. (AKT) - manufacturer of plastic products for automotive industry (engine compartment hoods, roof boxes) and household equipment industry,
 - Boryszew Oberflächentechnik Deutschland GmbH (BOD) - manufacturer of galvanized plastic components used in automotive equipment (mainly doorknobs, frames),
 - Boryszew Plastic Rus (BPR) - manufacturer of plastic external elements and car equipment,
 - Boryszew Tensho Poland Sp. z o.o. (BTP) - manufacturer of plastic elements (including lacquered ones) to provide for the needs of the automotive and RTV sectors,
 - BRS YMOS (BKD Division) - manufacturer of injection-moulded components based on ZnAl (handles, doorknobs, emblems).
- Companies manufacturing tools:
 - Boryszew Formenbau Deutschland GmbH (BFD) - manufacturer of small and large injection moulds,
 - Theysohn Formenbau GmbH (TFB) - production of large injection moulds.
- Companies performing management and service functions (for other BAP Group entities)
 - Boryszew Automotive Plastics Spółka z o.o. – is the holding and parent company in BAP Group,
 - Boryszew Deutschland GmbH - sales, procurement and project management functions.
 - ICOS GmbH - formerly the head office of Theysohn Group, mainly temporary work agent activities for Theysohn,
 - Boryszew Commodities Spółka z o.o. - central procurement of key materials for the BAP Group,

Suppliers

Companies of BAP Group purchase pure raw materials and mixes based on polypropylene, ABS, polycarbonate, polyethylene, polyamides etc. Additionally, the Group purchases ZnAl alloys. Suppliers of the aforesaid raw materials are global chemical corporations or manufacturers of zinc alloys.

The BAP Group features a supplying unit which deals with purchases of plastic granulate for manufacturing units (Boryszew Commodities). The other raw materials are acquired individually by specific plants.

Production

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

BAP Group companies are both manufacturers of injection moulds used in the process of high-pressure stamping of plastics as well as manufacturers of plastic car equipment and non-ferrous metal alloys (as listed above). The most important production processes at the BAP Group include:

- injection moulding of plastic elements,
- painting work,
- injecting supported with gas,
- chromium plating of plastics,
- die forging,
- injection mould construction,

Plastic parts and tools for their manufacture (moulds) are manufactured according to the needs of the end customer, which is an OEM (vehicle manufacturer), Tier-1 (component supplier) or, in some cases, a BAP Group company. At the stage of planning the production process, BAP Group companies are selected to implement the production process.

Customers

Unlike the Maflow Group, the dominant customer for the BAP Group products is one international automotive concern (Volkswagen Group). BAP Group takes steps to diversify its customer portfolio by obtaining nominations from, among others, Japanese car manufacturers.

BAP Group operates on the basis of several-year contracts, which are usually awarded to one company in the BAP Group. This is due to the high cost of preparing the injection mould, which ultimately belongs to the customer.

Management

Some BAP Group companies are involved in research and development, marketing and recruitment of temporary employees.

The strategic management functions are located in Boryszew Automotive Plastics spółka z o.o. in Toruń.

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	Impexmetal S.A. zakład Aluminium Konin Boryszew S.A. Branch of NPA Skawina	strips metal sheets aluminium wire rod wires
Copper	Hutmen S.A. Walcownia Metali Dziedzice S.A.	pipes radiators casting alloys bars coin blanks for coin-making
Zink and Lead	ZM Silesia S.A. Branch Katowice ZM Silesia S.A. Branch Oława Baterpol S.A.	zinc wire zinc sheets zinc oxides lead oxides lead
Trade and other segments	FŁT Group ZUO Sp. z o.o.	trade in bearings waste disposal

Suppliers

The basic raw materials for production in the metals segment include aluminium pig sows and blocks as well as aluminium and other metal scraps, which are imported (pure metal, alloys) or purchased at home (scrap).

The Group diversifies its supply sources, purchasing the basic raw materials from the well-known producers of aluminium (Rusal, Trafigura, Glencore International AG, Berliner Aluminiumwerk) or copper (KGHM) and supplements them with the purchase of aluminium and copper scrap.

Production

This segment includes aluminium (Boryszew S.A. branch NPA Skawina, Impexmetal S.A., Aluminium Konin), copper (Hutmen, WM Dziedzice) as well as zinc and lead (Baterpol, ZM Silesia S.A.) 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.

No material intra-segment operating transactions occur in the companies of the segment.

Customers

Main groups of aluminium products include sheets and strips, 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 electrical engineering and production of packaging materials.

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.

This segment also includes overseas trade companies (located in Europe and Asia) involved in sale of roll bearings under the FŁT brand, as well as a waste storage and disposal company (including hazardous waste) - ZUO Spółka z o.o.

Management

The metal segment is concentrated in the companies of the Impexmetal S.A. Group controlled by Boryszew S.A. The management of Impexmetal S.A. manages operations of this segment outside the scope of powers reserved for the management of the Boryszew Capital Group.

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 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
Elana Pet Sp. z o.o.	PET flakes
Torlen Sp. z o.o. w likwidacji	yarn

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). Apart from the sale of PET flake by Elana PET Sp. z o.o. to Boryszew S.A. Elana Branch and sale of energy by Boryszew S.A. Boryszew ERG Branch to Boryszew S.A. Nylonbor Branch no significant operational relations exist between the entities of the segment.

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),
- fluids for the aviation sector (used for de-icing aircraft and runways),
- fluids for refrigeration systems,
- fibres and other plastics for a wide range of customers among manufacturers of packaging, furniture, clothing, construction industry,
- other products, such as products battlefield simulation used, for instance, for special effects in film materials.

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.

Furthermore, in this area one can differentiate entities dealing with property management, IT service and common purchase of energy at the level of 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).

Social aspects

Description of the area

Boryszew S.A., as a company with a long tradition, understands well that the atmosphere of mutual trust and respect is crucial not only for supporting investment processes, but also for introducing innovations.

Boryszew Group companies strive to ensure good relations based on understanding and cooperation with local communities. Participation in social initiatives corresponds to the scale of company's activity in relevant location. At the same time, the goal is to provide attractive jobs to present and potential employees.

The key initiatives for the Boryszew Group are the initiatives to the communities where its factories are located. The local nature of these activities helps build communities that look more favourably on the Company. Therefore the parent company carries out no such activity on a national scale, and all activities are focused on local level, conducted by the companies of the Group. The Group focuses on creating good relations with employees from the lowest levels up, which leads to positive practices and company perception both in Poland and abroad.

The Company appreciates that business should be conducted up to ethical standards, natural environment and the needs of communities. 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.

KPIs (Key Performance Indicators)

Boryszew Group

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of supported social initiatives	number of initiatives	65	45	20	44.4%

Boryszew S.A.

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of supported social initiatives	number of initiatives	22	17	5	29.4%

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

The number of social initiatives in the Boryszew Group increased by over 40% against the previous year. The Group is increasingly involved in local initiatives because it wants to be associated with positive projects it participates in and which it co-creates. Participation in such projects provides satisfaction, but most importantly, it helps build bonds with communities of the cities in which production facilities of the Group are located.

Boryszew Group puts a lot of emphasis on voluntary activities. One of such activities was a collection of donations organised by Maflow, which were then handed over to the Municipal Animal Shelter in Tychy. In addition, Maflow visited the children from the Day-care and Educational Center of the Christoforos Center in Tychy and brought some sweet gifts. Zakład Aluminium Konin purchased Christmas gifts for orphanages in Nowy Świat and Kaczki Średnie.

Boryszew Group cares not only about the youngest. The Group also helps preserve Polish material cultural heritage. One of such activities was support provided in the renovation of the monument to Polish airmen in Konin, in 2018. Zakład Aluminium Konin also supported financially the Night of Museums and the International Dance Competition.

Boryszew Group, through its companies, is also involved in educational activities. Examples of such educational actions include a performance on ecological issues for kids on the Children's Day and an Autumn Show - organised by Zakład Utylizacji Odpadów. Walcownia Metali "DZIEDZICE" S.A. concluded an agreement with Stanislaw Staszic Complex of Technical and High Schools in Czechowice-Dziedzice on the patronage by Walcownia Metali "DZIEDZICE" S.A. and financial support for the best students.

Boryszew Group companies support activities in health promotion and health prevention. Maflow Branch in Tychy organised the 15th Maflow Company Football Tournament "Orlik Cup 2018". Impexmetal Aluminium Konin supported the organisation of a cyclical sports event "Milestone Run". And Zakład Utylizacji Konin supported the WOŚP fund raising, the Honorary Blood Donor Club - PCK Związkowiec and the Forum of Clinical Hospitals in Poznań.

These are just some of activities in 2018 in Boryszew Group companies got involved. They show how important the activities for local communities are for the company. With increased involvement of the Group, its individual companies feel being a part of the communities they want to co-create.

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,
- culture, art, protection of cultural goods and national heritage,
- 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.

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

Acting in accordance with the UN Global Compact program, Boryszew S.A. and Boryszew Group companies respect human rights, including such issues as the right to a safe working environment, prohibition of discrimination, prohibition of child labour and total intolerance for sexual and mental harassment in the workplace. Violation of any of the above principles would be a violation not only of the law, but also of fundamental values of the Group.

Boryszew S.A. strives to establish relations based on mutual trust at every organisational level of the company, by means such as encouraging its employees to speak freely about the working environment. In addition, the Company creates an attitude of employee involvement by increasing the scope of responsibility and autonomy of work and supporting co-management in work organisation, training and qualification processes.

The Group is an international organisation that values cultural diversity and draws on the achievements and experiences of our employees, customers and other business partners from various regions of the world. It takes 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

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of employees at the end of the reporting period	FTEs	9 520	10 135	-615	-6.1%
Employment structure by gender					
- Females	%	36.4%	36.0%	0.4%	
- Males	%	63.6%	64.0%	-0.4%	
Number of newly hired employees	FTEs	485	746	-261	-35.0%
Number of employees who left the company	FTEs	1 100	785	315	40.1%
Percentage share of disabled employees in total employment	%	5.1%	5.9%	-0.8%	

Number of employees belonging to trade unions	FTEs	2 271	2 154	117	5.4%
Percentage share of employees belonging to trade unions	%	23.9%	21.0%	2.9%	

The decrease in the number of employees comes from the Automotive segment and regards mainly temporary employees. Other important indicators, namely the employment structure by gender, the share of disabled employees in the total number of employees or the percentage of employees belonging to trade unions did not change significantly.

Boryszew S.A.

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of employees at the end of the reporting period	FTEs	3 218	3 291	-73	-2.2%
Employment structure by gender					
- Females	%	50.0%	50.0%	0.0%	
- Males	%	50.0%	50.0%	0.0%	
Number of newly hired employees	FTEs	155	194	-39	-20.1%
Number of employees who left the company	FTEs	228	157	71	45.2%
Percentage share of disabled employees in total employment	%	6.4%	6.6%	-0.2%	
Number of employees belonging to trade unions	FTEs	164	142	22	15.3%
Percentage share of employees belonging to trade unions	%	5.1%	4.3%	0.8%	

The decrease in the number of employees comes from the Automotive segment (Boryszew S.A. Maflow Branch) and regards mainly temporary employees. Other important indicators, such as the structure of employment by gender or the share of disabled employees in the total number of employees, did not change significantly.

Definitions:

Indicator	Indicator number as per GRI	Unit	Definition	Interpretation
Number of employees at the end of the reporting period	G4-LA1	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	G4-LA12-b	%	Percentage of employees by gender	This indicator describes the level of diversity in human capital.
Number of newly hired employees	G4-LA1-a	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 the company, expressed in FTE.	G4-LA1-b	FTEs	Total number of employees who left the company during a calendar year, expressed in FTE.	The indicator helps assess the relative attractiveness of the 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		%	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	G4-24	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	G4-24	%	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.

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

Environmental protection and constant improvement of environmental protection are among priorities of Boryszew S.A. The company strives to ensure the best environmental protection, limit the use of natural resources and energy, limit emissions of substances harmful to the atmosphere and reduce waste generated in the production process.

In order to reduce the negative impact on the environment, the Group introduces also product innovations (such as lighter aluminium elements, advanced plastic products featuring reduced weight, new alloys of non-ferrous metals) resulting in indirectly reduced consumption of energy by end customer.

The framework of responsible use of the environment means that Boryszew S.A. ensures energy-efficient production and maintains the acceptable level of pollution and waste emission. The Group regularly monitors the consumption of energy supplied in the form of electric power and gas. Water consumption as well as generated waste are analysed in the same degree. Special attention is given to recycling opportunities that involve metal scrap and plastic waste processing.

Further to that, Boryszew Group companies are involved in a number of pro-environmental investments, reducing both the consumption of raw materials and production materials, as well as consumption of energy (also as part of the energy efficiency certificate system) and emissions of pollutants.

KPIs (Key Performance Indicators)

Boryszew Group

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Total energy consumption *)	GJ	2 567 173	2 540 458	26 716	1.1%
Total water consumption	m3	1 853 589	1 853 873	-284	0.0%
Total mass of waste	tons	72 421	53 543	18 878	35.3%
Mass of reprocessed metals	tons	115 211	117 626	-2 415	-2.1%
Mass of re-cycled plastic	tons	22 084	21 660	424	2.0%

*following correction of a presentation error of 2017 and unification of the definition

The increase in the mass of waste generated in 2018 was due to a one-off event - soil remediation - at the Aluminium plant in Konin.

Boryszew S.A.

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Total energy consumption *)	GJ	209 218	176 092	33 126	18.8%
Total water consumption	m ³	448 120	459 368	-11 248	-2.4%
Total mass of waste	tons	10 236	9 502	734	7.7%
Mass of reprocessed metals	tons	422	553	-131	-23.7%
Mass of re-cycled plastic	tons	22 084	21 660	424	2.0%

*following correction of a presentation error of 2017 and unification of the definition

The increase in demand for energy as well as the increase in waste comes from the launch of the Maflow Polska plant in Toruń (mid-2017). The decrease in processed metals comes from a decrease in the volume of production (-2.5%) as well as a change in the product range at the NPA branch in Skawina.

Indicator	Indicator number	Unit	Definition	Interpretation
Total energy consumption in GJ	G4-EN3	GJ	Total consumption of all energy carriers (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	G4-EN22	m ³	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	G4-EN23	tonnes	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	G4-EN1	tonnes	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	G4-EN1	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

Due to the nature of the business, which involves volume sales (tonnes), the following indicators were developed only for the Metals and Chemicals Segment, assessed jointly within the Boryszew Group.

Boryszew Group

Metals and Chemicals Segment		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Production volume	tonnes	329 365	335 694	-6 329	-1.9%
Energy efficiency indicator	GJ/tonne of production	7.8	7.6	0.2	3.0%
Water efficiency indicator	m ³ /tonne of production	5.6	5.5	0.1	1.9%
Recycling rate indicator	%	41.7%	41.5%	0.2%	
Waste management efficiency indicator	kg of waste/tonne of production	220	159	60	37.9%

Due to the specific nature of production processes in the Metals and Chemicals Segment, the Group can boast a very high level of recycling, which exceeds 40% and is stable in the periods under review. A significant change in the waste management efficiency indicator is the result of soil remediation in the Konin plant.

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.

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

A significant form of confirmation of high standards of enterprise management are - at the moment - various types of certificates obtained on the basis of audits carried out by independent organisations.

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 Capital Group companies obtained the following certificates:

Certification	Certified organisational units
ISO 9001 (certificate of quality management system within the organisation)	Boryszew S.A. Elana branch, Torlen Sp. z o.o., ZM Silesia S.A., Baterpol S.A., WM Dziedzice S.A., Hutmen S.A., Boryszew Formenbau Deutschland (BFD), Boryszew Plastics Rus (BPR), Boryszew Tensho Poland (BTP), Theysohn Kunststoff (TKS)

ISO/TS 16949 (supply chain quality management system certificate)	Boryszew S.A. branch Maflow, Impexmetal S.A. Aluminium plant Konin, AKT Plastikarska Technologie (AKT Czech Republic), Boryszew Kunststofftechnik GmbH (BKD), Boryszew Oberflächentechnik GmbH (BOD), Boryszew Plastics Rus (BPR), BRS Ymos GmbH (BRS YMOS), Boryszew Tensho Poland (BTP), Theysohn Kunststoff GmbH (TKS)
ISO 14001 (environmental management system certificate)	Boryszew S.A. branch Maflow, Baterpol S.A., Hutmen S.A., Boryszew Oberflächentechnik GmbH (BOD) i Boryszew Tensho Poland (BTP).
ISO 50001 (energy management system certificate)	Boryszew Formenbau Deutschland (BFD), Boryszew Kunststofftechnik GmbH (BKD), Boryszew Oberflächentechnik GmbH (BOD), Boryszew Ymos GmbH (BRS YMOS), Theysohn Kunststoff GmbH (TKS), Theysohn Formenbau GmbH (TFB)
Oeko-Tex® Standard 100 (safety certificate for textile products)	Torlen Sp. z o.o. w likwidacji
OHSAS 18001 (occupational health and safety management system certificate)	Baterpol S.A. and Impexmetal S.A. Aluminium plant Konin
Research Laboratory Accreditation Certificate (Certificate of the Polish Centre for Accreditation)	Impexmetal S.A. Aluminium plant Konin

Boryszew Capital Group companies, operating in Chemicals and Metals segment, strictly follow the Regulation of the European Parliament and of the Council on registration, assessment and granting permits and putting appropriate restrictions on chemicals (REACH - Registration, Evaluation and Authorisation of Chemicals).

The REACH system guarantees maintenance of high standards in the scope of human health and environmental protection through thorough control of the most harmful substances placed on the Community market as well as propagation of restrictive methods of assessment of hazards posed by these substances. The idea of the Regulation is based on the principle that the manufacturers, importers and further users are responsible for guaranteeing that the substances they produce, market and use do not have a harmful effect on human life or the environment.

The Boryszew Capital Group companies fulfilled the obligation of registration of all chemical substances that their products contain pursuant to REACH.

Results of policies and engagement

Boryszew Group has properly identified, in its operations, the risks associated with exceeding the emission limit values provided for in the environmental permits. In order to counteract this, Group companies introduce energy-efficient technologies and maintain a legally permissible level of pollution and waste emission. The Group regularly monitors the consumption of energy supplied in the form of electric power and gas. Water consumption and waste generation are assessed to the same degree.

Special attention is given to the opportunities for recycling in metal scrap and plastic waste processing (refer to the Recycling rate indicator, table Additional indicators):

- Elana PET sp. z o.o. purchases post consumer plastic bottles, which are used to produce PET flakes, to be used in turn as raw materials for production of new packaging; with this recycling some 800 tons of PET bottles per month can be removed from the natural environment.
- Baterpol S.A. operates on the basis of 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.
- Impexmetal S.A. Aluminium plant Konin, 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.

Capital expenditure incurred in 2018 for environmental protection amounted to PLN 2.7 million, and the expenditure for 2019 amounts to nearly PLN 5 million.

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.
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Occupational health and safety

Description of the area

The Group creates and develops one of the largest industrial groups in Poland. Currently the Group operates 30 production facilities located in Europe, Asia and the Americas. Our success comes from passion, commitment and valuable work of almost 10 000 employees.

Human capital is our most important resource.

Ensuring, on a daily basis, the highest safety, stable employment conditions and work hygiene for our employees are the basic principles and values which guide Boryszew Group.

We know that healthy and safe workplaces that conform with health and safety regulations ensure increased motivation and commitment of employees. The hazards that may arise during operation can be varied. That is why we continue to take systematic and reasonable measures to prevent accidents at work and occupational diseases. We provide our employees with OHS, fire safety and first aid training. We put emphasis on education and raising the awareness of employees regarding the risks at workstations and the ways to avoid them.

Each employee also has the right to refuse to perform hazardous works. We also provide personal protective equipment in our work environment, available to every employee whose work requires such equipment.

Our priority is to make Boryszew Group a friendly place to work. We also constantly take care of the flow of good practices and knowledge from the HR industry. We see potential in each of our nearly 10 000 employees. Our employees develop with us, participating in innovative projects, gaining broad knowledge and necessary competences.

Our values are a solid foundation on which we build the future of the Group.

We are grateful to our excellent employees to have joined the Boryszew Group. We are pleased with their confidence and their long history of employment with us as they develop their career paths.

KPIs (Key Performance Indicators)

Boryszew Group

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of accidents at work	number of accidents	244	378	-134	-35.4%
Accident frequency rate per 1000 employees	number of accidents	26	37	-12	-31.3%
Number of fatal accidents *)	number of accidents	0	0	0	0.0%
Number of days of incapacity for work due to accident	number of days	4 655	6 601	-1 946	-29.5%
Accident severity index	number of days	19	17	2	12.2%

*following correction of a presentation error of 2017

The assessment of the accident rate features an informative and motivational role, as it provides insight into the current state of affairs and motivates to change this current state for the better. This is particularly important because any reduction in accidents is a step towards a complete safety at work. 2018 saw a clear improvement in the occupational safety indicators, in the broad sense of the term. In 2018 the number of accidents at work in Group's production companies also decreased by over 30%.

Boryszew S.A.

		2018	2017	Change 2018 vs. 2017	Change 2018 vs. 2017 (%)
Number of accidents at work	number of accidents	14	34	-20	-58.8%
Accident frequency rate per 1000 employees	number of accidents	4	10	-6	-57.9%
Number of fatal accidents	number of accidents	0	0	0	0.0%
Number of days of incapacity for work due to accident	number of days	816	1 840	-1 024	-55.7%
Accident severity index	number of days	58	54	4	7.9%

Boryszew recorded a total of 14 accidents. For comparison, in 2017, 34 accidents occurred in the Company (2018 saw a decrease by more than 50% against the previous year).

Definitions:

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 for work during the reporting period	The indicator helps assess lost working time and thus lower than expected employment effectiveness.
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/labour regulations,
- internal health and safety instructions,
- internal instructions in the event of industrial accident or fire.

Results of policies and engagement

2018 shows a significant improvement in occupational safety indicators. The ambition of the group is to further reduce the number of accidents, which is supported by systematic improvement of working conditions. To this end, the management boards of Boryszew Group companies maintain a constant dialogue with employees' organisations and trade unions.

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. In addition, ensuring protective equipment for our employees is the basis priority for our company. We want to ensure the best working conditions. Such practices build the image of the Boryszew Group, whose employees may perform their tasks, assigned by the employer on a daily basis, without risk.

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 to 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

Bribery and corruption risks are addressed by Group's internal audit department based on an annual action plan.

Boryszew prohibits accepting from customers or suppliers any gifts or other gratuities having 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.

In the selection suppliers of service and products, Boryszew S.A. is guided primarily by such criteria as: conformity with internal regulations (including requirements for suppliers), quality and price. In negotiations with suppliers, the employees who lead and supervise such negotiations should first and foremost act 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.

Results of policies and engagement

2018 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 2018

This Report on non-financial information of Boryszew S.A. and Boryszew Capital Group for 2018 was approved by the Management Board of Boryszew S.A. on 25 April 2019.

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Piotr Lisiecki

President of the Management Board

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Aleksander Baryś

Member of the Management Board

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Mikołaj Budzanowski

Member of the Management Board

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Cezary Pyszkowski

Member of the Management Board